

THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1981 – 86

HOUSE OF ASSEMBLY

Tuesday, May 7, 1985.

Pursuant to the adjournment, the House of Assembly met at 4.44 o'clock on Tuesday, May 7, 1985.

PRESENT

His Honour C. L. Bolden, LL.B., (Speaker)
His Honour R. E. Brathwaite, (Deputy Speaker)
Rt. Hon. E. W. Barrow, Q.C., B.Sc., LL.D., (Leader of the Opposition)
Hon. L. S. Craig, (Minister of Parliamentary Affairs and Leader of the House)
Hon. H. deB. Forde, Q.C., M.A., LL.B.
Mr. L. E. Sandiford, M.A., (Econ.)
Hon. Miss B. A. Miller, (Minister of Education)
Hon. L. B. Brathwaite, (Minister of Housing and Lands and Minister of Trade and Industry)
Mr. J. G. Odle, B.Sc., (Chairman of Committees)
Hon. V. L. Johnson, M.A., (Minister of Transport and Works)
Mr. B. M. Taitt, B.A., (Hons.), M.A., LL.D., (Hons.)
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)
Mr. L. L. Sisnett, (Parliamentary Secretary, Ministry of Trade and Industry and Ministry of International Transport)
Hon. Dr. R. L. Cheltenham, M.A., M.Sc., (Econ.) (Minister of Agriculture, Food and Consumer Affairs)
Dr. R. C. Haynes, Ch.B., F.R.C.P., (Edin.)
Mr. P. M. Greaves, B.A.
Dr. D. G. Blackman, M.A.
Mr. L. A. Weekes
Mr. M. A. King, Q.C., LL.B.
Mr. W. O. Franklin, A.I.A.S., J.P.
Mr. N. K. Simmons
Hon. A. Truss, (Minister of Tourism and The Environment)
Mr. O. S. Arthur, M.Sc., (Econ.), (Parliamentary Secretary, Prime Minister's Office)

Prayers were read by Rev. I. M. Harewood.

Hon. H. B. St. JOHN entered the Chamber and took his seat.

Applause.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, April 23, 1985.

Hon. L. S. CRAIG: I beg to move that the Minutes for the meeting of Tuesday, April 23, 1985, be taken as read.

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

ANNOUNCEMENTS BY HIS HONOUR

Mr. SPEAKER: His Excellency, the Governor-General, has asked me to convey to this Honourable House his absence from the island. During his absence his duties will be performed by Sir Arnott Cato, President of the Senate.

I am also to inform this Honourable House that I have received notice of the by-election in the constituency of St. Thomas. Nomination Day will be on Wednesday, May 8, 1985. Polling Day is May 23, 1985.

PAPERS LAID

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

Statements showing Net Customs and Excise Receipts for 10 months ended 31st January, 1985.

Statements showing Net Customs and Excise Receipts for 11 months ended 28th February 1985.

List of amendments to the Economic Report 1984.

Hon. V. L. JOHNSON: Mr. Speaker, I am commanded to lay the following:—

The Annual Report and Audited Statement of Accounts of the Transport Board for the year 1980–81.

The Annual Report and Audited Statement of Accounts of the Transport Board for the year ended 31st March, 1982.

The Annual Report and Audited Statement of Accounts of the Transport Board for the year ended 31st March, 1983.

GOVERNMENT NOTICES

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

Resolution to approve of the amendment to Resolution No. 49/1969.

Resolution to approve of the vesting in the National Housing Corporation land at Gall Hill, Christ Church.

A Bill to amend the Occupational Training Act.

A Bill to amend the Widows and Children Pensions Act.

A Bill to amend certain enactments relating to the age of retirement and the payment of pensions, gratuities and other allowances.

FIRST READINGS OF BILLS

On motion of Hon. L. S. CRAIG, seconded by Hon. L. R. TULL, the following Bills were read a first time:—

A Bill to amend the Occupational Training Act.

A Bill to amend the Widows and Children Pensions Act.

A Bill to amend certain enactments relating to the age of retirement and the payment of pensions, gratuities and other allowances.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

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

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended those several Standing Orders.

GOVERNMENT BUSINESS

ANNUAL FINANCIAL STATEMENT AND BUDGETARY PROPOSALS, 1985

Order No. 1 was called — in the name of the Honourable Prime Minister and Minister of Finance and Planning to present the Annual Financial Statement and Budgetary Proposals for the year 1985.
5.05 p.m.

Hon. H. B. St. JOHN:

Mr. Speaker,

The Financial Statement and Budgetary Proposals are being submitted to Parliament somewhat later than usual this year. The normal schedule was disrupted by the tragic and untimely death of my predecessor in office.

His presence will be missed because of his outstanding contributions to the annual budget debate. He was, as you know, Sir, keenly aware of the importance of the budget both as the principal instrument of fiscal policy, and a medium for enlightening the public on economic developments at home and abroad.

It was in this spirit of public enlightenment, Sir, that on the 23rd April, 1985, I laid the Economic Report and Central Bank Report for 1984 before Parliament, thus giving Members more than ample opportunity to familiarise themselves with the state of the economy. I am therefore confident that our debate will be free of any recriminations about the availability of economic data, and that we will focus our attention, as we properly should, on policies to keep Barbados on the move.

International Economic Developments

Mr. Speaker, we have, in recent times, followed the convention of presenting the budgetary proposals against the background of a review of economic developments in Barbados and the wider world. In so doing, we can more clearly define the real options which concern us, as well as better understand the context within which our public policy is to take effect.

In retrospect, 1984 was a year of mixed fortunes for the international economy. On the positive side, the world economy, spurred on by the strength of the U.S. economy, continued the recovery which began in 1983. The level of production expanded in all the major developed countries, with increases in real output of over 5 per cent being recorded in the USA and Japan. The expansion of the European economies was more modest, as tight monetary and fiscal policies and industrial unrest slowed growth to approximately 2.5 per cent.

Among the developing countries, an interesting pattern of growth was exhibited. The export-oriented countries, which have fairly modest external debt portfolios, took full advantage of the market recovery in the industrial world, and grew, on average, by 4.5 per cent. By contrast, those countries, particularly in Latin America, which carry a heavy debt burden and continue to practice import substitution experienced only a 2 per cent growth rate.

Another very encouraging sign during 1984 was the moderation of inflation in nearly all of the OECD countries and in many of the developing nations. In almost all of the OECD countries inflation remained in single digits, continuing the slow down of 1983. This general ease in inflationary pressure appeared to have been, in some measure, a response to the softening of oil prices in recent years. It has been observed for example that two very active components in the moderation of inflation in the U.S.A. were the continued strength of the U.S. dollar and the fall in spot price of crude oil to a five-year low. In the U.S.A. the rate of inflation was 4.2 per cent and in Britain the rate was 5.0 per cent. In Canada, West Germany and Italy the rates were also lower in 1984.

Beyond these two features, Sir, there were hardly any other developments in the international economic environment which can be said to have been to the advantage of countries such as Barbados. In particular, the strength of the U.S.A. economy turned out to have been achieved at considerable cost. The 6.8 per cent rate of growth experienced in that country was based, to a large extent, on its fiscal deficit of US\$180 billion. The demand for funds to meet this deficit kept interest rates high and attracted a large inflow of foreign funds to the U.S.A. The latter development served to strengthen the US dollar against all major currencies, so much so that, by the end of the year, sterling had reached a record low of US\$1.15. This combination of relatively high interest rates and unstable exchange rates was, in consequence, a source of major disturbance for economies such as ourselves which depend heavily upon trade and capital inflow for growth and development.

The recovery of the international economy was not accompanied by any appreciable improvement in commodity prices. Indeed, the price of sugar on the New York Market fell by 35 per cent during the year and reached a low of US 4 cents per pound in September.

Producers in Caribbean countries could equally take no comfort from the slump in the price of bauxite and bananas, a factor which has so affected the balance of payment of the countries concerned as to narrow the scope for increased intra-regional trade.

Mr. Speaker, a perspective of the course of international economic events would not be complete without reference to its most distressing trend; the growth of world-wide unemployment. By the end of the year, 30 million Europeans could not find jobs. The rate of unemployment reached 15 per cent in Belgium, 11 per cent in France, 13.3 per cent in Italy and 12.9 per cent in Britain. Despite the strong growth performance of the North American economies, the level of unemployment remained high, accounting for 11.3 per cent of the labour force in Canada and 7.6 per cent in the U.S.A.

Mr. Speaker, we would at our peril, seek to understate the significance of these bleak statistics. Unemployment is a world-wide problem. Much as we deplore its incidence, we cannot escape the realisation that it will not lend itself to easy and swift solutions. Indeed, the year 1984 has shown that time-honoured solutions, such as high rates of growth and large public sector deficits, are no longer the answers they formerly were. We must understand that much of the problem has stemmed from the pace and direction of technological change and the structural adjustments, which in turn have wrought havoc in economies across the world. Some countries have begun to make compensating adjustments to accommodate and control the structural change which is taking place in their economies. It behoves us in the Caribbean to do likewise.

Regional Economic Developments

Regional economies continued to experience very pronounced economic difficulties during 1984. There was a mild improvement in output in most countries, but this was not translated into any relief from the balance of payments and unemployment crises which have become so very much a feature of their performance in recent years.

In regard to sectoral activity, there was some evidence of a stimulation in activity in selected areas such as tourism, but commodity production remained under great

pressure in most countries. Specifically, the sugar industry in most Caribbean countries was, at the end of the year, poised on the brink of collapse.

The crux of the difficulties faced by regional economies expressed itself in the fact that whereas export production generally increased in volume terms, such increases occurred at a time of falling commodity prices for items such as sugar, bauxite, and oil. Moreover, the growth of tourist arrivals in most countries did not lead to a commensurate growth in tourism expenditure. As such, the persistence of balance of payment disequilibria, manifested in debt service and reserve management problems, was very much the norm. To illustrate, the net foreign reserves of Trinidad and Tobago fell by US \$893.8 in 1984 and reached their lowest level since 1978. Both the Guyana and Jamaican authorities had to reschedule their debt payments during the course of the year.

In the face of such enormous difficulties, some regional countries resorted to expedients which worsened the climate for improved intra-regional trade. The Guyana dollar was devalued several times during the year, and by December, one US dollar could purchase G \$4.25 as compared to \$3.00 in January. The exchange rate for Jamaican dollars was set by auction, and under this arrangement, it depreciated throughout the year, moving from J \$3.12 per US dollar in January to J \$4.95 in December to the US dollar. The use of import licences and quotas to protect the balance of payments was widely used as well by our major trading partners in the region.

In July, 1984, the Heads of Government of the Caribbean Community approved the Nassau declaration, which provides an agreed framework to implement a co-ordinated programme of structural adjustment for their respective economies. In addition, a package of measures designed to stimulate regional production and encourage more liberalised trade flows was unanimously adopted. In October, 1984, Barbados became the first country to fully implement the package. Regrettably, progress has been slow in implementation in other CARICOM countries.

Mr. Speaker, I take no comfort from the disclosure that the economic prospects of the regional economies remain sombre. The balance of payments problems which these countries face are quite deep-rooted. This provides a most uncomfortable environment within which intra-regional trade will be conducted. We can only hope that the severity of domestic problems will not so distract our neighbours as to draw their attention entirely away from the benefits to be realised from a joint approach to what is, in the final analysis, a joint Caribbean problem.

It is against this background that I will now draw attention to the state of our public finances, and the performance and prospects of our national economy.

Financial Review

I turn now, Mr. Speaker, to the general review of the domestic finances for the financial year ending 31st March, 1985.

The current revenue for the year was originally estimated at \$596.3 million. During the month of April, a number of measures were introduced with the intention of making a net contribution of approximately \$15 million to the revenue. However, the severe economic recession which the country experienced, and from which it is now gradually recovering, as well as the strength of the US dollar, naturally had a detrimental

effect on the revenue performance. As a result, it was necessary, during the month of October, to take further steps to bolster the revenue and additional proposals were introduced to increase revenue by a net amount of \$9 million.

However, even though the various budgetary measures had some success, current revenue did not reach the anticipated target. Provisional data show that actual collections at 31st March were \$572.9 million. This represents an increase of \$31.2 million or 5.8 per cent more than revenue for the fiscal year 1983-84. Mr. Speaker, it is perhaps useful for us to note that the revenue for the financial year 1984-85 included that portion of the Health Levy which was collected between the 1st April and 11th February when the National Health Service Board Act was proclaimed. Under the terms of the National Health Service Act, a separate fund has been established, and as from the date of proclamation of the above Act, the receipts can no longer be paid into the Consolidated Fund.

Mr. Speaker, there are some persons among us who persist in misleading the members of the public by telling them that we are the most heavily taxed country in the region. It is true that our tax effort is a reasonable one when compared with other countries in the region and those in the developed world, but that is not necessarily so because of high rates of taxation.

Indeed, Mr. Speaker, our economy is very highly monetized for a developing economy. Also, although there is still much room for improvement in our tax administration, our collection system is reasonably efficient. Furthermore, particularly between 1975 and 1985, inspite of our difficulties, the Gross Domestic Product of our country has increased dramatically. Indeed, per capita income, which in 1976 was \$3 042, reached \$8 218 in 1984.

It is a combination of these factors which is responsible for the extent of our tax effort over the years. In the financial year 1974-75, the ratio of revenue to Gross Domestic Product was 23.4 per cent and in 1983-84 it had risen to only 25.6 per cent. This small increase which still placed us lower than Jamaica, which in 1983-84 had a tax effort of 26.6 per cent, Trinidad and Tobago, where it was 31.7 per cent, and Guyana, with one as high as 40.5 per cent, to mention three of the more developed countries in the CARICOM region, did not come about by accident, but by a deliberate policy by this Government to relieve the burden of taxation inspite of increased prosperity.

During fiscal year 1984-85, Central Government's revenue was \$572.9 million and with Gross Domestic Product at \$2.303 billion, the ratio of revenue to GDP had actually declined to 24.9 per cent. Even if all of the other levies are included, the ratio is still only 29.7 per cent. Clearly, Mr. Speaker, our situation is not yet at the stage where we can truthfully state that we are overtaxed, and although it is part of our philosophy to give relief whenever possible, I must remind all concerned that it is impossible for any Government to provide the numerous services which the people require without some form of taxation, however small.

Expenditure

Current expenditure for the fiscal year 1984-85 was estimated at \$567.4 million. During the year, supplementary provisions were approved for \$43.6 million, making a total of \$611 million.

Throughout the year, various steps were taken to restrain expenditure, inspite of the fact that a large portion of the increased expenditure resulted from the wages settlement for the public servants. Provisional information at 31st March indicates that current expenditure was \$585 million. This represents an increase of \$66.2 million or 12.8 per cent. As a result of the significant increase in current expenditure and the very modest growth in revenue, the current account deficit is estimated at \$12.1 million. When the Capital Estimates were presented to Parliament last year, expenditure was estimated at \$189.7 million. During the year, supplementary provisions of \$23.9 million were approved, making a total of \$213.6 million for capital expenditure.

Provisional figures indicate that the year's expenditure, including net lending, was \$147.6 million. As a result, the overall deficit was \$159.7 million or 6.9 per cent of Gross Domestic Product.

Public Debt

Mr. Speaker, the Government is as concerned as anyone in this Chamber about the Public Debt. The Government has emphasised that it only borrows, either locally or on the foreign market, to finance projects which are designed to improve the productive capacity of the economy, thereby increasing employment opportunities, expanding the economic base and guaranteeing the country's ability to repay the debt. It is a fact that the Public Debt has grown over the years, but so have the Gross Domestic Product, the earnings from domestic exports, including receipts from services, and, consequently, our ability to service the debt.

At 31st March, 1985, the Public Debt was \$882 million, of which the sum of \$504.9 million was borrowed locally and \$377.1 million from external sources. As I indicated earlier, the Capital Expenditure was \$147.6 million, the Gross Domestic Product was \$2.303 billion and the Debt Service ratio was 2.9 per cent, which is very modest by international standards.

Prospects and Policy

I turn now, Mr. Speaker, to the prospects for the fiscal year 1985-86. In the recently approved Estimates, revenue was estimated at \$646.6 million, showing a current account deficit of approximately \$21.2 million. Steps will be taken during the current year to close the gap. The Inland Revenue, Customs and Land Tax departments have been examined and measures have been implemented to further improve their efficiency. This should lead to a reduction in the arrears due to these departments, and it is expected that an additional sum of \$16 million will be collected through the various improvements which have been introduced.

Secondly, Mr. Speaker, at present, the expenses of the Drug Service are met entirely from the Consolidated Fund. However, with the implementation of the National Health Service, those expenses will be met by the National Health Board which will reimburse the Consolidated Fund. Further, equipment and a number of services which are now being provided from the Consolidated Fund, but which properly relate to the National Health Service, will have to be paid for by the Board. As a consequence, Mr. Speaker, it is anticipated that the Consolidated Fund will be re-imbursed to the tune of approximately \$15.7 million out of the Health Levy Fund.

Finally, the salaries of the staff of the Ministry of Transport and Works are met from the Consolidated Fund, but when these officers work on projects which are financed out of the Transport Levy Fund, no re-imbursement is presently made to the Consolidated Fund. This can be contrasted with a situation where private and professional services are hired to design or execute projects to be financed by the Transport Levy Funds. In such cases, their fees and charges are paid out of the Transport Levy. From this financial year, that practise must cease and the Treasury must be paid the appropriate amount for the time spent on projects implemented by the Ministry which are financed through the Transport Levy Fund.

The additional revenue which will result from the improvements at the major revenue departments and the re-imbursements from the Health and Transport Levy Funds will significantly narrow the current account deficit. But before we leave this topic of improvement in the public sector, I wish to address my attention to the Statutory Boards and wholly-owned Government companies, particularly those carrying on commercial operations.

As a matter of policy, all those engaged in these institutions are expected from now on to ensure that their operations are efficient. Those that are engaged in commercial activities must strive at all times to provide good quality service to the public, while at the same time ensuring that they at least cover their costs. It is important that this message is understood, because unless the Ministry of Finance is satisfied that this message is taken seriously, the Treasury will not continue to underwrite their inefficiency by providing for their losses.

For the other Boards which are not involved in commercial ventures, it is expected that they, too, will contain their costs. In order to ensure that the statutory corporations perform in a manner which is in keeping with the above views, the Parliamentary Secretary in the Ministry of Finance and Planning will be charged with the special responsibility of monitoring the performance of state enterprises. In addition, the Management Services Unit of this Ministry is being strengthened so that it can continually examine the operations of all of the statutory boards, whether commercial or otherwise, but in particular those for whom the Government has guaranteed loans.

These Boards, as well as the companies wholly-owned by the public sector to which I referred earlier, will be expected to submit information on their operations on a regular and timely basis.

The Capital Estimates were approved at \$183.3 million which, when added to the current account deficit, give an overall deficit of \$204.5 million. However, Mr. Speaker, past experience suggests to us that we are unlikely to spend more than \$150 million. This being the case, we would then be faced with an overall deficit of \$171.2 million, but in view of the measures which I have outlined so far and those which are to come, I do not consider that there will be any problem at all in financing the public sector deficit.

Since 1981, the main concern of our public policy has been to give some measure of stability to the economy in the face of turbulent conditions in the world at large. The severe international recession during the period, and the acute problems faced by our partners in CARICOM, reduced the growth prospects of our economy and led to a slow down in our foreign exchange earnings.

In recognition of these developments, measures were instituted to protect the balance of payments and to limit the adverse effects of recession on the Barbados economy. In particular, we felt it necessary to restrain domestic expenditure in so far as a substantial portion of such spending goes towards the purchase of imports.

On the public account, we were concerned to stimulate the economy by a modest employment generating capital works programme. However, we were ever conscious of the need to avoid massive foreign borrowing on commercial terms, or excessive use of local bank credit, to the detriment of the private sector.

As such, we opted to pursue a policy of fiscal restraint the central features of which were the careful control of the growth of public sector operating expenses and the paring down of our capital programme to those projects which are of strategic importance to the long term viability of the economy. I must however stress that amidst this fiscal restraint, our commitment to maintaining a satisfactory quality of life in this country did not waiver. Despite the recession, we did not reduce public spending on critical social areas such as education, health and welfare. Rather, the adjustment that was made was effected largely by a reduction and re-ordering of our expenditure on capital projects.

The aim of the exercise was to ensure that we survive the recession with a sound foreign reserve position, a stable financial position, a tolerable level of debt and with the productive capacity of the economy so intact as to enable it to take any advantage of improved conditions for economic growth.

Quite naturally, Barbados, like the rest of the world, could not endure a recession without experiencing some difficulties, and making some sacrifice. However, it is my belief that the difficulties experienced, and the sacrifices made, were well worth the effort of ensuring that we keep Barbados stable at a time when even better endowed economies have tottered on the brink of collapse.

Our policies have worked. After two years of decline in 1981 and 1982, the economy was brought into check in 1983, and growth resumed in 1984. The 2.9 per cent rate of growth which was recorded last year, was, of course, not large enough to wipe out the declines of earlier years. Whilst we make no claims to a full or broad-based recovery of the Barbados economy, our adjustment to the changed circumstances within which the economy now operates has started and we must translate these recent gains into lasting benefits by a judicious and carefully balanced choice of policies.

I am fortified in this view, Mr. Speaker, when account is taken of other indices of our economic performance. Growth, in 1984 was induced by a relatively strong showing in our main export sector, tourism. This is not only welcomed from a narrow foreign exchange point of view, it also strongly indicates that significant dividends can still accrue to the economy once we show the resolve to make such adjustments as are necessary to cope with market and other variations.

In addition, sugar production increased by 18 per cent, and the non-sugar sector held its own, despite the heavy rains late in the year. Indeed, *all* sectors of the economy, with the exception of manufacturing, showed signs of improvement in 1984, and within

the manufacturing sector, the electronic industry and others which trade outside CARICOM remained vibrant.

This encouraging production pattern was mirrored somewhat, in the main financial indices of the economy. Our external position, as measured by the change in reserves and our debt service ratios provided no cause for alarm. The balance of payments recorded a deficit of \$1 million, but this was covered by official financing of \$12 million, an amount which was substantially less than the \$48 million and \$29 million of 1982 and 1983 respectively. Debt service payments on the public account remained low at 2.9 per cent of export receipts, and even after account is taken of the repayment of public guaranteed and private external debt, it takes no more than 10 cents in each dollar of foreign exchange earned to honour our international obligations.

By containing the fiscal deficit at under \$100 million, or just under 5 per cent of GDP, the largest proportion of which was financed from domestic sources, room was left for private sector financing of expansion. In addition, Mr. Speaker, interest rates eased during the year, and deposits in the banking system grew to the point where excess liquidity emerged at the end of the year, and continues. Another very heartening development was the renewed strength in the mortgage market, where loans by all financial institutions are estimated to have increased by 10 per cent in 1984.

An equally encouraging development was the very low rate of inflation recorded during the year, (4.6 per cent). Indeed, this was the lowest rate of increase in the cost of living in seventeen years. This happy turn of events has been carried over into 1985, as the consumer price index recorded a moderate increase in January, and fell in February and in March.

There were, of course, some significant negatives on the balance sheet. By far the most significant of these was the increase in the rate of unemployment, which rose from 15.6 per cent to 18.3 per cent of the labour force.

As the Economic Review shows, this is a world-wide problem, namely the co-existence of growth in the economy and growth in unemployment. It must be stressed that an important dimension of this problem is the considerable difficulties experienced by the manufacturing industry in maintaining sales to CARICOM countries and the structural changes that are taking place in the manufacturing sector, not only in Barbados but world-wide. Above all, we must recognise that as a nation which depends upon trade for the maintenance and increase in employment, we will jeopardise our prospects for employment generation as long as we allow our costs to rise at a faster rate than those of the countries to whom we sell. This consideration is all the more compelling since we remain committed to a fixed exchange rate regime in an age when some of our main trading partners have shown themselves to be willing to undertake exchange rate adjustments to protect their trade and employment positions.

In addition to the rate of unemployment, another major concern was the relatively weak financial position of some sectors of the business community. Again, it is inevitable that economic recession will weaken the financial viability of producing enterprises, particularly in circumstances where such enterprises are slow in effecting productivity, costs and market adjustments. From the public standpoint, the Government has endeavoured to shore up the viability of some of

our sectors through bond guarantees, the provision of special discount facilities at the Central Bank, arrangements by the Barbados Development Bank for debt re-scheduling, the easing of interest rates and tax concessions to the hotel industry to undertake refurbishing. We, however, also expect that the private sector, as well as the leaders of labour, will recognise the significance of the changed circumstances within which we now operate, and deal frontally with the challenge of market diversification, increase productivity, improved management and the need to be competitive.

On balance, Mr. Speaker, it can be truly said that despite the turbulence of recent years, the prospects of Barbados are encouraging. There has been a resumption of economic growth. Our debt position is manageable, and we continue to pay our way in the world. In recent months, our reserves have increased, driven on by the renewed force of the tourism sector. The cost of living is under control, and the state of public finances is in relatively good order. The substantial investment we have made in our social and economic infrastructure, particularly in recent years, can now secure for us a higher quality of life.

The broad and major challenge that confronts us is that of accelerating the structural adjustments which have started to take effect in our productive sectors so as to safeguard and enhance our international competitiveness in the search of new employment opportunities. By the same token, we have to make the move towards more effective management and utilisation of our domestic resources, so as to improve the viability of our productive enterprises with the ultimate aim of making them worthy partners in our national development.

These, Mr. Speaker, are the broad objectives that guide the construction of our budgetary policy. In more specific terms, this Budget will be an employment-generated Budget. In respect of the public sector side of things, Government will lend its activities to the stimulation of new employment opportunities subject only to the limitation that in all our doings we will not make unreasonable encroachments on the private sector's access to financing, nor put the country in an unsustainable external debt position. By way of priorities, we will seek to stimulate employment by creating an environment conducive to stronger export-led growth, and one in which domestic savings can be expanded to finance renewed investment.

Some aspects of this policy have already been laid out in our statement of public expenditure for the fiscal year. We are determined to increase public investments in housing, for a number of reasons. In the first case, there is evidence of some excess capacity in this sector which can be brought into productive use in a job-related way. Secondly, the construction of the cement plant has now put us in a position to contemplate a strong housing programme without fear of adverse balance of payments consequences. Above all, no other sector offers the range and composition of employment opportunity as does the housing sector.

We are equally determined to support job-related investments in road construction, the building of fishing harbours and urban upgrading schemes. The first two are critical to us not only on account of the jobs they will bring immediately, but more especially so because of the avenues they will open for productive investment in the

future. The latter will encompass the development of the Carlisle Bay area and general waterfront of Bridgetown, to make this country more attractive as the leading service economy in the Caribbean.

We however expect that the lead in employment generation should come from the private sector, and I shall outline the fiscal measures to be instituted to generate savings, to improve manpower development, to enhance the viability of enterprises and to support market diversification, particularly in extra-regional areas, and I feel compelled to deal in some detail with the key role we will attach to extra-regional market diversification in our employment strategy.

Barbados is a small economy, and except for a few areas, any major area of economic activity must depend on access to foreign markets for its survival. This is true of sugar and non-sugar agricultural activity. It is true in the case of tourism and equally true in the case of manufacturing. It follows that our skill in securing access to foreign markets hold the key to the protection and expansion of employment in this country.

In the latter half of the 1970s, a part of our manufacturing sector found it possible to flourish because of the opportunities existing for increased trade in the CARICOM region. This development was made possible partly through the general tariff arrangements of CARICOM, the prosperity enjoyed by the leading CARICOM country, Trinidad and Tobago, and the existence of a multilateral system for the settlement of trade accounts in the region.

But times have now changed. Regional protection has now given way to insular protection, as some countries have used devaluation, licensing systems and other such devices to cope with their domestic problems. The Trinidad economy, which was at the centre of growth in regional trade, can no longer be reasonably expected to shoulder that role in view of its own difficulties. And the insolvency of some of our partners in the region has ruled out the Multilateral Clearing Facility as a device which can now finance the growth of trade.

Without in any way reducing our commitment to CARICOM it is perfectly clear to us that we must seek markets in the wider world if we are to maintain industrial activity and employment. We do not, by any means, understate the difficulties that will be experienced in making the transition from one market situation to another. Incentives will have to be provided to support market promotion and development, and these will be given. Training and manpower development schemes at the factory and the institutional level will have to be put in place to enable us to come to grips with the exacting quality requirements of such new markets. These will be done. Our private sector will have to gear itself to make the transition from the shelter of a lightly protected domestic and regional market to one characterised by fierce competition. Already, there is much evidence of a resolve to make that step. Whatever the sacrifice, the transition has to be made.

In all this, one of the key ingredients for success will be the relationship we establish between our productivity and costs, while attempting to expand trade in a fixed exchange rate regime. We will find it difficult to secure new export-oriented investments, to hold our existing position in foreign markets or penetrate new ones if we allow our costs of production to rise at levels which are entirely out of line with international norms. It

is very true that in most cases, the largest proportion of cost is payroll charges. To remain competitive, therefore, we must carefully control the impact of non-wage payroll charges and utilities. But we cannot ignore the fact that we will also undermine the external viability of our economy by allowing our wage costs to increase at a faster rate than those of our main trading partners, particularly in the context of a situation where the exchange rate at which we trade is fixed, while theirs is constantly being reduced.

In times of high real growth and increased productivity, substantial wage increases can and should be granted. But it is an economic contradiction for us to seek to pay ourselves more in times of low growth and falling productivity. And it would be an error of tragic proportions for us to believe that we can secure a lasting niche in the international economy by increasing our wages and salaries at a rate far in excess of international inflation, while seeking to sell our exports at a fixed exchange rate.

In summary, therefore, Mr. Speaker, the Government will contribute to the expansion of employment by making selective investments in public works which both bring immediate job relief and expand our productive and social infrastructure. We will assist by supporting the promotional efforts of the Industrial Development Corporation, the Export Promotion Corporation, the Tourist Board and the Central Bank operations, as well as the transportation ventures, such as CARICARGO and Caribbean Airways, whose activities underpin our market diversification efforts. We will make such reasonable efforts as are necessary to improve the financial viability of our main export sectors. This budget will provide new incentives to accomplish this, so as to set the stage for a major extra-regional thrust. We will attend to the problems of training and manpower development, particularly as it relates to job creation. But in the final analysis, all estates of the economy must act in concert to ensure that we protect and create jobs on the strength of our competitiveness and ensure that such competitiveness is securely rooted in high productivity and reasonable costs.

BUDGETARY PROPOSALS

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

Savings

It is accepted that an increase in domestic savings out of rising incomes is a necessary condition if a country is to avoid being totally dependent on foreign capital to fuel its development. In pursuance of this goal, we gave a commitment in 1977 to provide the appropriate incentives not only to encourage domestic savings but, furthermore, to channel the available funds into the productive sectors.

As a consequence of our pursuit of this goal, financial savings by all Barbadians, as measured by sums held in savings and time deposits in commercial banks rose by 190 per cent or \$548.1 million, from \$309.0 million to \$836.6 million over the period December 1975 to end of year 1984.

It is heartening to note the role played by private individuals in this performance, as evidenced by the fact that their savings increased by 197 per cent or \$370 million over this period.

This growth in savings no doubt demonstrates the massive response of our citizens to the wide-ranging measures we have instituted in this area over time. These measures were spelled out in detail last year and therefore there is no need for me to reiterate them. However, we recognise that there is still a long way to go in instilling the savings ethic in our people, for though wages rose on average in 1984 by 11.3 per cent, savings and time deposits increased by only 7.7 per cent.

Therefore, there is still much scope for increased savings on the part of individuals, and I propose to introduce further measures to encourage a greater effort.

Savings with Credit Unions

Mr. Speaker, as a confirmed believer and supporter of credit unions, I am more than pleased by the tremendous growth that has been taking place in this area of savings within recent years. This Government is not abashed in taking the kudos for enabling approximately 15 000 of our citizens to proudly call themselves credit unionists. We note with deep joy that the institution is taking root now in our schools, and I understand also that a regional organisation located here has established one among the members of its staff.

In the circumstances, Mr. Speaker, I propose to provide a further inducement to the organisation which collectively has seen its membership increase from 6 000 in 1980 to 15 073 at December 1984, and its savings from \$4.5 million to \$20.8 million over the same period. Therefore, effective income year 1985, the allowance shall be increased from \$1 200 annually to \$1 800 on the same terms and conditions as currently exist.

Stock Participation

This Government has actively encouraged the democratisation of shareholding in this country and in particular the concept of employee participation and ownership of enterprises where they work. A series of incentives have been granted in successive Budgetary Proposals towards this end. We have provided allowances for bonus shares and new shares in public companies as well as for shares issued in lieu of retirement gifts. The opportunity has been given also to the small saver to hold National Development Bonds and National Savings Bonds.

I now propose to extend the options of employees to participate further in the ownership of their work places by exempting from tax the value of a benefit to employees arising from the difference between the market value of the shares of the enterprise and the purchase price of the share at the time of purchase, effective from income year 1985. Such benefit will be limited to 10 per cent of income per year. Whenever the shares are sold, the tax would be charged on the realised profit.

These proposals, Mr. Speaker, will cost the revenue \$700 000.

Direct Taxation

Income Tax

I note, Mr. Speaker, that it has already been reported that I am bringing a generous package of concessions this year. It is true that, ever since 1977, we have, by undertaking a radical restructuring of the income tax rates and allowances, allowed the

taxpayers to keep some \$97 million that they otherwise would have had to pay to the Commissioner. This remarkable feat has been accomplished by the introduction *inter alia* of the system of tax credits whereby persons earning less than \$145 per week no longer pay income tax, permitting working wives to file separate returns from their spouses while claiming similar personal allowances together with the allowance for life insurance premiums among others; granting persons over 65 years whether married or single greater personal allowances up to a maximum of \$5 500; as well as the wide range of deductions in respect of savings alluded to earlier.

All of the foregoing were done, Mr. Speaker, to provide Barbadians once more with the incentive to greater productive effort. This year, however, because of the state of the public finances and the need to bridge the gap of the current account, we are not in a position to further restructure the income tax system in the way and to the extent to which we have committed ourselves since 1977.

I propose, nevertheless, to take the restructuring of the system of direct taxation with respect to incomes and profits one step further this year by streamlining the treatment of certain levies and granting concessions in certain special areas.

Currently, Health Service Contributions are allowed as a deduction for income tax purposes for both the employer and employee. I now propose that effective income year 1985, contributions in respect of the Transport and Training levies be similarly treated.

I also consider, Mr. Speaker, that at this stage of our development we should be giving more encouragement to the men of letters. I hasten to add here, lest I am called sexist, that I do not exclude the female of the species, and furthermore, the term is used broadly to cover all types of authors, including songwriters and writers of computer programmes. My proposal is to exempt from income tax 50 per cent of royalty payments received in Barbados from the sale of such works.

These income tax proposals are expected to cost the revenue some \$3.3 million.

Corporation Tax

Mr. Speaker, at the moment annual depreciation allowance is granted as a deductible expense in computing corporation tax on industrial buildings only. This privilege has not been extended to commercial buildings. I therefore propose to grant a building allowance on all commercial buildings. However, the following categories of buildings will be excluded —

- buildings subject to the industrial building allowance
- buildings enjoying the allowance for conversion into rental units
- hotels claiming hotels aids benefits.

The allowance will be calculated at 1 per cent of the improved value of the property as assessed by the Commissioner of Land Tax and as shown in the Land Tax demand notices. The cost to revenue here is estimated at \$1.6 million.

As the law stands at present, persons engaged in commercial activity are entitled to carry forward losses over a five year period and set off those losses against profits earned in those subsequent years. If no profits are earned within the specified period, then the accrued losses can no longer be utilised. I propose to extend this concession by allowing businesses, generally, the longer period of seven years in which to generate sufficient profits to liquidate the accrued losses.

I turn now, Mr. Speaker, to the stimulation of extra-regional exports. As recently as last March, I noted publicly that even if all non-tariff barriers to intra-regional trade were removed, local exporters would still be faced with a retail market significantly smaller in size than in the boom years of CARICOM trade. I warned then of the evident danger of once again growing overly dependent on what, in essence, is a single, small market. I further reiterated the concern of the Government of the need for manufacturers to gear their production for export to the developed countries.

You will recall, Mr. Speaker, that in 1977, we drew attention to the size of the trading deficit and emphasised the necessity for strong measures to increase our level of exports, especially extra-regionally. We noted then that though there was in the Income Tax legislation provision for a rebate on a graduated scale of up to 50 per cent of a local manufacturer's tax so long as extra-regional sales accounted for more than 61 per cent of total sales, no local company had been able to make use of the rebate system.

In further recognition of the need to encourage export, a revised structure was put in place, and the Export Promotion Corporation was created. One of its principal functions became the provision of marketing information to businessmen and entrepreneurs to enable them to become aware of the opportunities for export sales in both the regional and extra-regional markets. Notwithstanding the efforts of the Export Promotion Corporation in market identification, we need to do more.

The Government is convinced that a case exists for providing further incentives in this area, especially to encourage new ventures from local businessmen, acting either singly or in joint ventures with foreign partners. Accordingly, Mr. Speaker, I propose in respect of extra-regional sales the following —

- (a) an allowance for market research and development of 150 per cent of actual expenditure incurred;
- (b) an initial investment allowance of 40 per cent on the purchase of new capital equipment. All companies which qualify for the rebate on sales to extra-regional markets will be granted this privilege;
- (c) the maximum rebate of tax allowed on extra-regional sales will be increased to 80 per cent from 50 per cent. This applies where such sales exceed 61 per cent of total sales.

The cost to revenue of these proposals to boost extra-regional exports is \$1.3 million. These measures take effect from this income year.

However, Mr. Speaker, before I leave this area of direct taxation, I must sound a sombre note as I turn to the issue of tax evasion.

Control of Tax Evasion

It is in the interest of the Government, and the community as a whole, that citizens fulfil their civic obligations in compliance with the tax laws and pay their due taxes, for tax revenues enable the Government to provide the social services for the benefit of all residents and to meet their increasingly high expectations.

However, it is regrettable to state there is available evidence that there are persons in several economic sectors who are not contributing their fair share, and in some instances are making no contribution at all. This delinquent attitude prevails among the self-employed, (professionals included), and also among a number of small incorporated businesses. As a consequence, another category of taxpayers, (employees), whose incomes are subject to withholding tax carry too disproportionate a part of the tax burden, for the self-employed at the present time suffer no deductions at source on their earnings.

It is incumbent upon Government to ensure that there is equity in the administration of the tax system and that all categories of taxpayers bear equitably the tax burden, for it is reasonable to state that if every citizen meets his or her tax obligations, I am sure that I would have greater scope in the provision of concessions to all.

The Commissioner of Inland Revenue in 1983 introduced an information-gathering device to obtain particulars on payments received by the category of persons referred to, as well as others. Even though the results have been encouraging, yet Government will continue its efforts to maximise tax collections with unrelenting assault on tax evaders.

In this connection, consideration is being given to the introduction of a tax collection device to improve tax compliance in the delinquent areas already mentioned, in addition to other activities. We are studying the experience of other countries which have in place a mechanism of a withholding tax on payments made to a particular group of persons outside the pay-as-you-earn system. To put it briefly and simply, it involves the extension of the withholding tax to fees paid to professionals and payments for services. Naturally, great care and thought will go into the designing of a system to secure public acceptance of its adoption. Accordingly, consultation with the relevant organisations will take place to work out an effective and efficient scheme with a good degree of flexibility.

Indirect Taxes

Import Duties and Stamp Duties

As noted earlier, during 1984 exports stagnated and net imports also decreased. Taxes on international trade actually decreased in 1984-85 from \$89.6 million in 1983-84 to \$84.9 million. There was an increase in taxes on goods and services as a result of the increase in the rate of stamp duty from 3 to 10 per cent during the year. This experience of a fall in import duty and the need to safeguard the revenue is shared by all countries in CARICOM. Throughout all of CARICOM, efforts have been made to close this gap by the introduction of stamp duties. An examination has taken place on the rates of stamp duty in the other areas of CARICOM. In Trinidad and Tobago in their recent Budget, stamp duty was introduced at 12 per cent. This examination has revealed that the rates of stamp duty in Barbados are among the lowest in the CARICOM area, particularly now that the rates in Jamaica have been increased to 40 per cent in some cases.

It is therefore proposed to raise the level from 10 to 12 per cent, with immediate effect. This measure will result in an increase of revenue of approximately \$10 million.

There is no scope for increasing import duties. Barbados has already fulfilled its obligations under the terms of the Nassau Agreement. If we are therefore to make up the difference in a fall of the revenue arising from the exchange rate fluctuations, and in our case from the strength of our being linked to a strong American dollar, the adjustment to our rate of stamp duty or consumption taxes are our only alternatives.

Consumption Taxes

The Hotel Association has requested a review of the existing tax on wine. I believe there is some merit in their complaint and that the cost of wine in Barbados is too high. Because of the CARICOM arrangement, we cannot unilaterally change the common external tariff on such imports. I therefore propose to reduce by one half the rate of the consumption tax from \$5 to \$2.50 per litre on all imported wines as identified in the attached appendix.

I also propose to effect changes, Mr. Speaker, in the rates imposed on a selected number of items of energy conservation equipment and related materials. These items are shown in the attached appendix and include high intensity discharge lamps other than Mercury Vapour, Photo-controlled cells and sockets, and ceiling fans. The consumption tax on these items will be removed.

These proposals on consumption tax will cost the revenue some \$1.3 million, and they all take immediate effect.

Housing

Mr. Speaker, our aims and goals and our accomplishments in the area of housing are well documented. Our approach to this vital area has not only sought to integrate the private sector building industry with that of the public sector agencies, but, perhaps more importantly, has been targetted at the individual citizens themselves.

We have not only granted special income tax concessions to house builders, but we have also restructured the method of taxation applied to owner-occupied houses by not requiring the head of a household to pay income tax for the privilege of living in his own house. The Tenancies Freehold Purchase Act, both in respect of plantation and designated tenancies, provides the incentive for owners of chattel buildings to convert them to wall. In addition, Mr. Speaker, the last Budget provided special provisions for owners of historic dwelling houses, as well as incentives for the conversion of premises into residential rental units. Indeed this Government's record in trying to meet the housing needs of the people is second to none in the history of our country.

We recognise, however, that more needs to be done in this area of activity, and so there will be a redoubling of our efforts. This year special directions will be given to ensure that a further \$32 million from Government-controlled sources will be channelled into housing so that persons from all income groups desirous of improving their existing houses or acquiring a new one will be in a better position to do so. We expect financial institutions to improve on the 1984 performance, as the Government is doing.

Agriculture

Mr. Speaker, the strategic importance of the agricultural sector to the Barbadian economy cannot be gainsaid. While its relative contribution to income, employment and foreign exchange generation has declined, it continues to perform a socio-economic role which cannot be measured in purely monetary terms. The Government is committed to the refashioning of our agricultural sector to enable it to increase productivity, earn and save foreign exchange and ensure rising incomes for those of our rural society. In 1982, when this matter was last addressed by way of fiscal initiatives, our concern then was to stimulate domestically-oriented production aimed at reducing foreign exchange expenditure on food. The results of this initiative have been satisfactory. The non-sugar sector has been the only sector which has grown in each year since 1981, and our food import bill, which amounted to \$169 million in 1981, fell in 1982 and 1983.

Indeed, Mr. Speaker, there is a vast array of incentives at the disposal of the sector. These include grants on spraying equipment and irrigation facilities, subsidies for the development of pastures, grants for the establishment of orchards and silos and for the purchase of sugar cane choppers. In addition, rebates are allowed on the purchase of agricultural machines as well as on land tax on acreage used for foodcrop and livestock products. Land cultivation rebates are also available, together with rebates on planting materials for pasture; livestock, fruit trees and vegetable seedlings are also made available at highly subsidised rates. Finally, most imported inputs needed for agricultural production are allowed into Barbados duty free.

We are still faced with a food import bill of \$160 million. Notwithstanding the above, it is clearly necessary to give further stimulus to non-sugar agriculture in selected areas. Such areas will include livestock development and fruit production, since these are the fields in which the greatest ground has to be covered. The Ministry of Agriculture will therefore shortly announce variations in the scale of grants on rebates to promote such ventures.

At this juncture, however, the clear imperative is for us to develop the export potential of our non-sugar agricultural sector. There can be no doubt that this sector can benefit from a facility which is designed to facilitate timely payment to farmers for produce delivered for export, to facilitate the purchase of handling and packaging material and to finance activities associated with market development.

To this end, the Government of Barbados will establish an Agricultural Export Revolving Fund to provide loans to individuals or institutions wishing to export non-sugar agricultural commodities. This fund will be initially capitalized to the extent of \$1 million and will be administered by the BMC in accordance with guidelines to be laid down by the Ministry of Agriculture.

I fear, Sir, that a more imposing challenge awaits us in relation to the sugar industry. I do not propose here to indulge in a full scale debate on the sector's problems, their causes nor their solution. The latter, in particular, are very much the subject of intensive review. I must however point out that from time immemorial, our sugar industry has always been subsidised. Initially, this subsidy took the form of the guaranteed prices we obtained under the aegis of the Commonwealth Sugar Agreement. The reduction of our quota under the Lomé successor to that scheme from 139 000 to 53 000 has

in a stark way exposed the industry to the effects of world market conditions for sugar. Moreover, the problems of the industry have in recent times been compounded by the fluctuations of the major currencies of the world and especially so by adverse weather conditions in 1981 and rapidly rising costs.

The bottom line is that the industry has tended towards atrophy to the point where production in the vicinity of 100 000 tonnes has become the norm. The dilemma is that at this level of output, losses accrue because as much as 20 000 tonnes may have to be sold on the free market, at prices, at the present time, in the range of 4 US cents per lb. Should production go beyond this level, at world market prices just given, even larger losses would have to be contemplated because of the low threshold of the guaranteed markets for our sugar since 1975. To go below 100 000 tonnes would invite the collapse of the industry, a development which would carry with it the ruin of much of agriculture as well as a sizeable portion of our commercial sector.

We however remain steadfast in our judgment that this industry still has a substantial role to play in our national progress. Despite its financial losses, we must surely attach a social value to the earnings of over \$60 million, and in some cases over \$100 million, per year from the 35 000 acres which it employs. Equally, agronomic factors mandate intercropping with sugar cane as a means of ensuring the productivity of land in other occupation.

The long term solution to this complex problem will be bound up in the cost-reducing and productivity measures which are effected at the level of the field, the factory and in the management of the industry. Various initiatives have indeed been launched in this direction, and we must expect that a gestation period must elapse before they pay dividends.

The immediate priority is to devise financial expedients to bridge the gap between the average price per lb of the industry and its unit costs. To date, this matter has been addressed by Government's *ex post facto* guarantee of price support bonds issued by the industry, and by an increase in the domestic price of sugar. A price support bond issue for the 1984 crop has recently been put on the market, and this has been fully subscribed.

To signal our continued support for the sugar industry, we now propose to make a substantial grant to the industry in 1985. Discussions with the industry are now taking place to determine its price support requirements for 1985, and the amount of Government grant will be announced as soon as these deliberations are concluded.

I could not leave this matter, Mr. Speaker, without stressing the point that we expect the solution to this industry's problems to be found in the pursuit of diversified, total farming. There is much to be gained from a systematic diversification into areas where food import expenditure is now high, such as fruit, peanuts and beef, and equally so into new areas of export vibrancy, such as orchard crops, cotton, and winter vegetables. We also look forward to the management and operation of the industry being brought into line with modern industrial practices to its benefit and that of the society at large.

Credit and Interest Rates

Mr. Speaker, as I have already said, projections indicate that in 1985 the momentum gained in 1984 will be maintained. To date tourism and other related services, sugar and the electronic sub-sector have been the main contributors to the recovery. Broader-based expansion is, however, desirable. Analysis indicates that current economic prospects justify some easing of the constraints of existing credit and interest rate policies.

I therefore propose to give some further encouragement to the expansion of the economy. The Central Bank twice raised the ceiling of the rate of interest for new mortgages while the rate of interest on deposits remained unchanged. Such action was intended to provide investors with an incentive to make available increased amounts of mortgage financing on account of the wider spread of interest they would earn on their investment. Statistics for the year 1984 reveal an upsurge in lending for home construction of some \$20 million, the highest since 1980-81. It is now proposed to exempt from the limit of credit to households, all lending for housing-related activities, including repairs and bridging loans.

Opportunity will also be taken to correct an anomaly in the existing regulations. Credit for commercial vehicles, taxis and rental cars will be exempted from the limit set for consumer credit. Further, I propose to raise the existing limits on bank credit for distribution by 10 per cent. Each bank will have its existing limit raised by 5 per cent. The remaining amount of the increase will be distributed among the banks in such a way that each bank will receive an equal dollar share.

With respect to interest rates, I propose that the average lending rate be reduced from 11 per cent to 10 per cent and that the minimum rate payable on savings deposit should also be reduced by one point, from 5 per cent to 4 per cent. A more substantial reduction of 3 per cent will be applied to the Central Bank's rate for ordinary discounts. The new rate will be 13 per cent instead of 16 per cent. The date for coming in force of the new interest rates will be fixed after consultation between the Central Bank and the commercial banks.

The increased activity which it is expected will be generated as a result of the above concessions should have a beneficial effect on employment prospects.

Mr. Speaker, before I move on, I should also like to say a word about the protection of credit when extended. Major financial institutions are well placed to assess risks and monitor the security of their investments. There are, however, a number of lenders who place deposits, upon invitation, with corporations, which do not possess the resources to look after the security of their deposits. I consider that the Government has a duty to provide the necessary protection for such depositors. Recent experience relating to a number of corporations going into receivership has highlighted the need for mechanisms to provide enhanced protection for such persons. The problem is currently under study, and it is proposed, in the near future, to enact legislation which will regulate the deposit-taking activities of all corporations.

In formulating the proposed measures, due account will be taken of the views of all concerned, who will be consulted by the Government in the process.

The Insurance Industry

In the Budgetary Proposals for the financial year 1984-85, a comprehensive reorganisation of the tax structure applicable to life insurance companies was undertaken. This new system became effective from income year 1984, and therefore I do not propose to impose new taxation on this industry at this time. However, it is considered necessary to streamline the administrative control of the industry by bringing all those persons who solicit applications for insurance within the scope of the Insurance Act. In recent years, brokers have become increasingly active in all areas of insurance. Many of them now employ individuals who compete in the open market with the registered salesmen employed by insurance companies, their agents and sub-agents. The Insurance Act does not provide for the registration of salesmen employed by brokers. It is proposed to correct this omission by amending the Insurance Act to include persons in the employ of brokers in the definition of "salesman" within the context of the Insurance Act. This measure will make it mandatory that they obtain a certificate of registration and pay the annual registration fee.

On the subject of fees, the category of salesman is the only one on which registration fees have not been increased since the commencement of the Insurance Act in 1972. This category has always been deliberately omitted in order to avoid placing undue hardship on salesmen employed by industrial companies. The time has come to bring them in line. Therefore, with effect from May 8, 1985, the application fee for registration as a salesman will be increased from \$30 to \$50 and the annual registration fee from \$60 to \$200 per annum or part thereof commencing in January of each year. Salesmen in the employ of more than one company must pay a separate fee for each company.

It is estimated that these measures will earn approximately \$50 000 in additional revenue.

At present, contributions to Pension Funds administered by non-registered insurers are subject to a remittance tax of 15 per cent, but contributions to funds administered by agents, who are not insurers, are not subject to this tax. In order to ensure equality of treatment to all contributors, and at the same time not to impose extravagant penalties on individuals employed by multinational companies, it is proposed that all pension funds approved for remittance out of Barbados shall be subject to a remittance tax of 6 per cent, with immediate effect.

Training

Our experiences over the last four years have demonstrated to us that our traditional markets are no longer assured, and that if we are to contend with the competition which is developing, both within as well as outside of the region, we must produce quality goods and services. This becomes even more important to our survival and future economic prosperity when we remember that the strengthening of the US dollar is another variable which works to our disadvantage in relation to our trade with Europe.

Mr. Speaker, in order to maintain our competitiveness and to safeguard our sustained economic development by being in a position to adapt our methods of production to meet the changing technological and economic environment in which we exist, we as a Government must intensify our efforts to promote up-to-date training programmes for those persons who are already employed in industry. Particular attention must also be paid to the training of our young people.

Much progress is being made at the moment: BIMAP, with financial assistance from the World Bank, has a programme for management training at middle and higher levels in the industrial sector. There is the World Bank programme being conducted at the Ministry of Agriculture with the assistance of personnel from Israel, which is designed to improve marketing and other skills within the agricultural sector, particularly in non-sugar agriculture. In addition, the Rural Development Project, which is assisting small farmers has already made substantial progress. At present, with financial assistance from the European Economic Community, the Export Development Corporation, in collaboration with the Samuel Jackman Prescod Polytechnic, is sponsoring a 16 weeks course in designing and other related areas for persons who are involved in the garment industry. A similar effort has been made for the tourist industry by way of a financial and marketing course through the Hospitality Division of the Barbados Community College.

So much, Mr. Speaker, for those training courses which are already in progress. They are not enough, and we must move to a more comprehensive programme if we are to provide a better trained work force. The National Training Board, which was established in 1979, is charged with the responsibility of co-ordinating all training activities for persons between the ages of 16 and 25 years as well as to provide on-the-job training for persons who are already employed and re-training for those persons who either become technologically redundant or need to upgrade their existing skills. These activities ought to be significantly expanded; the efforts of the other agencies need to be co-ordinated to prevent duplication and more resources need to be brought to play. The existing programmes cover —

1. Apprenticeship
2. In-Plant/On-the job training (for those already in the work force)
3. Instructor Training, Supervisory Training, Job Analysis, Curriculum Development, Testing and Certification
4. Specialised programmes on request
5. Modular Skills Training, Short-term remedial education
6. Non-apprenticeable occupations.

These activities will be expanded as follows —

- (a) An increase in the number of Apprenticeships to 400 per year
- (b) Eight new Skills Training Centres will be established at the following places:
 1. Six Cross Roads, St. Philip
 2. St. Patricks, Christ Church
 3. Boscobel, St. Peter
 4. Holy Innocents, St. Thomas

5. Belfield Land, St. Michael
6. Ivy, St. Michael
7. Sion Hill, St. James
8. Old Naval Base, St. Lucy.

The courses will be extended to a minimum of nine months, of which three months will be on-job training. One thousand additional young people will benefit.

Mr. Speaker, in this International Year of the Youth, considerable thought has been given by the Government to the provision of a Youth Training Scheme. There is no doubt that in this community, like elsewhere, many young people have difficulty in making the transition from school to work. Young people are further frustrated by the attitude of many employers who are unwilling to hire them for a variety of reasons, for example, lack of experience, lack of discipline or the high cost of hiring. Many suggestions have been made on how to deal with these problems. Some are of the view that there should be a compulsory national Youth Training Service with the Defence Force for all young people for a minimum period of one year. There are others who violently object to any association of the Defence Force with youth training.

Having considered all the views the Government has decided on the establishment of a National Integrated Youth Training Scheme underwritten and controlled by the National Training Board. This effort, co-ordinated by the National Training Board, will utilise all the existing specialist skills and equipment available in Barbados both in the institutional and non-institutional agencies, and the Barbados Defence Force will be contracted to provide specialist support in areas where they have considerable experience, such as in navigational skills. The National Training Board has designed a special Skills Action Programme to carry this Scheme into effect, and special arrangements have already been concluded with the Defence Force to provide an alternative 240 hour special training scheme for young people who wish to combine traditional Skills Training with an option of semi-military training.

There is one other area, Mr. Speaker, which I wish to deal with before I conclude this section, and it relates to the area of on-the-job training and vocational training in institutions. The Government is concerned about the need to expand the range of courses available at institutions such as the Polytechnic and the Community College. We are equally concerned about the need to encourage employers to carry out training as part of their normal responsibility for the upgrading of their work force. The Occupational Training Fund contemplated that grants could be given to institutions other than the National Training Board for the purpose of ensuring that Barbados' work force was constantly kept up-to-date, and also, that other institutions could be used for the purpose of expanding particular skills. BIMAP has drawn funds for the purpose of running specialised training programmes. The Government has informed the Ministry of Education as well as the Industrial Development Corporation and the National Standards Institutions of its willingness to consider applications from them for grants to carry out special programmes with the object of fulfilling the needs for an up-dated work force in Barbados. We are willing also to consider applications from employers.

In order to finance the above programmes there will be an increase in the existing rate of the National Training Levy by .25 per cent from 1st June, 1985. This is expected to yield an additional sum of \$2 million.

Social Security

I have always been of the view that the Unemployment Benefit Scheme and the Severance Payment Scheme should be integrated, and should be so administered that the rights of workers would be protected without the schemes being a burden to employers. In other words, Mr. Speaker, such schemes should not deter employers from hiring additional labour.

There is evidence that the present schemes are not as integrated as they should be and are in need of some re-organisation. However, Mr. Speaker, I have no intention of making any radical changes without prior consultation with all interested parties, because I respect the rights of workers and their representative bodies, as well as the rights of the employers. Therefore, in the near future, I will enter dialogue with the various parties on these matters.

Nevertheless, I propose to make certain minor, but important, changes on this occasion. The Unemployment Benefit Scheme has been accumulating funds at a rapid rate, and with effect from 1st June 1985, the rate will be reduced to 1 per cent. This change will result in contributors to the scheme paying \$7 million less in a full year.

A similar situation has been developing with the Employment Injury Benefit Scheme, and I propose to extend the benefit which is payable during temporary disablement from 80 per cent to 90 per cent, effective from 1st June, 1985. These changes will not jeopardise the ability of the Funds to meet their liabilities but will bring some measure of relief to the contributors while still providing adequate coverage for the workers.

In addition, Mr. Speaker, I propose, with effect from 1st June, to extend the period over which a person can draw Unemployment Benefit from 13 weeks to 26 weeks. This move will take care of those situations where, because of cyclical operations, businesses are forced to lay off staff but will be taking them back within a reasonably short time. The intention is to provide enough breathing space for the businesses while at the same time covering the affected workers.

In addition, Mr. Speaker, the benefit will be increased from 50 per cent to 60 per cent of the average insurable earnings. As a consequence of these changes, the minimum period of lay off or short time which should elapse before a claim of severance payment can arise will be extended from 4 weeks to 13 consecutive weeks of a series of 16 or more weeks, of which not more than 12 are consecutive, within a 26 week period.

Survivors Benefit

At present, the survivors benefit payable to children ceases at age 16. There were 446 children receiving benefit at the end of 1984 and it is considered that the age limit should be extended to 21 years to cover those children who are in full-time education in an approved institution at home or abroad.

Maternity Benefits

The existing arrangement is that both males and females contribute to the National Insurance Scheme on the same basis. However, there are instances where the female does not satisfy the conditions for maternity benefits, and it is felt that in such cases a maternity grant should be paid on the basis of the male's contributions. Therefore, effective from 1st June, 1985, I propose to introduce such a grant.

Honourable Members will recall that the Minister of Finance announced last year that non-contributory pensions would be maintained in the future at 80 per cent of the minimum contributory pension. He also announced that the contributory pension would be adjusted every three years, depending upon the strength of the National Insurance Fund.

This year we intend to increase expenditure on house repairs for old persons from \$1.5 million to \$2 million. The Minister of Health is hoping to bring into operation, this year, the National Health Scheme, commencing with the age group 65 years and over. This will be dependent on agreement with the doctors on their terms and conditions of service.

We also propose to provide an additional \$200 000 to support the expansion of the Home Help Service.

Licensing Fees

Mr. Speaker, last year a number of changes were made to the fees which the Licensing Authority collects from Public Service vehicles. A recent review of those changes revealed a few anomalies which I now propose to correct. Effective from today, 7th May, 1985, Hired Motor Cycles, Scooters and Mopeds will pay fees as follows:

<i>Permit Fee</i>	<i>Initial Tax</i>	<i>Annual Tax</i>
\$250	\$150	\$125

Representations have been made to the Ministry of Finance and Planning about the unfair competition which the maxi-taxis have been providing for mini-bus operators. We believe that there is some justification in the complaint that there is open poaching by the maxi-taxis, which were never intended to ply routes like mini-buses, but should have operated from fixed points like all other taxis. In order to bring an end to this situation, Mr. Speaker, with immediate effect, all maxi-taxis will pay the same fees as follows:

<i>Permit Fee</i>	<i>Initial Tax</i>	<i>Annual Tax</i>
\$2 500	\$1 200	\$1 200

As a result of this change, maxi-taxis will no longer be allowed to ply on the routes like mini-buses. Consultation on this matter has taken place with the Commissioner of Police, who has given the assurance that the law will be enforced. The fees have been reduced on the clear understanding that the illegal practice will cease, and I wish to state that I am quite prepared to have the legislation amended to give the magistrates authority to order forfeiture of the vehicles after three offences, if that becomes necessary.

On the existing number of maxi-taxis, the annual loss of revenue will be approximately \$200 000.

Conclusion

Mr. Speaker, the measures which I introduced this evening have been designed to stimulate economic activity, create additional job opportunities, restore our competitiveness, increase training for our young people, provide improved housing for our people and bring some measure of relief to businesses and individuals alike.

These measures are expected to make a net contribution of approximately \$35 million to the revenue as follows:

Additional Revenue

Increased revenue from arrears and improvements in collection methods	\$16.0m
Reimbursement from Health Levy Fund	\$15.7m
Reimbursement from Transport Levy Fund	\$ 2.0m
Stamp Duty	\$10.0m
Training Levy	\$ 2.0m
	\$45.7m

Additional Expenditure

Personal Income and Corporation Tax	
Concessions	\$ 8.0m
Reduced Licence Fees	\$ 0.2m
Consumption Tax Concessions	\$ 1.3m
Agricultural Export Credit Fund	\$ 1.0m
Additional Home Help	\$ 0.2m
	\$10.7m
Net Contribution	\$35.0m

The concessions, along with the monetary measures, will result in the handsome sum of \$72.8m being put back into the economy as follows:

Housing Funds	\$32.0m
Reduction in Unemployment Levy	\$ 7.0m
Concessions shown above	\$ 9.3m
Credit changes	\$24.5m

Throughout the last nine years we, in this country, have had to face a traumatic upheaval in the world economic order brought about by the phenomenal increase in the price of oil, which, when coupled with the virtual collapse of commodity prices, has had devastating consequences on the global economy, and in particular on our CARICOM trading partners.

Yet, despite these revolutionary changes in the world economic order, through careful management and far-sighted policies, we have been able to maintain the economy and financial integrity of Barbados. Our critics have labelled our approach to financial management as risky, but I would say this, unprecedented problems sometimes call for imaginative solutions, and despite the messages of doom continually preached in this august Assembly, we neither resiled from our responsibility, nor panicked in the face of adversity. We sought to provide stability in the prevailing economic turmoil which made nonsense of many of the old tenets of economic theory, and produced as many theories and solutions as there are economists. The policies we have pursued have been successful and our economy is once again on the move.

Now that we are once again on the move, we must never forget that we are but a small nation and a small economy. We must forever remember that our success depends on our ability to compete, our ability to work together and our ability to adapt to change. The structural changes which are necessary for us to be competitive are being put in place, Mr. Speaker, and I believe that this Budget will set us on the road to greater competitiveness, increased employment opportunities and a greater ability to weather adversity in the future.

SUMMARY OF BUDGETARY PROPOSALS 1985

1. Income Tax allowance for savings with Credit Unions has been increased from \$1 500 to \$1 800 annually.
2. Exempt from income tax the benefit derived by employees purchasing shares in their work place at less than the market value.
3. Effective income year 1985 contributions to the Transport and Training Levies will be allowed as deductions from assessable income.
4. Fifty per cent of royalty payments received by Authors will be exempted from income tax.
5. Grant of 1 per cent of improved value of commercial properties as building allowance.
6. Losses to be allowed to be carried forward for 7 years.
7. An allowance of 150 per cent of expenses incurred in development of markets outside of CARICOM.
8. Investment allowance of 40 per cent in the purchase of new capital equipment for companies 10 per cent of whose sales are to extra-regional markets.
9. Maximum rebate of tax allowed on extra-regional sales increased from 50 per cent to 80 per cent.
10. Extension of withholding tax to payment for certain goods and services.
11. Stamp Duty increased from 10 per cent to 12 per cent on chargeable goods.
12. Consumption Tax on —
 - (a) Wines reduced by 50 per cent from \$5 per litre to \$2.50 per litre.
 - (b) Selected energy conservation equipment and materials removed.
13. \$32 million to be channelled into residential housing for improvements and construction.
14. Establishment of a revolving fund in the sum of \$1.0 m to finance agricultural exports.
15. Grant to sugar industry.
16. Exemption of all lending for housing related activities including repairs and bridging loans from the limit of credit.
17. Exemption of credit for commercial vehicles, taxis, and rental cars from the limit for consumer credit.

18. Increase in limits on bank credit for distribution by 10 per cent. The remaining amount of the increase will be distributed among the banks in such a way that each bank will receive an equal dollar share.
19. Average lending rate will be reduced from 11 per cent to 10 per cent.
20. Minimum rate payable on savings deposits reduced from 5 per cent to 4 per cent.
21. Central Bank's rate for ordinary discounts reduced from 16 per cent to 13 per cent.
22. Proposed amendment of Insurance Act to include persons in the employ of brokers in the definition of "Salesman" within the content of the Insurance Act.
23. Increase in application fee for registration as an Insurance Salesman from \$30 to \$50 effective 8th May, 1985 and the annual registration fee from \$60 to \$200 or part thereof commencing in January of each year. Salesmen in employ of more than one company will pay a separate fee for each Company.
24. All pension funds approved for remittance out of Barbados shall be subject to a tax of 6 per cent effective immediately.
25. Increase in Training Levy by .25 per cent from 1st June 1985. Additional revenue of \$2.0 million is expected in a year.
26. Reduction of Unemployment Levy by 1 per cent effective 1st June, 1985. Revenue from this source will be reduced by \$7.0 million in a full year.
27. Increase in Employment Injury Benefit from 80 per cent to 90 per cent with effect from 1st June, 1985. Extension of period over which a person can draw Unemployment Benefit from 13 weeks to 26 weeks. Effective 1st June, 1985.
28. Unemployment Benefit increased from 50 per cent to 60 per cent of average insurable earnings. Effective 1st June, 1985.
29. Extension of time which must elapse before a claim of severance payment can arise extended from 4 weeks to 13 consecutive weeks or a series of 16 or more weeks, of which not more than 12 are consecutive within a 26 week period. Effective 1st June, 1985.
30. Survivors Benefit payable to children extended to 21 years of age to cover children who are undergoing full time education in approved institutions at home or abroad. Effective 1st June, 1985.
31. Payment of maternity grant on basis of male's contribution. Effective 1st June, 1985.
32. Change in licence fees for certain public service vehicles. Effective 7th May, 1985. Revenue loss approximately \$200 000.
33. Supplementary provision of \$200 000 for the Home Help Programme.

APPENDIX I

TARIFF HEADING NO.	DESCRIPTION OF GOODS	RATE OF TAX
22.05	wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol	\$2.50 Per Litre
22.06	vermouths and other wines of fresh grapes flavoured with aromatic extracts	\$2.50
22.07	other fermented beverages (for example cider, perry and mead)	\$2.50
39.06	reflective window film	Free
39.07	toilet dams	Free
73.38	low flow shower heads	Free
73.38	spring loaded and low flow faucet taps	Free
83.02	automatic door closures	Free
85.06	ceiling fans	Free
83.07	fluorescent fixtures	Free
85.19.9	time switches	Free
85.19.9	voltage reducers	Free
85.20	high intensity discharge lamps	Free
85.21	photocells	Free
85.21	photocell sockets	Free
85.25	insulation	Free

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

WHEREAS, in spite of the recent economic turbulence which the world has experienced, the Government, by its imaginative and judicious policies has been able to bring stability to the Barbados economy;

AND WHEREAS the economy has now been set on a path of sustained growth and development;

AND WHEREAS by its budget the Government has divided proposals and a package of measures to give relief and stimulus to the productive sectors, to generate savings and to create jobs;

BE IT RESOLVED that this House note Government's accomplishments during the year 1984, and give its full support to Government's efforts to improve the performance of the economy and the quality of life of all Barbadians.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, I have great pleasure in seconding this Resolution and I reserve my right to speak.

Aside.

(Mr. P. M. GREAVES: A Deputy is essential.)

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, this brings us to the end of this evening's sitting.

I beg to move that this sitting be now suspended until 4.45 p.m. May 8, 1985 when we expect the reply from the Members on the other side.

I should also add that the usual arrangements would be continued, and I look forward to a very interesting debate.

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

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

7.05 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is now resumed.

Is there anyone replying to the Resolution which was put before the House yesterday evening?

Dr. R. C. HAYNES (St. Michael South Central): Mr. Speaker, during the period 1981-85 we have had seven budgets: five in the early months of the year and two in the later months. This Budget, like the previous six, will fail, because it does not speak to the social and economic problems facing the nation. It is a product of the same thinking which has led this country into the situation in which it finds itself today. All the Budgets were inspired by three dominant considerations: (1) short term political objectives of the Barbados Labour Party, (2) taxation and (3) papering over the cracks and covering up the failure of the Government's economic policies.

It has been said that you can fool some of the people some of the time, but not all of the people all of the time. The Barbados Labour Party has one outstanding success over the past eight and a half years. It has succeeded in fooling the majority of the people most of the time.

I wish to commend the Honourable Minister of Finance for taking a few short and tentative steps towards bringing truth and candour to bear on decisions taken by the Government. I would have wished to commend him for his analysis of the social and economic problems facing the country and the remedies contained in his Budget yesterday, but unfortunately he has denied me that opportunity. Yesterday's Budget was nothing more than a tinker's kit and caboodle. The instruments were the tools of the tinker. I do appreciate his difficulty. For someone who had been effectively removed from the mainstream of decision-making within the Barbados Labour Party, he must have found it somewhat difficult to pick up the threads and produce a Budget.

Nevertheless, in politics we are all responsible for our statements and our actions. It was the present Honourable Minister of Finance and Prime Minister of this country who in 1981 on the floor of this Honourable Chamber misled this country when he used the slogan "you never had it so good." Yesterday, had he concluded his statement with the slogan, "You never had it so bad," that would have been very appropriate.

The Budget must be seen against the very serious problems which developed in the Barbados economy during the period 1981-84:

It was a period characterised by contraction of output, with serious consequences for all sectors of the economy.

It was a period which saw the sugar industry, on which this country was built, ruined by the Barbados Labour Party.

It was a period which witnessed the tourist industry decline to a level where its financial viability is being seriously questioned.

It was a period which saw the ruin of a previously efficient and productive small farmer community.

It was a period which witnessed our indigenous manufacturing sector plunge deeper and deeper into despair, with the beginning of problems now emerging in the enclave sector.

It was a period during which the Barbados Labour Party surrendered to the International Monetary Fund the authority to allocate the resources of this country and, therefore, by definition, the independence of Barbados.

It was a period which saw the most irresponsible politically determined mismanagement of our economic affairs as manifested in the printing of money, mismanaged capital programmes and runaway fiscal deficits.

It was a period in which abuse of the Central Bank, and later the savings of the nation, via the National Insurance Funds, were commonplace.

It was a period of excessive tax impositions of all descriptions, at Budget time, mini-Budget time and at other times.

It was a period of mismanagement and losses in Government commercial ventures which would boggle the mind of Sir Herbert Duffus if he were recalled to Barbados today.

It was a period which was dominated by unforgivable negligence in protecting our external position, as is evident in the fiasco relating to the CARICOM Multi-Lateral Clearing Facility.

It was a period which generated job losses on a scale not seen in this country for 47 years.

It was a period in which all our citizens of all classes, all who pursue socially acceptable, productive and legitimate activities, experienced a dramatic decline in their standards of living.

It was a period which saw the private sector severely afflicted by intolerable levels of taxation, low profits, losses, receiverships, bankruptcies and closures on a scale never seen in this country at any time.

It was a period which witnessed dramatic increases in the cost of living, relieved only by the external influences of a strong United States dollar and low rates of inflation achieved by our main trading partners.

It was a period when high interest rates, a stranglehold on credit and wages suppression all combined to place the burden of adjustment on those who did not cause our problems. I refer to the private sector and to wage earners in the community.

4.55 p.m.

It was a period in which there was a marked deterioration in our housing stock, the drying up of financial resources for new homes and callous and inhumane treatment of persons in public housing.

It was a period which saw undiplomatic language precipitate bad relations with our sister state of Trinidad and Tobago, with dire consequences for the owners of capital and workers in the manufacturing industry.

It was a period when the authority of this Parliament, in controlling public expenditure and public indebtedness, was diminished or by-passed.

It was a period when the social landscape of Barbados was polluted by certain types of crime, gambling, pornography, unfortunately involving some of our children, the trafficking in illicit drugs and suspected cases of arson.

It was a period when legislation which violated the Constitution of Barbados attracted the attention of the courts.

It was a period when the authority of our teachers was challenged and some of our children and teachers were subjected to harassment.

It was a period when, for the first time in forty years, the health services of this country showed a decline, as reflected in the major health indices.

It was a period when our roads continued in a state of disrepair, and now require not only maintenance but costly rehabilitation.

It was a period when the fundamental legal precepts in public utility rate making were swept aside and unjustified charges in respect of electricity were imposed.

It was a period which saw, despite warnings by the Democratic Labour Party, the contamination of the offshore banking sector, even before it got off the ground.

It was a period of ever increasing indebtedness and debt charges.

It was a period which witnessed the political abuse and bankruptcy of a major, financial institution and I refer to the Barbados National Bank.

It was a period of unprecedented levels of corruption in the Barbados Labour Party. I will not invite controversy by referring only to those areas identified by Ministers of Government from time to time, namely, Immigration, Customs, the Transport Board and the National Housing Corporation.

It was a period of a continuous stream of property acquisitions, with the Government owing the citizens of this country at one time admitting on the floor of this House, as much as \$11 million. Indeed, it was a period when property owners have been subjected to ever increasing taxation on their properties.

It was a period when there was an abrupt halt to any expansion of the middle class, while those in the middle class saw their meagre assets dwindle day by day.

It was a period — and this does hurt me — when our old age pensioners, already denied the right to travel free on the buses at their convenience, were given increases in old age pensions only to have them snatched from them by increases in Stamp Duty, now 12 per cent from yesterday, increases in the cost of electricity and water, and having to pay for drugs which they need and which are not available at Government or Government-sponsored outlets, or having to buy their drugs because they cannot tolerate the generic drugs made available to them.

It was a period when some 16 000 school leavers, many of them well qualified, would have joined the work force and up to today most of them would not have found a job.

It was a period of constant harassment of the journalists of this country. A period of fear, intimidation, victimization and abuses of power, which I trust this country would never see again.

This reply, I dedicate to all Barbadians suffering from the wounds inflicted by the Government, particularly the young and the jobless. I invite them to share the Democratic Labour Party's hope and plans to relieve their burdens, to share in our philosophical approach and strategies for recovery from the present economic and social disablement, in a programme which will encompass the entire island, from St. Lucy to St. Thomas — St. Michael South Central, of course — to St. Philip, all twenty-seven constituencies.

After four long years, our people have been called upon to make sacrifices to correct the consequences of the indiscipline and the indiscretions of persons who were elected to office but preferred to put the holding of office before the welfare of our citizens, to put their own interest before the interest of the nation; their own personal gain before public service, to pay themselves enormous salaries and tax free emoluments whilst calling for restraint among the lowest paid workers in this country; indeed, an Administration whose callousness is exceeded only by its incompetence.

It is in this context that I shall proceed by looking at the macro indices which have emerged during the past four years and see what has been happening in the Barbados economy. These paint a completely different picture from the hope presented yesterday by the Honourable Minister of Finance, but I must say that even when he was in Trade, he was always an optimist, even if for no good reason.

Nineteen eighty-one to 1984 saw an overall decline in output. 1981 -1.9, 1982 -4.3, 1983, according to the Central Bank, zero; according to the Economic Report 0.9 or something like that - it is not important - 1984 2.9. What is important is that there was an overall decline in tourism, agriculture, sugar, construction, Government services, manufacturing, wholesale and retail trade, transport, storage and communications; indeed, almost in the totality of economic life in this country. The only area of overall growth in 1981 - 1984 was non-sugar agriculture, which showed a 13.9 per cent fall-off in 1984.

This is a sad picture. We warned the Government that the policies embarked on before and after joining the International Monetary Fund must lead to economic stagnation. The warning signs were all there, slightly masked in 1980 by the good sugar earnings, but all was shattered by the gross irresponsibility in the financial management which took place in 1981.

5.05 p.m.

The 2.9 per cent growth which is being interpreted by the Government as an important ray of hope must be looked at with the greatest caution. The main sources of that growth came from sugar and tourism. The sugar industry is bankrupt and, indeed, with the increased production which formed part of the growth, one can expect increased losses this year. Tourism, despite an increase in the numbers of persons who came to Barbados last year, is in serious financial trouble and needs substantial and urgent assistance. Yesterday a former Minister of Tourism, who now has the authority to allocate the finances of the country, in his capacity as Prime Minister and Minister of Finance, only tried to help the industry by offering it a cheaper bottle of wine!

I now move on to the balance of payments position. In 1981, I warned that Barbados was heading for a serious balance of payments problem. That assessment was based on three factors; evidence of a significant shortfall from tourism, which was evident early in 1981; severe problems in the sugar industry, which were again evident by April of 1981; and the capital expansion programme of the Government. I was deemed to be just about everything, and I will not repeat the words, although they were used in Parliament.

In 1983-84, everything possible was done in order to protect the balance of payments in this country. Despite the commercial loans, the IMF loans, the project loans and Central Bank borrowing, short term and long term, nevertheless we ended up with a deficit in our balance of payments. Indeed, in 1984 a new dimension has occurred where we had a payments deficit substantially contributed to by repayment of foreign debt.

I say, as I always said, that there is no solution to this problem except through foreign exchange earnings. There is no solution through public sector borrowing and public sector spending. The only solution is to get the productive sectors of the economy going again.

Our foreign reserves, which did not occupy the attention of the Honourable Minister of Finance, between 1983-84, were dominated by three factors: the continuing effects of the damage done by the printing of money in 1981, the building up of a bad debt of \$120 million under the CARICOM Multilateral Clearing Facility and liquidity, highly dependent on borrowing for our very survival.

I challenge anyone on that side who is knowledgeable in those matters to get up and deny that there was printing of money in 1981 and that it had a serious effect on our balance of payments and on our foreign reserves. The rut started in March, 1981, when the Central Bank's holding of treasury bills was a mere \$1.2 million. By October it was \$127 million, with a dramatic increase in the assets of the bank from \$258 million to \$343 million. Not less than \$85 million of that was new money, not supported by our foreign exchange position. It fed directly into our foreign reserves, and by September, 1981, the Central Bank U.S. dollar holdings had dropped to an all time low of \$400 000. Despite the Orion Bank Loan, by the following year it had fallen to a minus \$800 000 position, forcing us, of course, into the hands of the International Monetary Fund.

But at the same time, another group of problems in relation to our foreign reserves started to emerge. I have already set out the steps which led to this, that is the fiasco in relation to the CARICOM Multilateral Clearing Facility. They were the relinquishing of authority to an

agent, agreeing to a semi-annual settlement and allowing debtor participants to settle 50 per cent of their debt, allowing debtor participants to forego semi-annual payments but continue to draw on the facility, and indeed, even more serious, not heeding a warning, as early as 1981 – it was brought to my attention only last year – that non-eligible transactions were passing through the facility and that the payments with non-eligible participants were passing through the facility.

I am charging that this amounted to gross negligence on the part of the Government, and the Government must at some time explain to the people of Barbados why they allowed this to happen. I say this because there is a general feeling among some of our CARICOM partners that one of the reasons why they are not particularly keen to deal with the problem is that the Barbados Government might have encouraged that situation in order to create artificial high levels of employment in the manufacturing sector. I do not believe that to be the case. All I am saying is that is what is being said among some trading partners, that it is time that Barbados takes its dose of unemployment. I do not believe that is the problem.

But what has been the impact? The impact is the tremendous drop in the levels of profitability of the Central Bank. Because the Central Bank has to borrow that money, and whatever interest it pays, you can almost certainly add to that the four per cent interest which it is not receiving, which will increase the cost when borrowing by the Central Bank.

At this point I would like to raise the question whether the unpaid interest from the CARICOM Multilateral Clearing Facility is being reflected in the Central Bank's assets and, therefore, in our foreign reserves as a credit, although not received, I do not know, but there is a problem, and I would like an explanation as to what is happening.

It has had its impact, too, on the Barbados National Bank, another financial institution, because many of the companies which went bankrupt as a result of the collapse of the Multilateral Clearing Facility were financed by the Barbados National Bank. The Barbados Development Bank was also affected. Many of the receiverships and bankruptcies in the manufacturing sector, or at least partially, were due to that. There are thousands of job losses in Barbados that can be attributed to that and, of course, it has generated increased foreign borrowings, increased taxation, and increased debt service.

I think it has had such a wide-spread impact on the Barbados economy that it is essential, if we believe in accountability, that the Honourable Minister of Finance, should tell the nation exactly what has happened and

why we were left with \$120 million owing to us. It is a bad debt, and when you hear of these huge amounts being quoted as our foreign reserves, it is important to remember that it includes that \$120 million, millions of dollars in illiquid assets – assets that cannot be used to purchase anything or to regulate a balance of payments position. Indeed, I would like to find out whether or not the foreign reserves at present also includes the profits from the Japanese loan.

The National Debt of Barbados. I do not wish year after year to invite controversy in this area. In March 1976, the total National Debt of Barbados was \$213 million, of which a mere \$48 million was external and \$165 million was domestic. By 1981, that had rocketed up to \$507 million, of which \$177 million constituted external debt and \$330 million domestic debt. By December 1984, according to the Central Bank's monthly statistics, the debt was \$950 million, of which \$365 million constituted external debt and \$585 million domestic debt.

By some method, yesterday we were told that the National Debt was \$882 million. I do not know what could have happened between December and now for there to be such a dramatic drop in the National Debt. I am saying that not even the \$950 million represents the total National Debt, and I have elected this year to avoid controversy by bringing along documented evidence of what the National Debt was at the end of December 1984. The sources are the Central Bank of Barbados, IMF surveys and other issues, and they put the total National Debt in December at \$1 090 million.
5.15 p.m.

I should thank the Minister of Finance for his generosity in letting us have the financial statements of the Central Bank beforehand. There you will see the external debt of the Central Bank of Barbados. When the external debt of the Central Bank of Barbados for December is added to that debt, the total debt of Barbados is \$1.232 million, of which \$618 million constitutes external debt and \$614 million constitutes domestic debt.

I have not included the Japanese loan or any guaranteed loans between December and today. Nor indeed did I include the \$21 million loan contracted either by the Transport Levy Board or by the Ministry of Health, or by the Transport Board – I do not know – of doubtful legality, and this certainly needs to be regularised. I believe we discussed this in the Estimates, and there was a clear indication from the other side that steps would be taken to regularise the position.

What has been the effect of this borrowing? On the domestic scene, we have seen a switch from borrowing from the Central Bank to the National Insurance funds, so that by the end of December the Government in fact

had borrowed over 50 per cent of the assets of the National Insurance Board, a dangerous situation from an actuarial point of view, particularly when investments outside of Government might have given a better yield. This, of course, has compromised the cash flow position of the National Insurance Board from time to time and has had an impact on the integrity of their payments position. They have honoured their obligations. I am not saying they have not done that — but from time to time there have been significant delays. In addition to this, the savings of the taxpayers have been spent by the Government and can only be recovered through taxation. The taxpayers will have to pay taxes to pay the interest on their own savings.

Whilst we are on this, it might be useful to look at yesterday's Budget. We have had a paternity grant under the National Insurance, and the only problem is that persons eligible for maternity benefit often do not get their benefit until they are back to work, and occasionally, when their babies are walking around.

We have had a reduction in the Unemployment Levy, which is an admission that they were overtaxing the people and they were getting too little benefits at too high a price. I think the Honourable Minister of Finance having made that concession is a good thing, but he omitted to apologise to the nation. The same applies to the changes in the Employment Injury Benefit and extension of the period for Unemployment Benefit.

In respect of the Training Levy changes, that constitutes a further disincentive to employment, being a payroll tax. Indeed, the extension of the period when severance payments may be paid is a blow to the workers.

Other aspects of the National Debt should be examined at some time, but it is important to remember that it was not only the dramatic escalation in the debt. What is significant is the escalation from \$4.1 million in 1976 to \$163.5 million in 1985 in borrowings from international institutions, which, as you all know, have had a decisive effect on domestic Government policies. We have seen recently — and this has been brought into sharp focus — what has happened in relation to the IDB where we saw a Minister of Government give a firm assurance to this nation that a contract would be awarded in a particular manner and then that fell through. The Minister has not been gracious enough to offer an apology to the country for misleading it. In other countries, he would have had to resign!

Let us look now at the problems with our external debt. In the context of Barbados, they represent a net loss of resources. The maturity structure of our external loans is bad, and there will be a clustering of payments in 1985 to 1987. They represent a net loss of resources because the foreign exchange was not borrowed, in the

main, for purposes leading to foreign exchange earnings, either in the short or medium term. The external debt will have to be serviced from other export earnings, and that will compromise the standard of living of our nation.

Our external debt is a serious problem, and there is little point producing a reduced figure, excluding the Central Bank debt and the public guaranteed external debt, and then telling us that the debt service is 2.9 per cent. Even it were 2.9 per cent, many countries in this region have been led up the garden path by that kind of statistic. That happened to Jamaica for many years in the Sixties and the Seventies. It happened to Guyana. All sorts of fancy economists came in and told them that their debt service was only X amount of their exports, but when the exports dropped dramatically overnight, then they had to borrow more money, and there was a dramatic deterioration in their external position.

I would rather err with the experts of the International Monetary Fund, who as early as December 18, 1981, made it quite clear that if the ratio used was external debt to gross domestic product, it would be seen that the figure for Barbados was already higher than the average for non-oil less developed countries as a group. Since then, of course, the debt has gone up and we have not had significant increases in our gross domestic product. Therefore, that ratio would have worsened. I would err with them, because they are people who take a pretty objective view, they are highly well known international economists and they are certainly not interested in furthering their political careers by distorting the position in relation to any particular country.

I now look at Government's revenue position over the years. We have had some alarming increases in taxes in Barbados. From 1975 — 1976 to 1985 — 1986 property taxes have increased from \$8.5 million to \$33.1 million. They were not real taxes in 1976, since they were largely tax deductible. This is largely taxation on inflation which has had a damaging effect, particularly in the hotel sector.

5.25 p.m.

This Democratic Labour Party has committed itself to reducing property taxes, to restoring to the people the full interest payments on mortgages so that they can be deducted from their Income Tax. The full cost on repairs in any year would be deductible from the Income Tax, and home insurance payments would once again be deductible.

Yesterday, we heard a non-specific statement about \$32 million for housing, just left hanging in the air, from Government-controlled institutions, I think. What would be the source? I trust it would not be the Central Bank. The country would be very interested in knowing what the source would be.

We have also heard of certain relaxations in credit which form part of a national budget, but these are usually measures introduced by the Central Bank, which would impinge on housing related activities. We have been calling for this since 1982. We welcome it, but we also hope that this would also apply to stoves, refrigerators and furniture.

Indirect taxes in the form of consumption taxes have grown from \$9.6 million in 1975-76 to \$105 million projected in 1985-86. Yesterday, there was a \$1.3 million relief given in consumption taxes.

Stamp Duty has risen from \$0.9 million to \$55 million prior to yesterday, and that has now gone up to \$65 million. In fact, we have had 7 per cent increase over a seven-month period.

Non-tax revenue, the services provided by Government, including examination fees, have gone up from \$18.9 million in 1975-76 to \$44.4 million in 1985-86. The Democratic Labour Party will reduce those charges, which impact heavily on the poor people of this country.

Corporation Tax grew from \$30.3 million in 1975-76 to a modest \$66 million in 1985-86, as projected. This is a clear indication of the extent to which the private sector has been bled. Every single drop of blood has been extracted. What we got yesterday, the proposal to carry forward tax losses for seven years! That does not address the problem of the low rate of return on equity investment, nor does it address the problem of stimulating employment in the short and long term, which would depend on measures to ensure the viability of industries with a low internal rate of return.

Income Tax has grown from \$44 million to \$138 million. By not increasing the allowances and addressing the tax bands yesterday, the burden of Income Tax will increase this year because of the increase in salaries which would move people up into higher tax bands. Many people who were relieved from Income Tax by virtue of the tax credits might now find themselves paying income tax.

We welcome the allowance in relation to the credit unions, but I would call on the Minister of Finance to ensure that the Central Bank is kept far away from the credit unions. It was the absence of Central Bank control and low interest rates which resulted in the very strong growth of the credit union activity in Barbados over the past years. It had nothing to do with the Barbados Labour Party.

The levies. We had no levies in 1975-76. In 1985-86, we had \$40 million or thereabouts in levies! The transport and training levies will now be tax

deductible. This is merely correcting an infelicity which should never had taken place. As far as I am concerned, it should be abolished altogether. The revenue measures relating to \$15.7 million for the Health Levy and \$2 million for the Transport Levy by way of reimbursements to the Consolidated Fund, in my view, is taxing specific taxes to yield taxes to pay civil servants. In other words, they have now exposed themselves nakedly before the whole nation that levies equal taxes. They are all payroll taxes, and they constitute a major disincentive to employment. There are other mechanisms for extracting taxes from persons removed from the tax net by tax credits, since it starts as low as \$5.00.

So in Barbados today, we have the levies, indirect taxes which are not progressive, we have high levels of income tax, we have high levels of Property Tax, we have high levels of corporation taxes and we have high levels of other indirect taxes. These are major disincentives to this country.

There is one particular point I would like to address myself to. By a remarkable sleight of hand yesterday, a case was made out that the tax effort had increased by only 6.3 per cent because it was 23.4 per cent of GDP in 1974-75 and 29.7 per cent of GDP at present. That is not the preparation of the Honourable Prime Minister, he would not do a thing like that. The correct way of looking at that is that you would have to relate the 6.3 per cent as a percentage of the existing 23.4 per cent and then you would get the true increase in the tax effort, which in fact, is 26.9 per cent when it is properly calculated.

The effects of all these taxes, as I have said, constitutes disincentives for work, disincentives for savings, disincentives for investment. Corporations in Barbados are milked by taxes — taxes on profits, payroll taxes and all sorts of other impositions. Any chance of building up any corporate reserves and potential investment is seriously compromised. The net result — the impoverishment of our individual and corporate citizens!

It is my firm belief that the time has come when this country has to make a clear choice. Barbados' problems cannot be solved by policies pursued by the present Government, nor by public sector investment nor state capitalism. Greater reliance must be placed on individuals and on the private sector to create jobs, wealth and opportunity. It is my considered opinion that the quickest way to stop the drift in Barbados is to address yourself to this area of development.

This Democratic Labour Party therefore promises this nation that, when returned to office, it will reverse these trends by substantial cuts in Income Tax for each and every person. We have ready announced that persons with taxable incomes of \$12 000 a year or less will be exempt, and in respect of corporation taxes, the

Democratic Labour Party will seek, with consultation, to introduce major structural changes in corporation taxes, designed to build up reserves so that companies will have the opportunity to reinvest in this country. We are looking into a progressive Corporation Tax based on the rate of return on equity. There will be no increases in the maximum rate now applicable, but it will be graduated downward in such a way that you can actually pay zero tax in the given circumstances. We believe that this would be a welcome tonic for this economy.

5.35 p.m.

The question arises, do we need all these taxes? I am saying that we do not need them. We have to tax people in this way because large sums of public money are misallotted.

I invite everyone to share a few thoughts with me on the question of misallocation. Let us take the Head of Defence and Security. Between 1976 – 1980 this Government spent \$10.6 million on current expenditure and capital expenditure. Between 1981 – 1986 they spent \$134.8 million, and that does not include contingent liabilities that some of us, both in Government and on this side, might not know about. Let us look at the rate of growth of current expenditure in relation to Defence and Security. In 1976–77, it was just about \$1 million. In 1981–82, under the present Government, it was \$10.4 million, and by 1985–86, \$21.8 million.

We in the Democratic Labour Party are committed to a defence policy which would provide resources to come to the aid of the civil authority in an internal crisis, protect this country against invasion by small groups of mercenaries and protect the country against smugglers, drug traffickers and the like. However, we do not need a regular army of the size that we have. We do not need the very expensive weapons. We certainly do not need an expensive air wing with an aircraft with special inertia navigational equipment and with a seat configuration that can be altered to carry troops in full battle gear and also carry small bits of equipment. That was not bought either for tourism or indeed was it bought to carry breadfruits to St. Vincent, as we were told on the floor of this House.

Another area of expenditure is Charges of Debt. This was \$21.5 million in 1976–77 and is projected at \$105.3 million for 1985–86. We can play the percentage game that slick economists like to play. We can say it was 10 per cent of revenue in 1976–77 or we can say that it is 17 per cent in 1985–86, but the fact is that it is \$105 million. On top of that, look at that period 1981–86 and you will see that we would have spent \$447 million of the taxpayers' money in debt service. The Democratic Labour Party is going to put an end to this reckless borrowing. It has got to stop!

Another area is the purchase of equity in Government commercial enterprises. Millions upon millions upon millions of dollars have gone down the drain in these enterprises, and that is why, despite the taxation, we never have enough money for health, education, the police, road maintenance, welfare grants, housing, all the things that all of us readily and gladly pay taxes for.

Take Caribbean Airways, for example. We, along with Laker Airways, set up that airline. It did not cost the taxpayers of this country a cent, fulfilled its objective of forcing down the fares on the European/UK/Barbados route and also brought many tourists to Barbados. With the collapse of Laker Airways, the Government elected to run a commercial airline. Since then we have had a decline in visitors from Europe and we have had ever increasing public expenditure on Caribbean Airways. I am asking the Minister of Finance to tell the nation how much money was spent on Caribbean Airways since the Government took it over, and whether last year it was \$5 million, \$6 million, \$8 million or \$10 million. I do not know, and I do not want to quote a wrong figure, but the nation should know how much money they have put behind Caribbean Airways. You should also tell them how much of that money was spent on Barbadian employees.

CARICARGO. As I understand it, it made a loss last year, and, with the decline in trade between North America and Trinidad and Tobago, the prospects do not look very good. I would like to know whether or not the Government anticipates that it will have to continue subsidies to CARICARGO.

Heywoods. The only way that would not be a white elephant is if it was painted pink. I have identified flows of \$68.8 million – and, indeed there were other costs – through the Estimates to the Heywoods project. We have already had to pay the first year's losses by a Supplementary Resolution in this Honourable House not so long ago. The projected operational profits as indicated to us on the floor of this House – I do not remember the exact figure – was between some \$1 million and \$2 million earlier this year. It may have changed now, I do not know, but the essential question is, who is going to pay to service the \$70 million loan? Secondly, would the operational profit include the expenses for the amortization payment of the \$70 million loan?

That hotel has closed as many rooms in Barbados as it has created. Right now there are people going into small hotels on the south coast and on the west coast, and they are leaving these hotels to go to Heywoods to pay \$6 a night more.

Aero Services is another project. Again we were told that this was for tourism. It was a bankrupt

company with a debt about to be written off by Barclays Bank which this Government proceeded to assume, and of course, we have had our losses.

The Barbados National Oil Company, despite the advice of the Morgan Guarantee Trust, proceeded to borrow \$24 million to \$26 million from an offshore bank in Barbados. They borrowed over \$27 million from Venezuelan and Canadian sources. They have taxed the people of Barbados since 1983 \$5 million a year to keep that viable because of the fall in international oil prices, and indeed because of the need to maintain a high prices regime in Barbados, Barbadians over a five year period would have paid \$150 million more for energy than they would normally have paid. If it did impact on our balance of payments significantly, that would be at least a justification, but the fact is that last year when the Barbados National Oil Company had produced 469 000 barrels of oil, the net foreign exchange saving was \$1.4 million. At the end of the year, when it had produced 635 000 barrels of oil, the net foreign exchange was \$1.4 million. Even if you were to cost into that unshipped stocks, the net foreign exchange saving would be approximately US \$5.6 million, and I wonder if that was enough to service the foreign exchange cost of the loan. And because of that, we have had no reduction in the price of electricity, water, gasoline, diesel, kerosene and all the other petroleum products, while we paid the increased taxes!

The cement plant, a project conceived by the Democratic Labour Party at a price and on a scale which this country could afford, was designed to reduce the price of cement, reduce foreign exchange losses while probably using up 80 per cent of its capacity to service Barbados, with the residual 20 per cent to earn enough foreign exchange in order to serve the foreign exchange cost of the loans.

5.45 p.m.

The 'Great Combination' built a plant. For how much, I do not know. I hear rumours of \$207 million, I do not know. What I do know is that it can meet Barbados' needs in three to four months. It cannot operate profitably by closing down after three or four months. I know that, with the slackening of demand in the Caribbean and around the world, there has been extensive dumping of cement, and cement is being sold well below production cost throughout the world. Trinidad has its own cement plant, Jamaica has its own cement plant, Guyana has no money. So we are left with Tobago and we are left with the Eastern Caribbean countries. And now we have to struggle to get into non-CARICOM markets against stiff international competition!

The facts are that the taxpayers have had to pay Barbados' losses of the first year's portion, under the

accounting concept of capitalization of losses in the early stages of operation. Indeed, all the signs are that the price of cement would go up, and if the distribution arrangements recommended by the plant are allowed to go through, many people who spent many years in cement distribution in Barbados, the people who tell me that they used to have to swallow the cement when it used to come in loose, would now be out of work.

I cannot deal with the millions of dollars lost in overruns, millions of dollars spent on CARIFESTA, Ilaro Court, millions of dollars spent under Conferences and Delegations, or indeed, with Ministers' rewards, but I should at least like to draw attention to one. The Prime Minister of this country now earns \$89 460 a year, \$30 000 in non taxable allowances and an official car. The former Prime Minister, the Right Honourable Member for St. John, earned \$33 600 a year, \$24 000, and an official car.

(Hon. L. S. CRAIG: What is he getting now?)

Dr. R. C. HAYNES: The Deputy Prime Minister under our arrangements — I do not know who is the Deputy earned \$24 000 a year. Now, he would get \$75 600. Ministers of Government at that time earned \$24 000 a year and are now earning \$65 520 a year. All I am saying is that if you are going to ask the sanitation workers and other low paid persons in the Public Service to make sacrifices, then I think sacrifices should start at the top.

(Hon. L. S. CRAIG: I will deal with you and Barrow!)

Dr. R. C. HAYNES: I will now turn my attention to that Central Bank building; \$60 million, an extravagance which offends against the sensitivities of almost every Barbadian! It is symbolic of the attitude of this Government to develop, and its insensitivity to the feelings of our people! Despite what is said, the borrowing forms part of the National Debt, and over time it will result in revenue losses to the Treasury. It was financed by an external loan of \$6.4 million and by the creation of new money domestically.

Transfers from the profits of the Central Bank to the Treasury of Barbados in 1982-83 were \$8.4 million; in 1983-84, I see a blank in the Estimates; in 1984-85, I see a figure of \$3.09 million, and projected for 1985-86, I see a figure of \$1.6 million. However, in the Central Bank's Annual Report and in their Financial Statement, there is an amount of \$7.2 million appropriated for the Consolidated Fund. In 1983-84 and in 1984-85, \$6.2 million appropriated for the Consolidated Fund. What has happened to the \$7.2 million appropriated by the Central Bank for the Consolidated Fund, but now appearing as a blank in the Estimates? What has happened

to the \$6.2 million in 1984-85 appropriated by the Central Bank, but only \$3.09 million reflected in the Estimates? I will not attempt to say anything about it. I should be grateful for an explanation.

The Transport Board. Prior to 1976, subsidies were minimal and certainly not structured in Government's accounts. There was the odd Capital vote for the purchase of buses; I believe that in 1975-76 the amount was less than \$1 million. Since nationalization, between 1979-1986 some \$94 million would have been thrown behind the Transport Board, inclusive of the \$21 million which I referred to earlier. The subsidy this year is spread under several Heads of the Estimates. In the meantime, we have had a 300 per cent increase in bus fares, while they claim they have had a 300 per cent increase in passengers, and while at the same time, they have restricted the social component of the Transport Board by limiting the old age pensioners!

This situation cannot continue under the Democratic Labour Party. We would have to stamp out all the corruption at the Transport Board which a Minister of Government referred to. We would have to quantify the social service of the Transport Board, and our subsidies would be limited to that. Bus fares will not be increased to compensate for management failures.

I should like to compare what has happened to the minibus operation in Barbados. Despite the heavy import duties, the stamp duties, the consumption taxes, the initial licence fee of \$16 000, the annual renewal fee of \$6 000, they run their operation profitably, within the same price structure, within the same Barbados. I have had an estimate done, based on the sort of returns that they make, and it would seem to me that through these various taxes they would have put into the Treasury \$33.6 million, including the taxes on their daily operations, while the Transport Board, not having to bear any of the tax burdens, has cost us at least another \$94 million during that same period.

I now turn to unemployment. I will not get into any dispute over figures, because I think their figures are sufficiently damning. In 1976, they said the unemployment rate was 15.3 per cent, approximately 16 000 persons. In 1981, they said it was 10.8 per cent approximately 12 000 persons. In 1984, 18.3 per cent, approximately 20 000. In other words, they are saying that between 1981 and 1984, there are 8 000 more unemployed in 1984 than in 1981.

Last year, I gave a figure of 10 000, which indeed did not include losses in the commercial sector, and I was very pleased to hear the former Minister of Finance of the Barbados Labour Party say that over 3 000 jobs were lost in the commercial sector, which would put the figure way above the 10 000 that I quoted last year. In

addition to that, there have been some 16 000 people, as I said, leaving school. I do not know where they found jobs.

(Hon. Dr. R. L. CHELTENHAM: Sixteen thousand?)

Dr. R. C. HAYNES: In a four year period. 5.55 p.m.

Was it in the public sector? Was it in the manufacturing sector? Was it in the commercial sector? Was it in the agricultural sector? Was it in the banking sector? Was it in construction? Was it in tourism? I do not know what would induce people to lay off their existing staff in order to take on school leavers. So the important thing for us to recognize is that there have been massive job losses in Barbados, few new employment opportunities, and that there is an urgent need to make changes in our economic planning to generate permanent jobs. Despite all the taxation, all the borrowing, and all the public sector spending, unemployment in Barbados has worsened dramatically between 1981 and 1985!

My view is that the key to generating permanent jobs in Barbados lies with the private sector. I cannot go through all the areas of job losses, except to indicate that every single sector of this community has been affected by unemployment and I put the job losses at 4 000 for last year. To reinforce what I am saying, I am going to refer to the record of one of the unions in Barbados which would indicate that in January 1984 11 people lost jobs, and losses continued as follows:

February 1984	—	264
March 1984	—	343
April 1984	—	195
May 1984	—	310
June 1984	—	75
July 1984	—	222
August 1984	—	189
September 1984	—	155
October 1984	—	179
November 1984	—	53
December 1984	—	356
January 1985	—	283
February 1985	—	91
March 1985	—	15
April 1985	—	39
May 1985	—	25 so far.

Asides.

Mr. SPEAKER: Having read from a document, the honourable Member will be required to make that a document of the House.

Dr. R. C. HAYNES: These are notes, Sir. I would be very happy to make it a document of the House. No problem at all.

Mr. SPEAKER: The honourable Member did not say that he was making notes. He read a complete document, therefore, it must be made a document of the House.

Dr. R. C. HAYNES: No problem, Sir.

This brings me to the Democratic Labour Party wages policy. The Democratic Labour Party will not support a wages policy which throws the burden of adjustment on the poor. In a small society like ours, the appropriate wage levels are best arrived at in the market place through collective bargaining. That was part of our manifesto right back at the founding of the party, and those who advocate wages suppression are silent and supportive of the factors which have led to their call for wages suppression — I refer to the fiscal disciplines that I have mentioned before, the escalation of non-wage costs, heavy taxation, heavy losses in the public sector, handsome rewards for the managers of bankrupt enterprises in the public sector — and they are silent about the consequence of the erosion of the purchasing power of the nation and the impact that this will have in terms of generating further unemployment.

It is with this in mind that the Democratic Labour Party will continue with its position to reduce taxation, put more money in the pockets of both the employer and employee, encourage the principle of collective bargaining and continue the policy of slashing non-wage costs of business operations. We cannot have low wages in a high priced environment like Barbados. You can have low wages in China, you can have low wages in the Far East, because they are low-priced environments. Barbados is not like that.

I now turn to the private sector. Since 1982, I have repeatedly warned that the private sector of Barbados could not for long withstand the effects of a credit squeeze, increased taxation, a high interest rates regime, high energy costs and falling purchasing power in the community. These observations were based on the simple fact that we are a poor community and most businesses in Barbados have a very unfavourable equity debt ratio. Indeed, many of them operate principally on overdrafts and have no corporate reserves. I need not indicate that the combination of these policies have virtually ruined large sectors of the private sector, whether it be the building industry, large or small, the transport industry, the tourism industry, the ancillary tourist industry or the commercial sector, from the shopkeeper to the large commercial houses in Bridgetown. These have all shown marked reductions in profits, those which are not yet in receivership, and many bankruptcies have occurred, and of course, many job losses.

This Budget introduced a mild relaxation in credit, which I have referred to before. There were also some

inducements for export-oriented corporations. We will agree with that, except that it is four years too late, because many of the companies have no capital to benefit from the inducement or indeed, the allowances for expenses for developing new markets outside of CARICOM. This should be very carefully monitored, because it seems to me it could be easily abused, and Government should indicate at some time whether these inducements will be restricted to specific categories of industries or not.

So, by and large, there was nothing in this Budget for the private sector, apart from the one per cent allowance on commercial buildings, and what is really required for the private sector in respect of buildings is a reduction in property taxes. Many owners of buildings built in Bridgetown in the past five years can now find themselves in a situation where they have entered into contracts of rental and, because of the increases in property taxes, they are making a loss. I know at least one honourable Member on the other side, if he so felt, who would support that position. But he elects to read from a document.

The Government, instead of strengthening the private sector where with a small outlay, jobs can be recaptured immediately, is pursuing a programme of massive external borrowings, continuing these huge deficits that have to be financed by heavy domestic borrowings, heavy taxation, and more external borrowings. The jobs are costly. They are temporary. They are not jobs which would be acceptable to the majority of our young people. They are not jobs that would be acceptable to females. My view is that this public sector spending will be a drain on the private sector, creating joblessness and eventually creating a vicious cycle, and I believe this is what is beginning to happen in Barbados.

6.05 p.m.

I want to revert to one statutory board the Barbados National Bank, and I welcome the Minister's statement that most of these Boards should be profitable, or at least well run. I do not believe that a Government-run commercial bank has a major role to play in this economy. I feel that the Central Bank has enough controls, and if we have an indigenous bank, I would prefer to see a privately-owned bank. But whether it is Government-owned or not, a bank must be run along sound commercial lines. All loans must be made in accordance with a sound lending policy. The only concession acceptable is where the National Bank may make a loan with lower profits in the national interest, but profits there must be.

The Barbados National Bank must no longer be an institution for political welfarism in its lending policies to Barbados Labour Party yardfowls. The DLP will have to

rescue that institution. It will put an end to all political interference. It will appoint a Board that consists mainly of bankers, monetary economists, accountants and persons with legal and related skills. We will retain the membership of the Barbados Workers Union, because it has made a major contribution on the Board. Banking is not an activity to be run by civil servants, however competent they are as civil servants or as administrators in the Public Service. An aggressive policy will have to be put in place to recover some of the political loans. The Agricultural Division will have to be removed from the Barbados National Bank, to stop the drain on the commercial sector and to provide an institution geared to the needs of agriculture to attract long term concessionary financing.

We must be in no doubt that the heavy losses incurred by the Barbados National Bank might very well one day have to be met by the taxpayers in this country. If we look at the record of that bank, assets have grown from 1978, from \$137 million to \$309 million, but the losses have increased from \$155 000 to \$7.2 million. The share capital of \$16 million, at least half of it has already been eroded. And it is only because of the sugar support which pays the interest on the agricultural loans that those agricultural loans are not as yet classified as bad loans. The deposits have grown fantastically, from \$74 million to \$184 million. The net interest income has been appalling, from \$4.7 million to \$12.2 million! Then there is the bad debt provision; agriculture in 1983, \$3.4 million — I have already said why that is low — the commercial sector, \$17.3 million; the Trust Division, \$2.5 million.

Something is fundamentally wrong. In the Agricultural Division, the professional staff took no decisions in relation to loans. They were all made by a small committee of the Board of the Barbados National Bank, and many of the loans either had no security, had bad security, or the loans were far in excess of good security when the security has been good. The result, the exposure of the bank is over \$70 million!

In the Commercial Division, the Barbados Labour Party recently said that it was worse than the Agricultural Division, and Government policy in this area has been disastrous. There has been political interference at all levels, including a Board dominated by persons who have no banking experience and who will not act on the advice of senior management.

I will not comment on the ridiculous expansion programme of the bank. What I will say is that there have been many political loans undermining the authority of the professional management of the bank. It has a loan system where by allowing loans to float over the limits which the Manager would have an absolute veto on, then it can by-pass him and go to the Board. Loans were made without the

knowledge of the General Manager. People have been known to go to one branch and obtain a loan and then go to another branch and obtain a loan. That is a fact.

Can you imagine a situation like this existing in the National Bank, at one branch: 16.24 per cent of all loans totally unsecured; 23.5 per cent the only security letters of undertaking? In fact, 39.29 per cent of the loans unsecured and most of them bad loans! Thirty one loans amounted to \$450 million, mostly bad, reported about a year after the period required by the internal rules of the bank. Loans with equitable mortgages exist in that bank, but the mortgages not effectuated. There are six bridging loans at one branch alone amounting to over \$500 000, without reference to the General Manager. Loans starting, as I said, within the limit of the branch allowed to go over the limit, and thereby by-passing the limit of the General Manager. Indeed, there was one loan where the security taken was a twenty year-old motor car. Incredible! I am not talking about a twenty year-old Mercedes Benz. Indeed, there was one \$26 000 loan which was made to someone who was listed in the bank as a bad debtor.

To correct this situation — and I will show you where the Government is at fault — the Board, by a majority, made changes in the management of three of the branches. This drew the anger from the political directorate, and when the General Manager was confirmed in his appointment as Manager (Banking) by a majority of the Board, seven voted for, three against, and there were two abstentions. The response of the political directorate of this country was to fire five of those who voted for good sound banking in the Barbados National Bank. That is what they did. That is a fact.

Take the Legal Division. You find a situation where the Acting Managing Director would by minute state to the Chairman and to the Board that the only department in the headquarters generating direct revenue was the Legal Department: \$82 000 in 1981, \$152 000 in 1982, \$169 000 in 1983 and \$188 000 in 1984. Yet, it is being closed down! And you check and see to whom the legal work is being given. I know!

I am demanding a full enquiry into the Barbados National Bank and I am calling for the withdrawal of the dismissals of the professional staff. I am also calling for the immediate appointment of a Managing Director. I am demanding that there should be no further political interference in the lending policies of the bank.

I will pass this file to the Leader of the Opposition, because it will form an integral part of evidence in relation to that enquiry. That file contains evidence of an individual with about 24 judgements registered in the courts against him. Yet, through another company going to the bank, he obtained a loan for over half a million

dollars in 1981 against the advice of the professional staff. He did make some interest payments, but it floated up to about \$750 000 in a three year period. 6.15 p.m.

But that is not bad. Through another corporation, the same individual could obtain overdraft facilities for \$300 000 at the same bank. And when the General Manager refused to give any facilities, he was instructed by the former Minister of Finance in the Barbados Labour Party to write an official complaint against the General Manager and copy it to the Managing Director, and an additional loan of \$50 000, unsecured, was given to him. The additional security was an equitable mortgage over the assets which formed the security for the original loan. And this amounted only to 40 acres of agricultural land and a debenture on fixed and floating assets of a non-existing company, a company taken before the courts by the Registrar of this country for non-compliance with the regulations relating to corporations in terms of filing returns, and three directors, all of them directors of straw, issued share capital of \$2!

That is the kind of situation going on in the National Bank. We have to do something about it, and do something about it speedily.

I now turn to the sugar industry, a matter very dear and near to my heart. This Democratic Labour Party has an excellent record in relation to the sugar industry, because under us employment levels were high, workers enjoyed a five-day guaranteed week, plantations made a profit, factories made a profit, lock-ups were minimal, Central Bank financing was minimal, financial institutions which served the industry were all viable and there was no need for price support. Despite that, we hear the accusations of the Barbados Labour Party, a party which said that they brought back idle lands under cultivation. The records would show that in 1975 sixteen point one thousand hectares of canes were reaped in Barbados; in 1980, sixteen point one thousand hectares and in 1981, fifteen point eight thousand hectares. They have not brought back one square millimetre of land in Barbados under sugar cultivation!

They have also spread it abroad that the Sugar Export Levy of 1975 was an immediate cause of decapitalisation of the industry. It is totally untrue! Between 1947 and 1981, under the levy system a total of \$121 million was extracted from the sugar industry. Between 1947 and 1981, including the collapse of the levy fund, \$68 million went back in through the Capital Rehabilitation Reserve Fund and transfers from the collapse of those levies. Sixteen point two million dollars through the Price Stabilisation Fund went to the Bulk Storage Installation, and the remainder was spread between the Labour Welfare Fund for sugar workers and the Sugar Workers Provident Fund, the workers' money. I

hope that this kills, once and for all, any misconception that the Sugar Industry Levy of 1975 in the amount of \$30 million had anything to do with the subsequent troubles of the sugar industry.

We, in the debates since 1982, have supported the retention of the cane industry in Barbados on ecological grounds, on employment generation grounds, the best use of existing capital investment and the best use of available technological skills, including the skills for diversification and for its contribution to foreign exchange earnings. But we did argue that new investment should have been directed to diversification of the agricultural effort as far back as 1981 because of slackening of the demand for sugar projected weak adverse exchange rates and weak commodity prices. We were ignored, even when we invited the Government to consider at that time, before the investment into the Barbados National Oil Company, significant energy related projects, for example, the pelletisation of bagasse, alcohol, refined sugars, methanol and surgical alcohols, whilst retaining of course, the flexibility to take advantage of good sugar prices. They took a different line. They put all their eggs in one basket. They introduced a price support mechanism which has clearly been a total failure, as I told them it would be a failure, and when I called on this floor of the House only a few weeks ago for a subsidy to agriculture, the honourable Member for St. Peter (Mr. O. S. Arthur) got up in the House and said that was the day when the honourable Member for St. Michael South Central was taken captive by the sugar producers in Barbados.

There has been a distinct change in policy. During the Estimates, it was said that the worst thing we could do was to give a subsidy, but it is the only sensible thing to do; if you do not subsidize the industry, it is going to collapse, with 4 000 people out of work and probably another 4 000 out of work overnight in Barbados.

The price support is more directed to save the National Bank than to the sugar industry. We had \$17 million in support in 1982, \$10 million in 1983 and \$15 million in 1984; transfers from the collapse of the levy funds \$24 million, proceeds from the increased prices of sugar \$16 million over a four-year period and, of course, there is also the Government guarantee for Portvale and the over-runs in relation to Portvale, which amounted to \$15 million. This makes a total of \$97 million, from which, of course, should be subtracted the proceeds from the bonds that have been redeemed to date. Despite all of that, through the price support mechanism, industry's debt at the beginning of this year was some \$130 million, \$105 million owed by the plantations and \$25 million owed by the factory. So the price support system itself did not work. It was just simply postponing an evil day. It was postponing the day of reckoning. It was doing something that was fundamentally wrong, that is, it was encouraging farmers

to incur increasing losses in the production of sugar, and we have to be fair about this.

It was in this context, that I came to the conclusion that, in the overall interest of Barbados, in the overall interest of job preservation and in the overall interest of the effort which the management of the sugar industry made between 1982 and 1985 — I myself feel they have done a good job during that period — we should give them a subsidy.

I was very critical of the management of the sugar industry in 1981, particularly in relation to Portvale, the method of financing Portvale, and the whole question of non-supervision of credit to the industry. There have been major changes in the management of the industry, and I feel that if I were in a position to criticise them constructively, in 1981, I am now in a position to say that they have done a reasonably good job in the past few years. And that is not being taken captive by any group because, unlike many on the other side, I speak in the national interest at all times.

6.25 p.m.

Revenue from gambling. I want to say that this Democratic Labour Party will not be pursuing a policy in which it would be seeking to promote gambling as a form of revenue earning in this country. We will not introduce any legislation that goes beyond the principle of regulating a known and existing indigenous demand for a given form of gambling, and we will not introduce legislation which would stimulate any form of gambling. The explanation is very simple. We will not introduce legislation to stimulate gambling, nor will we introduce legislation to import gambling into Barbados, and in that regard we will put an end to any doubt whatsoever in relation to casino gambling in Barbados by simply including in the body of the Acts all the games played in casinos and ban them from being played in clubs. That would put an end to any argument on the interpretation of the prohibitions or the status of the regulations.

I say that because one or two disturbing things have happened recently. Could you imagine a situation in which the king of the one-armed bandits in Barbados has been walking around boasting that all will be well because he was in a position to inform the Chairman of the Gaming Commission of his appointment as chairman before any Minister of Government or any senior public servant had taken the steps to inform him. How did he know? This is the whole point I am making. You can see how easy it is for corruption in gambling to spread even into the Cabinet of a country!

I made a public statement earlier that certain groups wanted to buy hotel properties in Barbados. I have the documents here and I will not pursue this now. The

Leader of the Opposition will deal with that. Worse than that, a member of the Barbados Labour Party, a distinguished lawyer, as recently as March of this year, was submitting proposals for an investment based on casino gambling and based on the passing of the Gaming Act. I pass that to the Leader of the Opposition as well.

I now turn to non-sugar agriculture. We all know that the apparent increase in non-sugar agriculture between 1981 and 1984 was largely due to the fact that the large estates went into cash crops to try to recoup on their losses from sugar and increase their cash flow. That has had a very adverse effect on the small farmers in Barbados, and indeed the small farmers in Barbados can hardly produce at a profit today, and as a class they have been virtually wiped out. We intend to resuscitate that farming community by providing better banking facilities, increasing the flow of credit, restoring marketing arrangements and restoring island-wide extension service — not concentrated in one part of Christ Church — reduce the cost of water and provide sound information systems for small farmers and transport facilities for the farmers who need them.

In the field of energy we have already stated our position, that we recognise a price structure which has been foisted on this country by the investment in the Barbados National Oil Company so that Barbadians have to continue to pay high prices for energy today, which most importing countries have been relieved of, because of the very dramatic fall in oil prices over the past three or four years. We first faced the burden of the high prices, of the unemployment that was due principally to exogenous causes in the Seventies under the Democratic Labour Party and also in the late Seventies under the Barbados Labour Party. That is a fair statement, but what is happening in the Eighties is largely a consequence of domestic policies in relation to energy and also their position in relation to the pricing of public utilities.

In its most naked form, their policy was exposed by the honourable Member for St. Peter on the floor of the House, a policy that was cleverly concealed for some time, which shows what youth and innocence can do, when he said that energy is a scarce resource and therefore you have to count various cost factors and you have to maintain the price of energy. It should not be subsidised. But I would say that dollar bills are also scarce. We never said that energy should be subsidised in Barbados. In fact, energy was never subsidised in Barbados, it was always taxed. What we have at the moment are unnecessarily high prices for energy in pursuit of an energy conservation policy.

Our position is very simple. We will restructure the whole system of public utilities rate-making in Barbados based on the concepts of the lowest feasible cost to the consumer without rate suppression, and there will be a

fair rate of return on investment. The consumers will contribute towards capital development of the public utility and maintain the integrity of the public utility companies. We reject out of hand any concept of the long run marginal costing of public utilities as instituted by the Public Utilities Board under pressure, and as recommended to Government recently in an official study. We are saying in advance that we are rejecting it. Never again, and certainly not under a Democratic Labour Party, will notional expenses, such as deferred taxes, investment tax credit, liability to corporation taxes, whether paid or not, form part of the cost of service, and therefore part of the cost that people have to pay for electricity in this country. I have said that we do not intend to get into any legal argument over the matter. We will simply abolish the liability of public utilities to corporation taxes and they will all disappear overnight. We can recoup any excess earnings by lowering the rates charged to consumers, if that is desirable, or through a licensing system we can recover any excess earnings at any given point in time.

The Public Utilities Board will have to be totally restructured, again with a majority of persons knowledgeable and able to deal with this very sophisticated area, and have top class expertise available to it which can compete with those hired by the public utility companies. This policy of the Democratic Labour Party will result in a fall in electricity rates, a fall in water rates, a fall in transport costs, a fall in prices throughout the economy, increased employment opportunities, the reduction of the burden on the tourist industry and other operations in this country and, indeed, would be an important factor contributing to the recapture of the jobs lost and a reduction in the price levels in this country.

That is an energy policy which we will pursue. Our policy is clear and distinct from that of the Barbados Labour Party. They believe in following the IMF and the World Bank and fixing prices at the level to conserve energy. We believe that there are other methods of conserving energy and that consumers should not be asked to pay more than the market cost.

6.35 p.m.

In relation to the manufacturing sector, we have had some inducements, to which I referred earlier. There is not much that I can say. All I am saying is that the measures to induce export orientation of our manufacturing sector will not work; the money just simply is not there.

In respect of the tourist sector again, we warned them as early as 1981, when the honourable Minister of Finance, Prime Minister of this country, at that time Minister of Tourism, not only in Barbados but also in Canada was saying that there was nothing wrong with the prices in Barbados. It was quite clear to everyone that an orderly price reduction was necessary for the tourist

industry, that the hotel industry had to be relieved of the high cost of electricity, the high property taxes and also that attention needed to be addressed to the results of the over expansion of hotel plant, which in itself generated low occupancy rates and an upward pressure on hotel prices. We also brought to his attention the whole question of the high interest rates, the need for longer term financing and the level of taxation within the hotel sector. They spent two or three years concentrating on wage reductions, on wage suppression in the tourist sector, failing to recognize that in an industry which depends on people looking after people, the worst thing that you could have in the hotel industry is to have an under-managed or a dissatisfied work force!

The Democratic Labour Party is committed to rehabilitating the hotel industry. We will be placing more resources behind the industry for promotion. We will be making substantial sums available to the Barbados Development Bank for longer term financing. We will be making funds available and accessible to the hoteliers for refurbishing. It is one thing making funds available, and it is another thing making them accessible, and that is what is not happening now. We will reduce substantially the property taxes of hotels. We will, through our energy policy, reduce electricity rates and water rates. We will also seek to restore the purpose and the intent of fiscal incentives, largely removed by other tax impositions. Indeed, we will remove many of the other nuisance impositions which act as irritants to our visitors, for example, \$30 for a driver's permit for a few days.

I do not know if Members have read the Pannell Kerr Foster Report on the tourist industry, which was submitted to the Barbados Hotel Association on March 15, of this year. In that report it says:

"In our opinion, the survey clearly shows that by the end of 1982 the Barbados hotel industry was in a very precarious financial position. This situation is likely to worsen in 1983 and statistics available to us indicate that hotel revenues declined further in 1983.

"Of more concern, however, is the question of whether we have a viable industry. In our view, at no time during the period 1980 to 1982 was the industry earning an adequate profit to enable it to repay its debts, replacing aging assets and provide owners with a reasonable return on their investment.

Unless this situation is corrected, the long term prospects of the hotel industry in Barbados are not at all good."

And I would think.....

Mr. SPEAKER: that the honourable Member will also make that a document of the House.

Dr. R. C. HAYNES: Sure. I would be very pleased to make it a document of the House.

You cannot cover everything in a Budget Reply, but I think we have got across the general spirit of the Democratic Labour Party about redressing many of the wrongs inflicted. These policies, I believe, and confidently anticipate, would restore economic growth in this country of the order of about three per cent per year. We will cleanse the social landscape of Barbados, polluted, as I said before, by corruption, drugs and crime. We will reduce our dependence on foreign borrowing. We will mobilize domestic resources. We will be rewarding individual effort and initiative and bring back profits and prosperity to the private sector. We will stop the public sector losses while maintaining the integrity of the social services. We will be creating new initiatives in the public sector, but we will be giving a major breathing space to private corporations. We will put our people back to work and put money in their pockets. We will revitalize the agricultural, commercial, tourist and manufacturing sectors of this economy. We will reduce the cost of living. We will protect our foreign reserves and our balance of payments. We will recreate an investment climate in Barbados which will restore the confidence of local and foreign investors. Above all, we will give hope once again and opportunity to our young people.

These are the goals. These are the perspectives of the Democratic Labour Party. We did it before and we will do it again.

Applause

SUSPENSION OF SITTING

Hon. L. S. CRAIG: I beg to move, Mr. Speaker, that this sitting be now suspended for one hour this evening for dinner.

We are well aware of the fact that there is no accommodation here in the dining hall because it is still under repairs and we would have to go to Queen's Park, the venue, for dinner.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

(Hon. Dr. R. L. CHELTENHAM: You had better make that one and a half hours.)

Aside

Hon. L. S. CRAIG: For one hour, Sir.

Mr. SPEAKER: Do I hear a seconder for this motion.

Hon. L. S. CRAIG: Yes, Sir.

The question that the sitting be now suspended until 7.45 p.m. tonight was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.
6.45 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The honourable Member for Christ Church East.

Hon. Dr. R. L. CHELTENHAM: Thank you, Mr. Speaker.

The first point which needs to be made about the reply which was just given by the honourable Member for St. Michael South Central is that it was a studious avoidance of the real issues which were very seriously addressed by the honourable Prime Minister in the course of his Budget presentation yesterday evening. It presents me with a real dilemma. I could choose to pursue the last honourable Member in his game of political hopscotch and jump around from subject to subject, and so deviate from this debate and the very serious tone which was rightly set by the Honourable Prime Minister and Minister of Finance yesterday evening. Or I could choose, as I will do, to ignore a large part of what he has said and concentrate on what I regard as the real serious issues which this Budget attempts to address.

It must be said in passing, however, that the last speech was no more than old wine, in old wine skins, labelled 1985. For, in truth and in fact, we who sit in this Parliament from Tuesday to Tuesday are accustomed to hearing the honourable Member repeat the old charges: that the Barbados Labour Party presides over the ruination and the bankruptcy of the sugar industry, that we have impoverished the middle class, and that we have been responsible for all the bankruptcies and layoffs. The only thing that we did not hear today was that we were on the brink of gloom and doom, collapse and total disaster.

Indeed, it would be difficult, when you listen to the last honourable Member, to recognize the country about which he is speaking as our country, Barbados, the country which has grown so dramatically and so significantly under the Barbados Labour Party Administration in the last eight years. You would not believe, when you listen to the last honourable Member, that this is a country in which the Gross Domestic Product has virtually doubled in the last eight years. You would not believe that this is a country in which the banking is awashed with liquidity, such that a bond issue of \$15 million could be over-subscribed in forty-eight hours. You would not believe that this is a country in which new concrete is going up in many parts of the country literally every day. You would not believe that this is a country in which more than \$46 million is spent on foreign travel

from year to year. You would believe that this is some impoverished, to use his word, depressed, backward country, situated in a far away place!

His whole presentation was characterised by the usual distortions, misimpressions and broad and unspecified charges. The late Norman Washington Manley, the former Premier of Jamaica, used to say that it was the duty of the Opposition to oppose, and to do so with as little grace as possible. In the hands of the last honourable Member who spoke, that dictum has now been revised. Apparently, he thinks that it is not only the duty of the Opposition to oppose, and do so with as little grace as possible, but to do so with as little regard for facts and serious analysis as possible!

Before reaching what I regard as the issues of the day, which were rightly put before this House and before this country by the Honourable Prime Minister and Minister of Finance yesterday evening, I want to comment on the tendency, which was reflected in the speech made by the last honourable Member, to make broad and serious charges with no attempt to document them or to specify, but just leave them hanging. I refer to the charge of political corruption which he made in relation to members on this side and leading members of the Barbados Labour Party, particularly relating to certain Ministries. That is all right if the exercise is concerned with providing materials for the political gossipers. That is all right if we are concerned to excite the mischievous and the suspicious in our community. But it is the height of irresponsibility to come to this Parliament and make those serious charges of corruption in high places, and then not to follow through with those charges by giving us detailed evidence, and documenting and specifying those charges.

I say this for the benefit both of this Parliament and this country. If the Opposition is to begin to have a claim to be treated as the Government in waiting, if the Opposition is to be taken seriously as an alternative Government in this country, then the Opposition must learn to conduct themselves seriously and to address the issues of the day in the manner and tone which was set by the Prime Minister and Minister of Finance yesterday. If, indeed, there is any evidence of wrong-doing on the part of anyone and the last honourable Member who spoke is in receipt of that information, he has a responsibility to write to the Prime Minister, give him that information and call on him to take action, or he, in turn, has the responsibility to make that evidence available to the Director of Public Prosecutions. But it does nothing for the tone of public life of this country for members who hold out themselves as serious members operating in the public arena to be making large, unfounded and serious charges relating to the integrity

of others without going further and providing details, or making the evidence available in the proper forum.

I want to remind this Parliament that when, in 1976, we in the Barbados Labour Party felt that we had evidence of wrong-doing on the part of the Democratic Labour Party, we presented that evidence before Parliament in the form of the cheques signed by some of the prominent members of the Democratic Labour Party, and we made those cheques documents of this House. We were not prepared to hide behind parliamentary privilege. We went outside and, night after night, we presented those cheques for public inspection and we challenged them to open the courts. That is the only way. If you have evidence, unfold it! Do not hide behind parliamentary privilege, go outside and unfold it, and I challenge you to do that. Rather, you have got in here and you have made statements that excite the suspicious and mischievous in our community by providing material to the political gossipers who are abroad.

Applause

Hon. Dr. R. L. CHELTENHAM: I want to point to what are the real issues confronting this country at this moment. The issues relate to unemployment. The fact that we have 17 per cent or 18 per cent unemployment at this moment, that that is unacceptably high and that we have to devise ways and means of correcting that situation.

The issues relates to the fact that this country, like much of the world, is under the impact of technological changes and that we have to tool, and retool in some cases, our work force and equip them to meet the technological changes that are taking place.

The issues relate to the fact that many of the corporate structures in Barbados, many of the businesses, have suffered from a contraction in demand, have been having a cash-flow problem, and they need to be relieved of some of our cash-flow difficulties and given special inducements in order that they, in turn, can work in partnership with the Government in helping to provide jobs.

7.55 p.m.

The issues relate to the fact that ours is a small market, and whether we look at it in domestic terms or in regional terms, and whether we are dealing with our manufactured products or with our agricultural products, the market is readily saturated. And because of the difficulties that we are experiencing in the regional market that have got nothing to do with the Barbados Labour Party Administration, as I shall point out in a moment, we have a responsibility to devise strategies to penetrate the extra-regional market.

They are the issues of the moment, and they are the issues which were sensibly and rightly addressed by the Honourable Prime Minister and Minister of Finance yesterday evening. The debate is not about pornography. It is not about unfounded charges of corruption. It is not about the king of the one-armed bandits, whoever he or she may be — apparently he is known only to the last honourable Member who spoke. They are not the issues, and we have got to be very careful not to so conduct ourselves as to mislead the public as to what are the challenges facing the country and what the Government is trying to do in order to meet those challenges.

Let me step back a little and pick up the story from about 1981 and try to identify some of the factors that have been at work, factors over which we had little control and which have been responsible for the economic climate in which we have been operating and some of the difficulties with which we are faced.

The position is that the world has been in its worst recession since the 1930s, and over the last three years the impact of that recession has been acutely felt not only here in Barbados but across much of the western world. High interest rates have prevailed for the most part in the lead countries of the western world — the United States, Canada, the United Kingdom and West Germany — and as a result businesses have not been able to expand, and that has been accompanied by a contraction of demand for goods and services, including the goods and services which we in Barbados sell. I refer to our sugar, to our tourism in particular, and to our manufactured products.

Part of this environment which I am describing also includes the fact that many countries have had to resort to protectionist devices in order to insulate their markets from competition and give their domestic producers the opportunity to dispose of their products. In that sort of situation, which has affected the entire world, including great stability in exchange rates, the Government of this country resorted to certain stabilising policies in the face of the very turbulent economic winds which were blowing.

Before I describe in some detail the sort of policies which we had to adopt, I would like to illustrate by reference to the sugar industry the extent to which we were the victims of the enormous instability in the exchange rate market.

In 1980, we in Barbados got from our principal premier market, the European Economic Community, approximately Bds \$900 for every tonne of sugar which we exported. By 1984, the basket of European currencies — referred to as the European Currency Units (ECU) — in which we are paid for our sugar was so devalued in relation to the U.S. dollar, to which we are in a fixed

relationship of two to one, that we were getting about \$600 for every tonne of sugar which we exported to Europe. The loss in the sugar industry, therefore, was completely beyond our control, and was a massive loss that resulted in a liquidity problem in the industry. Had it not been for that situation, all of the rehabilitation measures which we have been taking in the last four years would by now have so paid off that we would have come very close to bringing the cost of our production in line with the prices which we are getting in our premier market.

So it is not fair that any serious commentators of the economic situation in Barbados should be saying that the Government is responsible for all the economic difficulties which we have been experiencing in this country over the last four years. In fact, the Government can take great credit for the manner in which we handled ourselves, and the people of this country, who were part of the adjustment and part of the sacrifice. We can all take great credit for the manner in which we adapted ourselves in the face of the very harsh economic winds which were blowing.

The Government, to continue the story, was forced to adopt stabilisation policies which meant in part that we had to try to moderate our inflation, we had to control prices, we had to cut back on our public investment policy and we had to pay attention to our foreign reserves and to our balance of payments. But in doing that, we made sure that we continue to make strategic investments in the public sector and that we kept our social infrastructure intact. We also made sure that our productive resources were kept up to date so that whenever the recession waned we would be in a position to take full advantage of the renewed growth in international trade and the renewed demand for the goods and services which we in Barbados produce.

Notwithstanding the stabilisation policies which we were forced to adopt, at the end of the day we had a manageable, as we now have, debt situation. We have a foreign reserve situation which is no cause for concern. We have improved our social infrastructure. We have brought down inflation and the cost of living to the point that in the last month we have had the lowest increase recorded since statistics were kept in 1967. The only area in which we can claim in Barbados that we were not in a position to control, and in which we suffered, was the unemployment situation.

8.05 p.m.

For sure there were some bankruptcies and some lay-offs, but there is nothing new about bankruptcies in a free market situation. In the United States, in normal times there are about a quarter of a million bankruptcies a year. In the midst of the recession, the figure rose to about 400 000 a year. In a situation where technology is

changing, where demand is contracting, where interest rates are high, it was almost inevitable that there would have been some bankruptcies and some layoffs. Quite often, it is the price that you pay for industrial change and industrial development. But the fact that we know people who have suffered loss of jobs as a result of these bankruptcies and these layoffs, because they are your cousins and mine, because the community is small, and we are involved because our own relatives and friends are involved, should not allow us to magnify and distort what is happening out of all proportions.

I want to make one point in relation to the bankruptcies and lay-offs. It seems to me that though many of the bankruptcies and the layoffs have been the result of externally induced factors, many of which I have already referred to, we have a situation in Barbados in which we will not be able to experience full efficiency in the management of private sector corporations unless we move to the point where there is full acceptance and application of the principle of merit both in relation to recruitment and promotion. I make that as a very serious point. It seems to me that some of the bankruptcies in Bridgetown relate as much to inept management, resulting from the fact that some of the wrong people in terms of pure competence — that is all I am concerned with — and efficiency are at the helm. In the private sector in particular, because in Government we have long moved to the recognition and the implementation of the merit principle, there must be, if we are to experience improved efficiency, an acceptance of the principle of merit in relation to both appointments and promotions.

Because of the situation which I have been describing, it was necessary for the Government, particularly now that we are emerging from this period of recession and economic difficulty, to give a new impetus, a new fillip, to the productive sectors of the economy so as to ensure that we put our nation back to work, that the young men and women who are without work, and the not so young too, are given the opportunity once again to work. The Budget therefore addressed the question of relieving the cash flow difficulties and providing new incentives for the many corporations across the manufacturing sector and generally in Bridgetown. It is in that context that you have to understand the provision to make money cheaper whereby the rate has been reduced by one per cent. It is in that context that you have to understand the provision to make more credit available to the distribution sector. It is in that context that you have to understand the regime of incentives which has been devised and announced yesterday for those who are involved in extra-regional exports.

It is not the fault of the Barbados Labour Party that the regional payments facility has collapsed. We were not responsible for the fact that Guyana and Jamaica could not pay. There were factors outside our

control, so we must reject categorically the charge that this Barbados Labour Party Administration is responsible for the fact that, with the collapse of the Multilateral Clearing Facility about Bds. \$120 million is owed to us. That is why I, at the very outset, made the charge that the Opposition not only opposed with a total lack of grace, but without any regard for the facts and without any regard for serious analysis.

As part of the old wine in old wine skins to which we have been treated by the last honourable speaker, we were told that the National Debt is a cause for worry, in effect, it has reached unmanageable proportions, and that it is a reflection of mismanagement on the part of this Barbados Labour Party administration. It must be said that all countries today virtually resort to borrowing as part of the technique of financing development. When the Democratic Labour Party left office in 1976, the borrowing component of our public debt was no more than about \$44 million, but then this was a puny economy. The man who is working for \$700 a month perhaps cannot afford to borrow any more money than would involve him in a repayment of \$150 monthly. Assuming he was to go beyond that, he would not be in a position to eat. But this economy has grown by leaps and bounds, and we had so many gaps to fill in the acquisition of public assets and in the development of our infrastructure that we had to embark on a capital programme which involved borrowing.

We, however, did not borrow recklessly. The man who borrows in order for domestic housekeeping is running a great danger. We in this country did not borrow for domestic housekeeping. We borrowed for important social and productive projects, and we have not only borrowed, but the money is being wisely spent.
8.15 p.m.

The Opposition apparently regard Heywoods as a white elephant. They say it will only not be a white elephant if it is painted pink. We on this side regard it as a significant addition to the tourist plant in Barbados, and to employment and the generation of economic activity in the north of Barbados. And now that I am on that, I must say that the Opposition cannot have it both ways. Up to the time that that project had been restructured and was about to be completed by the Barbados Labour Party Administration, the Democratic Labour Party was saying that that was their idea we had implemented and were taking credit for. Within months, however, we were told that it was a bad idea and that it was a white elephant. They really cannot have it both ways.

(A VOICE: The price is wrong.)

Hon. Dr. R. L. CHELTENHAM: We on this side regard it as an important addition to our tourist plant,

and I have no doubt that with the resurgence of tourism — it is growing strong again, we have already surpassed the high numbers of 1978–80 — that that plant will turn out to be a major success and a wise investment.

It is not Heywoods alone. The cement plant is an important investment in this country, and it is precisely because of the presence of the cement plant in our midst that we are going to be able to make the vigorous assault on housing which we have already signalled, and for which the Prime Minister and Minister of Finance has provided some \$32 million by way of mortgage from the public sector this year.

The World Bank programme in school building has also been an important investment in this country. I recognise the discomfort of the honourable Member for St. Michael South (Mr. L. E. Sandiford). That is understandable, because when he was Minister of Education he could not get his side to do it. We have built over twelve new schools in the last four or five years in this country resulting from the World Bank funds, schools like Ellerton Primary, Grantley Adams Memorial, St. Patrick's Primary, the West Terrace and the Luther Thorne, and the additions to BIMAP, Erdiston, Alexandra, Coleridge and Parry and the Alleyne School. They have all been built under the World Bank programme over the last five years or expanded, there are ten more on the drawing boards, and we on this side are proud of that sort of social and productive investment.

So we have borrowed money, but we have a lot to show for it. We have expanded our network of polyclinics across the country in preparation for the introduction of the National Health Scheme, and in all of that we have never defaulted on our payments. In fact, unknown to the Opposition, Barbados' credit rating is today so high that new financial centres are running us down month after month in order to borrow money. Bankers do not run after people to borrow money who are bad risks. You have to be credit worthy in order to win that sort of attraction from the banks.

There has been some dispute about figures, whether the debt is \$800 million or whether it is \$1 billion. That dispute may very well result from a difference in methodology in arriving at the figure, and I do not propose to enter into that dispute now. The point is that if you use the conventional and well accepted ratio, the percentage of your total exports, that is, exports of commodities and services, and you take the percentage of that to service debt, it is costing Barbados less than five cents in every dollar to service the debt, that is, to pay the interest, and if you look at what it is costing us to repay the debt, it is no more than ten to twelve cents in every dollar. So though any individual who borrows money should be concerned that he does not borrow too much money and perhaps reach the point where one day he may not be able to pay, you cannot deny the fact that you are spending no more than ten to twelve cents in every dollar in

order to service debt, debt for the reasons which we have borrowed, you are really, as a private individual, in a very comfortable position. Equally, as a Government you are in a comfortable position, and that is the reason why Barbados' standing in the banking community remains so high, because our debt profile is not a cause of any concern, nor has it reached unmanageable proportions.

Implicit in what the other side has been saying is the suggestion that, were they in office, they would behave precisely how they behaved in the period 1971–76, because Barbados' fiscal position was such that the then Government could have afforded to borrow much more money and launch a full scale public works project in order to put many of the young men and women who were then out of work for many years to work. But it was the result of their timidity and their bankruptcy of ideas that they wasted the years 1971–76 and refused to stimulate the economy to the point that the young men and women who were out there could be put to work.

I have always said that the years 1971–76 in this country must be viewed by any serious and economic historian as 'the wasted years.' They squandered every opportunity that they had to move this country forward in that period 1971–76, and what is coming through to us again is that they have learnt nothing and forgotten nothing. The moribund mentality is stronger over there than ever, and the danger is that were they ever to put their hands on the hands of power in this country again, all of the policies that have failed in the past would once again be introduced.

8.25 p.m.

There is a significant difference between the Barbados Labour Party and the Democratic Labour Party, and it is particularly reflected in the approach to public sector investment. We feel that the Government has a responsibility in this country to set the lead to provide incentives for the private sector, and always to be out there setting the lead in investments. The Democratic Labour Party, on the other hand, neither provided the private sector in the period 1971–1976 nor did they themselves undertake the projects which they should have undertaken. So even though we hear Tuesday after Tuesday about the National Debt and Budget after Budget about the National Debt, the fact is that it is not a cause of concern and it is a secondary — and in terms of the issues that are confronting us at this moment in this country are secondary and almost irrelevant issues.

The agenda has one important item on it. It is the item of employment, and those who run away from discussing that important issue are not serious. In fact, they are irresponsible. The issue in this country is not about pornography. It is not about corruption. They are non issues. They are attempts to draw red herrings across the trail. The issue is the issue of employment generation. The issue is the issue of training our young men and women to withstand the impact of technological

changes and to equip themselves to live in a modern Barbados. The issue is about export promotion and export-led growth. It is not about inflating people's fears about the National Debt when, in fact, the National Debt is a secondary issue, if at all an issue.

As part of the Budget, the Government announced that we will be providing a subsidy to the sugar industry in this country. I think that I need to say something about the factors that have led the Government to the point where we feel that we need to provide some form of direct subsidy to the sugar industry in this country. I see the last honourable Member who spoke is beating his chest and claiming that he is the author of that idea. He seems to forget the party to which he belongs. Every Barbadian with a sense of history knows that the Democratic Labour Party has never been consistent or strong in its support of the sugar industry in this country. And even though the honourable Member for St. Michael South Central is making certain overtures to the sugar industry, the leader of this party is making sure every time that, he, the Right Honourable Member for St. John, goes out of his way to make the point that, as far as he is concerned, the sugar industry should be collapsed.

Aside.

Hon. Dr. R. L. CHELTENHAM: Up to last Sunday night at a public meeting in the constituency of St. Thomas, he went out of his way to make it clear that he, as the principal spokesman still in the Democratic Labour Party and the leader of that party, does not support the sugar industry and supports for the sugar industry.

(Mr. H. A. BLACKMAN: He never said that!)

Hon. Dr. R. L. CHELTENHAM: I think that we must be clear in this country as to who supports what. The Barbados Labour Party supports agriculture and supports the sugar industry in this country.

(Aside: Distortion.)

(Hon. V. L. JOHNSON: He said he does not want cane blades.)

Hon. Dr. R. L. CHELTENHAM: As far as we are concerned, the sugar industry, though it is not today the earner of foreign exchange and the provider of jobs on the scale that it used to provide more foreign exchange than jobs twenty years ago, is still an important industry in this country. Up to last year, we earned in excess of \$60 million in foreign exchange from the sugar industry. But apart from that, it has direct linkages with the commercial sector in this country. Those who provide herbicides and pesticides and fungicides and fertilizers would be out of business virtually without the sugar industry. The banking community would be a weaker community

in this country without the sugar industry. Those corporations that provide machines and are concerned with machine repair would virtually be out of business without the sugar industry. So there are still very compelling economic reasons why we in the Barbados Labour Party support the sugar industry in this country.

There is also an ecological reason, which is not often spoken about. Barbados' rainfall map has ups and downs — that is a dominant feature of our rainfall map — and the soil structure in Barbados is such that, with the heavy coral base, we need the grass, sugar cane, in order to combat the erosion to which we in Barbados are susceptible. Assuming for a moment that we were to go out of sugar, within five or seven years you would not recognize the landscape in this country. That does not mean that other crops, tropical vegetables, onions and peanuts and flours cannot be grown, but they have to be grown in some form of rotation around sugar. Barbados would become a virtual waste land, unrecognizable by all of us, within a very short time if we were to move to the implied option of the Democratic Labour Party and abandon sugar.

But we are not stupidly supporting sugar. We recognize that sugar has difficulties and that the farm policy for the future must have sugar as its centre piece with the several other non-sugar crops being rotated around it, and we have moved, over many years, towards diversification. The Budget gives a fillip to the effort, particularly in so far, as we would be producing for the export, extra-regional market. But we could not have been self-sufficient in the production of eggs, fresh pork and tropical vegetables in this country today, had it not been for the fact that the diversification policy has been underway over many years. So it is not true to say, as has been alleged in the course of the presentation made by the honourable Member for St. Michael South Central, that we in the Barbados Labour Party have been presiding over the destruction of the small farmer in this country and the ruination of sugar.

In fact, had it not been for the price support which we gave over the last three years, there would have been a wave of bankruptcies in the sugar industry. Our price support policy staved off that wave of bankruptcy, and even though the debt of the sugar industry to the banks has deepened, the banks were in a position, because of the Government's rigid commitment to supporting the industry, not to call those loans. As far as we on this side are concerned, the sugar industry has been saved because of Government's intervention and our price support policy.

8.35 p.m.

I want to say this to the industry. Government's resources are not infinite. We feel that we have no

alternative, and we are strongly supporting the industry and reviving it with direct subsidy, but we would very much expect that the industry continues to accept the suasion and guidance of the Government, and accept the regime of modernization such as we have been imposing on it. There can be no doubt about the fact that the industry still has a far way to go, even though there is much evidence of improved efficiency in the industry, in trying to ensure that its costs are kept in line with the prices obtaining in the premium markets.

Far from the industry being in shambles and in a bad shape, although I can see there is a liquidity problem, as far as the efficiency of the industry is concerned, looking at an index of tonnes of cane to tonnes of sugar, this year we are realizing some 8.4 tonnes of cane to every tonne of sugar. That is the best performance that we have had since 1950. We are also very close to producing three tonnes of sugar on every acre of cane, and that will be the third best performance that we have realized in the last 15 years, surpassed only in 1977 and 1981. So as far as the technical efficiency of the industry is concerned, there can be no quarrel that morale is high out there and that the industry is fighting back. The problem that continues is the liquidity problem, and the industry has no control over that in so far as we in Barbados cannot control the price which is paid to us in our premium market, particularly in the European Economic Community.

I want to conclude by complimenting the Minister of Finance and Prime Minister on the Budget which was presented yesterday. As far as we are concerned, and I think most Barbadians share this view, the Budget has been a well-balanced one that addressed the principal issues confronting Barbados today. In particular, the new injection of energy that has been given to training is very much welcome across Barbados. The fact that we can look forward to 1 000 young men and women being trained in the course of the year in new skills, equipping themselves to secure employment and to meet successfully the technological challenge that is facing this country, is something for which this Budget will ever be remembered.

The fact, too, that new energy and new dynamics have been given to the export promotion drive, particularly in the extra-regional market, is something which is very welcome and will be loudly applauded, I have no doubt, both in the agricultural community and in manufacturing. But the fact remains, whether we like it or not, we are a small country with a very small market. Our market can be easily saturated and, given the difficulties which we are experiencing in the regional market, we have no alternative but to provide all the incentives so that the producers of agricultural products and the manufacturers can take the plunge and penetrate the extra-regional

markets with Barbadian products. This Budget has addressed that very important issue.

The Budget has also given hope to the unemployed and when the Minister of Housing and the Minister of Transport and Works speak, they will detail the numerous public works projects which the Government has planned for the course of this year.

So at the end of the day, the businesses that are facing cash-flow problems, the young men and women who are experiencing difficulties in finding employment will not be looking to the Democratic Labour Party, because they offered nothing in the period of 1971-1976, and they are offering nothing now. They will be looking to the enlightened policies of the Barbados Labour Party, and in particular to the specific measures as set forth in the Budget delivered yesterday afternoon.

Mr. SPEAKER: In order to equalize the debate, I will be taking two Members from the Government side and one Member from the Opposition.

Hon. A. TRUSS (St. Michael Central): I would like to start off where the last speaker ended that is by congratulating the Honourable Prime Minister for the presentation of a very good Budget. He delivered it in his usual style, with integrity, dignity, and grace, and I think it is a Budget that was well accepted by the people of Barbados. I have great pleasure in supporting the Budget and the Resolution.

I must say that there is no future in any job. The future lies in the man who holds the job, and the Prime Minister has shown to Members of this House that he is quite capable of dealing with all the matters before Government, and dealing with them quite adequately. I think that the people of Barbados should be proud to know that from the passing of one Prime Minister to the next the people's business has continued in the same spirit and with the same efficiency.

In dealing with the speech made by the leading spokesman on the other side, the honourable Member for St. Michael South Central, let me begin by saying that this is the fourth time I have heard that speech. Each year, the honourable Member comes in here and makes slight adaptations to the usual remarks he makes. The only thing that he did this year which was different from last year is that he embarrassed the Right Honourable Leader of the Opposition by constantly passing to him a number of papers. That reduced, the Leader of the Opposition, in my view, to being a second eleven player on the front bench. It really showed that all roads lead to the honourable Member for St. Michael South Central.

If I were the honourable Member for St. Michael South (Mr. L. E. Sandiford) or St. Michael West (Mr. B. M. Taitt), I would be extremely worried, because tonight it was clearly shown on television in front of the public of Barbados, the honourable Member for St. Michael South Central handing documents to the Leader of the Opposition, as though he did not know what was going on in this country.

From the earliest of times to 4000 B.C., we classify that period as the Stone Age, from 4000 B.C. to 1500 B.C., we classify that as the Bronze Age; and the period following 1500 B.C., we classified that as the Iron Age. In the future, I think that the period following 1945 would be classified as the Nuclear Age, and this period which we are presently going through would be classified as the Information Age. I think the honourable Member for St. Michael South Central should pay attention, because it is time that he got his information correct — this is the Information Age. No longer will the people of Barbados or indeed this Parliament, stand for misrepresentations of truth. If he comes in here and makes charges, he must be prepared to substantiate those charges and lay the documents from which he is reading in this House as documents of this House. The time has come for the honourable Member for St. Michael South Central to be more sincere in his presentation, sincere in the sense that he should not be repeating the speeches that he made each year time and time again. Quite frankly, after two hours of listening to him it really becomes boring. I have the notes of all his speeches dating back from 1981. Indeed the debates are there, and I checked Hansard tonight for last year and the year before, and it is the same thing over and over again.

8.45 p.m.

He talked about the tourist industry being ruined, manufacturing being ruined, the BLP surrendering to the IMF, the printing of money, the mismanagement of funds, excessive taxation, job losses not seen in 47 years, forgetting that in 1976, perhaps when he was studying medicine instead of politics and had more sense then than now, the job losses were in the region of 23½ per cent not the 18½ it is now, and that is in the Economic Report of 1976 put out by the Democratic Labour Party. It is already a document of this House, and I challenge him to look it up.

He talked about gambling — I will deal with that a little later — the heavy debt charges and the 16 000 school leavers who cannot find jobs, I would like to know where the honourable Member was when his party threw out 14-year olds out of school. The honourable Member for St. Michael South was the Minister of Education, and when you were 14 years old, you were tossed out of school. When we came into power, the Honourable Attorney General was Minister of Education and he

brought every 14 year old back into school; an absolute fact.

He talked about the balance of payments problem, the shortfalls in tourism and agriculture, the capital expansion of goods and the lack of foreign reserves. He talked about the National Debt of Barbados being too high. He introduced something new. He said we did not need taxation and if the Democratic Labour Party got into power they would not need taxation, and they would raise the non-taxable level up to \$12 000 a year. I think that is what he said, I do not want to misquote him. You would not have to pay tax if you earn up to \$12 000 a year.

For 15 years, the Democratic Labour Party was in power, from 1961 to 1976, and when they were in power, when you earned \$25 a week you paid taxes. Now we can hear that if they get back into power, if you earn \$12 000 a year you will not pay taxes! As a Government we said that if you earn up to \$150 a week you pay no taxes, and we took 48 000 people off the tax list. Today in this country 48 000 people do not pay taxes, and when the Democratic Labour Party was in power, you paid taxes if you earned \$25 a week. This is what I mean by being dishonest! I challenge any one of them to get up and interrupt me and say that what I am saying is not true. This is as true as John 3:16.

He said, and I quote, because I wrote it down word for word: "The DLP has an excellent record in the sugar industry". But the Right Honourable Leader of the Opposition, for whom I have a great deal of respect, said he did not want to see a cane blade in this country again. He took 12 000 acres of good agricultural land and cut it up and sold it to his DLP friends. That is their record, and now they have the audacity to come in here as though they are dealing with little children and foolish people outside. They forget that Barbadians have the highest literacy rate in the world; not the Caribbean, not the western hemisphere, but the world. Although the late Sir Grantley Adams said that Barbadians have short memories, I do not believe their memories are that short.

Let me talk about gambling now before I get into the real meat of my subject. The honourable Member for St. Michael South Central is a preacher of doom and gloom. He talks about gambling. He is the second Jesus. He comes down here now, pure, like when he went to the by-election in a white hat, white gloves, white shirt, white pants, white shoes and white socks, while Jack Odle running about St. George.

I have here photocopies of cheques. The cameras can focus on them, I can make them documents of the House, I am not afraid. These are photocopies of cheques,

four on one side and six on the other side. These cheques are made payable to Haymill Investments Limited. Do you know what that is? The Managing Director is the Member for St. Michael South Central. They are signed by one Michael Parks from Caribbean Vending Machines, a slot machine man, the king of the slot machines, and he spoke of that earlier. These are the cheques! And he talks about gambling?

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

Hon. A. TRUSS: Most definitely, Sir. You see, Barbadians do not have short memories. When Michael Parks paid the Managing Director who is the honourable Member for St. Michael South Central, those cheques for renting his place for running slot machines, he found nothing wrong with gambling then.

Mr. SPEAKER: I will also remind the honourable Member of the Standing Orders, Standing Order 28(10) (b). The honourable Member will not be able to refer to persons by name unless he has given notice to the House.

Hon. A. TRUSS: I take the point, Sir, but I was just reading the name on the cheque.

Mr. SPEAKER: If you are going to refer to the name on the document, fair enough.

Hon. A. TRUSS: I am doing that, Sir.

The cheque is signed by Michael Parks from Caribbean Vending Machines.....

Mr. SPEAKER: Thank you.

Hon. A. TRUSS: to Haymills Investment, and the Managing Director of Haymills Investment is the honourable Member for St. Michael South Central. The point I am making is that when he was receiving the money from the slot machine operators he found nothing wrong with it then, but all of a sudden, by the grace of God, he has become very righteous and is against gambling. That, with respect, is hypocrisy of the highest order.

He said when the Democratic Labour Party came into power — and he mumbled because he was not sure about what he was saying, and I asked him to repeat it, because he couched his words in such language that he was not sure when they came into power if gambling was in or out, and I still do not know tonight if gambling is in or out — but he said there will be no legal gambling. Why should there be legal gambling? When they were in power it was illegal. We made it legal, so if they carry it back to be illegal, there is nothing wrong with that. That is their style. We expect that.

Asides.

Hon. A. TRUSS: I have dealt with the West Indies Hospital Sweepstake already, I do not want to deal with the West Indies Hospital Sweepstake now. I have to deal with another point in relation to a high ranking member of the Democratic Labour Party. I want to know why it is that a high ranking member of the Democratic Labour Party who sits on the National Executive Council is a Director of Let's Go to the Races — is not that gambling? — then had to resign because he just brought in the Lions' Instant Bingo.

Certain remarks made at this stage by Hon. A. TRUSS were ordered to be expunged from the Record by the SPEAKER at this stage.

Mr. SPEAKER: The honourable Member must control his enthusiasm and abide by the Standing Orders of this House.
8.55 p.m.

Hon. A. TRUSS: Let me get back to the real meat of the matter from this preacher of doom and gloom. When one talks of the National Debt, it is important for the public of Barbados to understand certain things. They have the capacity to understand it, but a lot of them only listen to one side of the story, and may miss something and not get the full truth. The growth of the National Debt has to be seen in relation to the growth of income and foreign exchange received from the country. The mentioning of the National Debt in isolation is to mislead the people of Barbados. I do not care what the National Debt is, whether it is \$100 million or \$1 billion, as the honourable Member for St. Michael South Central has said. The real point is that it represents 2.9 per cent in terms of the debt service ratio.

Let me tell this Honourable House what this means. I will break it up in simple terms, because I do not believe that the Shadow Minister understands what a debt service ratio of 2.9 per cent means. Let me explain, because this is the Information Age. If you have a family in Barbados earning \$1 000 a month, 2.9 per cent in real terms represents ten cents in every dollar to be repaid, and so it is with the external debt of Barbados. If you have a family earning \$1 000 a year, 10 per cent of that is \$100, and for the \$100 a family can pay off for their house, their car, their hire purchase arrangements and all the other debts.

There is no family in this country which enjoys a better debt service ratio than the Government of Barbados because I do not think there is anyone, even in this House, who for 10 per cent of their salary could cover their house mortgage, their car, and their other commitments and have 90 per cent of the money left over to spree with. That is what 2.9 per cent of the debt service

ratio means in relation to \$1 billion, if you want to call it \$1 billion. It is insignificant!

What you must look at also is not only what we can pay back – and we have the capacity to pay it back – what are we doing with the money when we borrow it? We are not paying civil servant salaries, like when the Democratic Labour Party was in power. We are building factories for the employment of people. We are building roads. We are building cement plants and post offices. We are doing things that will create employment when we are doing them and will create employment when we have finished doing them. That is what we are doing with the money, and these are things that are very important.

It was very difficult for me to keep track of the honourable Member for St. Michael South Central, because although he appeared orderly in style, with little red folders that he passed to the Leader of the Opposition, he was very disorderly in the way in which he presented his speech. But I want to give a little analysis of the productive sector between 1976 and the present period.

First of all, the Gross Domestic Product has moved from \$700 million in 1975 to \$2.3 billion this year, and they want to know what we are doing. Tourism has expanded from 1976, from 165 million to over 568 million today, the productive sector that he says is falling off. In manufacturing, we moved from \$172.5 million in 1976 to \$500 million today. The per capita income was dealt with by the Prime Minister last night. Our per capita income is \$8 218 of a GDP of \$2 303 billion. Do you know what the per capita income of Argentina is? The per capita income of Argentina is \$482; in Brazil, almost as large as the United States of America, \$16 018; Guatemala, \$11 000; Jamaica, \$15 048; Honduras, \$720; Nicaragua, \$11 063; St. Lucia and Dominica, less than \$1 000 and St. Vincent, \$794. Ours is \$8 218.

There are certain social indicators that indicate whether or not a country is doing good or bad by international standards. One of those indicators are the savings of the people. The Shadow Minister of Finance stated that we are poverty stricken, that we are hungry people, that everything is dying around us, and what has to be done is that we must change the Government. But in 1976, in the dying days of the Democratic Labour Party, total savings in this country was \$40 million, and they can check it because it is in the 1976 Economic Report laid in this House by the Democratic Labour Party. Today, total savings represent \$836.6 million, a phenomenal increase! They can check the \$40 million which was referred to in the Estimates Debate of 1976 by the Leader of the Opposition, the then Prime Minister, on page 6125. Let them challenge me. I did the research for them.

I do not understand how it is that, in all conscience, an individual who is aspiring to become the Prime Minister of this country – because clearly tonight he indicated that he would be Prime Minister of this country if the Democratic Labour Party won by the way he treated the Leader of the Opposition – could treat with such scant disregard this House and the people of Barbados in the way in which he presents false information, misrepresentation and not at all dealing with the facts.

Inflation for this year was 4.6 per cent, and when you compare that with any industrialized country in the world, you will see that we are one or two per cent within that capability. Our oil production was 635 000, or 46 per cent over the previous year, and it saved \$11 million in exports last year. We have three months supply of foreign reserves, or 11.1 weeks of retained imports. The rule of thumb is that if you have three months' supply you are doing well. He attacked our foreign reserves, but our foreign reserves are \$238.6 million as of the 31st March, 1985.

9.05 p.m.

When the honourable Member for St. Michael South Central is speaking, I hope that he remembers that he is speaking to intelligent people in this House and to the country at large. He must not get up and make the sort of statements that he can be challenged on, to which he has absolutely no reply. If he is going to make a statement, I will grant him the statement as one of fact. I believe he is a very intelligent man in his field of medicine, but when it comes to politics, he should leave that for the politicians. He is certainly not one.

Let me deal with what I consider to be a major point. In my view, the Budgetary Proposals have to be considered in conjunction with the Estimates and our published Five Year Development Plan. It cannot be dealt with in isolation; it should not be. The economists over here will tell you that. We have tried to place the country in a position so that we can take advantage of any resurgence in the international economy. We are poised to take off, we have been for the last two years, and we are waiting. Things on the international scene are improving; I think they are ready to move and we are on the move again. Rather than buckle under the pressure, like most other developing countries, we have brought inflation under control and we have a volume of reserves which we have never had before.

We have paid a price admittedly, the price in unemployment, but there is a very basic and simple reason for that. A small country like Barbados, with a small open economy, has to protect its foreign reserves. We know only too well from the lessons of Guyana and Jamaica that when you are in a negative foreign reserves

position what sort of position you are in. Then you are in the jaws of the IMF, not before. You see, when you protect your foreign reserves, it means you restrict capital projects, because capital projects mean the importation of goods and services to satisfy the capital projects; so when you cut back on your capital projects and protect your foreign reserves, on the other side of the coin you create unemployment.

Now that we have a high level of foreign reserves, we can now tackle the problem of unemployment, and this is the background against which the Budget and the Appropriation Bill come into being. This is where you have to look at it now as one, what we said we were going to do in the Appropriation Bill and what we said we are going to do in the Budget, and as the Prime Minister rightly pointed out yesterday, the Budget is a job creation Budget. There is no question about that. It indicates clearly the intention of Government for capital expenditure, and we intend to spend over \$180 million over the next year if that is at all possible, if we can get the necessary artisans and people to do the work, and \$180 million in new projects is indeed a lot of money to be spent in this country.

No one can be happy, especially the politicians and especially a Government, knowing that 18 per cent of the population is unemployed, but during an international recession one has to ride out the storm. When they had a problem in 1973, the Leader of the Opposition threw up his arms in dismay and stated publicly that he was going to a University in Miami for six months to recharge his batteries — and left Barbados wallowing around in ignorance! We did not do that. We faced the public of Barbados, we faced the Opposition, we faced the criticisms, we put forward our policies and, ultimately, we have been proven to be correct. It is a question of how we do things. I think what we have done was correct. We approached the problems that we were faced with over the last two years properly, with dignity, with pride and with the assurance that what we were doing was the correct thing, and we came out on top, because we are now coming out of the recession. Tourism is on the move again, agricultural produce is on the move again, manufacturing exports are on the move again, in spite of what the Opposition may say. Our solutions have been expressed, and they are quite clear.

In my view, the positive features of the Budget and of the economy are quite simple, and even though the honourable Member for St. Michael South Central tried to give the impression this afternoon that the Budget was not a Budget at all and that everything was crumbling, I would like the people of Barbados to remember that our debt service ratio increased by one per cent, and the honourable Member for St. Michael South Central should pay careful attention, during the period 1980–1985. In five years our debt service ratio has increased by less than

one per cent. There is at present in Barbados a high level of liquidity in terms of cash, savings and deposits, as I have mentioned. All of this is in the banking sector, and it indicates that general welfare levels in the society are rising, because they are rising to the extent that people can save money. That is what accounts for the fact that today in Barbados there is a high level of savings — the people are more prosperous. With increased domestic savings of \$548.1 million in the bank, that proves my point. We are better able from that source to fund our investments internally and not necessarily have to look for external borrowing. With increased domestic savings, it has been possible for us through this Budget to reduce interest rates. This, in my view, should act as a stimulus for business, for the private entrepreneur, because it will give him the opportunity to invest more money and employ more people.

Mr. SPEAKER: The honourable Member will have half a minute in which to wind up his debate.

Hon. A. TRUSS: The Budget is a good one and I must compliment the Prime Minister. It provides a mixture of fiscal and monetary measures which are intended as inducements to the private sector to produce, to expand the present market available and to increase employment. The thrust of the proposals is aimed at using the private sector as the mechanism for absorbing the number of unemployed, and that, in my view, is a fundamental issue, finding jobs for the unemployed.

Mr. L. E. SANDIFORD (St. Michael South): I wish to begin my presentation in this debate by congratulating the Prime Minister on his first effort at producing a Budget. From the way his colleagues thumped the table, I got the impression that they were very happy to see him come into the Chamber, as though they were not expecting that he would have turned up for the debate. Well he might have run away, because the very difficult task which he has been called upon to perform is one which perhaps would daunt anyone. It is indeed a Herculean task and it is not made any easier by the fact that the Prime Minister himself was responsible for the policies of the Government.

We have just heard in this Chamber a most remarkable presentation. We have a Minister paid out of the Public Treasury to be responsible for the people of Barbados for the Environment, for Tourism and for related matters, and if you ask what that Minister has said in this particular Budgetary Debate relating to tourism, to the environment and to related matters, we have to say he has said exactly nothing relating to the matters for which he is paid by the people of this country and responsible to this Parliament. From him we got absolutely nothing relating to the subjects for which he is responsible!

9.15 p.m.

(Aside: Nothing!)

Mr. L. E. SANDIFORD: Exactly nothing relating to the matters for which he is paid by the people of this country, and for which he is responsible to this Parliament. That I would call the height of public irresponsibility from someone on the front bench of this Government. It is shocking and disgraceful!

On top of that, he makes charges about Members over here. I heard him say that the Member for St. Michael South Central was a Managing Director of some company called "Haymill," or something to that effect. I turned directly to the Member for St. Michael South Central and I asked him if he were a Managing Director of a company called Haymill Investments or whatever it was called, and he said he is not, and has not been, a Managing Director of that particular company.

(Hon. H. deB. FORDE: He is a Director!)

(Mr. L. E. SANDIFORD: I can only therefore, come to the conclusion that the information given by the Member for St. Michael Central is false, and that he has been misleading this Honourable Chamber. I, therefore, find it very difficult to put any credence on the contribution that he has made.

Mr. SPEAKER: I do not believe that any Member is entitled to mislead this Chamber.

Mr. L. E. SANDIFORD: I am of that view, too.

Mr. SPEAKER: If I thought so, I would have to check the company record, and then we would have to deal with the person who attempted to mislead the Chamber. I will advise Members to be very careful.

Mr. L. E. SANDIFORD: Yes, Sir. Yes, Sir.

I want also to relate to some other points that are being made. I want to say, first of all, that I think that the Member for Christ Church East (Hon. Dr. R. L. Cheltenham), the Minister of Agriculture, was making a very valiant attempt to make a presentation on the Budget worthy on this occasion. But I must confess that the speech which followed, that by the Member for St. Michael Central, destroyed the good work and the good effort that the Minister of Agriculture was trying to build up in this particular debate. I think it was very sad that you had that kind of contribution at that time. It completely lowered the level of debate on this 1985 budgetary presentation.

A number of points have been made and I should like to rebut them from the start. One relates to the National Debt. A lot has been made of this, and I do not wish to go into this in any detail. What I would say is

that the National Debt in 1976 was a major matter of political contention and political argument raised by the then Opposition, which is now the Government. They said the National Debt was too high at that time, when the National Debt was \$256 000 000. Now, they are arguing that a National Debt of \$950 000 000 or one billion dollars, whatever the figure is, in 1985 is no big thing and that we can pay. It only costs – I cannot remember how many cents they say – some small amount of money, that they can manage it and that there is no problem. Something has to be wrong. If it were too high in 1976, it would have to be too high in 1985. And if it is not too high in 1985, it was clearly not too high in 1976. Therefore, the charges that were made at that time were clearly charges made for political purposes and for no other purposes other than misleading the people of this country.

Today, we are debating a Resolution, and the Resolution reads as follows:

"WHEREAS, in spite of the recent economic turbulence which the world has experienced, the Government, by its imaginative and judicious policies has been able to bring stability to the Barbados economy;

AND WHEREAS the economy has now been set on a path of sustained growth and development;"

I am going to pause there, because this House is being asked to adopt this particular Resolution and the Resolution is asking us to accept that "the economy has now been set on a path of sustained growth and development;" I ask, where is the evidence that the economy is set on a path of sustained growth and development? All of the indicators point to the fact that the economy, this economy of Barbados, is in trouble. There is nothing to indicate that it is on any sustained path for growth and for development. There is absolutely no evidence for that.

When we look at the background, I take up the Annual Report of the Central Bank of Barbados for 1984, and I see it says that in 1981, there was negative growth of 2 per cent.

Mr. SPEAKER: Would the honourable Member quote the reference so that he would facilitate the Hansard Reporter.

Mr. L. E. SANDIFORD: I have already given the reference. It is the Annual Report, 1984, of the Central Bank of Barbados and the page is page 9.

Mr. SPEAKER: Thank you.

Mr. L. E. SANDIFORD: Negative growth, 2 per cent in 1981, negative growth of 4.3 per cent in 1982, and no growth, zero growth in 1983! In 1984, to a mere 2.9 per cent, coming after three years of negative growth. Where is the evidence that we are on any sustained path of growth and development? The tourism sector is still

crying out about problems. The manufacturing sector is crying out about problems. We are still trying to rescue the sugar industry. Unemployment is at an unacceptably high level. Where is the evidence that we are on any sustained path of growth and development?

Any Member of the Chamber really accepting this motion, as it stands, and able to vote for it, as it stands, would have really to be straining at the leash in order to accept this kind of Resolution. It is blatantly not true, and the Opposition will not be in any position to vote for this particular motion because, in its contents, it is not an accurate description of the situation.

There was, I believe, a misrepresentation of a statement made by the Member for St. Michael South Central, in which it was claimed that diversification is required in the sugar industry, and that this was not mentioned by the Member for St. Michael South Central. In fact, he has been calling for some time for diversification in the end products of the sugar industry. I believe he has spoken on many occasions about the need to produce gasohol and other by-products from the sugar cane. So let us not go in for the distortion.
9.25 p.m.

I heard the Member for St. Michael South Central indicate that there were certain areas in which, in his opinion, there was corruption and I heard him say that these were areas identified by people on that side. There was corruption in Housing, Transport, Immigration and Customs, areas identified by persons from that side. That is what I understood him to say, and I wish to get that particular matter clarified.

As far as the Budget is concerned, it is really an examination of the problems facing a country and the economic policies which a Government proposes to introduce in order to correct any imbalances or deficiencies which may exist in the economy, and if there is a gap between revenue and expenditure, how that gap is proposed to be closed — all seen against the background of the regional and international economic situation, as the regional and economic situations impact on the national economy. In that latter respect, I think we can have no quarrel, I certainly have none, with the Budgetary presentation as far as a recital of the problems of the region and of the problems which may be endemic in the international economic scene at this time may be concerned. But certainly one listening to a Budget Presentation from the Prime Minister for the first time, the first opportunity that he has to shape the economy of this country, would expect that the economic goals for the country would have been outlined. I must confess that I did not get those goals for the economy identified, and in as much as they were not identified, from this side we are going to say what are the goals in our view that this economy should be aiming at. They are full employ-

ment for Barbadians; secondly, a high level of economic growth; thirdly, an acceptable level of price stability; fourthly, a viable balance of payments, and fifthly, a just or equitable distribution of the rising incomes. I believe that those are reasonable goals for this country to aim at, and I wish to take a very brief look at how we are performing in respect to those goals. It is the genius of a budgetary presentation to try to balance these different goals, because sometimes the policies you pursue to achieve one goal may be in conflict with the policies needed to achieve another goal.

If we take inflation, that is a question of the level of rising prices in a country, we will find that when the Democratic Labour Party left power in September 1976, the rate of inflation was 2.6 per cent. They are claiming, now that the rate of inflation is 4.6 per cent — I think that is the figure given for the rate of inflation now in the Government statistics — credit and advantage; it is a benefit, an example of very good management. If it was good management to get the rate of inflation down to 4.6 per cent and under the capable financial management of the Right Honourable Member for St. John, what we handed over was the inflation at the rate of 2.6 per cent, how can that be bad? But those were the accusations that were made. So we have got to examine the kinds of charges and the kinds of accusations that are made. I contend that things were definitely better under the administration of the Democratic Labour Party than they have been in the past eight and a half years of the Barbados Labour Party.

How it is we talk about the National Debt and they talk about the building of schools? The Barbados Labour Party made a promise, I believe, that they were going to build more schools in ten years than the Democratic Labour Party built in 15 years. They may very well do that, but what they have done is to go and borrow a lot of money in order to build schools so that they could say they built more schools in ten years than the Democratic Labour Party in 15 years. I heard the list of schools reeled off, built with foreign funds! We can start: Springer Memorial School was built out of the savings of this country — no foreign money, out of the economy of this country — Ellerslie, St. George Secondary School, the Garrison Secondary School, St. Bartholomew Primary School, extension to the Christ Church School, the Good Shepherd School, St. Margaret School in St. John, I am not saying Vauxhall, Vauxhall was a gift school. I like to be accurate. All of them built out of the savings of this country, without having to pay any charges on debt or on money borrowed or anything like that. You have the gall to get up and say that savings have been at a record high in this country. That is exactly what we were doing all of the time, using the savings of the country in order to enhance the capital works and to build up capital formation.

I want to say a few words about housing. I represent a constituency in which the Government is a major landlord, and I was very happy to see that in the Budget the Minister of Finance said that he was making, I believe, \$32 million of Government – controlled funds available for housing in this country. I would like to ask the Government, to ask the Minister of Finance, however it is worked out, they can work it out, to allocate some of that money to the Government for the Government to carry out a renovation and redesigning programme on houses in the Field Place area of Bayville. I am asking them to do that, because I believe in this day and age when we have the Government as owners of property, in which you have outside pit latrines owned by the Government, and the Government is talking about making money available for persons to improve their houses, that the Government should take the first step to improve its own housing stock for Field Place, Bayville and in other areas where those situations exist in Government owned properties. I am glad to see additional money being provided for housing and I want to see the Government, as an ideal landlord, take the first step to improve its own housing stock.

9.35 p.m.

It was revealing to hear the Minister of Finance indicate that the Health Service cannot proceed without the co-operation of the doctors, and that it is expected that it will start pretty soon for certain groups – the aged, children under five and those who are specially handicapped or incapacitated. It has taken the Government a very long time and a lot of flirtation with all kinds of ambitious and expensive schemes to come back to the position enunciated by the Democratic Labour Party in its health programmes and policies for this country, for in the 1981 manifesto which we set out before the people of this country, we indicated that that is the kind of programme that was affordable by the people of this country. And it is not too late for the Government to rethink its own programme in relation to health so that the kinds of systems that we are putting in place are such as can be paid for by this country. It is one thing to be carried away by expansive and grandiose schemes, but you can put them in place and then you will find that it is most difficult to find the resources in order to meet those particular claims.

Let me look at our proposals in respect of health just in that particular area. What we said – and I am quoting from the Manifesto of the Democratic Labour Party for the General Election 1981 at page 21 – is that “we will provide drugs free of cost for children, for the aged, and for those on welfare.” We went further and said: “The income tax allowances and tax credits for medical expenses will be substantially increased or provided.” Basically what we are saying here is, look at those sectors of your population which are at risk, deal with those and allow your tax allowances and tax credits

to assist those who are better off, and who can perhaps make a contribution out of their own pockets for their own health until you can see the way forward.

But we said something further. It is my view that the development of this country has been put back for several years as a result of the present Government that we have in power. Way back in 1981 we proposed – and let me read it directly, page 22 from the same document:

“The Democratic Labour Party promises that it will completely restructure the Casualty Department by increasing the availability of medical staff, and by restricting its services to determine serious accidents and other conditions requiring immediate medical attention. These measures will reduce the time one has to wait for medical attention at the Queen Elizabeth Hospital. At the same time a separate outpatient clinic for the treatment of non-emergency illnesses will be developed on the hospital compound.”

That is exactly after flirting around with all kinds of grandiose schemes that the Barbados Labour Party has finally come around and is now trying to implement, an emergency department at the Casualty, clearly stated here in the manifesto way back in 1981.

We were saying something else, and I am certain that we will get support for this from the Member for St. Peter (Mr. O. S. Arthur). In relation to St. Peter, we said that we will recognise the wonderful work being done by the religious order of Nuns, the Sisters of the Sorrowful Mother, through the St. Joseph Hospital:

“Discussions will be pursued with the Order so that the hospital may be aligned with the national hospital system, and so that full hospital services will be provided for the northern part of Barbados on a twenty-four hour basis through an input of resources. But we will recognise the continuing independent status for the hospital and there would be no interruption of the services currently being provided.”

This was a clear statement of policy and a clear identification of projects which were within the framework and the capacity of the Government and the economy to implement.

Mr. SPEAKER: And the honourable Member has used the time allocated to him under the rules.

Hon. L. S. CRAIG (St. James North): Mr. Speaker, I listened yesterday evening to the budgetary presentation by the Minister of Finance. After reading the editorials of both the *Advocate* and the *Nation*, both editors apparently came to the same conclusion – a Budget for the jobless. These were independent persons, authors of our daily newspapers, writing without fear of contradiction. However, we were this evening given an exhibition of a reply

a political speech made before the country with emptiness in it, and by a Member who has made it abundantly clear in this Chamber that facts are not important, impressions are what matter. He put forward not a single fact; all that was said by him was either, "this was drawn to my attention," or, "I was told".

9.45 p.m.

I want to deal with a clear cut impression. The Member for St. Michael South Central drew to the attention of this august Chamber the salary paid to the Prime Minister of this country, and he compared it with what was paid to the then Prime Minister up to 1976, and he made reference to approximately \$100 000 a year. He made reference also to that sum paid to the Deputy Prime Minister at that time and he compared it with what was paid to the then Deputy Prime Minister. He went on to compare what Members were paid on that occasion during the years when they were in office and compared that to what was also paid now.

The honourable Member for St. Michael South Central did not draw to the attention of this Chamber that the Leader of the Opposition, who spends about two hours per week in here when the Chamber is sitting, and sleeps most of the time he is present, receives \$600 a month less than a Minister. A sum of \$73 392 a year is paid to the Leader of the Opposition, who spends approximately two hours once a week, when he cares to attend a sitting, in here. As compared with you, Mr. Speaker, who is sitting in that Chair, in an executive position, and the Ministers on this side, who give their service almost around the clock, it is \$600 a month less. The impression given by the Member for St. Michael South Central in his reply to the Budgetary Proposals was that there were high-priced Members on this side, but when they were in office they did not pay themselves any high salary. But the Leader of the Opposition – I spoke to him on the resumption and he himself told me it was only \$55 000 a year, and I had to go and bring the Act to him and show it to him – gets \$73 392 per annum.

I do not object to that for him, he has served his days. But if, on the other hand, they are dissatisfied with the salaries paid to Members on the other side, all the Leader of the Opposition has to do is not draw a single cent from the Public Treasury. But no! Not when there was an anomaly, when he was drawing at the time a salary as Leader of the Opposition and had a pension, and the then Minister of Finance wrote him a letter, or I think the Cabinet Secretary questioned it, because he had drawn the money before and he stated to put him in court for the money! It is ridiculous for the Member for St. Michael South Central to get up in this Chamber and convey to the public that Ministers on this side of the House are receiving big salaries and they are receiving nothing at all!

That manifesto that is being quoted was rejected in 1976 and it is foolhardy for someone to be getting up quoting what is in there. What is very important is that the Leader of the Opposition, in this very manifesto, said that he took his camera one early May morning and travelled from north to south and from east to west, and he discovered that there were projects either started, about to start or had an idea to be started by this party. Among them was Heywoods. On the floor of the House today, the Member for St. Michael South Central said that Heywoods will be a white elephant. They are suggesting, according to what the Leader of the Opposition said in this, that it was their idea, not ours – it was their idea to introduce a white elephant into Barbados! But I am happy to say that Heywoods has made increased profits on their operations last year and it is *infra dig* for the Member for St. Michael South Central to continue harping that Heywoods is a white elephant and therefore driving away visitors, who may be planning to come to the very Heywoods, by giving them the idea that it serves no useful purpose.

I heard quite a bit about the cement plant costing about \$270 million, there are no markets for it, only Tobago and the Eastern Caribbean. In their manifesto, they said they were going to build a cement plant, and not only in this one, but since the 1961 manifesto. From 1961 they were to build a cement plant – and they started first by buying a ship! Now, there were no markets, only Tobago and the Eastern Caribbean. Why then did you have an idea to build a cement plant, and now that we have built it, you say that it is not worth anything? I do not understand the argument from the other side at all.

9.55 p.m.

This country can boast about a proud housing stock. There is not a single country in the world today, I believe, including the great United States of America, that can supply the needs of every single citizen for housing in their country, and we do not propose to tell anyone that we can satisfy the housing needs of this country overnight. What we have done is made a dent into the housing needs of this country.

This brings me to the point where the honourable Member for St. Michael South had the audacity to get up in here this evening and make a complaint about houses in St. Michael South and having the outsides fixed. May I remind the honourable Member that in 1969 he was a Senator and Minister of Government. From 1971 until 1976, he occupied this front bench as a Minister of Government representing St. Michael South and not a single word was heard, and if it was heard, it fell on deaf ears, because they should not be there now. If you had the interest of the very people you are referring to at heart

from 1971 until 1976, you should have corrected that problem and not wait until this day. You have to answer that charge which you have brought upon yourself!

He referred to Field Place. I go beyond Field Place. Apparently you do not know enough about them, because Field Place is on one side of Beckles Road and then there is Watermill Place, where there are also Government-owned houses, and I will inform the honourable Member for St. Michael South now that we have not got to wait for \$32 million to go into the economy to fix the houses. A demonstration of this has been done in the Pine, where they were fixed outside and they were converted to have waterborne systems inside the house. You are dealing with Field Place, but I deal with both sides. You only know about one, apparently. I know about both in a very short time, and let me assure you this evening that already in train after discussions with my colleagues there will be a refurbishing programme starting within two weeks' time. We have not got to wait for the \$32 million, so do not play to that aspect of it. Leave that to the two of us when the occasion arises.

The Leader of the Opposition says he does not take me seriously. I throw down the challenge to you now, since for a very long time you wanted to get me out of politics and out of Parliament. You tried your utmost and you failed. I believe this will be the most interesting political contest in this country. I am going to give you the chance now. Give up your seat in St. John, let the honourable Member for St. Michael South go to St. John and be safe as you feel, and you face me. You come to Bridgetown and face me. That is the challenge I throw out to you now. I have moved already and you can come down. You have international stature. You have a golden opportunity, because I do not know if I can beat him, but I want you. I challenge you now publicly at the national level. Take up the challenge. This evening I heard about the National Debt. The National Debt can only rise to that figure when a country is credit worthy. It is with great regret that Guyana does not find itself in that position today. There are countries in South America that find themselves with all the economic problems and no one would dare attempt to lend them money. This country today, through prudent financial management, has financial institutions running the Government of Barbados down still to lend them money, and a classic example is the road which the Government is building. It will be built with money not coming from the taxpayers only, but with a loan from the IADB. Even at \$1 billion in debt, we are so credit worthy that the international lending institutions are still running the country down because of its management structure to lend us more money.

You said you built schools with your own reserves, but that is because they had no confidence in your

Administration. That was the problem, and you still had a National Debt then. We still have the stupid argument about the International Monetary Fund and the nonsense about Government's keys locked up in Reagan's briefcase or something like that, a lot of silly political jargon about keys being locked up to the country's success.

When the Democratic Labour Party was in power, a maid in Government earned something like \$192 per month. Today, that maid is earning over \$700 per month. On \$192 she had to pay Income Tax on anything over \$1 000 a year. Today, on this present income, the tax aspect has been removed. Sweet potatoes were sold at 80 cents a pound under your Administration and you were paying a shop attendant \$46 per week. Yet, you talk about erosion into the lives of the people of this country!

Inflation, I heard, was about 2.9 per cent coming from the honourable Member for St. Michael South. In their own manifesto, not written by anyone on this side, this is what they say:

"Although our bill for fuel oil and lubricants rose from \$22 million to \$69 million between 1973 and 1975, we managed to reduce the rate of inflation from 40 per cent in 1974 to less than 12 per cent in 1975."

Can you imagine that inflation in 1973 under your regime was 40 per cent and an old age pensioner at the time got \$13 per week? Today it is a different ball game. You can go out there on the streets and see something like 40 000 motor cars owned by Barbadians, a fleet of buses owned by the Transport Board and by the people of Barbados, and during your time in office you had the Rocklyn buses which carried people down under the hills with no brakes, no insurance, hardly any tyres on them and no roofs, and that is why my colleague nationalised the buses. Today, Barbadian's can be justly proud, and even under your regime as Minister of Transport and Works at the time, Mr. Speaker. There are brand new coaches for them to drive in and proper insurance, and then you say that things are worse today than they were yesterday. You have only to go into people's homes, low income for that matter, and see some of them with two televisions, telephone and video. And you talk about the erosion of people's economic situation in a country!

Let us accept this as a fact of life. There is no doubt in the minds of any of us in here that there are world-wide problems in relation to jobs all over the world. In the United States of America, there is 7.6 per cent unemployment, in England some 13 per cent, and I think there are some 30 million people in Europe unemployed. Barbados is a fragile economy, with a tourist plant struggling not only because of bad management, as they say, but because of the problems that you have in

the highly industrialized countries where people have not got money to spend and so take their vacation here. As long as the North American economy picks up, our economy will no longer suffer.

10.05 p.m.

There was also the problem with Trinidad and their own economy, which was rocking and so they had to use protective measures. Hence, our manufacturers in garments and in furniture had that door partially closed to them. The Government's Export Promotion Agency has done, and continues to do, everything within its power to look for extra-regional markets, and I am happy to say that the furniture industry has made a breakthrough into North America.

I heard a bit about corruption this evening. Mr. Speaker, I draw this to your attention. When you were Minister of Agriculture, I recall that Dr. Caddle, then sitting on the Opposition bench, had made reference to you about some thieves or something so from Roberts Manufacturing Company down to some place in St. Lucy. Even in those very early days, and you, Sir, were astounded, they tried to pin a note of corruption on Members of this side. We had to suffer one of the biggest political scandals, supported by Members of the Opposition, about my colleague here and the famous Pele problem. That is them — rumourmongers, impudulous, but not doers! You have been rejected twice by the country, and you will face them again, and I have no doubt in my mind that the answer they will give you again is a stem, "No", because they are satisfied beyond a shadow of a doubt that there is a degree of integrity and soundness on this side, which has brought this country between 1976 and 1981 until this day.

Now, they come with a new line about drugs. The first time they have ever heard about drugs in Barbados is since this Government came into power! You have never heard of crime until this Government came into power. You have never had crime! You have never had a drug problem! None of these you have never seen or heard of until now! If I were not addressing the Chamber and carrying the national image at this time, I would remind you privately of certain matters.

The one-armed bandits. They came in here since 1968 or 1969 when they were in power and not a single cent was collected from the owners to go into the Treasury. The owners collected all of the money. The owners were friends of theirs. The bandits were brought in here illegally, and the former Minister of Finance, rather than throwing them out and putting people out of work, brought in regulations so that they could be controlled, but every minute, there is a harping about gambling.

The Member for St. Michael South Central and I have met together in Toronto, and he knows what we

know in that Toronto talk, the famous Toronto talk. I know of Members on the other side who were on a conference with me when they pulled the bandits. Do not mind them, that is the hypocrisy in some people.

I wish to commend my colleagues on the other side for the outstanding contributions they have both made. They have promised a just and reasonable contribution of incomes in this country and full employment for Barbadians. Not even the United States of America, not even Switzerland, is there full employment. In some of the Eastern blocks, there may be full employment, I do not know, but we know there is nowhere in the western hemisphere where there is full employment, and these are the empty promises made by Members on that side. They are this evening promising full employment for all Barbadians, but they have not told us the mechanics, the machinery to put the Barbadians at work. If you are honest to your people, you tell us how to do it, let us do it and then take full credit for it at election time. Tell us how to help the people, since you know that you can put all the Barbadians back to work, and at the time of the General Election, take full credit for it.

He said that the economy is in trouble. It is amazing how this economy is in shambles, and yet the Government of Barbados can still give the civil servants an increase in salaries!

Mr. SPEAKER: You have half a minute.

Hon. L. S. CRAIG: The economy is in shambles and yet they can set out to build houses, schools and service the National Debt of the country. But all we hear repeatedly from Members on the other side is gloom and doom.

Mr. Speaker, I support the Resolution before this Chamber and I should like to assure my colleagues and Members on this side and all Barbadians that this Government and this country remains in safe hands, as it has been since 1976, Mr. Speaker.

Hon. DeL. O. BRADSHAW (St. Michael South East): First of all, I wish to express my support for the Resolution, as moved by the Minister of Finance and the Prime Minister of this country. If we were to sum up the aim of the Budget, one could only see that this Budget is a step in the right direction, and all fair-minded persons, whether he or she be a critic of the Government, should recognize the fact that the Budget offers hope and it is the correct Budget to resolve the problems confronting Barbados.

10.15 p.m.

The Budget seeks to create additional job opportunities. It seeks to restore Barbados' competitiveness and at the same time it affords increased training opportunities for our

young people. The Budget seeks to inject funds so that we in Barbados can be provided with improved housing for our people. At the same time, it seeks to bring some more relief to business places and to individuals alike. I, therefore, respectfully submit that we have got to look at the budgetary presentation and analyse it to see whether the proposals can effect the intentions as were contained in the final paragraph of the Minister of Finance's speech yesterday.

The opposition spokesman in his reply to the Minister of Finance made some suggestions which he felt would correct the problems which confront Barbados. But that honourable Member, and I refer to the Honourable Member for St. Michael South Central, failed to understand that you cannot in this day and age, in a technological age, one which calls for structural changes, talk about moving a country forward without realizing that you must take into consideration the very salient factor of training the young people and the people of the country. You must be prepared to train the people to understand the technological changes that they will be confronted with, so that they will be able to tackle this situation and assist in moving the country forward.

The honourable Member for St. Michael South Central, if he is taking his party's cause and enunciating the policies of the Democratic Labour Party, I think has failed miserably to convince the people of Barbados, who are expecting progressiveness of this country. On the other hand, the honourable Member has failed to address himself to the question of alleviating the problems and the concerns of the senior citizens of Barbados. It is fundamentally important that whenever we produce Budgets, we include some provisions to take care of our senior citizens, for the one reason that those very people have made invaluable contributions to the total development of our country, and any caring country, any caring Government, must not forget them in any developmental changes. But the Member who is the spokesman for the Democratic Labour Party has failed to address the question of alleviating the plight of the senior citizens. I want to salute the Minister of Finance for having given consideration yet another year to assisting the senior citizens of this country.

I wish to address the question of unemployment. Barbados is not alone in the question of unemployment, the entire world is faced with this particular problem. At the International Labour Organization meetings year after year the question of unemployment comes up repeatedly. The countries are concerned, they are discussing time and time again mechanisms by which they could alleviate the problem of unemployment. Recently, the CARICOM Labour Ministers and Ministers responsible for Vocational Training held a meeting to discuss the problem of unemployment and how best to put the unemployed persons back to work. All countries are concerned.

Unemployment in Barbados has risen, so has it in all countries in the world, and we must bear that in mind. We as a Government are not satisfied that unemployment has increased over the past couple of years. But I am heartened and I want Barbadians in particular to be heartened by the fact that this Government, when it assumed the responsibility for the administration of Barbados in 1976, which saw an unemployment rate of 22.5 per cent and by 1981 the unemployment figure stood at 10.8 per cent.

Asides.

Hon. DeL. O. BRADSHAW: Mr. Speaker, I anticipated the Members on that side to say that it is not true when I talk in terms of 22.5 per cent unemployment. I have before me the Barbados Economic Report. It has reproduced statistics that came from a document prepared by the Democratic Labour Party in 1976. In 1976, the Statistical Department's document said that unemployment was 22.5 per cent.

In 1976 the total labour force was 104 000 people; in 1984, the labour force was 112 000 persons. I am making this point because the Honourable Member for St. John, the Leader of the Opposition, was at pains to point out to this country that more people are out of work now than ever before. That is false. The statistics does not support those impressions given by the honourable Member. What has happened is that in 1976, out of the 104 000 persons in the labour force, 81 000 persons were in work. In 1980, there were 114 000 persons in the labour force, and of that we had a 15 per cent unemployment rate. But let me go to 1984. In 1984, there were 112 000 persons in the labour force and 93 000 persons were in jobs. In other words, in 1976, 81 000 persons were in work and in 1984 there were 93 000 persons. I submit, therefore, that 12 000 persons more are in work today than there were in 1976 when the Democratic Labour Party went out of power. I hope that those statistics will now help to clear the air on this matter and we will not hear any more of impressions from the Opposition members on this particular matter. 10.25 p.m.

We must not forget that the whole concept of training has got to be taken very seriously. The Government, in its effort to upgrade and to equip the young people with skills, established the National Training Board, and before that introduced the Skills Training Programme, a programme which is highly complimented not only by Barbadians, but by all persons, and I would say internationally accepted. Barbados has been told, it is on record, that it has one of the finest training programmes ever to be implemented by any country and now Barbados is seen as a model and countries are asking for a copy of how we execute it, how we implement it. We are regarded as the mother of the skills training programme

and vocational training because of the initiatives taken by this Government on assuming office in 1976.

What this Budget seeks to do is to further expand on those well-recognised programmes, well-accepted programmes, so that more of the youth in the community can benefit from skills training. It is aimed to equip young boys and girls and people who are now coming into the job market with skills and at the same time retrain people who have lost their jobs because of some obsolescence in the job market. We know that retraining must take place. We accept that, and we are prepared to face that particular challenge, and that is why we are prepared to open eight new additional centres in the first instance. Let me hasten to point out that it is the intention of this Government to further expand those centres during the course of this financial year. What, therefore, the Minister of Finance has alluded to in his Budget, are but eight of the centres that we intend to operate from in the financial year.

It is necessary that when the economic take off comes once again in construction and in business that we have the skilled personnel at our disposal to take the country forward. We must not be allowed to be caught napping. That is what happened in 1976. When entrepreneurs and investors want to come here, they want to know that they can find the necessary manpower and the skilled personnel in order to assist them in implementing their programmes and their businesses as quickly as possible. This Government recognised that particular situation, and I want to compliment the Government for taking such initiative in this particular Budget.

We must not forget that the senior citizens of this country have made an invaluable contribution. In the Budget the Minister of Finance has said that he cannot afford at this time to increase the pensions, and it is understood why he cannot afford it at this time. Yet, we are committed to reviewing the economic situation of our senior citizens, but we must not forget that the senior citizens already get land rents paid, electricity bills and water rates. Some of them are also given houses to live in free of cost, and given certain necessities, if they need them, when they apply to the Welfare Department.

The Government has introduced a Home Help Programme in order to enable those senior citizens, those blessed old persons who have helped us to build this country, to live in peace and quiet in their latter years. The Home Help Service is given yet another additional sum of money in order to facilitate the expansion of this excellent programme. There are over 450 persons, senior citizens, who benefit from this, and it is intended to expand the programme so that more older people can be allowed to benefit from the programme.

There are workers who go around to assist senior citizens with the cleaning of their homes, washing their clothing, tidying up their houses, dusting, weeding around the houses to prevent the mosquitoes from interfering with them and causing them not to sleep peacefully at night and during the day, writing letters for them, carrying messages, doing their shopping, assisting in reading letters or correspondence that come to them from their families living abroad. This is what we consider is caring for the senior citizens. Is the Opposition going to say that this Budget should be criticised because the Minister of Finance has seen it fit to make available additional sums of money to take care of those persons?

I want the Opposition to ask themselves if they are really serious when they are enunciating a policy about what they will do if they get into power, and at the same time have not discussed the question of training or even what they are going to do with the senior citizens. The young people must be asking, what do they intend to do with us? Are they not going to equip us? And the senior citizens are probably asking, what do they really want to do with us? Are they going to abandon us? I submit that they want to abandon the old people.

A Budget is all about stimulating the economy so that business people can invest, so that they can create jobs for the people, because we all want to create jobs. This Government in 1976 found 22.5 per cent unemployment. We reduced it in 1981 to 10 per cent. I am confident that the same Government can reduce unemployment from the level of 18 per cent to the level of 10 per cent or even less. We have demonstrated, we have a record that we can be proud of, and the country need not wonder what we are capable of doing. We have given clear-cut proof of what we are capable of doing and we stand on a record, not a record of promises without fulfilment, but a record of promises as well as fulfilment.
10.35 p.m.

The honourable Member for St. Michael South Central talked about corruption. I have told the honourable Member and the other honourable Members from that side to desist from that word. I do not take kindly to that. I am not going to remain in political life and allow those honourable Members to include me in any form of corruption in this Government of which I am a part of.

There is one thing that I agree with the honourable Member on, in saying that the process of payments to the beneficiaries of grants or benefits from the National Insurance Board are delayed. This is so because there are some honourable Members from that side who are associated with businesses that would not pay the money in to the National Insurance Board; so when the workers are severed or come in to benefits they cannot get them because the funds are not paid. I have expressed my

concern and that is why we have implemented computerisation of the National Insurance Scheme, so that, notwithstanding the sloppiness of employers, we will be able to pay those employees monies that are rightly due to them.

I hope the honourable Member from that side would not go out there in the hustings and repeat this allegation. I may restrain myself on this occasion. I do not think that you can trust me to restrain myself from calling names, on the platform in the public domain, of persons who are guilty of this. We would like a certain level of integrity, and I hope that the honourable Member from that side would take note that no red herrings and no wild allegations should prevail much longer in these debates.

The Budgetary Proposals offer an extension of the unemployment benefits. We introduced the unemployment benefits, not you over there. You did not know what to do. You did not care about the workers when they were severed or laid off. We implemented the unemployment benefits, the first country in the Caribbean to introduce them, and we gave those who were unemployed 13 weeks payment. In this Budget, it is proposed to extend the 13 weeks to 26 weeks. Do you not understand? We have feelings. We know that there is some hardship created by unemployment and this Government, realizing that, has decided to extend the time from 13 weeks to 26 weeks in order to accommodate those persons who are experiencing hardship because of unemployment.

I have heard from the honourable Member for St. Michael South Central time and time again calling on the Government to ease the employers, and this is what this Budget has sought to do. Are we now to be criticized because we have done it. We recognized all along that it was something that was inevitable and it was only a question of timing. We have now realized that the time is ripe and we intend to do that. We had first of all to build up a fund. We had to take advice from the actuaries to determine whether the fund and what was contained in the fund was enough and how long it could last. Having carried out that actuarial study earlier this year, it was recommended and the Government decided to implement those social changes. The honourable Members on that side, when they introduced the Severance Payment Fund, did not carry out those studies, and they ran into trouble in 1975, one year after. They did not have enough money in the fund because they did not think. You never understood how it was done. You never took advice from the actuaries, you went hastily along. We do not plan that way, in that shoddy and *ad hoc* manner. We have decided to take professional advice from the actuaries and now we are in a position not only to expand the unemployment benefits to 26 weeks but also to reduce the rate of contributions to employers.

I do not know where some people live. I do not know if their ears are not low to the ground. You know politicians are always accused of not having their ears low to the ground. The honourable Members on that side must get their ears low to the ground and hear what the people are saying. It is a nice Budget. They have no answer and we expect them to come in here today and talk about the unemployment as though unemployment is something only common to Barbados. The United States suffered under pressure resulting from the economic recession. Britain is buckling under 13 per cent unemployment. In Jamaica, 30 per cent unemployment. I do not want to tell you about Guyana, because it is somewhere about 50 per cent. We know that we are part of the whole works and we could not be isolated completely from this. We were contaminated by the economies of the United States and countries with which we have trading links, but we are confident that our economic situation will improve. At the same time, this Government is not going to fail to seize the initiatives and the opportunities to put its house in order, to prepare itself for the take-off once more so that more Barbadians will be in work.

I want to say to all jobless in Barbados, do not be dismayed. Do not be misled by the wild promises. The Opposition cannot say what they want to do. They never did it when they had the opportunity in 1976, because they did not address themselves to the young people, the 14-year olds, but chased them out of the schools. We brought them back and equipped them with the tools and the skills so that they today can build a house as a carpenter or mason, to be plumbers, to be fit book-keepers. This is what we did, gave those young boys and girls an opportunity.

We have a record, and that is why our emphasis is going to be on training. We are going to emphasize the injection of youth in the business places. We are going to take care of those senior citizens. We are going to make sure that we have a buoyant economy which all of us can be proud of, one in which employers will realize that jobs and unemployment is a question for them as well.

We expect from this Budget the co-operation of everybody; even the Opposition. I am sure that they know within their hearts that it is a nice Budget. It offers solutions to the problems confronting us. It is only a matter of time. Jobs cannot come overnight, jobs must be planned for. This is part of the plans. Government is in a position to implement them, and we have already put the machinery in gear. The National Training Board is already poised and willing to take off, and I hope that the young boys and girls and those who are willing to be retrained, whether they are old or young, will take the opportunity so that we, once again, can say that the Barbados Labour Party Government knows their problems and can introduce the medicines to remedy the situation.

10.45 p.m.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, that brings us to the end of this evening's sitting.

I beg to move that this sitting be now suspended until 11.00 a.m. tomorrow, Thursday, May 9, 1985.

I should like to have an agreement from the other side concerning the fact that the Prime Minister and Minister of Finance proposes to speak at around 9 o'clock tomorrow night.

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

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

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. L. A. WEEKES (St. Michael North West): Continuing the debate on the Budgetary Proposals, as presented in this Chamber by the Prime Minister and Minister of Finance a few days ago, I must confess that we, on this side, need to focus our attention on any of the problems that may emerge from that exercise, and, as expected, those on the other side will seek to defend the Budget and at the same time to gain as much political advantage seeing that we are in an election situation. This Budget will not relieve the suffering masses from the existing pressures today. If you listen carefully to any of the call in programmes, "Feedback" a few years ago and at present, "Guttaperk" – and I am not advertising for any station – you will come to understand what all the complaints we have been hearing are all about. Very often you would have complaints from the lower income group in respect of, sometimes, water problems. I can draw your attention to the fact that one person, – and I hear much talk about old age pensioners – an old age pensioner may be still today without his water services connected, possibly through a fault of his own, but nonetheless it does not allow his water system to function. There may be others complaining about the difficulty in getting electricity to their homes because they may have to bear the full cost of having a pole placed near their homes. And then you may hear some of the unfortunate, perhaps unemployed, trying to get the station to air some of their welfare problems. So it appears to me that some of the older folks are still in need of that assistance. I would not like to blame the Ministry for that, it may be a case of not putting the complaint the right place, but nonetheless these are all problems that face the majority, what we call the masses of people in this community. It does not necessarily mean

that these are the complaints of all, but these isolated incidents suggest that we need to address ourselves to them.

The Budget itself would not in any way make health care or medicare any cheaper, for a glance at the Economic Report for 1984 demonstrates already that there were sharp increases in that area, and the appearance this year of further Stamp Duty will in no way lessen the cost to the health care system in this country. I am also of the opinion that it will not narrow the gap which has been widened between those at the top and the bottom, and the reasons are clear, particularly whenever there is a salary adjustment, even though we may give the ones at the bottom a 20 per cent increase, as against a five per cent increase to those at the top, again if you refer to the 1984 Economic Report you will see a category of worker whose 20 per cent gives a maximum wage of \$120.

I further perceive that there will not be any sudden upsurge in the employment rate. Some of the measures suggest to me that they are only stabilizing measures, probably surviving in some instances, rather than expansionary. Therefore, I would caution the Members of the Government side who seek to support this Resolution to remember the state of the economy not so long ago, which has been well put by our Finance Shadow Minister in his presentation to this Chamber. I am sure you would remember that during that period we had to introduce two mini-Budgets and we had to enforce our wage restraint policy, which is still with us today. I believe that some of those measures have in some way precipitated many social problems, and this also makes it very difficult for us to deal with the unemployment factor.

During the course of one honourable Member's debate from the Government side, I got the impression that unemployment was a worthy price to pay in an effort to make some adjustments to the economy. None of them seem to understand that unemployment is a very serious matter. I recall very much earlier in the session that I referred to unemployment as a scourge and I described it as like an octopus stretching out its tentacles into the social environment, even to the extent that it would destroy all the social gains we attract. Human suffering cannot be taken lightly; even if it is one per cent, that one per cent needs to be addressed at all times. But we have a tendency to relate our unemployment situation to that of other countries, forgetting that some of those developing countries have made social buffers to cope with much of the unemployment. Much of the anti-social behavioural patterns emerging, such as the drug and crime increase and teenage pregnancies, result from unemployment. I put them all to the Government, for it is they who, like a captain taking his team on a sticky wicket, cannot appeal to the umpire for help. You have

been given the job to do a task, no matter how difficult it is.

The Minister of Health some time ago aired the matter of teenage pregnancies. Again, in one of my presentations in this Chamber, I said very carefully that if nothing were done, these problems would develop. It is no point telling us on this side that you have sent back the 14-year-olds to school. One of the problems with that is that you can make a decision, but you have to make sure that it is properly implemented and the desired results achieved. Many of those 14-year-olds were never able to be consistent at their schools, and I can almost say it is as a result, to some extent, of one of the mini-Budgets, because you would remember very clearly that at one time transportation was increased and a heavy burden was placed on parents to get their children to school through transportation. When you do not have the kind of wage structure to provide proper transportation and lunch, these children who are in some way below average will not hasten to get to school as they should, and very often they are left alone, and then, because of the prevailing circumstances, they tend to fall into the areas of anti-social behaviour. It is no point talking about sending them back to school if you are not going to make sure that the obvious results are there. Indeed, these may be some of the children who have created some of the problems that I have just related.

11.10 a.m.

In my view, as long as wage policies such as that remain, particularly those in the lower economic group will find it very difficult to even acquire the basic necessities of life. As a matter of fact, some of them have even given up on ever owning anything and are prepared to rely on the Government, particularly in housing. But what is more difficult for them is that the indirect taxation brought about by a fall in import duties, to \$4.5 million, I understand, will further erode some of the already small wages that I have spoken about of this group of people. I can identify them for you, as listed in the Economic Report, page 34 — agricultural workers, construction and quarry workers, transport workers and others in the utility section. And you have to add another group of people which we care so much about — old people, who are about to feel the effect of that two per cent increase in Stamp Duty. They, too, are suffering because of the need for a proper and sufficient health service, and I know for sure that at times when they cannot get the required drugs, they have to purchase them. As a matter of fact, all of them are not receiving the Drug Service free, because some of them still have to meet the cost, even at the minimum cost of \$5 per prescription.

All of this tells me that if not well monitored, we will certainly see another assault on the Welfare Department, and all of us know that that department has its

hands full. There are still school children who are in need of clothing. Parents are still not able to provide them with that, and I am sure that the Welfare Department will be called in to provide that service.

My colleague, the honourable Member for St. Michael South, made a very important interjection in this debate by alluding to the National Health Service, and I want to continue from where he ended, but with some reluctance. Almost ten years have passed. To be exact, in 1976 the present Government in Opposition, as an election promise, told the people of this country that they would provide them with a free National Health Service. That is no longer true, so I am reluctant to continue saying so. But that is not the worst that has happened. What has been achieved so far?

The honourable Member for St. Michael South said that the Democratic Labour Party had prepared a bridgehead from which to launch an assault into a proper and efficient National Health Service, and for the Record, it is necessary that I say this — they inherited from that government the Queen Elizabeth Hospital, the only comprehensive hospital in this country. Need I tell you about the recognition that hospital has gained and the service it has rendered to this country? Today, one gets the feeling that there is a bit of stagnation. One does not see the aggressiveness and the progressiveness that is so necessary to continue the development of that hospital. It is a hospital in which large sums of money were spent, and we believe that it should always be kept in the forefront of the medical services in this region.

We have bequeathed to the present Government, apart from the Queen Elizabeth Hospital, five district hospitals, 11 out-patient clinics, two maternity hospitals, eight health centres, and, to use the modern-day term, multi-purpose clinic.

Hon. L. S. CRAIG: If I may rise, Sir.....

Mr. SPEAKER: On what does the honourable Member rise?

Hon. L. S. CRAIG: On a point of order, Sir: I would like to draw to the attention of the honourable Member who is now addressing the Chamber that the Queen Elizabeth Hospital was built by the Barbados Labour Party, and 98.9 per cent was completed during that regime. It was only opened by the Democratic Labour Party. That is how it was, and you did not build any health clinics either. Do not mislead this Chamber.

Mr. SPEAKER: That is a point of information. The honourable Member may continue.

Mr. L. A. WEEKES: A hospital is not four walls. A hospital is a combination of things, services and people,

and that is what we bequeathed to them. That is what we left with you, and it is still there today. No one wants to take away any contribution that the other side has made. That is left for your members to do.

At that period we left another important innovation in health care, the Bayville Clinic. That clinic was made to function for workers who could not get medical care in the early hours of the day, and the clinic functioned for the evening workers.

What did they do? There were existing services before the Democratic Labour Party came into power, but what we did — it is not like what is going on now — was to build and improve. We did not allow things to stagnate and people to be constantly worried about their institutions. We made sure that at many of these clinics there were GP sessions held by visiting doctors. There were ante-natal clinics and post natal clinics. There were children's clinics, particularly on Saturday mornings. There were nurses who went out and did home service, trained nurses in public health administration. There were dental services available, and if you want to talk about anything free, they had a free drug service. We collected not one cent from any one of those people, though they were only admitted on the old age pension basis, and those who were subjected to a means test. It did not embody the entire population but it catered to the needs of those who seriously wanted health care. Then the first walk-in clinic came. I challenge anyone on that side to say that there was not a specialist clinic for hypertensives at Warren's. There I witnessed managers who attended to get some of the treatment that was offered there, and we incorporated the public health service giving immunisations. Family Planning was also brought in, and at one stage at that Warren's clinic there was emergency transportation to assist any emergencies to the greater institution.

My recollection of all that went on at that clinic was that everything was free of cost. So if there was one Government that intended to give the people that service, it was the Democratic Labour Party, and we did it from our own natural resources in terms of the Consolidated Fund. We never raised any levy. It may be true to argue that not every one could have benefitted from that service, and that is why after ten years, with that solid foundation, one wonders why Government is unable to expand it further. You had four Ministers of Health. You had the benefit and experience of consultants. You had the experience of BAMP. You had all the opportunities to fulfil a service which you promised the people.
11.20 a.m.

If there is one thing on which this Government needs censure, it is that you have taken ten years to fulfill such a promise. In fact, you have not even done anything apart from collecting the levies, and, as

intimated by the Honourable Prime Minister, those funds will now be transferred from the Consolidated Fund. Even the Prime Minister cannot even stick his neck out as to when the service is going to start, and I heard the previous Prime Minister state many dates and they have all gone. One must form the impression that it was a false promise or that you did not intend to implement it, or you found, after competent advice, that it would be necessary to hold your brakes on it. Which of them is the problem I do not know, and it is pointless really to talk about any group of professionals not wanting to assist. I think people who have worked in these areas over a number of years have gathered enough experience that they know when something is going to go wrong, and they need to have the courage to say it.

I am a pharmacist. We are trying with the Drug Service, but there is still an incomplete solution to that as well. So all we have, or all that has been given to us is a National Health Service Board. But with what to do? The Drug Service is functioning without them, so why are we paying them? For doing what? These are the problems which I think one needs to address oneself to, and the Budget must in some way give some feeling that there is something going to happen in this area.

I need to say a little bit more about this National Health Service in relation to what is going on. This indecisiveness may very well be the reason why it appears as if nothing is happening, and the health service itself cannot function unless all the other back up services are functioning. All the services that are provided at Enmore must function. Public health will have to be in a very good state, and only within the last five year session, to be exact in 1982, you would not believe it, and this is not to scare anybody, because every now and again we get an upsurge of one or two problems — in 1982, this is the Annual Report of the Chief Medical Officer, it says at page 2:

"There was a steep rise in the incidence of dengue fever. There have been 103 cases against 8 in the previous year."

That in itself suggests to us that something is wrong somewhere. How could you move from eight to 103 when provision has been made for that service to be properly manned year after year? Of course, we recollect what happened. You cannot starve these services of funds and it is obvious that health is not one of those areas which you can hope will take a little time to develop. Epidemics develop overnight, as we have had here with the gastroenteritis.

I mention this to suggest that the health services in this country need — and if you need a new Minister, have a fifth then.

Hon. L. S. CRAIG: Mr. Speaker, reluctantly I have to rise, but I cannot sit here as Leader of the House and hear this misinformation. On no occasion have we heard or seen any report from the Ministry of Health that there was an epidemic of gastroenteritis in Barbados. I have not seen a single report, I have seen nothing come out in the papers. I have discussed this with the Minister of Health and it is not fair for the honourable Member to mislead the House. I will have to rise whenever the occasion arises.

Aside

Mr. SPEAKER: The honourable Member cannot be shouting across the Chamber.

The honourable Member may continue for one minute more.

Mr. L. A. WEEKES: Mr. Speaker, just for the Record again, I believe the House is in possession of this document, the Annual Report of the Chief Medical Officer for the year 1982.

11.30 a.m.

Asides.

Mr. L. A. WEEKES: I am drawing reference to what has taken place over the years in respect of gastroenteritis.

Mr. SPEAKER: I am afraid the honourable Member has satisfied the Standing Orders by utilising his 30 minutes. That brings him to the end of his contribution to this debate.

Hon. B. A. MILLER (City of Bridgetown): In my view, the 1985 Budget has been very well received and appreciated by all Barbadians. Even in its back-handed way, the Opposition has, in effect, when you listen to what you hear coming from the benches across the Chamber, approved the Budgetary Proposals.

The Prime Minister and Minister of Finance of this country should be congratulated. I think that with very great skill he has paved the way for us both in the public and private sectors to put Barbadians back to work. The Opposition is yet to tell us how they would propose to do this. Broad general statements such as we have heard from the chief spokesman of the Opposition benches in his Budget reply and from other Opposition members do not spell out to us in any detail how they would propose to do this. In fact, they have told us everything except that. We keep hearing about the period long before 1985. We have heard a long historic treaty from the honourable Member for St. Michael South Central, and, following him, Members on the other side have been rising to give us historic speeches about what happened in 1980, 1981 and 1982. Even the last speaker was trying to quote to us from the Chief Medical Officer's Report of 1982, trying in some garbled fashion to explain to us that there might or might not have been an epidemic in 1982. What relevance can that have to 1985?

The Barbados Labour Party Government has planned and is planning for Barbados now and in the

future. We are looking down the road to the year 2000 and the 21st century. Even families have to plan in the long term, businesses have to plan in the long term far less Governments, and the Minister of Finance in his Budgetary Proposals shows us that we are looking towards the future. We are planning for future generations of Barbadians. I do not know that we want to have a harangue in here in two days of debate on what is, in fact, historic and past tense. This is what we have been hearing from the Opposition benches!

The truth is, I am really quite tired of hearing, particularly from the honourable Member for St. Michael South Central, the long, sad, old story about how this country is bankrupt or is on the verge of bankruptcy. It has been on the verge of bankruptcy for five or seven years, according to the honourable Member for St. Michael South Central! I am tired of hearing from him about how democracy is at stake. We are one of the freest countries in the world, and he goes on and on about that. I never thought that I would hear in this Honourable Chamber a man go on so about this period and that period and the other period and a further period. That was a speech for the ladies room!

I am very proud to have been associated with a massive developmental programme in Barbados, both as the Minister of Health and now as a Minister of Education. The honourable Member for St. Michael South Central claims that the taxpayers of this country have been misled by the Barbados Labour Party Government. He claims that their money has been unwisely invested and squandered. I want to challenge the honourable Member for St. Michael South Central to deny that the network of polyclinics which we have established during the course of the past eight years is a wise investment. I want him to deny that taxpayers money invested in those polyclinics is money that has been squandered. Jobs were created by the construction of those clinics, for people who now staff those clinics and there are services provided by those clinics. I want the honourable Member to tell those people who worked in the construction, who now work in the clinics and the people who go day after day to receive service, and care at those clinics, that that is an unwise investment. I want him to tell the doctors, the nurses, the drivers, the cleaners and the technicians, that that money was squandered.

I never thought that I would live to hear an honourable Member get up in this House and claim that the Democratic Labour Party built health clinics between 1961 and 1976. I thought that was something now so clearly a part of the history of this country, undisputed, that I would not need to get up during a Budget debate to point out that a gross misrepresentation has been made by the last speaker. The Barbados Labour Party established a series of health clinics well before 1961 — the first one during the early 1950s at Speightstown, started by Sir Maurice Byer, also at Oistins, at Six Roads, at Enmore — long before the Democratic Labour Party

came into Government in 1961. I am shocked that the honourable Member for St. Michael North West (Mr. L. A. Weekes) is not aware of this and would want to claim that those clinics and the Queen Elizabeth Hospital were projects established and founded by the Democratic Labour Party! It is patently untrue, and it only shows us how the Opposition is scrambling for something to say. But I am forced now to have to waste precious time to deny that and to remind Barbadians of what they know to be true, and to remind them, too, that between the years of 1961 and 1976, nothing was done by the Democratic Labour Party to upgrade or to expand those clinics, absolutely nothing! I can testify to that, because when we came into Government in 1976, as Minister of Health it was my business to inspect those health clinics. I was appalled at the rate of failure to properly maintain them during the 15 years of the Democratic Labour Party rule.

11.40 a.m.

We embarked on a programme, with the assistance of a loan from the Inter-American Development Bank, to build a network of polyclinics, starting in Speightstown with the clinic named for the man who was the pioneer of it all, Sir Maurice Byer. We built a clinic at Black Rock. We were told by the Democratic Labour Party that we ought not to have done it, nobody would go to it, and yet it is one of the most heavily attended clinics in Barbados today. We were told that it was in the grounds of the Psychiatric Hospital and that I did not know what I was doing, that it was going to be a white elephant — that is their favourite animal, in fact, a white elephant may well be the mascot of the Democratic Labour Party — yet it is the most heavily used polyclinic in Barbados today. We went on and we built a clinic at Oistins, part of the new town or city that is Oistins today, and at Warrens, where the Democratic Labour Party can never forget about squandered money and unwise investment, hundreds of thousands of dollars sunk into the foundation for something that was going to be a crematorium we were told! For years the Democratic Labour Party was in power and out of power and we never saw the crematorium, and all of that money went down into the earth. Literally, it was buried in the earth! Today, there is a polyclinic at Warrens. The honourable Member for St. Michael North West works at that polyclinic. I am willing to give him credit for that, and we are grateful for the service that he rendered there as part of the primary health care team. We went on looking at the densely populated catchment areas and we built a polyclinic at Wildey, and we rebuilt Enmore across the road at Ladymeade, and the last clinic of that network will soon get off the ground at the Glebe in St. George.

Is the honourable Member for St. Michael South Central really expecting Barbadians to believe that that is an unwise investment and that that is money squandered, and you should not have borrowed money

from the Inter-American Development Bank to do it? When the President of the Bank comes here next week — I have to accompany him next Tuesday on a tour of the polyclinic at Oistins and on a tour of the Barbados Community College and the Samuel Jackman Prescod Polytechnic — am I to tell him not to bother to lend us the money to help us now to build that last polyclinic at the Glebe? Am I to tell him he need not come here at all? Is that what I am to tell him? Is that what you are really telling the people of this country? I did not think that I would have to get up and make that kind of statement in here today, but this is what we are forced to do.

I could hear from the honourable Member for St. Michael North West just now — in shock! — that the rising rates of drug usage among young people and teenage pregnancies are to be blamed upon the Government of Barbados. These are problems which are universal. Drug usage among young people and teenage pregnancies are not peculiar to Barbados — they are something which were a fact of life during the time of the Democratic Labour Party, during our time and will continue to be a fact of life not only in Barbados but everywhere else in the world. But the honourable Member was desperate, because everybody feels that they must speak in this televised debate, to say something that may sound dramatic or to find some way or something that he could lay at the feet of the Government and say that the Government is to be blamed. He was so desperate that he finds himself making a statement like this.

The honourable Member is, in effect, encouraging a very dangerous theory and trend of behaviour in this country when a person of his standing makes a statement like that. In the Ministry of Education, we are fighting an uphill battle against parents and guardians who hold the opinion that, in old-fashioned Barbadian language, what we know as home training is something which is now the responsibility of teachers and all others. That is a very dangerous opinion, and that, more than anything else in my view, is responsible for the fall off in the quality of behaviour that we are accustomed to observing in Barbados among our young people. It is partly responsible for the breakdown in the kind of family life that most of us in here grew up in and enjoyed. The school can do so much, it can even do little more, I think if what teachers are trying to do is to reinforce what is being taught in the home, but it is very hard on teachers day after day when they are trying to inculcate in children and young people a certain attitude to life, certain virtues which are contradicted in the home when children go back home, because they spend more time in the home than they do in the school house. It is very difficult when in the home what teachers are trying to instil in pupils is contradicted on a daily basis.

I am not ashamed to admit that it warms my heart when today I can still see some children going to Sunday

School. I spent 14 years going to Sunday School, five as a Girl Guide first and then a Guider, apart from the years I spent in school at the primary and secondary levels, and those 14 years in Sunday School and those years as a Girl Guide did me nothing but good, and I would like to see a little more of that today. I think that the churches, and I see the honourable Member for St. Michael North West nodding his head in agreement, must do a great deal more to help us as parents, guardians and teachers to fight this evil which is spreading its claws in our community. The churches are doing a great deal in other countries to help the home and to help the school, and if this is an opportunity now to throw out a plea for help to the churches, then I do that, because we cannot do it alone in the schools. It is more than the teachers can do. We need to get back to a time in this country when any individual could feel comfortable to go up to any child involved in wrong doing and try to persuade it to do the right thing, without the fear that parents would object or be abusive about it. We have to be vigilant with our children.

Is the honourable Member for St. Michael South Central really saying that this Government ought not to borrow money from the World Bank in order to build and expand another ten schools in Barbados? We have now come to the end of what is known as the first World Bank Project, with ten schools expanded and upgraded. I do not know that I need to list them all again, they have been listed in an earlier speech. Is the honourable Member really telling us that we should tell the World Bank that we do not want to borrow any more money to do the ten schools which are now listed for upgrading, new schools to be built altogether, because Barbados does not need to satisfy the demands of tomorrow in training young people in commerce, in tourism, electronics and in computer science? These are the areas that we want to expand on at the Barbados Community College and the Samuel Jackman Prescod Polytechnic. Am I to tell the President of the IDC not to bother? 11.50 a.m.

If people out there take literally what is said by some Members in here, that is what the end position would be. That is why people who speak in this Chamber should recognize the high responsibility which they have to be explicit, honest and responsible in what they say and not to grab after the cheap political gimmick and the cheap response which they might get.

All we have been hearing from the Opposition benches are impressions. All we have been seeing are antics, including all those impressions and antics coming from the honourable Member for St. Michael South Central. Do not think that it has gone unnoticed that the honourable Member has even changed the way in which he dresses, even the style in which he presented his Budgetary Reply. We noticed all of that. We know that

you are being tutored, we recognize that. It is all an impression. But Barbadians have to make a judgement, especially the electors. They never make a mistake.

There were no histrionics this time, there were no charts. All of that was tired and failed in the past. We know that the public relations people are trying, fighting a losing battle with the honourable Member. I admire him for the try, but we see through all of that. What we are seeing today, and what the Democratic Labour Party cannot grasp, to their detriment, is what the people in Barbados saw in 1976, and what caused them to reject the Democratic Labour Party, as a Government, in 1976. I do not have any doubt in my mind that in 1986, or whenever the Prime Minister chooses, the people of Barbados will again reject you.

Eight years of it we have had in here — no programme, no plan, no policy! They are going to create jobs. Anybody can create jobs, Gearbox can say that, too, but it is your responsibility as an Opposition to tell us how you would go about this. You would do this, you would do that — all these sweeping statements. They do not mean anything. We have been hearing them time and time again. We were really expecting, especially when they saw the new image, the suit and the quiet way in which the reply was delivered, that we were going to hear something. I was grossly disappointed, although I should have known better.

The Democratic Labour Party is still trembling like cowards in the shadows, because they are afraid to go forward boldly with policies which we need in the 1980s and the 1990s. We are not going to be able to plan for the 21st century by hiding in a corner because you are afraid to borrow money. It is no claim to fame to tell us today that you built a school from your own resources in nineteen sixty something or in nineteen seventy something and not be honest enough to tell us that many of those schools are physically falling apart in less than ten years after construction because they were poorly built. Those are the problems that I have on a day to-day basis. You must be honest enough to speak the whole truth and not part of the truth only.

This Budget has done a great deal for young people and is going to do a great deal for young people. There is that section of the Budget between pages 50 and 56, six whole pages given over to the Government's proposals and plans for training. This is important to me in particular, as Minister of Education.

As the economy gathers momentum and the productive sectors expand and as we try to reduce unemployment in this country, our work force has to be retrained, retooled, readied. We have got to remember, as an honourable Member on this side has made the point already, that we are now in the age of information, the

age of the new technology, the age of rapid change, and everything is changing, not only technology. Jobs change, markets are shifting and changing, and we have to be ready.

In this country, we know that in many areas we have ceased to be competitive, for all sorts of reasons. Because of our wage structure and many other reasons, we have found ourselves very often victims of our own prosperity — and that is not anything new or peculiar to Barbados either, these are the ways of the ways of the modern world — and so we have now to be in the business of redeploying our skills and redeploying people in our work force so that we can become more competitive in other areas.

We are told, and we know that in this country, we have the best quality basic education that is to be found anywhere in this hemisphere. We know that we can very quickly, building on that good basic education retrain, retool and redeploy our skills, and as I have said, we are looking down the road towards the 21st century. That is why those six pages in the Budget Speech are of critical importance to us in Barbados. That is why the kind of money, the kind of funding, is now going to be channelled into training and retraining, most importantly retraining. That is why, too, we have to expand the Barbados Community College and the Samuel Jackman Prescod Polytechnic, because it is from those institutions that the technicians and the skilled workers of the 21st century are going to come.

I am very pleased to see the impetus that has been provided in this Budget for the further education, and the training and the retraining of skilled technicians and craftsmen in this country, and I thank the Minister of Finance for that. It gives me the greatest possible pleasure to support this Resolution.

Mr. R. E. BRATHWAITE (St. Lucy): I should like to commend the Honourable Prime Minister for his brilliant presentation. The importance of this Budget can be seen from the fact that it is an employment generating Budget. I have no doubt in my mind that this will increase the employment numbers of this country. This Budget is one that looks after the need of every Barbadian, giving benefits in recessionary times. The Members of the Opposition never expected a Budget of this magnitude, and they are shocked. Even looking at the picture of five of the leading members of the Democratic Labour Party in the *Nation* newspaper, you could see after the presentation of the Budget that they were all shocked and wondering what to say.

There are a few points which I have to rebut. The honourable Member for St. Michael South Central said that he is going to put money back in your pockets, and I am very worried about that particular one. The

Democratic Labour Party has a tendency to say that Barbadian people have short memories but I can remember in 1975 and 1976 you had to keep the money in your pockets, because when you go to the supermarket shelves, you could not get anything to buy with that money. You could not get flour, you could not get sweet potatoes, you could not get white potatoes, you could not get apples, you could not get corned beef. But thank God that today, once you have the money in your hands, you can buy whatsoever you want in this country.

Applause.

Mr. R. E. BRATHWAITE: Mr. Speaker, he spoke about the cement plant in the parish of St. Lucy. He said all kinds of bad things about it. I listened to the honourable Member for St. Michael South who said they planned to build a cement plant in the island. But they planned to build a portable plant; a little play-play plant. The Democratic Labour Party had a policy of starting things, like the crematorium, which has ended up now as a polyclinic, and I am very glad that they did not start the cement plant down there. The plant they had proposed was a second-hand plant from Italy, and I am sure any old, outdated plant would give us all the dust and noise and will destroy our lives in the parish of St. Lucy.
12.00 noon.

The cement plant up to this present time is a success. This is a few years now that we have had no increase in the cement price, and we have to agree with that. Go down to the small islands and see the price of one bag of cement! But we have our cement plant, one that is producing well, and it is dust free. There is only one particular house that is very close to it a stone's throw away, and I am appealing and hoping that the people at the cement plant will soon acquire this particular house so this gentleman can move on and get his business going the way he would like it.

He also spoke about the Heywoods Project; he said it is a white elephant. Every project, from the time I came in here in 1981 up to today, is a white elephant. They had this and that on the drawing board, but once it is started by the Barbados Labour Party, it becomes a white elephant! The Speightstown By-Pass Road, the Spring Garden Highway, the Heywoods Project, and the cement plant — everything we do in this country to try and make this a better place for us to live in, the members of the Democratic Labour Party criticise and tear down!

Yesterday, as the honourable Member was presenting his reply to the Budget, I had to say that the Democratic Labour Party really went through a lot of trouble with him, because that was not him yesterday at all. I really would give him a few points for presentation; he did well, he calmed himself down and he behaved

nicely. That is not his style. His style is to knock the microphone from one side to the next and behave as badly as he can, but the members of the Democratic Labour Party spoke to him and told him to try to be calm and put over himself as nicely as he could. I would say that he put over his case reasonably well, but not facts. We would only give him a few points for the way he carried himself yesterday.

The honourable Member spoke about Heywoods. He said that the hotels on the south coast could not make any money now, and the cheapest place you can get food is at Heywoods. I would say that is a compliment, because if you have a new, big hotel in Barbados, and still they are making money, we should be proud of that.

That proves to us that we wanted something like Heywoods a long time ago to control the hotel prices in this country.

I would like to offer special thanks to the Prime Minister of this country, my constituents asked me to do this for them, for extending the unemployment benefits from 13 weeks to 26 weeks. These are the things the Opposition should have touched on and tried to commend. I believe the public would be happy and respect them much more. I will appeal to all the fishermen of this island, and especially the ones from St. Lucy, to join and pay National Insurance because those poor people go to sea for six months a year and after that they have no kind of income, and they have their children.

We all know that because of this good Government, particularly the Minister of Agriculture, today the cheapest thing in Barbados is fish. This year we had dolphin at \$1.50 per pound, and we had flying fish. That was the good planning of the Barbados Labour Party. But we have to realize that we have to make a little sacrifice for the fishermen, because when they go on sea and they bring in those fish and sell them at the cheap price, they still have to go to town and buy those shoes and dresses, and other things for their wives at the dear prices. So I feel that they should share in this gift which the Prime Minister has just handed out to the nice people of Barbados.

When the honourable Member for St. Michael South Central was putting over his case, I wondered where I was living. I started to wonder if I was in Guyana, because I know that a few months ago in Guyana the people were very worried about the conditions — a tin of sardines was for \$5.00, you could not see a tin of corned beef, you could not see flour, you could not see so many things — and the dismal picture that he was putting over of this country really made me believe that I was back there. But I know when I come from America, Canada, or even England and I compare those countries

with Barbados, we compare 'favourably well. This place is still a haven, but there are some people who believe that everything must go well in Barbados. There are problems in England, America and Canada, especially with the unemployed, but when it comes to Barbados, they expect nothing to go on here. I know it is a little haven, and I am sure if we all live faithfully, we really will see what a haven it is.

I would also like to thank the Honourable Prime Minister for remembering that lonely, nice parish in the north, first on the map, St. Lucy, when he recommended those eight centres which will train our young boys and girls in the trade of their choice. Years ago in the Democratic Labour Party, when you reached the age of 14, out goes you; done with that! But this party, from the time it came into power put those 14-year olds back into schools, and today some have 'O' levels. Those people who are not interested in 'O' levels, they can now go to a trade of their choice. I am glad that the people in the north will have one of those centres at the Defence Force facilities.

I know that this debate could not end with the honourable Member unless he brought in Defence and Security. He always tell you that the Defence Force is too big, he would make it smaller. I cannot understand it. The two of them do not coincide. You are complaining about unemployment and when you plan to cut back on the Defence Force, you will be adding to unemployment, because there are lots of people in this island that depend on those boys and girls who are in the Defence Force to bring a weekly pay package so that they can help keep their families alive. Yet the honourable Member is saying, 'slice it in half, it is too big!'

12.10 p.m.

I would like to let you all know the use of the Defence Force in this country. You all heard we had some buffaloes in the parish of St. Lucy destroying people's crops; those buffaloes were destroyed last week by the Defence Force men. Whenever we have any problem at all in the district, a fire, the Defence Force men are there at your side to help. They improved the fishing industry in the north because they are very vigilant in trying to control some of the dynamiting of fish, which is a very good idea, but I will appeal to them to extend it a little further so that we can have our fish bed out there where we had it years ago.

The Defence Force can have some of the most rough material, but as soon as those people go into the Defence Force, you can be assured that they become humane, they are a different type. I think they are the most disciplined people in Barbados, and I think that this Government should be commended for doing such a nice job.

I remember that in 1976, before this Government actually came into office, we had a threat about some Sydney Burnett Alleyne coming here. Those threats now are in the past, you do not hear about those things now. People can go to sleep and relax because we have a Defence Force with a difference. It is not a "play-play" Defence Force like what the Democratic Labour Party had, because they always like to spend money twice. They brought boats down here and when they carried those boats on the exercise run, the show run to let everybody see the boats performing, one of those boats crashed. Even to let the people of Barbados see it in action, the boat just broke in half! Now look at the kind of boats that we have today. We have boats that can go anywhere in the world. Even in the fishing industry, those boats are doing a good job.

We have most of the boats now fitted with radio equipment, and when a couple of boats go adrift at North Point or anywhere in Barbados, those people radio back to the Defence Force Headquarters and they receive help. Back in 1976, when they radioed back the men at the Coast Guard were very scared, because with the kind of boats they used to have they could not risk their lives to go in when the sea was rough. That is true. So I would say that they have improved the lives of the fishermen in this country. We do not hear about two fishermen going adrift dying or anything like that, we can assure them the minute they radio back to the Coast Guard Station they will receive help because we have boats that can afford to go to their assistance.

I would like to touch a little on the old age pensioners. They mentioned them and said they were being knocked about. I am very glad that we have an educated electorate in this country. You can fool some of the people some of the time, but you cannot fool all the people all the time. It took the Democratic Labour Party 15 years to give the old age pensioners in this country \$8.00, and you all know that in 1972 we had money down here in abundance. Now, watch the work! Look at a Government with a difference. In the first five years that this Government was in power it raised the old age pensions from \$13 to \$40. In six years they had \$27, and in the Democratic Labour Party's regime \$8.00 was raised in 15 years' time. You can see now who is treating whom badly!

Look again, Mr. Speaker. They spoke about the bus service and the old age pensioners, they are being knocked about. This Government is a Government of planning. We do not want to have old age pensioners in the buses at 6 o'clock, peak hours, when the people are going to work. We want to make sure that the people go to work and then the old age pensioners can come through at a later hour, which is 9 o'clock, which is reasonable. I would not have like to know that my mother would have been in a bus before 9 o'clock on mornings at that old

age before she died, 79 years. We know that we have people getting to work, struggling to take care of their families, and having old people in their way keeping them back, how rough they can be at some times. For the evenings it is 3 o'clock, and between that time it is free bus rides all the days in the year for the old people in this country.

Not only that. The Democratic Labour Party had a policy of repairing old people's houses only at election time. It is not under the Barbados Labour Party regime. Houses were being repaired in St. Lucy from 1981 up until some time last year, and I hope that the Honourable Minister will soon start again and give us a little more assistance. He has to realise he has to give us a little more assistance than the other parishes, because I think that is the only parish without a housing area, and he will have to give me a little more assistance to compensate for a housing area.

We also have free medical care. We have paid water bills. The honourable Member for St. Michael North West talked about someone taking out somebody's water. I wonder if there is anyone in here who has in water who has not had it taken out yet. Sometimes you pay and they cut out your water or your light, because of mistakes. These things can happen. I can assure him that most of the people I saw in the constituency of St. Lucy who passed the age of 65 go to the Welfare Department and this Government pays their water bills for them. There are some people who will not take their water bills in on time and there can be a disconnection. That is nothing you should jump up and blame the Government for, because the Minister or the Prime Minister cannot go out there and as a Minister deal with water rates. He has civil servants out there and they are the ones to do that, so in any little carelessness that might come about I do not see that we should really make it a big issue.

I always admire the honourable Member for St. Michael North West (Mr. L. A. Weekes) as a very honest person, but this morning I was very shocked when he said that the Queen Elizabeth Hospital was built by the Democratic Labour Party; very, very much disturbed. We all know that the hospital started from the Fifties. The Democratic Labour Party took over in 1961 and carried on from where we left off. There are certain projects that you left that we carried on. We do not boast about them nor we do not say that these projects belongs to us, and I was very surprised, because I know he is not really a man like that.

I would like now to touch a little on agriculture, especially the small farmers. The honourable Member for St. Michael South Central spoke about the small farmers and

how they are neglected and all sorts of things. I would like to let him know that the small farmers still have a certain amount of credibility in this island.

The dairy industry has a revolving loan scheme. This scheme provides loans to livestock farmers for the purchase of animals, machinery and equipment under concessional terms. Administration of the scheme is handled by the Ministry of Agriculture, Food and Consumer Affairs. Loans are payable for up to ten years and attract an interest rate of three per cent. Between 1976 and 1983 some 25 loans were disbursed, totalling \$853 356. Over the same period, the total milk output increased from 6.3 million kilograms to 7.8 million kilograms, an increase of 20 per cent. Loans under this scheme are also provided for the improvement of pasture grass, improvement in suck wells, fencing around your land, and subsidies on spraying and ploughing.

12.20 p.m.

In the days of the Democratic Labour Party, when their plough could not get through to you, it used to take two years to get back your refund. It is not so today. You go in this morning with your receipt to prove that you have paid, the Ministry of Agriculture have men there ready to receive your receipt and to give you your cheque immediately. So when someone got up in here to give the impression that this Government is not taking care of the small people, it is not honest to do that, but as some people say in here, impressions count. They can put over something that is untrue and the public takes it up and runs off with it without checking these things to see if they are factual. I hope that the day will come when people who speak in this Honourable House will be scrutinised to find out who are telling lies from who are telling the truth.

We go now to the fishing industry. In the 1960s, under Herbert Grantley Adams, you could go and borrow money to buy a fishing boat, you could get a subsidy on pig feed, all those things. The minute the Democratic Labour Party came into power, they stopped that completely. They stopped the feed for pigs, they stopped the lending of money for boats. But do you know how they tricked you? They put \$300 in your hand and tell you to go and paint your boat. We know that \$300 could not paint a boat, but that was a smart way of giving the impression that they were really giving you something. From 1961-1971, you cannot show me one fisherman who built and owned a boat, because the kind of help that he used to get was cut off by the Democratic Labour Party.

In the financial year ending March, 1984, the BDB approved 76 loans totalling \$1 614 100. Of this figure, \$1.3 million was disbursed in providing 78 job opportunities. Loans were for the purpose of repairs to hulls and engines and for the acquisition of gear and

equipment. Six of the loans were for the construction of 40 ft. boats, formerly known as ice boats. The source of this information is the BDB, which took over the loan portfolio for fishing from the BNB effective January, 1983. During the period January to March 1983, the BDB approved five loans totalling \$360 000, so you can see what this Government is doing for the small farmers as a whole in this country, not only on land but at sea.

The honourable Member tried to mislead you about agriculture and the amount of tonnage of cane that was reaped by them and how much sugar they produced. I would commend the Democratic Labour Party for buying some of the marginal estates. There were fairly good estates, because I believe that Husbunds in St. James could be sold out and you would get more money for Husbunds than all of the estates cost. But to get up and give the impression that they did more for agriculture than the Barbados Labour Party, I call that dishonest.

I have the figures here for 1975, when the Democratic Labour Party was in power. I am not talking about outsiders, because I believe that Government bought those plantations where they could give an account of their stewardship, they could check on the plantation rulers and see when they would be able to pay, which was a good idea, because I believe if you own it, you should show some sort of example, and by showing the example the other plantation owners would try to follow on. In 1975, under the Democratic Labour Party regime, there was 14 296 tonnes of cane for all those estates, so you can see from every side that they had a lot of land but none of that land was under cultivation. I know the one in St. Lucy by me was cultivated – but that was in cotton and the boll weevil worm ate up most of the cotton. But worse, at the same time a good sugar price came in! The Democratic Labour Party then started to run about getting ready to plant canes after the price had gone, like after the pig was out of the bag. When they got the sugar price, they did not have any sugar to sell, but in 1976 they found out their mistake, and had in 1976 – because I would not accept the 1976 crop season as ours – they moved 28 353 tonnes from the ADC estates.

In 1977, under our regime – listen to the work – we moved 33 537 tonnes, in 1978 there were 41 525 tonnes, 1980, 57 201 tonnes; in 1981, despite a dry year, we had 43 906 tonnes and in 1982 we had 40 282 tonnes. This is actually three times more than what used to be under the Democratic Labour Party regime.

Mr. SPEAKER: And that brings the honourable Member to the end of his allotted time.

Mr. R. E. BRATHWAITE: Thank you, Mr. Speaker. I would like to thank the Honourable Prime Minister for

a very wonderful Budget. I am sure that the people of this island are quite satisfied up to this time.

Mr. M. A. KING (Christ Church West Central) The honourable Member for St. Lucy (Mr. R. E. Brathwaite) made one, as far as I am concerned, profound statement in his whole intervention, "You can fool some of the people some of the time but you cannot fool all of the people all of the time." It is true, because before the honourable Member made his statement, he made statements to the effect that in 1975-76 the people of this country could not get anything to eat so they had to keep their money in their pockets. Is that a profound statement? Would the people of Barbados believe him? We all live in this country. That is a statement which the nation has heard. Do the people of this country accept the honourable Member for St. Lucy when he says that we could not get anything to eat in 1976? It was a misrepresentation.

Was the Queen Elizabeth Hospital built in 1961? I believe, that too, is a misrepresentation. I believe the hospital was, in fact, completed in 1964 and opened in that year. Misrepresentations again about the quality of the Coast Guard, that the men were frightened to go out to sea when boats were adrift. That is an injustice to the men who formed the Coast Guard at that time.

Another statement about the old aged pensioners...

Mr. R. E. BRATHWAITE: On a point of elucidation.

Mr. SPEAKER: A point of elucidation.

Mr. R. E. BRATHWAITE: Mr. Speaker, I would like to let the honourable Member know that we had a gentleman with a new boat named Mr. Bishop. The boat went to sea on the first day and it turned over. He radioed back to the Coast Guard. They steamed to Half Moon Fort, left and they said they would be back in the next half an hour. Up to this present day they have not returned yet, and that gentleman lost that boat! 12.30 p.m.

Mr. M. A. KING: Mr. Speaker, the present Defence Force Sea Wing also have problems with assisting fishermen, so what is the point? There are always problems with assisting boats at sea, so do not indict the people by making foolish statements that they were afraid to go to sea. That is their job, that is their duty; they are not afraid to go to sea. Circumstances may inhibit the rescue as they plan, but do not accuse them of being afraid. It is not just and fair to them.

Then the honourable Member for St. Lucy makes this other ridiculous statement about old age pensioners on the buses, that there is no need for them to travel early, because he would not want his mother or anybody

connected with him to be travelling at 9 o'clock in the morning. If the people have to go to the hospital or to the doctor, would they not need to travel that early? Statements like these which tend to misrepresent situations and then lead us all into believing that we are not misrepresenting anything, but we are presenting statements of fact.

I cannot deal at length with what the honourable Member for St. Lucy said, because I would be wasting my time trying to answer the small points which he made and not getting on with the issues.

(Hon. L. S. CRAIG: Well, sit down then.)

Mr. M. A. KING: I will sit when I am ready.

The honourable Member for the City (Hon. B. A. Miller) made a statement that the honourable Member for St. Michael South Central in his reply to the Budget said nothing at all. That was the gravamen of her statement. He made no constructive proposals. The Budget debates and the contributions from honourable members on the other side always seem to centre on the honourable Member St. Michael South Central. When they are not concerned about his dress, they are concerned about the way in which he speaks.

Asides.

Mr. M. A. KING: His dress, his clothing. Do you not know that is his dress? They are concerned about the way in which he dresses, his sartorial elegance. That is a matter of concern, that is a great matter of moment for Members on the other side. But clearly the honourable Member for the City must not have been listening when the honourable Member for St. Michael South Central was speaking. She was probably so taken up with how he appeared that she missed all of what he said, because there were some very concrete proposals which he put forward.

He put forward proposals to reduce the cost of business operations, to restructure corporation taxes, to revitalise the private sector, to increase the purchasing power of people in this community, to revitalise the public sector, to reduce the energy prices; to revitalise the small farmer and the agricultural sector, to get the tourist industry expanded rapidly again, to put money into the pockets of individuals and to stabilise employment opportunities in tourism. These are fair outlines of a number of proposals which the honourable Member for St. Michael South Central put forward, so anyone who can rise in this Chamber and say that he made no concrete proposals in relation to this Budget, clearly was not listening to the presentation which was made by the honourable Member for St. Michael South Central. But we expect that kind of debate from honourable Members.

The honourable Member for St. James North (Hon. L. S. Craig) in response to the honourable Member for St. Michael North West (Mr. L. A. Weekes) intervened to make the nonsense point that there was no outbreak of gastroenteritis in Barbados in 1984 and at the beginning of 1985. The honourable Member for St. Michael North West did not have an opportunity to refute that, but surely by making the statement that there was no outbreak of gastroenteritis does not mean that there was not, because

Mr. SPEAKER: The honourable Member should follow the debates carefully. He said there was "no epidemic," therefore the honourable Member must not mislead the Chamber.

Mr. M. A. KING: I use the word "epidemic." I substitute the word "outbreak" by the word "epidemic". The honourable Member for St. James North said there was no epidemic, but his saying so does not make it so, because the public of Barbados knows that there was an epidemic — and I use the word "epidemic" of gastroenteritis in Barbados. There was a serious epidemic of gastroenteritis, and all the mouthings of honourable Members on the other side will not deny

Hon. L. S. CRAIG: I rise on a point of order again: I am prepared to withdraw the statement which I made earlier if the honourable Member for Christ Church West Central can bring any documentation here on the floor of the House today, coming out from the Ministry of Health or from any authorities in Barbados, that there was an epidemic of gastroenteritis in Barbados. I am prepared to withdraw that statement if he has any documentation which he can produce here today coming from the Director of Medical Services or from the Ministry that there has been an outbreak of gastroenteritis in Barbados which was an epidemic in this country.

Mr. M. A. KING: What am I hearing now? That you need documentation to prove that there has been an epidemic?

Hon. L. S. CRAIG: What qualification have you got then?

Mr. SPEAKER: Both honourable Members on their feet please sit. It is about time we behave in an orderly manner, and I think if honourable Members are not prepared to produce the evidence to support the claim of an epidemic, we should not continue to bandy these statements about Parliament. It affects the whole nation.

Mr. M. A. KING: Mr. Speaker, I make the statement that there was an outbreak, that there was an epidemic of gastroenteritis in this country and I am not withdrawing it. I stand by that.

Mr. SPEAKER: I would like you to stand by that. That is your opinion — and leave that to the medical personnel to determine whether it is so or not.

Mr. M. A. KING: I express my opinion when I speak.

Hon. L. S. CRAIG: I rise on a point of order again. Would the honourable Member then be prepared to produce documentation here on the floor of the House supporting his charge? You are addressing the nation and here you are telling the medical authorities in Barbados that they are wrong and you are right, that there has been an epidemic of gastroenteritis in Barbados when the medical authorities say there has been none. Support it with some form of documentation. That is all we ask of you.

Mr. M. A. KING: In my opinion, the nation knows that there was an epidemic of gastroenteritis in Barbados. I am finished with that issue. You can deal with it if you like. The nation of Barbados knows and knew that there was.....

Hon. L. S. CRAIG: May I rise on a point of order again, Sir? At what level would you consider it an epidemic? Since you are saying that the nation knows that it was an epidemic, let us hear from the honourable Member at what level there is an epidemic, because the Ministry does not say it was an epidemic, but you are saying in your opinion it was an epidemic. Let us know at what level do you consider it an epidemic or let your honourable friend, the honourable Member for St. Michael South Central, get up and say, since he is a medical person, at what level does he consider it an epidemic, because we have enquired from the medical authorities and they say there was no epidemic. It has never reached that standard. There was an outbreak, but not an epidemic.

Mr. SPEAKER: The honourable Member for St. James North must take his seat.

Mr. M. A. KING: Mr. Speaker, the honourable Member for St. James North can interrupt me as he likes, he would not inhibit me from saying what I want to say.

I turn now to a comment made by the honourable Member for St. Michael Central (Mr. A. Truss). In trying to make his point that things were well in Barbados, he talked about the per capita income of the country being \$8 214, and he drew comparisons with the per capita income of other countries including Brazil, Argentina, and some of the countries of the Caribbean and Latin America.

12.40 p.m.

But when the statement of the per capita income was made and the attempt was being made to show that everything in Barbados was well, I reflected, what does per capita income of \$8 214 mean to the unemployed man? What does it mean to the under-employed man? What does it mean to the person who is finding it difficult to meet his obligations of daily living day after day, week after week, month after month? Does that statistic mean anything? Absolutely nothing! And everybody knows, all the economists will tell you, that using per capita income as an index of well being in a community can lead to false conclusions. So the sooner we disabuse our minds of that sort of analysis, the better for us all.

But then, we get statements by honourable Members on the other side which are all designed to show us that everything is well. The honourable Member for Christ Church East said that the banking system is awash with liquidity. Yet, the masses of the people at the lower income levels in this community cannot get loans from the banks, and when they approach the banks for loans, they have to give all sorts of security before they can get them. Those who want sometimes have to have guarantors who will deposit the money in the banks as collateral for the loans which they take. We have a banking system which is awash with liquidity, and yet, those in the community, who really need the assistance, are not in a position to get it. So whether the banking system is awash with liquidity or not, is not a matter of any great moment to the persons at the lower income levels in this community, who are the persons who need attention at this stage of our development and whose problems need to be addressed.

This Budget presented by the honourable Member for Christ Church East Central (Hon. H. B. St. John) has been billed as "an employment generating Budget." That is the terminology I believe he used, and it is a description which was followed by other honourable Members. As far as I could gather from the presentation made by the honourable Member for Christ Church East Central, he sought to achieve the objective of employment generation through two methods.

Firstly, he talked about activity in the public sector, and in that area reference was made to the construction of roads, highway improvement and the house building programme. Mention was also made of building of fishing harbours and the urban upgrading schemes. This kind of public sector activity always generates employment, but it is not lasting employment. So long as the works are in progress, the employment will be there.

I note that no mention was made of the Industrial Access Road, which is proposed from the airport to the harbour. It is surprising that, at this stage, we can hear no comment from the Minister of Transport and Works about the problems which apparently exist in relation to

the financing of that road. The fact is that part of the cost of construction of that road was to be financed out of a loan from the Inter-American Development Bank and the Minister is reported as saying that he believed that there would be no problem about getting the funds, that there would be just points of procedure to work out. Subsequent to that, in another section of the Press, you hear reports of an ultimatum issued by the Inter-American Development Bank, which said that the job be given to Vincler, that is the non-Barbadian company interested in doing the construction, and not to the local company, bearing in mind that the Government of Barbados was always interested in ensuring that the Barbados company got the contract for the works. So the Minister of Transport and Works went to Washington, presumably spoke with officials of the Inter-American Development Bank, thought that everything was all right, came back to Barbados, gave the public of Barbados the impression that everything was all well and good with the road, that the contract would be awarded to the local contractor and that the money was available. Then, we hear that that is not so, and yet we have no kind of statement from the Minister of Transport and Works about this matter. In my view, that is not the way how the Government should be run. And it appears that when it was sought to get an interview with the Minister, it is reported that he was not available for comment.

(Hon. H. B. ST. JOHN: And he is still not available!)

Mr. M. A. KING: And is still not available for comment, I understand. So the public is left with no information whatsoever on the state of this matter. Not even a statement telling us that negotiations are still in progress and that if we discuss the matter publicly now, that might prejudice negotiations. There is nothing at all about the issue. The public is just left guessing about what is going on, or to guess if anything is going on at all. That is how open Government is working!

(Hon. H. B. ST. JOHN: What foolishness are you talking?)

Mr. M. A. KING: The Member for Christ Church East Central made the point that this type of activity, road construction, rehabilitation of highways, building fishing harbours and the urban development scheme, would provide jobs. Yes, it will provide jobs, as we said, of a temporary nature.

He also went on to make the statement that it will open up avenues for productive investment in the future. I would perhaps like to have further explanation of the areas of productive investment which for instance, the Industrial Access Road would open up for the country. Certainly, highways reconstruction work is not going to open up any new avenues because that is repair of high-

ways which are there already. The Right Honourable Member for St. John has made the point from time to time that the building of new fishing harbours would not necessarily provide more activity in the fishing industry. What you first of all need to do is to catch the fish and provide the facilities for catching the fish and getting them into the country. So I would like some further indication as to the areas and other avenues of productive investment that these projects will open up and thereby create more jobs for people.

Apart from public sector activity, the honourable Member for Christ Church East Central spoke of expected private sector activity and, in my view, expressed what I consider a hope, that the measures which he pronounced would generate activity and would create employment in the private sector. Over the years there has always been a lot of talk about providing investment and incentives for the private sector to provide jobs. But remember that the private sector in recent times has undergone quite a beating. The private sector has to recover quite considerably from the beating it has taken over the last three to five years, and it seems to me that the measures which have been spoken about can do no more than give the private sector a breathing opportunity to try and recover their steps. So those measures which the honourable Member for Christ Church East Central spoke about, in my view, are at best no more than survival measures, because in the final analysis the private sector activity is not going to develop and generate any significant employment as long as you have your problems with CARICOM still unresolved and unless you can find markets overseas in the more developed economies – and you are not going to create progress and development in those areas just by saying so or just by giving incentives or financial benefits to local institutions.

12.50 p.m.

The emphasis certainly has to be on promotion overseas in the major industrial centres to see if any impact can be made in that area.

The point about all of this is that none of it is new. These are the techniques which have been followed by Governments in Barbados throughout time. We have had the statutory corporations as instruments of development. That is a practice which was started by the Barbados Labour Party Administration prior to 1961, continued and expanded considerably by the Democratic Labour Party in the years between 1961 and 1976 and continued and perhaps expanded further by the Barbados Labour Party after 1976, so participation by statutory corporations in the development is nothing new. Providing jobs through road construction programmes is nothing new. Trying to encourage export-led growth is nothing new. The problem is, and always will be, for small open economies like ours to ensure that whatever steps are taken, they are decisive steps which are directed towards achieving the objectives which we seek. My fear is that

the Budgetary Proposals, certainly in relation to private sector incentives to create jobs, are going to take us not much further than where we really are. We hope that we will get some success out of it, but I have my serious reservations on that score.

The honourable Member for Christ Church East Central in his budgetary presentation spoke about concessions to private savings and complimented the development of the credit union movement. I, too, would like to congratulate the credit union movement for its development. But what we have to worry about is that all these concessions to private savings which we are talking about are gradually being whittled away by the increased imposition of Stamp Duty and by the general increase in the cost of living in Barbados. We all make statements that the cost of living index shows a reduction, but whenever the poor people go out there to buy things, they always have problems that things are more expensive and they cannot make ends meet. So do not tell me about reduced percentages of cost of living, let us deal with the real facts. Let us deal with how people out there feel and what are the problems which they meet when they go to shop day after day – those are the things that we have to be concerned with. So when you talk about making concessions to private savings, those people need those concessions, whatever they are, because they have problems in meeting their day to day cost of living.

The honourable Member made reference to the fact that savings were up considerably in the country, and I think that statistics were used to show the dramatic increase in savings that took place between 1976 and 1985. What I would like the honourable Member for Christ Church East Central to do is to go a little further and give us some kind of analysis as to the income earners to whom those savings relate. Who are the types of persons who are able to make the savings of which he speaks? In the final analysis we have to be concerned about those people out there who are still unemployed and under-employed, because the savings of those who can afford it are of no help or guidance in determining the policies which should be adopted in relation to the under-employed.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be now suspended until 2 p.m. for lunch.

I would like to inform the House that the Prime Minister proposes to move his final reply at 9 o'clock tonight, Sir. I would not like to repeat this over and over.

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

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

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. L. L. SISNETT (St. Michael North East): Mr. Speaker, like all Members on this side, first I wish to congratulate the Minister of Finance, the Prime Minister, on the presentation of his first Budgetary Proposals in this Chamber to the country. I think as a party we need to commend him for taking over the reins of Government at the untimely death of the late Prime Minister. I want to assure him that we as a party are behind him, and I want to assure the nation that he is quite capable of dealing with this country as anyone else.

I wish to address my remarks to certain points in his Budgetary Proposals. These points are at the end of his speech when he said:

"The measures which I introduced this evening have been designed to stimulate economic activity, create additional job opportunities, restore our competitiveness, increase training for our young people, provide improved housing for our people and bring some measure of relief to businesses and individuals alike."

Before I go into my discussion, I wish to state that the Opposition are behaving true to form. They have said, up to this point, nothing, they have regurgitated almost what they said in the last four, five, six Budgets, particularly the chief spokesman on Finance, who has done a general rehash of what he considers to be the number of matters affecting this country. In his alarmist attitude he speaks of the woes of the National Debt, he continues to mislead and misinform the public at large by his vision of doom. I want to say to the people of Barbados that there is no need to be alarmed, because this ship of politics under the Barbados Labour Party is in quite capable hands.

One of the matters which he alluded to yesterday was that the only thing the Minister of Finance could have offered tourism was a bottle of wine. This demonstrates how far apart the two parties are in relation to what we consider to be contributions being made by Government to certain corporations in order to keep those corporations viable. When he said the only thing the Government could have offered to tourism was a bottle of wine, he was speaking to the fact that Government was offering a reduction in the cost of wines which the hotels have been complaining about for a long time. As I said, the Opposition does not understand, and I will try to reiterate what the Government has been

doing in relation to tourism, how money has been spent to keep Caribbean Airways afloat, and to destroy the myth that, Heywoods is a white elephant and the only way it is not a white elephant is if it has been painted pink.

I want to warn the Opposition, and in particular the chief spokesman on Finance, about these utterances he continues to make about Heywoods. It is all good to make them in small circles within Barbados, but there are a lot of financial journalists, economists in Barbados, for ever looking for news to give the major news media abroad, and when such statements could be seen coming from the Opposition in Barbados, that a massive investment of \$63 million is now dubbed a white elephant, certainly no serious travel agent in the United States, Europe or Canada would want to go out and sell to their customers what we are saying is a white elephant. We must be very careful in trying to score political points to have advantage on our opponents that at the same time we are not trying to bring down the very structure under which we are standing. The Government has been putting an enormous sum of money into the promotion of tourism generally, and this wicked concept that this establishment continues to be a white elephant is indeed mischievous and I would urge them to stop saying it.

He has said that there are some small hotels in Barbados which are operating at six dollars a night less than Heywoods. Nothing could be further from the truth. I do not know of any small hotel which charges Bds \$180 a night. One hundred and ninety dollars was the average price which Heywoods was obtaining throughout the winter months 1984-85.

Heywoods is taking root in the marketplace, and because of certain ventures and initiatives under the CBI plan whereby certain corporations can now be exempt from taxes within the United States for having their conventions outside, Heywoods is virtually sold out for the coming winter. The summer is looking exceedingly well, and tour operators are there in the marketplace pushing for Barbados what they consider to be the most beautiful resort hotel in the southern Caribbean. The importance of this is that the Opposition is again belittling the efforts of the Government in trying to upgrade our standard of hotels in the country.

The Government of Barbados has been supporting the Board of Tourism in its venture to bring more people to Barbados, and through a subvention of \$1.1 million last November was able to give the Board of Tourism an additional \$300 000 for the first time to do direct consumer advertising in Canada, and as a result we have seen an upswing in the Canadian market. The average for December 1984 was 46.3 per cent from Canada and January 19.8 per cent. In addition, the Board of Tourism in trying to lure more people here for the first time ever

started their advertising campaign directly into the U.S. market and we have seen an increase in the arrivals also from the United States. The Board of Tourism, because we realise that the competition in tourism is so keen, has also been involved in a number of television programmes like Guiding Light, which was filmed here in Barbados, and that gave Barbados direct coverage into the marketplace.

In relation to the creation of job opportunities in Barbados, and the restoring of our competitiveness in the marketplace, that there are, in my view, a few things which are wrong, and I would like to urge the Government, and I would also like to urge the workers and the workers' representatives to come together to see if we can resolve the situation. We as a people are interested in providing employment for Barbadians. The Government has been instrumental in establishing a number of blocks or places for business for would-be investors through the IDC, and through the IDC they go abroad and try to introduce Barbados as a place where they can operate their various businesses and a number of incentives to offer to those various businesses. The provision of buildings is an incentive, various tax holidays are also incentives, and the companies operate. We are pleased to know businesses come here; we are pleased to know Barbadians are put to work. These companies operate for a few years and then after a short period, with a few exceptions, they decide to pull out of Barbados. We only then hear that they are expected to close their businesses, companies that have really gone out of Barbados.

Coopers had a staff probably in the vicinity of some 400 people; they have gone. Then there was another one in the micro computer business, Mann Components. They operated here for a while with a staff of 150 and suddenly they went. TRW operated here in Barbados after a number of years and dwindled down their staff by 162; Micro Data which had a staff of 700 are now down to 125. Semi Conductors (Barbados) Limited, a staff of 210, all gone; they closed their doors. We have got to try to find out why so suddenly all these people who were so desirous of doing business in Barbados so quickly decided to pull out. If that is not a cause for concern to the average man in the street, it should be a cause of concern to the workers' representatives, it should be a cause of concern to the workers themselves, and I know it is a cause of concern to the Government.

2.15 p.m.

No investor today is interested in losing money. No investor wants to operate in any country in which he operates at a disadvantage. No investor today continually wants to pay too high a cost for his method of operation. If these are the reasons for businesses leaving, it is time that we sit down and try to strike a sensible balance as to what would be the minimal requirements to get a number of these businesses to continue to operate in

Barbados. Now that Mexico is forever looking at a number of these businesses to learn their ways, the wages there are a lot more attractive as far as the industrialists are concerned. So we have to ask, is it better for businesses to totally pull out all of its spokes in Barbados only because the operation might be so high costs? Could we not strike a balance somewhere and sit down and see how we could keep businesses in Barbados?

I know the Leader of the Opposition always says that half employment is better than no employment. Half a loaf certainly is better than no loaf at all, and I would want to suggest that because of the high cost of operation in Barbados, we really as a people have to try to create a situation, even if it means that the workers themselves, just as in the United States, have to take cuts in their salaries to maintain their jobs, in which there is job security. It is more important to have a job to go to today. General Motors and Chrysler Corporation, were involved in some protracted talks over the past couple of months and the bone of contention was never more money -- it was about job security. That is the important consideration that we as Barbadians have to look at in the creation of jobs for our people. We cannot forever allow work to slip out of our hands.

Coopers had a fantastic operation here in Barbados, but I understand that because of the rise of inflation they had to leave. I am sure that many of the people who are unemployed today would be happy if they had a job, if only but for a short time, to go to. Businesses would want to operate at a level where they can make a reasonable profit and the workers themselves would want to take home a reasonable salary. There is no question about that, but the fundamental issue, I am saying, is that it is nonsensical to construct buildings, offer incentives, and then somewhere along the line we miss the boat.

The chief spokesman for the Opposition seems to have a problem with the National Debt. All Third World countries realise it is necessary to borrow to move the economy, but that seems to be one of his biggest problems. He spent the afternoon talking about the various forms of debt, the national debt, the domestic debt, the external debt and the other various forms of debt. I think that Barbadians should be happy to know that if the country is in some kind of indebtedness to foreign lenders, we have visible proof that something tangible has been done to uplift the standard of life for Barbadians, to make Barbadians feel more comfortable. In the various educational institutions which we have constructed, the money was put to good use, because most of our schools were dilapidated and certainly run-down. The Government in its wisdom set out a programme to rebuild and refurbish most of those buildings, and since we do not have the means to do it out of the national coffers, it is very necessary to use the international sources available to get money.

The International Monetary Fund seems to be one of his biggest problems. Most Third World countries utilise the services of that facility, for which we are paying. He is talking about the \$1 billion which the Government owes. I wonder how the Mexicans feel owing over \$110 billion. I wonder how Argentina feels with their massive debt through the International Monetary Fund. I wonder what the situation is in Brazil where they are crying foul over their enormous debt. Those three countries alone owe the International Monetary Fund sums in excess of \$200 billion. If Barbados is to progress, and we do not have the means whereby we can do it on our own, and since we are members of certain institutions, we must certainly use the facilities which are at our disposal.

I want to take issue with the Opposition on the question of what contributions the Government has been making to tourism again, and this relates to Caribbean Airways. Most Barbadians in the late part of the 1970s were of the opinion that Barbados did own Caribbean Airways. It was a feeling of national pride to be associated with an airline such as Caribbean Airways. We only happened to know the truth of the situation some time in 1982 when the other shareholder in Caribbean Airways, Sir Freddie Laker, became bankrupt. We had boasted so much of a national carrier that it would have been a total insult to the country if with Sir Freddie, who was then the minority shareholder, the whole concept of an airline which Barbadians were feeling so happy about had also gone under. So in the circumstances following the demise of Laker, the Government of Barbados had to take another initiative, we had to come to the rescue of the airline. We had to ensure that the good name of Barbados was not tarnished in Europe or in the Caribbean, as Caribbean Airways had been flying those routes.

I remember distinctly that the present Prime Minister, then Minister of Tourism, was in western Canada, a Monday morning, when the news broke that all aircraft belonging to Sir Freddie had been grounded, and with his responsibility, he called and he instructed what should be done — and that has been the Government's policy since then — that every assistance should be given to ensure that Caribbean Airways should be flying. The Government certainly did not have the means and wherewithal to fly an aircraft, but, under the wise leadership of the former Prime Minister, we were able to subsidize Caribbean Airways to the tune of \$12 million over the period 1982–1985, and that was only done because of the investment which Barbadians and Barbados had in that airline. It was a question of saving your face. It was a question of making sure that none of the passengers were grounded. It was a question of ensuring that all the flights continued, and the Government should be proud today, and the people of Barbados, indeed, should be happy, to know that no passenger was left stranded under Caribbean Airways, although the demise was so sudden. Every

ticket was honoured, the Government came in and supported the airline, and today the airline is still flying. 2.25 p.m.

My suggestion to the Government, however, is that it is unable to support a venture as large as Caribbean Airways continually in the kind of service it is offering, and hence a new concept must be taken to make that airline more viable. Caribbean Airways should not be seen as fulfilling only a European service. I think the time has come that Caribbean Airways should be venturing into the mainland United States. I know that there is virgin territory to be captured only if there was enough air accommodation to transport the untapped resources of people in western United States to Barbados. I think that is a virgin market that Caribbean Airways should be looking into. The Chicago market is another one which that airline could successfully cater to, and I would urge the Government of Barbados to think very seriously of recapitalising Caribbean Airways so as to give it the necessary funds to make a more viable entity for the people of Barbados. The \$12 million which the Government was able to put into the airline was done only because of certain international commitments, and if it is a question of the people of Barbados going public with Caribbean Airways, I think that should also be pursued.

I want, like most other Members here, to support this Resolution which is before the House which says:

"Whereas, in spite of the recent economic turbulence which the world has experienced, the Government, by its imaginative and judicious policies has been able to bring stability to the Barbados economy;

"And Whereas the economy has now been set on a path of sustained growth and development;

"And whereas by its budget the Government has devised proposals and a package of measures to give relief and stimulus to the productive sectors, to generate savings and to create jobs;

"Be It resolved that this House note Government's accomplishments during the year 1984, and give its full support to Government's efforts to improve the performance of the economy and the quality of life of Barbadian people during 1985."

I have every hope that even though it might appear dark to the Opposition and their supporters, we in the Barbados Labour Party and our supporters see the light of a new day. I feel very confident, and I am urging the people of Barbados to join with the new Prime Minister and this party and let us put Barbados first and let us go out and do what we have to do in a very short time and regain respect for this country. Forget those who would want to give the impression that Barbados is doomed under this Administration and help

us to make Barbados a more beautiful and a better place for all Barbadians.

Mr. P. M. GREAVES (St. Michael North): Last Tuesday's Budget was a budget that was eagerly awaited by most sections of this community. Of course, there were some persons who wanted to hear the new Minister of Finance. The senior citizens were hoping for some further assistance from this budget, and may I add in vain; the unemployed were listening and were hoping for something more than just a mere hope of a job, and the 600 or so men and women of St. Michael North, part of the 7 000 to 10 000 persons in need of housing, were listening to see if in fact there would be some ray of hope that would relieve them of their plight.

The success of a budget is measured in terms of what it sets out to accomplish and also the prospects of accomplishing these aims. It is measured too by what it should have addressed itself to and in fact did not.

A most pressing problem that has been identified by Members on that side and on this side is the problem of unemployment, and the Minister of Finance has termed this Budget as "an employment generating Budget." It is a misnomer to term this Budget as an employment generating Budget, for the simple reason that a lot of emphasis which was purported to be placed on the private sector in fact will not have the effect and will not have that impact that the Minister of Finance claims for it in order to provide the jobs that are needed in this country, and my prediction is that this Budget, like the Budget in 1983 and the two Budgets in 1984, will have the same effect on employment, that is, a negative effect.

I would like to make a few comments on some of the things said a few minutes ago by the honourable Member for St. Michael North East (Mr. L. L. Sisnett), who has just sat down. The Members on the other side seem to be very sensitive about Heywoods. The honourable Member for St. Michael South Central in his reply spoke about Heywoods as a white elephant or a pink elephant, however one may like to term it, but he was only repeating, I want this clearly understood, what the former Minister of Finance himself had said, that is, the former Prime Minister Mr. Tom Adams of revered memory. He himself said so in New York, so do not be so very sensitive as to what the people in North America might think, because the words came down from New York itself, that Heywoods is a white elephant, and that he only pursued the project because he did not want it to appear as if he was petty and not carrying on a project conceived by the Democratic Labour Party.

I was also interested in what the honourable Member has just said about persons who, I assume voluntarily, took cuts in their income in order to keep certain companies here in Barbados. I well remember in the late

Sixties the furore that the Members on that side raised when the honourable Member for St. Michael West (Mr. B. M. Taitt), then Consul General in New York, made a statement about inexpensive labour in Barbados, and they talked about cheap labour. It seems to me as though the honourable Member for St. Michael North East is now advocating for Barbados cheap labour, but as the honourable Member for St. Michael South Central has said, how can one have cheap labour in an expensive market? It just cannot operate.

2.35 p.m.

I would like, Sir, to follow my colleague, the Member for St. Michael South (Mr. L. E. Sandiford), in having a close look at the Resolution before this Chamber. The first preamble says:

"in spite of the recent economic turbulence which the world has experienced, the Government, by its imaginative and judicious policies, have been able to bring stability to the Barbados economy:"

What is there imaginative about high interest rates? What is imaginative about credit restrictions? What is imaginative and judicious about the laying off of workers or the wastage in the public works programmes and the inefficiency of the public corporations that the Honourable Minister of Finance referred to in his speech on Tuesday? What is imaginative about these things or, indeed, judicious? There is nothing, in my opinion, that is imaginative or judicious about those matters.

The second preamble goes on:

"AND WHEREAS the economy has now been set on a path of sustained growth and development."

The honourable Member for St. Michael South has dealt with that. But I prefer the Minister of Finance himself to deal with it, and this is what the Minister of Finance had to say. On page 17 of the Budget, he said:

"After two years of decline in 1981 and 1982, the economy was brought into check in 1983 and growth resumed in 1984. The 2.9 per cent rate of growth which was recorded last year, was, of course, not large enough to wipe out the declines of earlier years. Whilst we make no claims to a full or broad-based recovery of the Barbados economy, our adjustment to the changed circumstances within which the economy now operates has started"

How can we then term it to be a sustained growth?

Laughter.

Applause.

Mr. P. M. GREAVES: There has been a decline, as has been acknowledged, in 1981 and 1982. There was negative

growth in 1983 and only a 2.9 per cent increase in real output in 1984. In fact, as the same honourable Member of Finance has told us, that growth rate is only half of what should have been expected in developing countries, because the Minister of Finance said, on page 2 of the document that was presented to us:

"Among the developing countries, an interesting pattern of growth was exhibited. The export-oriented countries, which have fairly modest external debt portfolios, took full advantage of the market recovery in the industrial world, and grew on average by 4.5 per cent"

We grew on an average of 2.9 per cent, but the international average for developing countries was 4.5 per cent.

(Hon. H. B. St. JOHN: International.)

Mr. P. M. GREAVES: But we are told that the export-oriented countries which have fairly modest external debt portfolios — and I understand that Barbados has a fairly modest, according to them, external debt portfolio — took advantage of the market recovery. Maybe we did not take full advantage of the market recovery and so our growth rate was only 2.9 per cent.

It goes on:

"By contrast, those countries, particularly in Latin America which carry a heavy debt burden and continue to practice import substitution experienced only a 2 per cent growth rate."

Did we have a heavy debt burden so that our growth rate would be comparable to that in Latin America? How then can we talk about sustained growth in these circumstances?

The Resolution goes on:

"AND WHEREAS by its budget the Government has devised proposals and a package of measures to give relief and stimulus to the productive sectors, to generate savings and to create jobs;"

This is precisely what the former Minister of Finance said in 1983.

But after making those predictions, based on proposals that he presented to this Chamber, what happened? Unemployment rose from 13.3 per cent to 15.8 per cent in 1983!

The former Minister of Finance repeated that statement twice in 1984. In April 1984, in the first Budget of 1984, he said and this is on page 68 of the document that was presented to us in the House on that date:

"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."

In October, 1984, the then Minister of Finance said:

"the needs of the unemployed become more pressing. This Government is not prepared to sit back and do nothing about the plight of the jobless. This is 1984, not 1975. We must do something to get Barbados working again,"

And with what result? It moved from 15.8 per cent to 18.3 per cent after the mini-proposal! After twice bringing Proposals into this Chamber, once in April and again in October, aimed at achieving this very aim of relieving the unemployment situation, we still end up with an unemployment figure of 18.3 per cent!

We are asked, by this Resolution, to take note of Government's accomplishments during the year 1984 and give full support to Government's efforts to improve the performance of the economy and the quality of life of Barbadian people in 1985. Of course, we all want the quality of life of Barbadians to improve and we all know that it cannot be improved unless there is an improvement in our economy. But we on this side cannot congratulate the Government on putting 3 000 persons out of work, and this is precisely what has taken place. We do not believe that proper measures were taken then nor that the Government now is taking any proper measures for the kind of improvement that will significantly affect unemployment in this country and put back to work the thousands that were put out of work, and find work for those thousands of school leavers, some of them from Grazettes, Eden Lodge, Cave Hill and Jackson, among other places, and the thousands of others who have left school long ago and have not been able to find employment.

(Aside: Carrington's Village, too.)

Mr. P. M. GREAVES: I am asked to mention also Carrington's Village. I cannot go through all the villages in Barbados, at this point, but those persons want work. I am not satisfied with the measures presented in here by the Minister of Finance or what has been put in this Chamber before by the former Minister of Finance. I am not satisfied that such measures will make an impact on the employment situation in Barbados. For this reason, we cannot support this Resolution. 2.45 p.m.

In my considered opinion, for the Budget to be employment-generating, more will have to be done for the private sector. The private sector has been contracting for the past four years. Businesses have been closing down at an unprecedented rate. Never in the history of Barbados have we seen so many companies going into receivership and liquidation. Never have we seen so many

lay-offs by companies that still remain in business, but are fighting for their very survival. But we are told by the Member for Christ Church East, 'So what about that? There is no big thing about businesses in Barbados closing down. No big thing about bankruptcies in Barbados. After all there are over 400 000 in the U.S.A., so it is no big thing here in Barbados? That is what the Member for Christ Church East and the Minister of Agriculture said last evening.

The fact is that we are operating under different circumstances. In Barbados, a bankruptcy is a last resort, when you cannot pay your way and you get out of business. In the United States there are different considerations that apply. At times it can be used as an up-front consideration. For instance, it is a strategy to go into liquidation or bankruptcy, but in Barbados it is a last resort. When companies go into bankruptcy in Barbados it is because they cannot pay their way. It is as simple as that.

The fact is that what Government is offering here to the private sector is no significant change to the employment strategies. Unless there is an inducement to the private sector and to businesses to expand and become more productive, there is no hope of adjusting the employment situation, and, in fact, that is what is not happening. There is no inducement to expand, there is no inducement to be more productive.

We have heard from the Budget a few points about matters relating to CARICOM. The Minister of Finance, and I agree with him on this, wants to see markets open up beyond CARICOM. But we have to have those inducements. Government is dealing in half measures, and the most that we can achieve by the measures brought down by the Minister of Finance on Tuesday is some improvement in the cash flows of the businesses. We have to go a lot further in providing this assistance. For a start, you could allow once more the private sector 50 per cent rebate on severance payments. You can also provide meaningful incentives that the private sector can really and truly take advantage of, not incentives that you mentioned, of which they can take no advantage, because the Minister of Finance himself admitted that they could take no advantage of them. What is more there must be continued work on the scheme for restructuring the Corporation Tax which the former Minister of Finance told us that he had set in motion and the present Minister of Finance seems to have abandoned. When we get these things in place, then we can look forward to a real and satisfying economic gain for this country.

What is needed to boost the economic effort in this country is production and markets, but the path chosen by the Minister of Finance is another blow to the workers. On each occasion that I have addressed this Chamber, I have never failed to comment on the fact

that it is the worker who has to make the sacrifice for the economic recovery of the nation, and I will continue to stress this point until some mechanisms are devised that will relieve the workers of this inequitable burden. They carry the blame for a recession in the economy and they pay for the economic depression with their jobs, and there can be no greater sacrifice, except, with your life, than with your job.

Structural corporate changes made in the country are usually made at the expense of the workers, and I cannot accept that there is no other solution or this is inevitable. Government has swallowed this line both in terms of its own retrenchment and as a policy position with the private sector. How else can one interpret the assault that is being made on the Severance Payment Scheme? Let us face facts. This change that is proposed for the Severance Payment Scheme is offered as a support to businesses to give them a breathing space to enable them to do some readjustments in their cash flow position. But to use a common cliché, like the Minister of Finance himself said, the bottom line is that we are transferring the problem to the private sector to the wage earner, and this is the blow.

I want to go into this in some greater detail. A worker qualifies for severance payment after he has been employed by an employer for a period of two years. Where he is dismissed for a cause, he is not entitled to severance pay. The dismissal must be something akin to redundancy, and redundancy is interpreted in the law as having served as a dismissal not for a cause, after having serving a minimum period of four weeks or six weeks over a thirteen week period. The worker can give the employer notice of intention to claim severance as well as serve on him notice of termination of employment. The employer has the right to serve a company notice that he intends to continue to employ the worker, and so employ the worker, and then that worker will not be entitled to severance. The significant point is that the worker can claim a severance after as little as four weeks. Now that worker, by proposals brought down by the Minister of Finance, will have to wait three months to half of a year before he can set the procedures in motion for obtaining the severance, and when the wheels have gone right around, it will be many long months before that worker will be able to gain any severance benefits.

It is true that after the worker is laid off, during that period the worker will be entitled to unemployment benefits. But that will be a problem to the persons put on short-time. If that person is put on short time, it can be one day a week. He cannot claim severance, because he has got to go through the whole twenty-six weeks or thirteen weeks to claim the severance, when all he is entitled to is one day's pay a week and for that reason cannot claim unemployment benefits. These are some of the things that can happen to the scheme as proposed by the Minister of Finance, and I want him, as it seems as though they intend

to change the law to this effect, to give consideration to the points I am making here so as to prevent things of this nature from happening.
2.55 p.m.

It is possible under these proposals that the worker could be off work for half a year without qualifying. The net effect is that it enables the employer to keep a worker off for lengthy spells without ever qualifying, and by this manipulation of the worker — if you think carefully about it you will see what I am saying is correct — the employer will be able to make adjustments to his cash flow position.

I have said this before, and I will repeat it. I believe that the private sector is hard-pressed and that they need some relief, but I do not believe that they should get this relief at the expense of the worker. The worker is being hurt, and I believe that the Government should shed its reluctance to take some action that might result in loss of revenue in order to bring relief by that means to the private sector.

We hear about an employment generating Budget, about the Government not prepared to sit back and do nothing about the plight of the jobless, and this is 1984 and not 1975. All that sounds good, they are high sounding phrases, but experience has shown they are mere terms of art unless the worker can benefit from proposals. The employment situation in the country as we see it today is calamitous. I believe it is at the worst it has ever been.

I want to take this opportunity to repeat once more, and I have been repeating it too often on the floor of this Chamber, that the rate of employment in 1976 was 22 per cent or over. I have their own Economic Report of 1977 and it says on page 11:

"The employment rate has fallen very significantly from the average of 15.7 per cent of the labour force in 1976 to 15.6 per cent of the labour force in 1977."

(Aside)

Mr. P. M. GREAVES: We do not deal in last quarters, we are dealing in averages over a period of a year. When we are dealing with a survey, the survey deals over a year and not a quarter. It is an annual survey, and this is the point here I am making.

Mr. SPEAKER: You have just one minute.

Mr. P. M. GREAVES: I was about to move on to another point but there is no point moving on. I cannot complete in one minute.

I have drawn attention to the Government that I do not believe that the policies they have disclosed in their Budgetary Proposals are sufficient by themselves to bring about an impact on employment in this country. We regret that there is nothing in this Budget for the senior citizen. We regret, too, that the many persons who had looked forward to something for them, that there is not anything in it for them. For this reason, we on this side cannot support this Resolution.

Mr. J. G. ODLE (St. George North): I find it difficult to understand why so much heat is being generated in this debate, because, as I see it, the Budget is the result of sober thought by our Prime Minister and those who helped him, the technologists in his department.

What does a Budget do? It examines the economic relationship of the people of Barbados to the market and to the money system to which we are deeply wed, and it recognises the importance of money income as vital to our survival. It says that we must maintain reasonable salaries and wages and that every individual must accept that, quite apart from our basic salaries and wages, every one of us must use time productively, whether it is time on the job or whether it is what we call or refer to as spare time. Time and work, the Budget says, go hand in hand and we must use it productively.

The Budget recognises that the problems of unemployment are related to the problems associated with a highly developed money system and that any solution requires that you produce not only on the job for wages and salaries, but that we must also produce in terms of self help; to help oneself to a better and more meaningful way of life. This is what some people call "sweat equity." It is not a new phrase, it means doing things to help oneself, and it is a solid investment. It is a solid investment whenever anyone helps to build one's own house, when anyone helps to improve one's own bit of land, and whenever any Government seeks to help those who seek to help themselves to do these things.

This Budget encourages people to help themselves and I am confident that the people of Barbados will take up the challenge and rise to the occasion.

The Budget speaks of help and of hope. What has been done in terms of help? Where is this help coming from? How is it coming?

In the area of housing, on page 41 we see an injection of \$32 million through controlled sources channelled into housing so that the persons of all income groups desirous of improving their existing homes or acquiring new ones will be in a better position so to do. There is hope, there is help. The Tenancies Freehold Purchase Act, both in respect of plantation and designated tenancies, provides the incentive to owners of chattel buildings

to convert them into wall. This is real help, helping people to help themselves and providing the means whereby they can improve the quality of their lives.

I will not deal much with this further because I am expecting to hear from the honourable Member for St. Andrew (Hon. L. B. Brathwaite), the Minister of Housing. I am sure he will give us more in terms of the help Government is providing for the people, clearing the sites, providing services and helping them with their land, and how much better it will be when people get down seriously to the business of helping themselves and helping one another.

3.05 p.m.

In the area of non-sugar agriculture, it is a fact that we are producing more food for local use than we have ever done before. We are also producing more food for export than we have ever done before. The Government — how is it doing? — is committed to the refashioning of our agricultural sector to enable it to increase productivity, to earn and save foreign exchange and ensure rising incomes for those of our rural society. It is obvious to us, those of us especially who live in the country districts, that these schemes, for instance, the scheme given in terms of the purchasing of equipment, will do nothing more than to improve and to enhance the quality of life to our people. But it will only succeed, when they take up the challenge, and I am sure that they will, and put time and labour to useful production. These people, the small farmers, labour productively. This is the sweat equity that I am talking about.

What is required is a well organized and dynamic marketing facility for agricultural export. This is being looked after. The Export Promotion Corporation is a good start and there is provision for a fund to be handled by the Barbados Marketing Corporation, an export revolving fund, which, properly handled, points the way to serious development in non-sugar agriculture. The provision of \$1 million, only shows the Government's resolve to get this sector moving, and with people with drive and integrity, there can be no looking back.

Trading is a must for us, we must trade to survive, and export trade is the most important thing, I believe, we need at this time. I would urge that the Government, in looking at export trade, take a look at some of our old trading and marketing partners, our old customers, and I speak in this particular regard about that great dominion to the north, Canada. I believe that in Canada there is vast potential for increased two-way trade between these countries.

Historically, we are old friends. I see a smile from my good friend and colleague from the other side. He

knows of my interest in this sort of thing. I have had the pleasure of his company in Ottawa and across Canada. Historically, there are close ties between us. We need to get closer. I believe the time is ripe to use the political ties we have, our ties in trade and the fact of our geography, to do more for one another. We can be of help to Canada, and they can be of help to us. Indeed the record is clear about the help which we have got from that country in the past, and I am sure of their willingness to carry on, but let us get closer. I will urge the Prime Minister to get some action in that direction.

At page 51 — I have to highlight these things because I do not expect them to be highlighted by the other side — there is the World Bank Programme being conducted at the Ministry of Agriculture with the assistance of personnel from other countries designed to improve marketing and other skills within the agricultural sector, particularly in non-sugar agriculture. In addition, the Rural Development Project is assisting small farmers to a large extent.

The expanding Skills Training Programme, with eight new centres being established, will be of great benefit to this country, in particular, to the young people. There lies the hope of which the Prime Minister speaks, of which the Budget is all about.

The Home Help Service, I am glad to see, is being revitalized. I would like at this point to pay some great tribute indeed to those nurses and workers at the geriatric clinics around the country. They are committed and do a remarkable job looking after the old citizens of this country. The Opposition's statement that nothing is being done for our senior citizens just cannot be accepted.

I do not intend to labour much more on this. I would like, however, before I sit down, to congratulate the Prime Minister and those who worked with him in giving us a Budget in which we can see new hope, new opportunity, new chances for our people, especially those who are willing to stand up and face the challenge that is before us. I appeal in particular to our young people to make use of these opportunities and to remember that only by the dint of hard work can they really succeed.

Mr. N. K. SIMMONS (St. James North): Mr. Speaker, before looking specifically at the Budgetary Proposals and the Financial Statement of the Honourable Prime Minister, I feel somewhat obliged to comment on some of the speeches made by Members on the other side yesterday. In particular, I must say that I was somewhat embarrassed and disappointed at the contribution made by the Minister of Tourism and the Environment, the honourable Member for St. Michael Central (Mr. A. Truss). I sincerely hope that we will never ever be subjected to such a level of debate in this Chamber again. Throughout his presentation.....

Mr. SPEAKER: Is the honourable Member saying that the Chair allowed the debate.....

Mr. N. K. SIMMONS: No. I said "level" of presentation. I never said that you allowed anything, which I know you would not allow. I am quite sure of that, Mr. Speaker. 3.15 p.m.

I was trying throughout his presentation to make a note of something of substance that he might have said, but, unfortunately, nothing was said to warrant that note being taken. I, however, believe that I can caution him by saying that people in glass houses must not throw stones. Not only must they not throw stones, but they must not even attempt to stoop down to pick up a stone to throw it. I thought that when the Minister got up that he would have told us something about tourism. For example, I hope he knows that in the tourist sector in Barbados a number of young people are losing jobs. The youngsters who carry on the water sports programme on the beaches are finding it difficult to get into hotels, because nowadays there is something called free water sports on the West Coast and a lot of non-nationals have come into this country and are taking away the jobs from the nationals. These are facts, and if we are not careful we will get a lot of problems in the hotel sector because of this situation. I hope that he will address his attention to this problem rather than going off as he went off yesterday evening.

In respect of the Honourable Minister of Agriculture, I know that he has a good memory, so I believe it was a lapse on his part when he mentioned the National Debt in 1976, and I know he must remember that they went throughout the length and breadth of this country prior to the general elections of 1976 and gave people the impression that the National Debt was too high. On the other hand, yesterday we were hearing that if we had borrowed more money then, the economy would have taken off. I do not understand how he can blow hot and cold at the same time. It might be a matter of convenience, I do not know, but one has got to be careful.

I agree with him that the biggest problem facing the country today is unemployment. I will get back to that as I look at the Budget in more detail. He also said, I believe, that they were at the take off point, and as far as my recollection serves me, from the time I entered this Chamber, some four years ago, the Government was at the take off point. I must warn them again that if they remain too long at the take off point, they will become like an athlete who remains too long at the "on the mark" position — they will get cramp. It seems to me that what has happened now is that the Government has been so long at that take off point that we have economic cramp. There is a type of strangulation from which they cannot get out and that is the problem.

The Honourable Minister of Labour and Social Services spoke a lot about the old people of this country. All I am asking of him for the old people is to allow them to travel on the buses at any time of the day without having to pay. At the present moment, as far as I know, they cannot travel in the rush hours, and these are the hours at which the old people like to travel, that is between 6 o'clock and 9 o'clock in the morning and 3 o'clock and 6 o'clock in the afternoon. We all know that old people do not like to face the brightness of the sun and when the sun is up in the air. All I am asking you is to allow them to travel at any time of the day they want to. You will do a great service for the old people of this country.

I want to move on to the honourable Member, who, I believe, is still the Member for St. James North. I say, "I believe", because some weeks ago — and I am from the constituency so I can speak with authority — he told us that he had left us, and because I happen to represent St. James South, now I am inundated with requests by people from St. James North to represent them now, because as they see it, they have no representation. That is the problem, so I do not want him to be worried about any contest with our leader. The results would be a foregone conclusion, so there is no problem about that. What I would like you to do is to try and see if you can give a little hand down there while time lasts and prevent me from having to look after the roads, lights and the potholes and things of that nature.

He made another point that the people today are earning more money than a few years ago. It is an economic fact that money is only worth what it can purchase. Money itself is useless, it is what it can purchase, and if a person today is getting \$300 as opposed to \$150 yesterday, it does not necessarily mean that the person is better off. It is what the money can purchase and these are the things you have to understand.

I want to turn to the Budget. As I understand it, the Budget is supposed to be an employment generating one. We have heard that term over and over in this Chamber, and I would have thought that somewhere in that document we would have been able to see that at least the Government expects by these measures that X number of people would have been employed, either in the short term or in the long term, or both. For example, as I understand it, \$32 million is supposed to be made available for housing. Could we not hear, how many houses they expect to build? Could we not hear how many people will be employed in the construction of these houses so that people themselves would begin to at least psychologically gear themselves to the work out there? Or is it as the last speaker said, "a hope?"

As I was listening to the Budget, I paid rapt attention to the area which related to youth, because I

have an interest in the youth, and I believe that unless we prepare them properly, then the country is doomed. In this context, in this specific debate when I refer to youth I am thinking in terms of people between the ages of 15 and 24. Unfortunately, we have heard about the unemployment statistics for Barbadians being 18 per cent, but I want to let this Honourable House know that the unemployment figures for the age group 15 to 24 is some 40 per cent. There are about 55 000 people in this age group, 32 000 of whom are on the job market with about 12 000 of them unemployed. That is the national figure, but I have been doing some work in St. Thomas, and I was startled, because in this age group 50 per cent are unemployed. That gives us the size, the magnitude of the problem. If you really want to understand the problem, take your car and drive around the country and see the number of young people around the street corners, under the trees, down in Broad Street. They call it liming, but it is much more serious than that, because I am of the view that when the youngsters have nothing to do, they get involved in a little smoking, they get involved in a little crime, and this is one of the reasons why we see the types of crime being introduced into Barbados that we are seeing now, crimes of violence. Therefore, it is very important that we pay special attention to this age group.

3.25 p.m.

It is thoughtless telling people about per capita income in this country, when, for example, 12 000 people out there are not working. They do not want to know anything about how much people get on average. In St. Thomas, as I was going around, I saw two beautiful young ladies plaiting away at — I think they call it 'ping wing' grass, and they were telling me that they have got to make fourteen yards of this to get \$2.75. I tried to enquire from them how much they can make in one day, and they told me that if they work the whole day, they could only make two strands of that. Two pieces of fourteen yards each, which means that in a day they will get \$5.50 — and if they work for seven days, \$38.50! You cannot tell people in this country that the average income per head per year is over \$8 000. That means nothing to them. The facts of the matter are that they want to know if they can get a job and what they can earn. When you consider the unemployment among youth, and you realize that from January of last year to May of this year, over 3 500 or thereabouts were made redundant, and when you realize that in August of this year, another 4 500 will come on the job market, most of whom will be unemployed, then we cannot just sit down and produce a Budget without in it trying to set out or detail how many people we hope to employ by the measures which we have taken.

The other side has, on more than one occasion, accused the Democratic Labour Party of not saying or stating what we intend to do when we gain the Govern-

ment of this country. I want to say that as far as the young people of this country are concerned, we have a three-prong approach. The first, obviously, is education. I believe that it cannot be repeated more often than it has been that it is the Democratic Labour Party who brought free secondary education to this country, thereby allowing a lot of young people who otherwise would not have progressed, to progress.

I want to repeat this, because I want the people in St. Thomas in particular to know that before we went out of office in 1976, we had in train, to use their words, a scheme to provide a secondary school for St. Thomas. I know that after 1986, they will get that school, because the Democratic Labour Party will once again be holding the reins of Government. So they have nothing to fear.

Over and above the question of free secondary education, this party realized that one could not properly learn unless one was properly fed, and we introduced the School Meals System. Having done that, we produced the tools with which to work, the school books. Unfortunately today, those school books are costing them something like \$20, and of course, they have to buy a dictionary and a Bible.

But what is the problem with education today which we must look at? For the first time in, I believe, the history of education, we have seen headmasters being taken to court. We have seen headmasters being frustrated. The morale of the teachers is at its lowest; I doubt very much, very much, if it could get lower. All I say to the teachers is this, 'Hold on. Hold on.' When the time comes, the schools would be run by the teachers again and there will be no more foolishness.

I should like somebody on the other side to tell me if it is true or not that there is a scheme afoot at this present time in which all the children in the fifth forms have got to submit their names to go into a school, if they want to go into a sixth form. I am hearing that from the teachers. So a youngster who is at Harrison College in the fifth form, even if he gets six certificates, might not find himself in a sixth form at Harrison College. He might go to Lodge or to Combermere or some other school.

Aside

Mr. N. K. SIMMONS: A girl called me last week concerned about this same problem. I am not saying that a child from a non-sixth form school should not have the opportunity to go to a school with a sixth form.

(Hon. Miss B. A. MILLER: That is what you say.)

Mr. N. K. SIMMONS: The problem is that you should not discriminate against the child who attends a

secondary school with a sixth form. They should not all go into a pool. It has never been done before, and I believe that some discussion should be carried on with the teachers so as to come to some amicable agreement as far as this aspect of our education is concerned.

Let us leave education, because our record is very good. The second area of development of the young people in this country is towards a youth development programme. In some ways, it looks similar to that which the Government of today is trying to introduce. I say 'trying' because there are no concrete proposals, from what I can see. I attended a meeting two Thursdays ago and it seems very much to me in the stages of infancy. There is no streamlining of the programme. I would ask the Government in thinking of their National Youth Service, if they are going along the lines on which they are thinking now, to use the services of the national organizations, the Scouts, the Guides, the Red Cross, St. John Ambulance Brigade, rather than trying to place it under the youth groups throughout the country, because the youth groups have not got the expertise which is necessary for this programme.

One criticism levelled at the youth training programme is that those who teach in the programme, to my mind, should have some courses on teaching. They might have the knowledge, but the ability to put it over is lacking. Those of us who visit community centres and see the notices written on the boards will know what I am talking about. I would suggest that we pay special attention to that.

The most exciting programme the Democratic Labour Party has for the young people of this country is in the area of sport. I say that because if Barbados can be developed as a sports haven, because our climate is right.....

(Hon. DeL. O. BRADSHAW: He is behind time.)

Mr. N. K. SIMMONS: I am sure that we can attract a lot of tourists.

When I say our programme is exciting, let me inform the Honourable Minister of Youth and Sport what I am talking about. In order to develop it as a sports haven, it is essential that our sportsmen become semi-professionals, if not you will not get the quality of sportsmen you are looking for. By that I mean that our party has already identified the number of games we believe the population we have can play, and it is pointless looking at all the sports already existing in Barbados and expect that those sports can be played with the population we have.

In essence, what we are doing is that we are going to pay our sportsmen so that when it comes to training,

training will be compulsory. Not only that, but I have explored already the possibility of our sportsmen, not only athletes and footballers, but cricketers, hockey players, netballers, getting scholarships to bigger countries, and that when they get the scholarships that they will also attend school, so that when they come back to Barbados, our standard would immediately rise.

What numbers am I speaking about? I am speaking about somewhere in the vicinity of 2 400 to 2 500 people, not 100. I am saying that each team playing in the premier league of any game in Barbados should be semi-professional. So if in cricket you have twelve teams in the premier league, twelve, let us say, by fifteen, you multiply and you go ahead. There are some people who will play two or three games, so that is why I said 2 400, and there will be some people who are already working.

3.35 p.m.

If you are to have Barbados as a sports centre, it is essential that the facilities provided are up to standard, and it is important that each parish has a parish playing field with minimum standards in terms of pavilion, dressing rooms, coaches, and people to look after the grounds — minimum standards and maximum facilities — so that the youngsters can go there and train and have the opportunity to get proper training. At the present moment, if we go around our playing fields, you will notice that the youngsters are there without proper coaches and, usually, the standard of behaviour and training is at a very low standard. If we are to upgrade them, then you will see that we can produce. It is very significant, that over the last eight years in Barbados our cricket teams' standards have dropped dramatically because we have not looked carefully.

Again, I am calling on the Minister of Finance, if we are to improve the ability of our people to play sports, then they must make sporting equipment much cheaper, and I am asking for a 50 per cent drop in the price of all sporting equipment in Barbados. A good bat costs \$250. When you see a 19-year old youngster going out there to play cricket, he has about \$600 or \$700 on his back. A pair of football boots costs \$120. How can we pay that? In order to encourage our youngsters to play sports we have to reduce the cost of the equipment. These are the things which we have to look at if we are to be serious about our young people.

As I said already, it means that the exciting programme for our youngsters would encourage people to come here. Already we have teams coming to Barbados, but it is an embarrassment sometimes. I had the opportunity to travel to England with a team from here as well, and I do not expect the facilities here to be on par with those in England, but at the same time I do not expect the facilities here to be sub-standard.

In the area of education as it relates to sports, I find it impossible to believe that in this day and age at the Ministry of Education that there is not an Education Officer responsible for Sports and Physical Education. Too often people believe that if you play sports, you cannot be intelligent. But in order to be a good sportsman you must have the ability, and it is essential for the development of any young person that sports be played in the school, and with the Education Officer and his complimentary staff — sports officer and phys-ed officer in the school — I am quite sure we can employ another 200 or 300 people. That is a fact, because few schools have properly trained sports officers. These are the matters to which we have got to draw our attention.

I believe that if this Budget, as we saw it or heard it, is to be an employment generating Budget, then in the area of employment we should know what is happening. It is pointless training young people in skills over a period of time if after three or four years that young person has not got a job, because they will go and tell their peers that the training was of no avail. We, as older people, know that whatever educational training you get will hold you in good stead in the future, but you cannot tell a young person of 16 or 17 that probably when he is 35 and he is married and has a family, he can use it. They do not understand that. At the present moment a lot of them are querying why we are building more secondary schools because they believe that an education is to acquire or obtain a job for them. I am asking again that we do not only look at seeing that 1000 people will be going through skills training when the new centres are built. That is not what the youngsters want to know. What is more pertinent is that the youngsters want to know at the end of the training what job is for them, where can they go and get a job.

I want again to say that the Democratic Labour Party is committed to the young people in three areas; that is in education, where our record is very good and we will continue in that vein; in the programme of youth development, and I must say we are not happy with that now being devised by the Government; and in the very exciting and challenging area of sport which I have just outlined.

Mr. SPEAKER: Can I have a Member from this side?

Aside

Hon. V. L. JOHNSON (St. Michael West Central): The Financial Statements and Budgetary Proposals for this year reveal two important considerations. One is the fact that in relation to those persons who mean us well but who nonetheless express a measure of concern and apprehension following the tragic death of our former

Prime Minister, those people who felt a little disturbed and who wondered what kind of transitional arrangements would have been made and what disruptions in the standard of Government we would have witnessed, this Budget reveals that they had no occasion at all for concern. Those persons who took the situation and allowed their sordid imaginations to bring them to the belief that Barbados would have been a state of chaos have been frustrated in their own sinister expectations, because the honourable Member for Christ Church East Central has demonstrated that he can stand in his own shoes and that he stands head and shoulders above anything that the Opposition party might be able to put forward. He has demonstrated that he is a Prime Minister, he has demonstrated that he is a Minister of Finance, and those of us who have the honour to serve with him have never had any occasion to doubt, because we knew that the Barbados Labour Party is and continues to be a great combination of talent and commitment that is not easily shaken, even by the most cruel of tragedies.

The second point that is revealed by the Budget is that the Barbados Labour Party, which began its social revolution almost 50 years ago, is still committed to the waging of war against poverty and social and economic deprivation. It is a relentless war against all of the odds that confront us, including those odds presented by the Opposition party in Barbados.

This Budget was a budget about jobs. It was a Budget about housing our people. It was a Budget about training our youth so that they can prepare themselves to meet the challenges of the future and to continue to provide Barbados with the talent that it will need to guide its destinies in the future. This Budget was about health for our citizens, old and young, because we feel committed to the principle, which has always been a principle of the Barbados Labour Party, that access to medical facilities ought not to be the preserved privilege of just a few, but it is an entitlement to which all Barbadians must have equal access.
3.45 p.m.

Looking at housing, our Prime Minister demonstrated his understanding of the need to have our people properly housed. The days when we used to have to go along our highways and watch our people ill-housed in some sixteen by nines propped up against the fury of the wind and rain is a time of the past, as we seek now, by the introduction of new monies, to provide opportunities for all Barbadians to have access to funds by which they can provide suitable accommodation for themselves and their families.

The Opposition party, while giving lip service to its feeling that it must speak on behalf of the people, by their gestures demonstrate that they have no lasting or abiding commitment to the things which this Labour Party believes

are intrinsic factors in its social fabric. The Tenancies Freehold Purchase Act is only one example, and the Prime Minister and Minister of Finance indicated at page 40 of his Budgetary Proposals that the Tenancies Freehold Purchase Act, both in respect of plantation and designated tenancies, provides the incentive for owners of chattel buildings to convert them into wall. The Tenancies Freehold Purchase Act, conceived in the bosom of the Barbados Labour Party and brought to this Honourable Chamber for ratification, was opposed. Do you believe that an Opposition party committed to social advancement of this generation would stand in this House and give absolute and unyielding opposition to the concept of providing the people of plantation tenancies with an opportunity to own the land upon which they have been people of uncertain indenture for these many years? In effect, what they have been saying, and which they said clearly, is that they do not intend to assist us in passing legislation that would allow people to be able to own their land.

The honourable Member for St. Philip South (Mr. H. A. Blackman) said it would be better for the people of Barbados to continue to pay rents in the plantation tenancies, because if they bought the properties, it would only have been a ruse of the Barbados Labour Party to make them pay property taxes. They said that the people who lived in plantation tenancies were perched like birds upon the back of the plantation tenancies, they had no access to their homes, they had no water facilities, they had nothing, and it was land that no plantation wanted. This party has demonstrated that its faith in the people of Barbados was not unfounded. We felt, and we continue to feel, that the people of Barbados, if offered the opportunity to own the land upon which they lived, would have taken that opportunity, and in numbers unparalleled in the history of our nation the people who occupied plantation tenancies have been purchasing their plots, and very few of them have had to resort to the facility provided by the Government of Barbados, that loan which would allow those who cannot afford it to purchase.

They quarrelled about the concept of subsidies to agriculture by suggesting that they have always had the view that people who live in Barbados, who work on plantations, who run plantations, should be provided with funds. But during the Estimates in March we were able to demonstrate, and we read out for the record, what they had been saying in here about plantation overseers and owners who provide air-conditioned stables for their horses, divert the funds from the purposes for which they ought to be put, and send their daughters away to far off lands for fancy education. These are the things that they said, and now they say that the kind of subsidies we propose are a little too late and not enough. The fact is that the honourable Member for St. John (Rt. Hon. E. W. Barrow), who is a man who speaks his mind whenever he has an opportunity to do so, without apology maintained that he does not want to be able to stand from one corner of Barbados —

that is St. Philip — and looking across all the way to St. Lucy, and ever see another cane blade in Barbados.

This Budget is about providing employment for our people. We recognise that 18 per cent unemployment by Barbadian standards, by the Barbados Labour Party's standards, is too high, and we have committed ourselves to the reduction of this unacceptably high level of unemployment. But by the standards of the Democratic Labour Party 18 per cent is low, because when they had responsibility for the Government of Barbados, unemployment rose to more than 22 per cent and inflation in those days used to rampage at 40 per cent. Yet these people expect to come into this Chamber and try to convince Barbadians, whom they think have short memories, that they have any commitment at all to bettering the conditions under which our people have to live.

Unemployment under the Barbados Labour Party is higher than we would like to see it, inflation though is only at the rate of 4.6 per cent, and in the Economic Report of this year indications are that wage increases have been running as far as four times ahead the rate of inflation, which means that, regardless of what they tell you, people's wages are keeping pace with the rise in prices. When the honourable Member for St. Michael West (Mr. B. M. Taitt) was the Minister responsible for Trade and Industry in this island, he had a rigid policy of price controls that was supposed to keep prices in line, but inflation still went to 40 per cent under his administration.

Mr. B. M. TAITT: On a point of order, Sir: The honourable Member is making the point that inflation rose at some time in Barbados to 40 per cent. I recall Your Honour ruling yesterday that statements made in this Chamber ought to be substantiated by documentary proof. I submit that the honourable Member is unable at any time to submit any official document from any department of the Government confirming that inflation went to 40 per cent at any time in Barbados.

Mr. SPEAKER: I said it is time that Members must not make these statements unless they are prepared to substantiate them. That is what I said yesterday. 3.55 p.m.

Hon. V. L. JOHNSON: Mr. Speaker, they always jump up to say that the Barbados Labour Party is guilty of speaking lies in this Chamber, but I am reading from the Democratic Labour Party Manifesto. "Design for Living for a Free People, Barbados General Election, 1976", which is already a document of this House. They submitted this to the people of Barbados as part of their portfolio asking them to accept them at their word. On the page after the *Foreword*, — because the pages are not numbered — of the Democratic Labour Party Manifesto, it says:

"We managed to reduce the rate of inflation from 40 per cent in 1973-74". That was when the honourable Member for St. Michael West was Minister responsible for Trade and Industry!

Mr. B. M. TAITT: Mr. Speaker, on a point of order: I draw to your attention that the same tactic was used before and the Chair ruled that the document put out by the Economic Planning Unit is the official document on inflation in this country. I do not wish to interrupt the honourable Member, Sir.

Hon. L. S. CRAIG: Therefore, you were misleading the country with this then. You said 40 per cent.

Mr. SPEAKER: Which Chair ruled that?

Aside

Mr. SPEAKER: I do not know of such a ruling, because that conflicts very much with this morning's behaviour in here. My position is that if Members are prepared to quote documents, they must produce the documents, and any document which is quoted in here becomes a document of the House.

Hon. V. L. JOHNSON: Mr. Speaker, I just want you to tell me whether it is possible for the people of Barbados to put confidence in people who are prepared to come in here and deny what they have written in their own manifesto.

Speaking of employment, we pointed out that unemployment under them had reached a startling figure of 22 per cent. They are now telling us that unemployment under us at 18 per cent is too high, and we say that it is, but when it was at 22 per cent under the Democratic Labour Party, they had no provision to help to cushion the blow. I had the honour to preside over the Ministry of Labour when we in the Barbados Labour Party introduced the Unemployment Benefit Scheme in this island, to which the Honourable Minister of Finance alluded in his Budgetary Proposals, the same benefits that now would be extended from 13 weeks to 26 weeks so that if persons find themselves in the unhappy situation of being laid off for short periods of time, they would be able to go to the Ministry of Labour and collect 60 per cent of their salaries that they were earning in order to tide them over until they are re-employed again. That is forward-thinking, progressive action by a party that is committed to the social revolution of which I spoke just a few moments ago.

They spoke of levies. The honourable Member for St. Michael South Central in his reply said that levies equal taxes and they will seek to abolish all of the levies. When he abolishes the levies, he abolishes the provisions which we

have made for enhancing the health of Barbadians under the Health Levy. He abolishes the benefits that are available under the Unemployment Scheme. Under the Transportation Scheme in Barbados, we have been building roads from one end of Barbados to the next, roads that are big, roads that are wide, roads wide enough for all Barbadians to march together on to the promised land which we have been holding out to them all of this time. We will not allow the weary feet of our people to walk in rocky roads, they will have quiet paved paths for their feet. We have abolished the old khus-khus grass mattresses and we are now emphasizing Simmons posturepaedic mattresses for our people to lay their weary backs upon. The Health Levy, the Transportation Levy and all the specific levies determined and calculated to do one thing, to improve the lot of our people — they want to abolish them; they come in here and tell us that we have no business to be improving the lot of the people of Barbados.

The honourable Member in his Budgetary Proposals made substantial concessions to credit unions in Barbados, that self-help programme which we all know so well and which has been the mechanism through which many people have been able to advance from poverty into the more privileged ranks in the middle class. We, in the St. Michael West Central Branch of the Barbados Labour Party, within another couple of weeks will be starting our own credit union. We have already laid the foundation, we have already consulted with the Registrar of Credit Unions, and in the month of June in St. Michael West Central the first credit union ever started by any political branch in this island, but which will be non-political, will be made available to the people of that parish so that the people of Bel-field, Wavell, Fairfield and Spooners Hill, all around, even Fernihurst and Rosemont, even for the Member for St. Michael North West (Mr. L. A. Weekes), will be able to come in and join and pool their resources in order to provide for themselves more than they have had so far.

We have training. Everybody by now knows that the Barbados Labour Party has been interested in training. Under the National Training Board we have provided schemes of apprenticeship for plumbers, masons, electricians, carpenters, wire-benders, mechanics, upholsterers and many people who were once walking the ranks of the unemployed. They are now gainfully employed because they have skills which they can market. It is no longer a situation where people do not have a skill and are prepared to accept anything at all that is offered.

The honourable Member for St. Michael South Central changed his approach in this Budget. But I can remember an old Latin proverb *culculus non factus malatum* — the cowl does not make the monk — and, even though he is now packaged in grey suits, silver shirts and grey ties, it is still the honourable Member for St. Michael South Central. We will not be fooled. As an honourable Senator from Louisiana used to say to his colleagues, a

mackerel wrapped in silver paper is still a dead mackerel, and no matter how much you change the external appearance, we know that the substance of the man is still what it always was.
4.05 p.m.

I mentioned the business of providing accesses and improving the lot of people in the tenancies. If you were to look at St. Michael, we recognise that a good many of our tenancies are in very bad condition. Connell Land in Fairfield, Taylors Land in Fairfield, Simmons Land in Fairfield, Critchlow Land in Belfield, Murrays Land in Clevedale are all tenancies in one central St. Michael constituency that would defy the imagination of the honourable Members. When you walk into some of these places that I have just outlined there are still evidences of the cane holes on the land on which the people live, and to get home they have to carry an extra pair of shoes. Under the Barbados Labour Party that will have to cease. I would like to remind honourable Members of a programme which we have started to improve the lot of people not only in urban tenancies but also in plantation tenancies.

The people of Drax Hall in St. George

Mr. SPEAKER: I would like to remind the honourable Member that his time has expired.

Hon. V. L. JOHNSON: I do not have any more time and I would like to wind this debate up by saying that we propose to continue a programme which we have started, and we will achieve all that we have promised the people of Barbados.

Mr. W. O. FRANKLIN: Mr. Speaker, I am very glad to hear.....

Hon. L. S. CRAIG: Mr. Speaker, before the honourable Member rises.....

Mr. SPEAKER: The Clerk has informed me that the honourable Member started at 3.48, which means he has another six minutes to go.

Hon. V. L. JOHNSON: Mr. Speaker, I am grateful to you.

I was pointing out that we have started to provide modern improved facilities for the people of Barbados. We have the people of Drax Hall, St. George, who have lived in the dark hole of Calcutta all their lives, up in the back of nowhere, in the shadow of Colonel Drax, living in his foreign opulence, and we had the honourable Member for St. George South (Hon. L. R. Tull) on his knees almost with water coming out of his eyes pleading, please help me in Drax Hall. Drax Hall has been transformed from a desolate, dismal, decaying village to a modern 20th century new village.

In the by-election in St. Peter, the people of Black Bess who had to go over hill and down dale, hill-dilly-

dippy-dippy, had no access to their homes, and no man could own a car because there was not even room for a bicycle to get in. Black Bess, St. Peter, has been transformed by the Barbados Labour Party to a modern, new, lovely, rural village, almost a rural township.

The Prime Minister alluded to the fact that a number of people are now upgrading their houses from wood to wall. That was not an idle statement. In this picture here, this tenantry which was all wood — look at the wood piled up by the side — has been transformed to wall structures. As soon as the road was begun, people found money from somewhere to provide themselves with modern facilities with running water. Look at this house down in a gully cleared by the Ministry of Transport and Works, with steps leading from the road right down to the house so that people have access. This is the programme of the Barbados Labour Party.

They ask questions about the Industrial Access Road. That will be built. That is my statement on that and that is all I need to say.

Look at another tenantry! There are bricks again. People transforming as you build the roads. They are improving their houses with gardens where bush was. This is the quality of life that the Barbados Labour Party is bringing to people who were forgotten and for whom they had no word of encouragement. I would like to know whether they will find words in their mouths to go to any of these tenancies and say to the people, "We ask you to vote for us", when in fact they stood in this Chamber and relentlessly fought us toe to toe in order to deprive them of the facilities that I am now talking about. Look at it, a winding road to progress, 20th Century style.

This is only the tenancies programme I am talking about. I have not touched the roundabouts. I have not touched the side-walks programme up by the Springer Memorial, where thousands of children day after day are exposed to the danger of rolling traffic in narrow, confined circumstances. We have, with the aid of the World Bank, provided for them an elevated pathway to progress and to safety, so that the children of Barbados need not die on our highways anymore. That is the programme of the Barbados Labour Party and that is the substance of this Budget, providing not only comfort but safety for our people.

I can only show you a small part of what we have done, but if you go the length and breadth of Barbados, from St. Lucy in the north, to Christ Church in the south, from St. Andrew in the east to St. Michael in the west, you will see billboards proclaiming the progress that the Barbados Labour Party has initiated, progress that tells our people that this island cannot progress unless it has roads and a proper transportation system. Some 152 new buses were bought during the

last two and a half years in Barbados, Mercedes buses provided for the people of Barbados, to get to and from work day after day that they can earn a livelihood, new bus terminals at Fairchild Street, pathways to progress, sidewalks at Beckles Road so that those people out there can walk comfortably on Government Hill, My Lords Hill, Highway 7, and a programme on Highway 1 is going to begin very soon, so that we will have a side walk stretching almost all the way from Bridgetown to Speightstown.

The honourable Member for Christ Church East (Hon. Dr. R. L. Cheltenham) talked about Silver Sands. He, too, pleaded, begged, beseeched and prayed that something good would happen to Silver Sands. Silver Sands has now become "golden sands", because they have some of the finest roads available in Barbados. Wall will follow.

I would like to tell the people of the Mount, St. Peter, to whom I committed myself, that I will be returning there shortly, within the next few weeks, to redeem a pledge made to them; going home, as the honourable Member for St. Michael North is saying. We are going to redeem a pledge made to them to make their life better, because it is time that Barbados comes alive and comes of age that our people will not have to crawl through the thickets, through the thorns and thistles, to the mouth of the tomb, that they will be able to walk on pleasant pathways right into the bosom of the promised land.

Mr. Speaker, this is the programme of the Barbados Labour Party, and I support the Financial Statement and Budgetary Proposals put forward by the Minister of Finance.

Mr. W. O. FRANKLIN (St. Philip North): Mr. Speaker, this debate is being televised. I believe we have a responsibility to the country and the young people to speak the truth, and particularly when one holds himself out to be someone of christian principle, it is even more important that you speak the truth. The honourable Member for St. Michael West Central (Hon. V. L. Johnson), the Minister of Transport and Works who just sat down, got up in this Chamber before the television cameras of Barbados and said that the Democratic Labour Party voted against the Tenancies Bill. I want to refer to the Second Session, 1976-81, the House of Assembly Debates, Official Report, page 4306, and it reads as follows:

4.15 p.m.

"Mr. Speaker, my colleague answered all the problems relating to the Constitution and so on and therefore I am particularly proud and happy to associate myself'.....

The person speaking at this time is Hon. L. S. Craig: "... with a Government which has taken such a bold step in bringing to Parliament what can be

safely considered as a revolutionary piece of legislation.

"The officers in my Ministry and all the persons concerned in making this dream a reality, I should like to salute, and there is no doubt the surveyors who have already conveyed to us that they are prepared to work along with the Government at a price not in keeping with what they would normally charge but in the interest of bringing about this piece of social legislation. Mr. Speaker, it is with a sense of pride and some feeling of gratitude that I beg to move that this Bill be read a second time."

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

Hon. L. S. CRAIG: Mr. Speaker, I am calling for a division in keeping with the provisions of the Constitution.

Ayes: Rt. Hon. J. M. G. M. ADAMS; Hon. H. B. St. JOHN; Hon. L. S. CRAIG; Hon. H. deB. FORDE; Hon. C. L. BOLDEN; Hon. L. B. BRATHWAITE; Hon. L. R. TULL; Hon. Miss B. A. MILLER; Mr. ALLEYNE; Dr. CHELTENHAM; Mr. SISNETT; Mr. JOHNSON; Mr. WARD; Mr. SIMMONS; Mr. BRADSHAW; Mr. ODLE; Rt. Hon. E. W. BARROW and Mr. GREAVES — 18.

Noes: Nil."

Aside.

Mr. W. O. FRANKLIN: Mr. Speaker, ...

(Hon. L. B. BRATHWAITE: Eighteen for, Noes.....)

Mr. W. O. FRANKLIN: Eighteen for, Noes Nil.

(Mr. B. M. TAITT: Noes Nil!)

Mr. W. O. FRANKLIN: Mr. Speaker, I think he owes this Parliament and the people of Barbados an apology.

(Hon. L. S. CRAIG: I am going to show that you have voted, "No".)

Mr. W. O. FRANKLIN: He has made a statement, Mr. Speaker, that, for the first time in Barbados, wall is being built on tenancies. I want to refer him to a few things that I know for a fact.

Aside.

Mr. W. O. FRANKLIN: For a fact!

With the introduction of the Tenancies Control Act a way back, under the Democratic Labour Party, that

brought protection and security of tenure to the people in tenancies in this country. It is a fact that people started out from then converting their houses into wall and putting on wall backs. I know that for a fact, because I sat as chairman of a committee, appointed by the honourable Member for St. Michael North (Mr. P. M. Greaves), who was then Minister of Housing. On that committee was a Mr. Delbert Bannister from the Ministry of Transport and Works, a Mr. Springer, who then worked at Town Planning, and he was representing Town Planning, and me, and we were asked to examine all the tenancies in Barbados, which we did and reported back. At that time, we divided the tenancies of Barbados into three categories, those that had infrastructure and were suitable for immediate passing on, those that needed infrastructure, and those that were too far away for infrastructure and it would have been cheaper and easier to move the tenancies to the infrastructure. The social revolution started all the way then. The Democratic Labour Party had already put in train provisions that had the tenancies transferred to the tenants that occupied them.

(Hon. Miss B. A. MILLER: But you opposed it in the Senate. What is all the talk now?)

Aside.

Mr. W. O. FRANKLIN: I listened to the Budget yesterday to refer to an input made by the honourable Member for Christ Church East. The honourable Member, in his contribution said

"We have been able to stabilize our balance of payments. Our foreign reserves are good. The cost of living is the lowest it has been for a long time. The only thing that we have not been able to do is to reduce unemployment."

I would risk to bet that if I went to Blades Hill now, the man in Blades Hill has very little interest in balance of payments. He has very little interest in foreign exchange. He has an interest in the fact that he is not employed. He has an interest in the fact that he might be the father of five children, and that he would have to look at his five children on mornings and tell them he cannot buy them orange juice. So when the honourable Member for Christ Church East is claiming that they have done miracles with the economy of Barbados, but they have not been able to do anything about unemployment, he is saying absolutely nothing. Eighteen point three per cent unemployment or some 20 000 persons is the most important social thing in Barbados nowadays. I would say that if we had unemployment down and you had problems in all the other things, we would have been a happier people in Barbados, because we would know that our people are working.

(Hon. Dr. R. L. CHELTENHAM: Explain to him that it is not possible!)

Mr. W. O. FRANKLIN: The point is that you cannot say that you are doing an excellent job and unemployment is at 18.3 per cent or 20 000 persons are out of work.

(Mr. P. M. GREAVES: That is right!)

Mr. W. O. FRANKLIN: For some time now, we have been making a lot of fuss about the thrust in housing, and I am now hearing that they are to have \$32 million injected into housing. I should like to know from the Minister of Housing or the Honourable Prime Minister, where the funds would be coming from, since I have not seen any provision made in the Estimates for them. I am very happy to see that it would be available, but I want to have the assurance that the funds are going to be coming and rolling off at the earliest possible time. If the funds are rolling off, you would again do what I have been asking for for a long time, that is to set our people to work.

In the Proposals, if you look at the page that gives the Summary, you would notice the full story there in a nutshell — that all the relief that has been given amounts to some \$10.7 million; Personal Income in Corporation Tax Concession, \$8 million; Reduced Licence Fees, \$0.2 million; Consumption Tax Concessions, \$1.3 million; Agricultural Export Credit Fund, \$1.0 million; additional Home Help \$0.2 million — \$10.7 million. And if you turn over, you will see that with one stroke of the pen, by moving the Stamp Duty from 10 per cent to 12 per cent, you have completely wiped out every single gain, because that is an increase of \$10 million, at least.
4.25 p.m.

I am saying that it is a fact that when you translate that Stamp Duty increase of 2 per cent, a reality is going to work out between three and a half or four per cent on the price of every single item subject to Stamp Duty. If this is not a fact, I would be happy to hear that it is not a fact, but it is going to be eventually passed on to the consumers and that would have an immediate effect on housing. It would have an immediate effect on housing since approximately 50 per cent of a house, the materials, is subject to Stamp Duty, and if you take four per cent of that you are going to find an increase of about two per cent in every house from the time that this is passed. So for the houses that they are now building at West Terrace and Husbands that you expect to sell for \$50 000, it is very likely that \$1 000 more will have gone on to those houses with one stroke of the pen.

I am going to suggest to the Minister of Housing and to the Honourable Prime Minister that if they are serious of using housing as a vehicle to get people back to work, they seriously consider not passing on that two per cent increase in Stamp Duty to materials and items for

the building industry. Since you have said that housing is going to be the vehicle to cause people to work again, I am recommending strongly that you consider not passing on the additional two per cent on it.

I note with some concern that the Honourable Minister of Finance has made some very strong statements about the ZM taxis. He has said that he is even prepared to pass legislation to have them forfeited after three times breaking the law. I hope that this is not a serious statement. There are some 100 ZM taxis out there, and they have been forced on the minibus routes because their normal trade has been so slow that they could not pay for their taxis, which cost, on average, \$25 000, a lot of which has been funded by the Barbados Development Bank. I strongly recommend that you look at it again and consider if it would have been better to charge them the same fees as the minibuses and allow them to drive as minibuses, rather than presently reducing the licence on them and have them in the state where many of them will have to put them up, because they would not be able to pay for them in the present situation plying on the normal routes as taxis.

Page 14 of the Budgetary Proposals means a lot to me, and I want to read it:

"As a matter of policy, all those engaged in these institutions are expected from now on to insure that their operations are efficient. Those that are engaged in commercial activities must strive at all times to provide good quality service to the public while at same time insuring that they at least cover their cost. It is important that this message is understood because unless the Ministry of Finance is satisfied that this message is taken seriously, the treasury will not continue to underwrite their inefficiencies by providing for their losses."

I sincerely hope that the Honourable Minister of Finance, and he has delegated this duty to the Parliamentary Secretary in the Ministry of Finance, the Member for St. Peter, is going to seriously follow this through. I would like to give him the first area to examine so that we on this side could be assured in our minds that the efficiency in the management that is needed in Barbados is already in trend.

The Honourable Minister for Housing has made some alarming statements from time to time. The last statement he has made that was reported in the newspapers was that the building contractors at West Terrace had "ripped off" the Government. He named one that did not rip off the Government, so by implication all the others have ripped off the Government. These were the people who were building some houses for the National Housing Corporation at West Terrace. I want to be absolutely sure that the road contractors are not ripping off the Government.

The National Housing Corporation has recently awarded three contracts at Oxnards Heights. One contractor of repute in Barbados put in a tender, rounded off to the nearest dollar, of \$325 000. A second contractor, of similar repute, put in a tender for the same job of \$464 000, a difference of \$139 000 or 42.8 per cent. To my dismay, the contract was awarded to the higher tender of \$464 000 as against \$325 000. At Checker Hall in St. Lucy, the same contractor of repute put in a tender of \$299 000. The contract was awarded to a firm in Barbados, C.O. Williams Construction, at \$358 000, a difference of \$59 000 or 19.7 per cent. Oxnards Crescent — Rayside Contractors \$156 000 and C. O. Williams \$176 000, a difference of \$20 000 or 12.8 per cent. C. O. Williams once again got the contract. Three contracts which the National Housing Corporation awarded at a difference of \$218 000 more than the same contracts could have been carried out by a competent contractor. Two hundred and eighteen thousand dollars, more than the \$200 000 that had been given to the Home Help, a sum of money that would have built four houses at West Terrace for \$50 000 in that one contract!

There are three other contracts. At Clapham, Simmons Land, one contractor has gone in at \$324 000, and another at \$401 000. Lammings — one contractor has gone in at \$104 000 and the other one at \$158 000. Rosemont — one contractor has gone in at \$124 000 and the other one at \$132 000. These three contracts have not been awarded yet, but I understand the contracts are on the way to the highest bidders, a difference of \$139 000 for those three contracts. If that is so, between those contracts awarded at six construction sites, we see \$457 000 of leeway, enough to build nine houses.

More recently I drew this to the attention of this House, and I am reading from page 2016 in the White Paper debate "I know that a certain firm....."

Asides.

Mr. SPEAKER: Will the honourable Member say when that debate took place?

Mr. W. O. FRANKLIN: On Tuesday, 26th February, 1985, Second Session, 1981-86.

Mr. SPEAKER: I am sure the honourable Member is aware of the Rules.
4.35 p.m.

Mr. W. O. FRANKLIN: Mr. Speaker, at that time I drew to the attention of this House that a notice had gone out the Friday inviting tenders for 22 houses at Cave Hill and the tender was to be chosen on the Monday. You put out the notice on the Friday and the tenders were to be closed on the Monday! A company submitted a tender in which they quoted 600 square feet

houses, \$34 998; 700 square feet houses, \$40 409; and 697 square feet houses, \$41 881. That tender was not even looked at. The houses were awarded to a company that put in a tender eventually to end up at \$45 000, and the National Housing Corporation had to do the footings that worked out at an average of \$5 000, making a total for that house of \$50 000 as against the highest of \$41 881. The contract was not finished in the time stipulated. There is a difference of \$8 000 per unit, and if you take the 22 units that were put in, that is another difference of \$178 618.

I take my responsibility seriously, and I was invited by the Honourable Prime Minister of this country to make sure that these corporations are functioning efficiently so that the benefits would be passed on to the people of Barbados. I invite him to examine this, and if he is not satisfied that efficiency was the password, he should take the necessary steps to see why we should be spending the taxpayers' money in that way. You cannot afford to spend the taxpayers' money that way, particularly when that company did not employ a single Barbadian. The parts came in completed and the carpenters, masons, electricians and plumbers that worked for the first company had to be laid off over the Christmas season when they could have been working for a Christmas dollar bill to give their children to buy a ham or a pair of shoes. I am saying that we have to examine this type of managerial efficiency. I will not go any further. I will leave it at the stage of company inefficiency, because there must be some reason for that.

I have noticed in the Budget that they intend to give a fillip to items that cut down on energy, and as a result they have removed certain items from duty, items like ceiling fans and time switches. This is a good idea.

I would like to invite the Ministry to look at another area we have not been giving a lot of attention to, the loss to the national stock by fires. In the 1984 Economic Report we see that some 163 house fires took place. A quick calculation will show that this is a loss of about \$4.89 million to the national stock. Fires have a way of completely ruining houses. They cause death sometimes, they cause loss of furniture, contents and of jobs.

I am going to suggest that the Government should consider either by way of legislation or incentives to try and make our people more aware of the need to be cautious about fires, and I would suggest that you can start by adding on to that list smoke detectors for residential houses, which are very cheap — you can get them as cheap as \$100 — and you can encourage people to use them, particularly people in wooden houses. I would like the Minister in charge of Welfare, as a matter of policy, to put them into all the old people's houses,

particularly those who live by themselves, so that we will be able to try to save some of those old people's lives.

I would also like the Minister to find some way of giving some concessions to people who introduce sprinklers in their buildings, particularly factories and commercial houses; to find some way of providing incentives for people who introduce heat sensors, and to improve the building code to make sure that fire resistant walls are introduced. These are areas I would like the Ministry of Finance to have a look at, because we can certainly save a lot of destruction and cost to the national stock in this way. I would particularly invite the Minister of Tourism and the Environment to look at them too, since we can have pollution of the atmosphere, and he should certainly do whatever is necessary to stop any loss due to fires in this country.

I cannot agree that the Budget would in any way generate the employment they claim it will. I have looked through all the measures and I am afraid that when we come back to this Parliament a year from now, we will have to admit that the measures did not work and that, once again, nothing was done in the Budget to introduce measures to reduce the high unemployment in Barbados and to set our young people to work again. This is the most important thing. All the other parameters may be good, but the moment we have those young people around the shops, around the street lights, not working, you are beginning to develop a young person in this country who has not been working for so long that he does not know how to fit into a job situation when he gets a job. That is partly responsible for the low productivity we are having in the work place. People are leaving school and going unemployed for a long time, getting accustomed to waking up at 9 or 10 o'clock in the morning, playing cricket at 2 o'clock in the day, so when they come to be disciplined in the work place they are finding it very difficult to make the transition from being unemployed to being employed. I suggest that the sooner we can try to get our people back to work, whatever machinery is needed to get them back to work, we must do it so that we would be contented.

I have noticed that you have increased the subvention to \$200 000 for the home help. I heard the Honourable Minister for Labour say that the Government pays all electricity and water bills.

(Hon. DeL. O. BRADSHAW: I did not say that).

Mr. W. O. FRANKLIN: I am sorry, because it is my understanding that they pay \$12.50 of any electricity bill and \$40 at the most for the water bills for some people, and if the water bill is higher they do not pay it, and they have sent a circular round saying not to pay it if it is higher than \$40. I do not want anybody to believe that the Government is picking up these two bills, because it is not

a fact. Circulars have gone out to the effect that only \$12.50 for electricity bills will be paid and only \$40 for water bills.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Sir, I beg to move that this sitting be suspended for 10 minutes.

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

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

4.45 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The honourable Member for St. Andrew.

Hon. L. B. BRATHWAITE: Mr. Speaker, it is with some satisfaction that I rise to support the motion as moved by the Honourable Prime Minister and Minister of Finance. The Budgetary Proposals, in my considered view, bring home to a number of people out there, who for the past three years or so have been unhappy over the general world situation, that we are coping and moving on. I have said on previous occasions that Barbados is just a small dot in the ocean when it comes to the world community, and when a larger state sneezes or coughs, Barbados certainly catches pneumonia. The fact that we have survived in the face of all the difficulties confronting the world, and have been able to keep ourselves together up to this point in time, is a remarkable feat for a Government in a small country, with an open economy and very slender resources.

It was my good fortune very recently in Guyana at a CARICOM Ministers' Meeting to talk with other CARICOM Ministers and discover the plight of the countries. While I share with them the unhappiness about problems with which our countries are faced, I am proud to say that we have been doing considerably better than most, if not all, of the countries in the CARICOM region. That we can be owed over Bds. \$100 million in the Multilateral Clearing Facility and still be able to survive is, to some extent, a credit to our resilience and speak something good for the people of this country. From time immemorial we have been able to draw upon our natives' strength and ability, we have been able to cut and contrive and, as a people of thrift and hard work, we have been able to meet our commitments in a hostile world. The much abused sugar industry that we hear so much about from time to time — and the Opposition members praise it when it suits them and bitterly attacks it when it suits them; and, obviously, when you listen to the tone of voice of the Opposition, you will see that

they speak with false tongues — was at one time the only source of income in this country except for the few dollars which came from Panama and the United States of America from our relatives who emigrated there and thought they should send back some assistance to us, and, although there was just a single crop economy, and fragile at that, we were still able to survive.

I can say with the greatest satisfaction that with respect to industries, we are already seeing, and we saw this last year, 100 per cent improvement in terms of business entrepreneurs who have been coming to our shores investigating the possibilities of doing business here with us. We have heard a lot here today talked about the paltry wages paid by industries to Barbadians and the unwillingness of industries to pay. In a recent discussion with the industrialists in this country, and businessmen generally, the Prime Minister and I were able to glean from them that wages are not the main part of their concern but there are other areas which irk them. We believe that, springing from those discussions, and decisions which were subsequently taken, we might be able to arrive at decisions which would help to bring about some momentum to industrial development in this country.

It is my view, and the Government has come around to the acceptance of this view, that we cannot, for the future, look at cheap textiles and businesses, which might appear on the surface as fly-by-night industries, but we need to properly research the market and ensure that when businesses come here, there are businesses of some quality. It cannot be as in the past, when they came because it was well advertised that we had cheap labour here — fortunately, this Administration has never advertised that — that they can come and exploit the labour market and go back out with impunity. We would prefer to see the building up of a cadre of good businesses in Barbados which would be long-lasting.

If you took a firm like Intel, in the face of all the cutbacks by certain businesses which only come in, I imagine, to enjoy the holiday which is given by this country, Intel continues to be a business that offers hope to its employees. It offers good conditions, in terms of work, wages and facilities to and from work. It is my information that Intel has spent in the past year or so over \$300 000 in training for its staff. That, to me, is a very progressive step, and the Prime Minister and Minister of Finance in his Budgetary Proposals recognized the need for training and has made some provision for companies that might embark upon such training.

We talk about moving forward in a progressive manner. The honourable Member for St. Michael South (Mr. L. E. Sandiford) said last night that he cannot understand what moving forward and what progress we are making. We were in a negative position. Then, we

were in a zero position — it was not negative, it was a neutral position — and now we are going to 2.9 per cent. Is that not a significant improvement from a minus position, then a zero position? We see this in the type of activities that are interesting people who come to this country to establish businesses, the type of tourists we are seeing come to Barbados from North America and a greatly improved situation from Europe and other places. It is important, therefore, that we stop giving the impression abroad that this Government is doing nothing. The public is not going to accept it. It is not going to believe what you say with respect to that. We understand that a campaign is on, and we understand that this might be regarded as a sounding board for what might eventually happen on the 23rd of this month, but I accept the view that the public of Barbados is the same today as they have been in 1976, on the 2nd September, again in June, 1981, and again in the last by-election in St. Peter, when they passed a verdict of confidence in the Barbados Labour Party.

5.05 p.m.

I want to say something which is pertinent to the body politic, and it is this: we all have to live in this country, no matter which party we belong to. It would be a good thing if we could live in a loving manner, but if we cannot live in a loving manner, we can live as civil people, and civil human beings, and while we eventually look towards the electoral area for our fortunes, there are certain things which we have got to be careful with.

Already, the campaign has started, and despite the introduction of the Public Order Act, which was introduced by the Democratic Labour Party to gag people, you still have a situation out there where a former Attorney General is attacking people on the basis of colour and saying the most disgusting things about people out there. He is referring to people in Government as a bunch of bastards. By inference he means that Jesus was one. Some theologians say that, does he mean that as well? I have heard that said in here, but is that to be said and assumed?

Mr. SPEAKER: I do not think the honourable Member should refer to that term in here anymore. I thought the Government took care of that by passing a Bill which outlawed the term "bastard"; so there are no bastards anymore.

Hon. L. B. BRATHWAITE: Mr. Speaker, I agree entirely with you.

Mr. SPEAKER: I would hope that that be left for the hustings outside Parliament, and that we respect the laws of Parliament which were passed in here. There are no more bastards.

Hon. L. B. BRATHWAITE: I agree with you, Mr. Speaker, but in this very House I have heard the term,

so I am not surprised that it is said out there on the platform, I want to issue a warning to the whole country that we have to be very careful, less the fragile nature of democracy is destroyed in this land once and for all. We cannot afford to have it. I want to live here until I die, no matter how the death comes. I would hope it is a peaceful death but whatever I would like to live here forever.

The honourable Member for St. Philip North (Mr. W. O. Franklin) raised a lot of issues related to housing. Whenever he speaks on housing, he should declare an interest. I have refused to say that all along, but you have a business and you deal with National Housing, and when you come to speak on National Housing, you should declare your interest. You should let the Speaker know that you have an interest. You work for the National Housing Corporation. Your business works for it.

Mr. W. O. FRANKLIN: On a point of order: I do not work for the National Housing Corporation. I have never worked for the National Housing Corporation.

Hon. L. B. BRATHWAITE: You work for the Ministry of Housing and Lands, and by inference you work for National Housing Corporation, because that is the operational arm of the Ministry of Housing and Lands. You have to declare your interest and do not come in here trying to fool the public that something is wrong. If it is wrong, I will say that.

I heard a lot said by the spokesman on Finance on the question of corruption in housing and in other places, in Government, generally. I want to be told by you and by any honourable Member there, any person for that matter, who is corrupt. I want to know. When I talked about corruption, I will go on to explain all to do with the corruption. I came in and I found a bad situation among certain functionaries within the National Housing Corporation. I got rid of those functionaries who were there. I came here and gave an undertaking to this Honourable House that I would do that and I did that. If the honourable Member for St. Philip North or the honourable Member for St. Michael South Central can identify to me where the corruption is, I will deal with it.

He talked about contracts. I do not know where the problems are at the moment. I would hope that the problems have been laid to rest. I believe that a Herculean task was performed with respect to wiping out as far as possible the bad elements from within the corporation, and when I talked at the time about corruption, it was to do with functionaries as I said before, and I will repeat that with emphasis. I do not want you to judge me. The public out there at large has judged me, and my constituents know me well and they know what I stand for.

The honourable Member for St. Philip North talked about contracts being awarded to a firm for something

over \$1 million in excess of what the contracts would have gone to if the offer had been given to the lowest tender. The honourable Member should know by now that provision is made in every tender document and other tender notices that the clients do not bind themselves to the lowest or any bidder, and it is good that it is so, and I am going to tell you what is my experience. Very often you find that even if the contract is said to be fixed, the boys are always fixed up, but when they come back the over-runs are far higher than what the cost is, and sometimes in two years or less, the roads do not even stand up, despite the fact that you might have an engineer looking after the work.

I believe honourable Members on that side are aware that it has just cost the Government in settlement alone — I am told it was settled out of court, but I cannot tell you that I like that arrangement and I would have been willing to fight it to the Privy Council as far as I am concerned — over \$61 000 to do with a house, and we have been having all these types of arrangements. I do not believe in that, therefore when a recommendation is made now by the Board and they decide that a particular contractor should be awarded and his track record is good, I am prepared to accept that contractor.

The honourable Member continues to talk about a tender which was awarded to a company and that the tender had to be done in two days' time. Let me make my position abundantly clear to you. I take full responsibility for any act of my Ministry, whether I am present or not. The fact that I am the substantive Minister, I take some responsibility, and should take all. There is the famous *Crichel Down* case with respect to responsibility, and I take that responsibility. As far as I am aware, there was no wrong-doing with regard to that.

The honourable Member portrays to the country that no labour was employed, no material, nothing. The honourable Member is mistaken. On the award of that contract, even though it might be conceded that the price might at the end be a little higher than what another person was offering what that award did was to open the gates of Puerto Rico to the cement product in St. Lucy. The end result of that would be very beneficial to this country, because the CARICOM countries by themselves, when you exclude Jamaica and Trinidad and Tobago and the commitments that are made between a number of the small states, would not be able to take off the amount of cement which will come from the Arawak Cement Plant. So a breakthrough in a place like Puerto Rico is a very significant breakthrough. Even if you went into Puerto Rico and you did make a loss in the swing, you make a significant gain in the roundabout.

5.15 p.m.

In addition, while the time frame might have been a very short time frame, I would have considered that in the

circumstances, if you felt pressed for time in view of the fact that you have to resite the people who were in the critical path of the West Coast to Airport Highway, you would have opted for a system of building which would be readily available to you. I do not think that anybody should try to convey the impression that some wrongdoing was involved in such an exercise.

We do not have many systems in this country of that nature; as a matter of fact, you do not even have one at the moment, I think there is a company which has an engineer who is behind it, I do not want to call his name, but I know nothing detrimental about him. The position is that Ideal Homes has a type of system, but it is not a system-built house. It is one in which you get away from the use of too much material down into the foundation and that is where the greatest cost of any building is. I am sure the honourable Member for St. Philip North will agree with that.

The honourable Member for St. Michael North (Mr. P. M. Greaves) at one stage of the debate here on housing said to me that we should be more than careful in importing these systems into Barbados because they are not always workable. On that occasion, he made mention, I think, of the cooler.....

Aside.

Hon. L. B. BRATHWAITE: No. It was the cooler on the house. That is the exact one you told me about.

Aside.

Hon. L. B. BRATHWAITE: But you told me we should look at that house and see if we could adapt it to the conditions which exist.

The honourable Member is forcing me to tax my memory and I assure him that I am going to do that to good benefit. It is there going up by University Drive.

(Hon. H. B. St. JOHN: There was one right by Bim.)

Hon. L. B. BRATHWAITE: We do not have them here, but there is nothing wrong seeing them coming either.

If you want to satisfy the aspirations of people in this country and the great need for housing, you have to have all types of houses, and with the coming of those houses, we will see if there can even be a marriage. Do you know what we aim to do? We aim to see the cheapest form of housing to satisfy the persons out there who need shelter.

The honourable Member for St. Michael North waxed warm when he was dealing with the Act of 1980 to do with the Tenancies Freehold Purchase Act.

Mr. SPEAKER: The honourable Member for St. Michael North,....

Hon. L. B. BRATHWAITE: I am sorry.

Mr. SPEAKER: has not yet addressed the Chamber.

Hon. L. B. BRATHWAITE: St. Philip North.

(Mr. P. M. GREAVES: I have spoken.)

Hon. L. B. BRATHWAITE: The honourable Member for St. Michael North will be aware that I am not referring to him. I am very sorry that I did.

Mr. SPEAKER: He did not speak on the Tenancies Freehold Act. It was the honourable Member for St. Philip North.

Hon. L. B. BRATHWAITE: Yes, Mr. Speaker.

The whole position is this. If you look at the Minutes of Tuesday, September 23, 1980, you would see in these Minutes that on the third reading, which does not actually happen you voted against, you abstained.

The Bill was read a second time, the House dividing as follows:

Ayes: Rt. Hon. J. M. G. M. ADAMS, Hon. H. B. St. JOHN, Hon. L. S. CRAIG, Hon. H. deB. FORDE, Hon. C. L. BOLDEN, Hon. L. B. BRATHWAITE, Hon. L. R. TULL, Hon. Miss B. A. MILLER, Hon. Dr. R. L. CHELTENHAM, Mr. M. C. WARD, Mr. L. L. SISNETT, Mr. V. L. JOHNSON, Mr. J. G. ODLE, Mr. DeL. O. BRADSHAW, Mr. D. A. C. SIMMONS and His Honour E. E. ALLEYNE - 16.

Abstentions:

(Hon. H. B. St. JOHN: Yes, abstentions.)

Hon. L. B. BRATHWAITE: An abstention is a hypocritical vote.

Laughter.

(Mr. P. M. GREAVES: For or against?)

Hon. L. B. BRATHWAITE: This is like Gairy. Gairy was fluid.

Aside

Mr. SPEAKER: I am not aware that the word hypocritical vote is unparliamentary. If the honourable

Members can point out to me where it is recorded that the term "hypocritical vote" is unparliamentary, I would ask the honourable Member to withdraw it.

In the meantime, while the honourable Member proceeds I would search for the term, "hypocritical vote". We may have to add that to our dictionary.

Hon. L. B. BRATHWAITE: I would be glad if you would find it possible to add it to the dictionary.

The *abstentions* were:

Rt. Hon. E. W. BARROW and Mr. E. E. GREAVES - 2.

The second reading,....

Aside

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

Mr. SPEAKER: On a point of order.

Rt. Hon. E. W. BARROW: The honourable Member has the debates. This is now about the third time that we have pointed out on this side that there were only two Members present on that occasion and that we on Clause, I think it was 35 or 65, said it was an amendment to the Constitution and we did not vote on that clause in Committee. But on the Second and Third Readings, the Bill could not have passed unless the honourable Member for St. Michael North and I voted for it.

(Mr. P. M. GREAVES: St. Lucy.)

Rt. Hon. E. W. BARROW: At that time, the Member for St. Lucy and I.

The Member has the Minutes there, but both on the Second Reading and the Third Reading, the Minutes are completely wrong, as we demonstrated before. The Debates of the House, when the division was called, shows something completely different from the Minutes, and the honourable Member has the debate there. But he keeps on misleading the House and going around the country saying that something which we introduced in our manifesto, and which we gave a full history of, we voted against it. Then he says we abstained.

5.25 p.m.

Hon. L. S. CRAIG: Sir, on a point of order: My understanding of the Minutes is that you call the Minutes, Mr. Speaker, and they are "taken as read", and if nothing is pointed out as being wrong in the Minutes and they are accepted in here, then they become an official document as certified by Parliament. These Minutes are the official and certified document of Parliament and no Leader of the

Opposition can determine otherwise at this point in time. They had an opportunity to determine whether the Minutes were wrong and they accepted them on that occasion, and it is *infra dig* to be abusing the Clerks of Parliament by saying that the Clerks in Parliament wrote the Minutes wrong. It is nothing but an insult to the Clerks of Parliament.

Rt. Hon. E. W. BARROW: On a point of order, Sir: The honourable Member does not understand. I was merely saying that the Minutes are usually taken as read and very few of us look at them. I am saying that the debates of that day, on page 4307, when the divisions were called, show exactly that the Member for St. Lucy and I voted for the Bill both on the Second and Third Readings. That is all I am saying, and no amount of shouting and vulgarity by him is not going to amend that.

Mr. SPEAKER: I have had difficulty over this debate from the time I took the Chair. I believe we will have to do some serious research and will have to make a statement to rectify or to bring out the evidence to satisfy this debate. From time to time there is always argument as to whether the Minutes are correct or whether the Hansard Reporters are correct. I therefore will ask the Clerks of the House to look for the Vote Book, which must record the votes of every division in the House, and then we shall have to make a statement so that we get over these difficulties.

I will allow the honourable Member to complete his idea of what took place, but I certainly will take the opportunity at some future date to get all the records pertaining to this particular debate and have it recorded somewhere in Hansard so that we can clear up these difficulties.

Please continue.

Rt. Hon. E. W. BARROW: I would just like to say that Your Honour is one hundred per cent correct, because the Minutes are taken by one person and the Record is taken by several reporters, and that is where the anomaly arises.

Mr. SPEAKER: There are difficulties with the reporting of that aspect of our proceedings, and I have been looking at it for a very long time. When the votes are put, apparently the reporters do not record anything in their minutes. I have looked at it before and intend to straighten it out.

I have taken the opportunity to look up the term "hypocritical vote". Speaking from May's Parliamentary Procedure, 19th Edition, I can only find the term "hypocrites," which apply to persons, but as to "hypocritical vote," I am at a loss.

The honourable Member may continue.

Hon. L. B. BRATHWAITE: Mr. Speaker, I appreciate what you said with respect to the conflict here, but it is go-

ing to cause very serious concern one way or another. To me you can only try to rectify from here on and not from here backwards.....

Asides.

Hon. L. B. BRATHWAITE: I do not know what the ruling is. I am not questioning the Speaker's ruling.

Asides.

Hon. L. B. BRATHWAITE: You do not want a licence. You were born with one.

Mr. Speaker, with respect to the Third Reading, the Members who voted "aye" are those recorded in the Second Reading, but those who abstained would have been the same as those who abstained on the First and Second Readings.

There is also the matter of voting against Clause 36, which is a pertinent clause, a very important clause.

Mr. SPEAKER: Due to the interruptions, I will give the honourable Member two minutes more to complete his speech.

Hon. L. B. BRATHWAITE: Thank you very much.

This is what Clause 36 says in this matter, very important:

"To prevent uncertainty, Section 16 of the Constitution is altered by this Act to any extent necessary to ensure the constitutionality of this Act."

If you are not going to ensure the constitutionality of this Act, the Government would not have been able to do what it has done. That is the argument, that is the contention. All you were doing is preventing the Government from carrying through with its agrarian reform by giving over 20 000 lots to the landless people in this country. That is what you were trying to do. That is their position. I am going to challenge the Opposition. I will bring very shortly to this Parliament another Bill to give the rights to the subtenants on the lands on the plantation tenancies and I will challenge them to vote against it.

Mr. H. A. BLACKMAN (St. Philip South): Mr. Speaker, I believe that, before I get into the meat of my reply to the Budgetary Proposals, I have to refer to one of the charges made against my colleague, the Member for St. Michael South Central. My colleague from St. Michael South Central, in mentioning corruption spoke of areas of corruption which were identified by Members on that side. He never said that he was speaking of corruption identified by this side. What he went on to say was that the late Honourable Prime Minister had identified two

areas of corruption in a speech in this Honourable House that the former Minister of Health, who is the honourable Member for St. Michael East (Dr. D. G. Blackman), had already identified one area of corruption, and that the present Minister of Housing had already identified an area of the corruption in a report emanating from New York. I thought that I should set the Record straight there.

At the end of the Budgetary Proposals by the Honourable Prime Minister and Minister of Finance, there was cheering from the other side. Those of us who have sat in this Honourable House and observed the reactions of Members on the other side realize that they cheer for two reasons. They cheer sometimes for the good things that they have heard and they cheer sometimes because the news they heard is not as bad as they thought it would have been. I believe that on this occasion the cheering was for the second reason. The singer on this occasion was different but the song was the same. For three years we have heard from the late Prime Minister that the Barbados economy is poised to take off. We are still hearing the same statement today, that the Barbados economy is poised to take off.

The Honourable Minister of Tourism and the Member for St. James North (Hon. L. S. Craig) mentioned in their presentations that before the Democratic Labour Party went out of office, people used to pay taxes on \$25.00. They say that they are now paying taxes on \$145. What the members of the Barbados Labour Party have to understand is that in 1976 indirect taxation was negligible compared to what it is today. That is why, despite the fact that people are getting larger salaries now than before, after they go into the supermarkets they do not have a cent left, and any person in Barbados will tell you this. The persons from the other side are saying that those of us on this side should keep our ears to the ground. I would suggest that that statement should be given to the persons on the other side, because if the honourable Members on the other side were listening and had their ears close to the ground, they would realise that people in Barbados, thousands of persons in Barbados, are crying out under the burden of the Barbados Labour Party.

5.35 p.m.

I have gone through this Budget, I have read it about two or three times. I have not seen in this Budget one single item which directly relieves the burden on the poor people in this country. There is no relief in their electricity rates, there is no relief in their water rates, not even the rum that the poor people drink — because they cannot buy anything more nowadays — has been relieved. What you see is that the Consumption Tax on wine has come down. If you check, you will know that ordinary persons in Barbados are not wine drinkers. The pressure the people are under, and the money in their pockets is so small that they have gone back drinking a

half bottle and a flask at the largest. You know this, Mr. Speaker.

Mr. SPEAKER: I do not know anything.

Mr. H. A. BLACKMAN: Well, you should.

Mr. SPEAKER: Mr. Speaker is not in the debate. Convention demands that Mr. Speaker keep out of the debate.

Mr. H. A. BLACKMAN: What is happening today is that there are persons throughout Barbados who are unable to get electricity connected to their homes because of the high cost of poles. People are asking how come a Government that says it believes in social democracy, a Government that calls itself a labour Government, a Government that takes up National Insurance funds to help out institutions and corporations like the Barbados Light and Power, which stands guarantees for debts for the same institutions and corporations, can allow the same institutions and corporations to charge them \$800 and \$900 for a pole to put in electricity, and in some cases the people only live 20 or 30 feet from the existing pole? They are saying that any Government that cares about poor people should be seeing after this matter. There are people crying out — and I do not believe that people are only crying out in St. Philip — for electricity and about the hardship of paying \$800 and \$900. I believe that every single Member in this House of Assembly gets complaints from his constituents about this problem.

Maybe the people should not be surprised, because on page 10 of the Budgetary Proposals the Honourable Prime Minister stated:

"Clearly, Mr. Speaker, our situation is not yet at the stage where we can truthfully state that we are overtaxed....."

So the Prime Minister himself is telling the people of Barbados that they cannot truthfully say they are overtaxed. What the Honourable Prime Minister will have to do is to go out and find out what the people are saying. Then he will know if the people think they are overtaxed or not.

I turn now to agriculture. We have heard over the past few years, including yesterday, a lot of nonsense about how this Government has transformed agriculture, what the Barbados Labour Party has done for agriculture and what the Democratic Labour Party has not done for agriculture. In 1976, the number of acres reaped in sugar cane was 39 273. In 1982, the number of acres reaped was 39 026. That was the lowest number of acres recorded in Barbados for sugar cane reaped, and the Barbados Labour Party presided over the Government when that took place. What is more, the lowest

production that ever took place per acre in Barbados, took place in 1982, 5.4 tonnes per hectare. The Barbados Labour Party was presiding over the economy when that took place. These are the persons who are saying that they have transformed agriculture. The Barbados Labour Party presided over the economy when the number of acres under sugar cultivation fell to its lowest level and when the yield per acre fell to its lowest level ever, and I believe the people in Barbados should know this.

During the debate on the loan for the sugar industry the Honourable Minister of Agriculture, in lamenting the fall in the contribution of the small farmer to the economy, said the fact that the small farmers were not producing, and that sort of thing as before, was a particularly worrying situation, because in most cases....

Mr. SPEAKER: When was that debate?

Mr. H. A. BLACKMAN: The debate was Tuesday, December 13, 1983.

Mr. SPEAKER: Which Session of Parliament?

Mr. H. A. BLACKMAN: The Second Session.

Mr. SPEAKER: What Session are we in?

Mr. H. A. BLACKMAN: He said that what he was concerned about was that when small farmers go out of sugar production they do not put anything else in the land and the land just goes barren. What the Honourable Minister of Agriculture did not understand, and someone has to tell him, is that there is not a single person in Barbados with a piece of land who is not proud to tell you that they got some cabbages or something from it. The reason why they are unable to plant anything else when they have gone out of sugar production is because you are speaking to farmers in Barbados who are to all intents and purposes bankrupt because of the policies of the Barbados Labour Party. They cannot get any credit, the price of fertilisers is too high and when a farmer goes out of sugar production he finds it impossible to plant anything else, and it is time you understand that.

I turn to page 42 of the Prime Minister's Budgetary Proposals, delivered on Tuesday. The Prime Minister said:

"The non-sugar sector has been the only sector which has grown in each year since 1981 and our food import bill which amounted to \$169 million in 1981 fell in 1982 and 1983."

You will notice nothing there about 1984. We turn to the Economic Report for 1984 and read page 45:

"In 1984, all vegetables recorded decline in production levels when compared with 1983."

5.45 p.m.

Are you then surprised that in the Budgetary Proposals of the Honourable Prime Minister they never mentioned 1984?

There was also a decrease in hectares under cultivation. Tomato production down, pumpkin and beet down, bean and carrot down, cucumber declined, cabbage down, onions down, even the "other vegetables" category — everything down! I am not surprised when 1984 is not mentioned in this. You have to understand that the Honourable Minister of Agriculture stated in here yesterday that unemployment and the closure of firms is nothing, it is no big thing, it happens in the States all the time. So we are not surprised that the Honourable Minister is presiding over an economy which not only has seen the lowest production in sugar but has seen the production of every single non-sugar item fall.

The Democratic Labour Party has proposed and is saying that we will make easier access to credit for the small farmer available. As the honourable Member for St. Michael South Central said yesterday, we are going to build up an island-wide agricultural extension service, not one that only operates in Christ Church East and a little piece of St. Philip. The leader of my party has stated that that land levy, introduced by the former Prime Minister and Minister of Finance, will be refunded to those people who had paid it. Let it go on Record that we have made that commitment to the people of Barbados.

I turn now to the question of unemployment. We have to get this unemployment business into perspective, and to start, I will read from the Financial Statement and Budgetary Proposals made by the Rt. Hon. J. M. G. M. Adams, Prime Minister and Minister of Finance and Planning, April 17, 1984. On page 67, the late Prime Minister said, among other things:—

"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."

Those are a lot of things he did for the business sector. I go again, this is on page 68 now:

"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."

What has taken place since that statement was made, Mr. Speaker? Since that statement was made when he said that he would reduce unemployment, in the very

month that he was speaking, the end of April saw 185 persons out of work — May, 510; June, 75; July, 222. Since the late Prime Minister spoke those words, 2,113 people were made unemployed in Barbados.

We come on Tuesday and we hear that this Budget this time is a Budget for jobs. What we have to understand is that it is all right to get up and say that it is a Budget for jobs. The late Prime Minister said that. The present Prime Minister is saying it. How can you just sit there and tell me every year that this is a Budget for jobs and all I am seeing throughout the years are more and more people going unemployed.

This Government's attitude to job creation is totally wrong. I have discerned that it seems to this Government that throughout three years they can go ahead not caring about unemployment, and those who have their ears to the ground would realize that one year before election, this Government goes out in the highways and by-ways and collects people and tells them to go down to Parks and Beaches, go and cut down bush at Rockley and all sorts of things. But people in Barbados want to be working throughout their lives and not only at election time. They have to understand this. The Government's philosophy on employment is totally wrong.

Time was when young men were at Combermere or at Harrison's College that they could aspire, with just four or five certificates, knowing very well that when they left school they would go and find jobs in the Civil Service. Nowadays, there are persons leaving school with 10 'O' levels and three 'A' levels who cannot find work; some went to university and cannot find work. And let me tell you something about their bragging about youth training programmes and sending back 14-year olds to school. That sort of thing was tried in France and Great Britain and that is why that up to this day Great Britain cannot get its unemployment rate down, like the other industrial countries. The reason is because that sort of policy only masks unemployment. Sooner or later they have to come out of the training scheme, and if you were reading the newspapers over the past couple of years, you would have seen hundreds of persons writing and saying that they have been trained, but, now they have come out of training, there is nothing for them to do. All you are doing is masking unemployment.

There is nothing wrong with the youth training scheme, but to come in here and brag that this youth training scheme is this magnanimous gesture is totally wrong. It is a scheme to mask unemployment. That is simply what it does, and that is the wrong way to cut unemployment. You do not cut unemployment by shortening the supply of labour. The way to cut unemployment is to increase demand. That is why the private sector has to be revitalized. That is why you have to go into Bridgetown and cut the cost to the industrial

parks and the costs to the firms, so that they will be able to employ more people.

That policy that you have been following has not worked in Great Britain. That is why up until their last Budget, I think last month, Britain was still reeling under 13 per cent or 14 per cent unemployment, because the policies that they followed were restricting the supply of labour and not increasing demand. That is why they failed. I have said before, that restricting the supply of labour is not the cure for unemployment, and you know it. That is only masking it and putting it back for a later time. Government either has to cut the taxes they make firms pay as a proportion of their pay rolls or they have to subsidise workers through payment to the employers. These are the two basic ways of doing it, and you can do it by cutting costs, the cost to the people, by lowering their electricity rates, their water rates and these sorts of things.

5.55 p.m.

What one sees throughout Barbados, and I turn to housing, is that there are thousands of persons in my constituency, when I go through places like Woodbourne and Harlington, who are willing to repair their homes, but find it impossible to repair their homes because there is no money available. Even those persons who have the board in the back lying down find it impossible to put the board on to their houses, and you had better believe it. There are 22 houses in the Six Roads Housing Area which up to this present time are still using dry pits, despite numerous occasions of complaint at the National Housing Corporation. This Government goes around bragging that when they built the St. Barnabas Highway and they did this highway and the other highway they gave all the houses water toilets and all kinds of things, but people in the Six Roads Housing Area, paying rent for 22 or 23 years, are still using dry pits!

It is amazing how at election time this Government can start repairing houses, fixing this and fixing that, and for four years people sit down with rain falling on them all the time and the Government takes no notice! What you have just done, and I have told my colleague for St. Philip North (Mr. W. O. Franklin) is that you have just planted a gentleman from the National Assistance Board in Six Cross Road to fix and repair houses in St. Philip North, and the occasional house in St. Philip South. I am very glad because I believe that these people have wanted their houses repaired for too long, but we know how to handle the situation up there. It is amazing how every election time you can do these things and for the other three or four years you all sit back and people live in houses with holes and all sorts of things.

I turn now to the question of the GDP and per capita income. We have heard this Government on

numerous occasions mention the GDP and per capita income. What alarms me is that this Government, when it suits them in Barbados, brags about the high GDP and how much the GDP and GNP have increased and how high the per capita income has gone up. When they go to Washington and the United States with cap in hand begging and borrowing and asking for loans and the lending agencies start to use the per capita income and the GDP and GNP as a guide, they cry foul and say, 'Do not bother with that, we really do not mean that.' You cannot have it both ways. You cannot brag about the GDP and GNP and per capita income here and when you go to Washington borrowing money, tell the people not to use them as the criteria. That is the problem, you are bragging here but you are going up there and saying, 'Do not mind that.' Are you telling them not to mind what you tell the people in Barbados then? Isn't that hypocrisy? That is what is happening.

I have not met a single person in Barbados who is interested in GDP, per capita income or GNP. What people are interested in is that they have money in their pockets to buy what they want; they want their houses repaired, they want money so that they can go in the ground and plant cabbages, beets, okras and these sorts of things. They are not interested in GNP or GDP. There is no person in St. Thomas who is going to be interested in how high your per capita income is, and you had better believe it.

Finally, the Opposition in this Parliament knows its job. Members over there continually get up and say that all we do is get up and talk and we do not tell them what to do. The people in Barbados put the Barbados Labour Party in power to run this Government. The Barbados Labour Party will have to understand that they will be called to reckoning for the deeds that they do or the non deeds or misdeeds that they do. It is not our duty to tell them what to do. If we continue to tell them what to do — and as you see they have just snatched certain things out of our manifesto — they will do what you tell them, and then what will we do? We will forever sit here and they will forever sit there. That is not the Opposition's job. They are there to govern and they must govern. We are here to keep them on their toes and point out where they have gone wrong.

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, I have listened intently to the various speeches that have been made in this House on the debate, and it is interesting to find that there have only been two really serious criticisms made of the Budgetary Proposals introduced by the honourable Member for Christ Church East Central. The first relates to the provision dealing with the extension of the period within which to claim severance payment. The second relates to the increase in Stamp Duty. When you review the speeches of all honourable Members on the other side, there has been no criticism

really of the other detailed proposals which the Minister has proposed for this Government to implement in order to carry forward the country during the next financial year.

One criticism of the Opposition's approach to the Budget is that the Opposition would have us believe that Barbados is an economic oasis, it operates in a void, it is not affected by events outside of our shores, and that everything that has occurred within Barbados has been self-induced. Any intelligent and objective analysis of Barbados' economy during the period 1981–84, and indeed before that, must take into account not only domestic conditions, but the regional environment in which Barbados operates, particularly *vis-a-vis* its main CARICOM trading partners, as well as the international setting in which our economy must live and operate. Barbados is not and will never be an economic oasis. As a small developing economy, it is subjected to cyclical changes occurring outside of its shores. There are times when these changes will impact severely, there are times when they will impact with less force.

The period 1981–84 was one of severe impact. There is no doubt that the world economy witnessed falling commodity prices, in our case particularly for sugar, and in the case of Jamaica and Guyana particularly for bauxite. It witnessed, too, declining export markets, in our case declining markets not only in sugar and manufacturing, but declining markets right within CARICOM for our manufacturing sector. It witnessed cut-backs in aid, both on the bilateral and multi-lateral planes. It witnessed record interest rates, a subject to which the OECD countries, in particular, have addressed themselves with great noise, attacking the United States Government for encouraging high interest rates by massive deficit borrowing. We witnessed massive current account deficits in the economies of our main trading partners, particularly the United States and Britain and we witnessed this in the developing countries, where the current account deficit moved from \$100 billion in 1981 to \$600 billion at the end of 1982. We saw the reserves of almost all the countries, both developed and developing, fall rapidly, and we witnessed, particularly in Latin America, high debt service ratios. The result of this has been lower growth in all of the major economies, even the United States' economy, and at the same time higher employment, particularly in the European countries, especially the United Kingdom, and in Canada and the United States. In fact, the features which I have described are the characteristics of the worst recession which has hit the world since the 1930s. It would be surprising if our small but very virile and intelligent community would not have had some of the impact shown up in our economic performance.

6.05 p.m.

The recession was itself the culmination of a decade of disturbed conditions in the world economy, beginning

at the time of end of the Democratic Labour Party Government, between the period 1973 and 1976, with high oil prices. That period was characterized by higher unemployment, higher inflation and lower growth rate. Many countries, including certainly about a dozen commonwealth countries, saw their real income fall during the period 1973 to 1983. We have had a very confused decade, a very serious decade, a decade which we must all hope will not be repeated soon in the economic history of the world. It is the cause for great concern for all serious politicians, if you have to run the ship of state in such a period. Yet, Barbados has done much better, despite all of the negative statements that you have heard in some of the speeches in this House, than many other countries, even countries with larger resources than Barbados, including larger resources of land, mineral wealth and other natural resources.

Only the most purblind will fail to acknowledge that during the decade – indeed, not only the decade of 1973 to 1983, but the preceding decade – substantial progress has been made in this country in improving the living standards and the quality of life of our people. Whatever social or economic indicator is used, there has been progress in Barbados, and nothing can get rid of that. The honourable Member for St. Michael South Central must acknowledge that both of the political parties have brought progress to this country. There are times when their management of the state of affairs may not have met the approval of the people, but it is a mistake and it is an extravagance to characterize the period of the Barbados Labour Party Government as a period of doom and gloom, and not one witnessed by social and economic progress in this country.

If we take the indicator of savings, and I answer here the honourable Member for St. Philip South (Mr. H. A. Blackman) who says that people are so poor, they have no money to spend – surely, one must not only make large statements like these, one must look at the facts – we find that in 1975 savings amounted to \$288 million. By 1984, the amount is \$836.6 million. If we take the indicator of tourist arrivals to see whether we were doing better during the years, in 1975, the figure was 221.5 thousand. By 1984, we are 367.6 thousand. The growth of our exports: in 1975 we were exporting \$172.5 million; by 1984, we are exporting \$787.3 million. Manufacturing: in 1975, \$71.9 million; by 1984, \$264 million. Water installations: by 1976, 59 000 persons had water installed to their premises; by 1984, 76 829. Natural Gas consumption: 2.6 million cubic meters; by 1984, 10.3 million cubic meters. Electricity consumption: 1975, 214.156 million kilowatt hours; by 1984, 326.7 million kilowatt hours. Unemployment: 1975, 22.5 per cent; 1984, 17.1 per cent.

My submission is that if one even does not use the indicator of Gross National Product per capita, Barbados has done better in the decade, and Barbadians are really better off, despite the problems that are confronting our country. It is nonsense to say that you must pay no regard to per capita income if you live in St. Thomas, but you must pay regard to it if you live in London, or in Washington, where the World Bank is. The truth is, that the GNP per capita moved from \$2 900 in 1975 to \$8 218 by 1984. We really only have to look around to see that there has been progress in this country. In fact, the social revolution of which the Right Honourable Member for St. John so often speaks began with the change to full representative Government in the late Forties and early Fifties. Since power was given to the people, there has been a progressive transformation of the society, such that today we expect the standards of North America as the norm by which we must operate. But we cannot always get this standard achieved because of our size, our resources and because of the limited economic area in which we must operate.

I translate that progress into some of the physical projects which were implemented during the last few years:

The construction of the Grantley Adams International Airport. It is of benefit to the people in Christ Church West as it is beneficial to the people in Redman's Village, Farmers, Porey Spring or those in Welchman Hall.

The second expansion of the Deep Water Harbour, started just as the Democratic Labour Party was going out of power and completed during our regime.

The construction of the Oistin Fisheries Complex. The Right Honourable Member for St. John was at pains to point out that he took Maurice Foley before he went out of power to look at that project. It was completed with money borrowed, and forming part of the National Debt, by the Barbados Labour Party. It is as much a credit to the people of Christ Church East Central for the real progress as to the credit of Barbadians as a whole.

The construction of the Samuel Jackman Prescod Polytechnic.

The construction of several primary schools, of which the Honourable Member for the City has already spoken.

The expansion of the tenantry roads programme.

The construction of the flour mill.

The construction of the Arawak Cement Plant.

The construction of Heywoods.

The construction of the Spring Garden Highway.

The construction of various offices for improving conditions for civil servants and others.

The increase in old age pension and the expansion of the number of people on the roll.

The development of the industrial complexes, including the development of a private sector complex at Edgecliffe, St. Thomas, for the direct benefit of the people of St. Thomas.

6.15 p.m.

The improvement of the plantation tenancies.

The establishment of the Drug Plan.

Provision of free uniforms to school children.

Expansion of the School Meals Service, started by the Democratic Labour Party but expanded by us to encompass children in primary schools, including private primary schools.

The expansion of the community centres and playing fields.

Social legislation; to mention two, the Family Law Act and the Factories Act.

Mr. Speaker, these have been substantial achievements for the people of Barbados. We, the politicians, take some credit because we are there making the final decisions on the priority of these projects, but, in the last resort, it is the achievement of the people of Barbados, an achievement that should not be downgraded by any Member in this House, whether it be the Member for St. Michael South Central or any Member on this side of the House.

We are dealing with a Barbados that is better off than it was a decade or two decades ago, a Barbados that is better fed, better clothed, better educated, and looking to a much better life for each one of the citizens of this country. But despite this progress, I would be lacking in objectivity if I did not concede that external shocks, particularly in the strong recessionary period of 1981 – 1983, has slowed growth in the economy and affected, in particular, the levels of employment which we had come to expect. It is a fact that by 1980 employment had dropped in this country to about 10.5 per cent, and any increase thereafter must be the cause of serious concern for us in public life, regardless of our political affiliation, but I think it is part of the bi-partisan system

of democracy that the Opposition will seek to lay the blame for all of this at the foot of the Government, without recognizing the external and exogenous factors and circumstances which have made it very difficult to manage an economy such as ours. We have managed better than many of our neighbours. We have managed better than many of those in Latin America. We have managed better than even some of those in the developed world. But we must not, and will not, rest on our laurels, and if it is one thing you can say about the standard of the Civil Service in Barbados and the standard of the political directorate, it is that we are able, because of our education and natural ability, to weather storms better than most other countries are able to do so. It is a credit to the people of Barbados.

We recognize that there are tasks ahead, and it is to those tasks that the Government has been assiduously, during the past three years, directing their efforts, and particularly with this Budget. This Budget seeks to give incentives to diversify our markets. We have begun to place the emphasis on extra-regional imports. The honourable Member for St. Philip South made the point that the only way we can bring costs down, and the only way we can improve the national pie, is by, as he put it, demand. But it is not only demand, it is selling more, producing more and producing it so that, by economy of scale, the cost factor is less, and we are competitive with our neighbours not only in CARICOM but, since we are looking to external markets, with those countries in the Far East and elsewhere. It is correct, as part of budgetary and fiscal policy, for the Prime Minister and Minister of Finance to direct his measures towards the diversification of the extra-regional markets. Who would dare criticize this as a proper tool and proper instrument for inspiring real growth?

We have sought to rationalize various sectors of our economy, particularly the productive sector and sugar. I am happy to welcome as a convert the honourable Member for St. Michael South Central to the idea of giving support to the sugar industry. The honourable Member really reminds me of that biblical character, Saul, on the road to Damascus and suddenly becoming Paul, and the Damascus which he thinks is ahead of him is the possibility of an election. I want to remind the honourable Member of his speech in this House on September 21, 1982, the First Session, which relates to the honourable Member's assessment of the value of the people in sugar. The honourable Member then opposed the Bill which would set up the price support scheme for the sugar industry, and this is what he had to say about the people who are operating in the industry, on page 1946, second paragraph, second column:

"I think that the managers of Barbados Sugar Factories have done a great disservice to this country, have been incompetent and should be

dismissed before there is any consideration whatsoever given to any domestic price support in Barbados."

This is what he said at page 1947:

"Sir, I would like to refer to another matter. Many of these loans to plantations, firstly, have been used to keep race horses, they have been used, Sir, to finance holidays, to pay for the education of their children abroad, they have been used to finance businesses in Bridgetown, because it suits them to get loans at a concessionary rate rather than paying the high interest rates prevailing in Bridgetown, so that you can have a situation where you have a rundown plantation with fallen productivity and with increased loans through the National Bank."

The honourable Member made it quite clear in that debate that he would not support public funds being used to rescue the sugar industry unless something was done about the land ownership. He said that the people who owned the land are of no use in relation to agriculture, and those who are useful in relation to agriculture do not own the land. What has happened suddenly in two and a half years to convince the honourable Member it needs support, the honourable Member for St. Michael South Central, Dr. R. C. Haynes. That was his view then. What has happened? Is this really a wolf in sheep clothing? One must really ask oneself how serious he can be when he comes to talks about us giving support to the sugar industry. The only economic argument he used on that occasion was that he said that the Government was guaranteeing sugar loans and in the last resort it will have to come out of the Consolidated Fund. But so does a subsidy, and so does a grant come out of the Consolidated Fund, and I seriously question the sincerity of the honourable Member when he gets in here and poses as a defender of the sugar industry or, indeed, as a defender of the private sector.

The truth is, the people in sugar, the agricultural workers, the managers of the factories and the persons running the plantations, have been able to improve the industry technically at a time when there were falling sugar prices, having regard to the world economic condition and the position of our currency. Rather than criticising and asking for their resignation and calling them incompetent, the honourable Member should have been congratulating the people in the sugar industry for the tremendous technical advances they have made and the high morale they have maintained in very difficult circumstances at those times.

The task ahead in relation to sugar is, as we have been doing for the last three years, to address ourselves to putting this sector back on a sensible footing. We must also improve the productivity and quality of the labour

force. I was surprised to hear the submission of the honourable Member for St. Philip South, who said that the training scheme is only a way of masking unemployment and delaying the day of unemployment. That will certainly not meet with the approval of the Barbados Workers Union, because if there is a group of workmen who are highly dedicated to the training of the work force, it is the Barbados Workers Union, as manifested in the very high investment it has made in its Training College at Mangrove. And if there is one thing I would like to urge on the Prime Minister it is that the National Training Board should not only make grants to the institutions which he has named in his Budgetary Proposals, but there should be an increased grant made as well to the Labour College, since, in my contention, the training of the work force as is being done by the Workers' Union is making a direct contribution to increasing productivity and not only increasing the worker/employer relations.

6.25 p.m.

Training must be an obvious tool for us. Not only training because some of our industries are becoming obsolete and that we are behind hand in what we are doing, but training because the challenges of the technological and the informational age is becoming so rapid and challenging for us. We have to be more highly skilled if we are to compete fairly with persons in the Far East, for instance, even if we are to compete in our own region. The honourable Member must know that any sensible Government would use training as a major way of helping not only to deal with the problem of employment by getting people properly trained and probably delayed in coming into the labour force, but also as a tool for increasing productivity and adapting the protective sectors of the economy.

It is not only in that way that this Government has applied itself to the task ahead, we have done a lot for non-sugar agriculture as well. The honourable Member for St. Philip South is mistaken if he believes that there are no credit facilities available to small farmers, and the honourable Member for St. Michael South Central is more than mistaken if he accuses us of killing the small farmer community, through no credit.

One of the projects we have been implementing is the Rural Development Programme. It involves an expenditure of \$12.6 million, it provides credit for farmers, irrigation facilities, access to feeder roads and marketing assistance. Seven hundred farmers will benefit and have already begun to benefit from this scheme. The major areas, for the benefit of the honourable Member, are St. Philip, Christ Church, St. George, and yes, St. Thomas, which we had taken into account at least three years ago. To date, \$7.8 million has been disbursed.

Feeder roads are being built in the following areas:

St. George	—	Newbury, Greens, Thorpes, Ellerton
Christ Church	—	Pegwell, Silver Hill, Gibbons Boggs, Fair View, St. Patricks
St. John	—	Newcastle
St. Philip	—	Kirtons, Headings, Union Hall and Marchfield
St. Thomas	—	Sturges.

Three and a half miles of road have been already constructed.

Water pipelines have been laid and pump hoses are completed, for the benefit of the honourable Members for St. Philip, at Kirtons, Headings, Marchfield, Union Hall and Wilcox, and laying of pipes and pump hoses have started at Fair View, Salters, Haggatt Hall, Pegwell and Silver Hill. The area of land involved, for the benefit of the honourable Member, is 1 000 acres, with the maximum of five acres or less; 700 farmers involved. The credit component is a million dollars, provided to assist in purchasing seeds, planting material and fertilisers, and so far 700 farmers have drawn down just about \$656 000 of this fund. The marketing component involves a co-ordination between the St. George Farmers' Co-operative Society Limited and ATCO, and for the benefit of the honourable Member, eight extension officers are being used in the programme over the planned period.

When the various sugar levies were collapsed, the Government placed in the Barbados National Bank \$1.5 million making credit available to small farmers, and to date just about \$656 000 has been used. This is not the only assistance that is available to farmers. If I had the time, I would have given the honourable Member a list of the incentives that are available. Spraying equipment, a grant of 50 per cent of the cost of the sprayer. Irrigation, a grant of 50 per cent of the cost of establishing an improved irrigation system. Various other grants for irrigation. Pasture development, a grant of \$500 per hectare or 30 per cent of the cost. Sugar cane choppers, grants for that. Establishment of silos, a grant to assist in this. Orchard development, a grant to assist in the planting of trees. Assistance to registered agricultural co-operatives, rebates on agricultural machinery, land cultivation rebates, livestock breeding services, import concessions. They are too numerous to mention, but for the benefit of the honourable Member I would like to make this document, which shows the list of things, a document of the House, so that I will not hear the honourable Members again misrepresenting what is happening in the Ministry of Agriculture.

Mr. SPEAKER: The honourable Member has just half a minute to complete his speech.

Hon. H. deB. FORDE: Let me say that there are several projects that are in the pipeline, over 20 projects, which between them will create employment opportunities for the people of this country. They range from fishing complexes at Tent Bay and Speightstown, to a community centre at Checker Hall, to a massive road rehabilitation programme with assistance from the World Bank, to the Rockley Beach improvement in my own constituency, to the northern access road, to the Queen Elizabeth extension and to the rehabilitation of the airport.

Mr. SPEAKER: And I thank the honourable Member for his laudable contribution.

Hon. H. deB. FORDE: I believe, Mr. Speaker, that this Government has shown its foresight, its vision and its dedication, and I have no doubt that not only the people of St. Thomas, when the time comes, but the people of this country will return us for a third term.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, as indicated to you, I propose at this point to suspend the sitting for dinner until 7.30.

I beg to move that this sitting be now suspended until 7.30 this evening.

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

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

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. B. M. TAITT (St. Michael West): Mr. Speaker, this debate has taken its course, and there are aspects of it which will appeal to various people in various ways. One aspect of it that struck me very early last night when I heard the honourable Member for St. Michael Central (Hon. A. Truss) was that Barbados is truly a democratic place. When I saw the honourable Member for St. Michael Central on the television inveighing against honourable Members on this side, I said that I could not spare the time to deal with him in only half an hour, but I would observe in passing that Barbados is truly a democratic place.

What struck me about the Budget debate itself, however, were three statements made by the honourable

Member, the Deputy Prime Minister-elect, the honourable Member for Christ Church East (Hon. Dr. R. L. Cheltenham).

Mr. SPEAKER: The honourable Member must not pass false rumours.

Mr. B. M. TAITT: No, Sir. I was about to question.....

Mr. SPEAKER: "The Deputy Prime Minister-elect?" I have not heard of it other than now, and it is a false statement.

Mr. B. M. TAITT: There is no such person, Sir. You are not supposed to know these things.

Mr. SPEAKER: Please let us carry on. It is "the honourable Member" for whatever constituency.

Mr. B. M. TAITT: The honourable Member for Christ Church East, who filled a customary role of Deputy Prime Minister, having got up and seconded the Resolution and reserved his right to speak — there were three aspects of his statement which I think were fundamental to the debate. If I heard him correctly, he said that pornography and corruption is not an issue in Barbados today. He also said that the National Debt is a secondary issue, if it is an issue at all, and then in the course of his plight he said that the banking system was awash with liquidity.

The question of morality in this country and the concept which would suggest that corruption is not an issue in this country indicates the fundamental philosophical point at which the Democratic Labour Party parts company with the Barbados Labour Party. That, in fact, the honourable Member, the chairman of that party, in the face of the clear, downward trend of moral standards in this country could suggest that a political directorate could feel comfortable in saying that corruption and pornography is not an issue in this country in this day, when there is an increase in the purveying of drugs and other matters relating to massive increase in penal crimes, is an indication of how that Government perceives not only itself, but the people. It is my belief that there must be a philosophical ground or a philosophical basis on which a Government proceeds to manage the affairs of a country, and the Government has to be guided and informed by some philosophy which includes a moral perspective and a moral perspective within which it is going to conduct the affairs of this country. I shall come back to that.

I wish to deal primarily with this concept of the credit system in this country, this concept in which the honourable Member suggests that the banking system is awash. Anyone who examines the statistical information

put out by the Central Bank would be able to explain some of the aspects of banking and the money system in Barbados. If one looks at Table B in the Economic Financial Statistics for March 1985, published by the Central Bank, one would see that between January, 1984 and January, 1985, credit to the banking system moved from \$792 million to \$806 million, or by \$14 million. Government public utilities, statutory corporations, borrowed marginally less, and in agriculture, in manufacturing, in the distribution trade and in tourism, credit actually declined. One comes to the conclusion that the high excess of reserves result in increased savings, but without the concomitant volume increase in credit extension. Is this a desirable thing in an economy such as ours? What this means — is that the banks are not lending any money, and even though there is an interest rate of 13 per cent on short term borrowing and only 7.2 per cent average on the excess borrowings, it is interesting to see that the banking system has utilised the 7.2 per cent as opposed to the 13 per cent. Small wonder then that the sugar bonds were snapped up once they were put on the marketplace.

Are the banks really losing? In the context of the one per cent which the honourable Member is reducing the interest rate by, will the banks really lose anything? It would not appear that the banks have any concern with the interest spread in Barbados. The same table, B-9, shows that between January 1983 to January 1985 there was an increase in the total bank overdraft of a mere \$800 000 but an increase in those loans that are three years or more of \$83.260 million. That suggests that the banks have been shifting the hard core borrowings to longer repayment periods in order to ease the cash flow difficulties in the businesses that are in difficulty, but, if you look at Table B-10, it shows that between June and December, 1984, \$8 million more of loans had to pay one per cent more in interest whereas \$48 million more of loans had to pay two and a half per cent more interest.

I think that the honourable Member for Christ Church East, if he would examine these statistics in some detail, would recognize that, in fact, the system is not awash with liquidity in the context of its availability to the masses and its availability to those in the productive sectors. What is happening in the system is that the banks are making sure that their earnings are concomitant with their projections, but the economy itself is unlikely to see any change arising out of the decision by the Minister to drop the interest rates by one per cent. During 1984, for example, Mr. Speaker, interest on savings averaged 5 per cent and the deposits dropped from 8 per cent to 7½ per cent, so that while the banks have been able to shelter from the risks by lending to the Government, they have not had to bear any of the risks of short-term lending which would have resulted if, in fact, liquidity was awash, as the honourable Member

says, so that the budgetary measures in this regard would hardly make any difference. So much for the impression which the honourable Member, by his flowery use of language, would seek to give in the community.

The second point which the honourable Member made had to do with the National Debt. I am going to deal with the National Debt as I come to the end of my speech, because I will demonstrate before I sit down that this country is in a more perilous position tonight than it has ever been in its entire history. I am going to quote information to demonstrate that at the end of April of this year the Central Bank had no reserves of its own. 7.45 p.m.

I want to go on to certain other aspects of the Budget. The Budget should be examined in its historical context. Honourable Members on that side have sought to suggest that the Budget is a job creation Budget, it is going to produce large numbers of jobs. In the hotel industry, we have had large numbers of layoffs. The honourable Member himself, who used to be Minister responsible for Tourism, was aware and used to plead with his colleague, when his colleague was Minister of Finance, to do something to assist the people in the hotel industry with the development of their plants. Now that he gets the opportunity to be Minister of Finance, the only measure which he has taken to relieve the hotel industry is to drop the duty on wines.

Anyone who has followed the cries of the tourism industry in this country will know that one per cent or two per cent drop in the price of wine will not help them. Despite the pleas of the former Minister of Tourism, the former Minister of Finance kept making the tourist industry even more expensive. Last year he not only raised Stamp Duty from 5 per cent to 10 per cent, but he also increased direct taxes on visitors. He raised the Departure Tax at the airport to \$16 and he imposed on visitors to Barbados the highest charge for a visitor's driving permit of any destination in the Caribbean, \$30. One would have reasonably expected that now that fate has had it that the same Minister has now assumed responsibility for Finance and can make a significant contribution to relieving the plight of the tourism industry, all he is able to do in this Budget is to reduce the price of wine.

He says that he is going to have as a result of his Budget, an export-led growth, and the honourable Members on the other side thumped the table when this was said. He said that he is going outside of the Caribbean and he is providing incentives to the manufacturers so that they could export overseas. One of the problems of this Government is that they have consistently throughout the eight and a half years they have been in power given the people in Barbados to understand, to accept and to anticipate that something good would happen to them. The fact is that exports to extra-regional sources will take an extremely long time, given the state

of the industry in Barbados today, and none of the language which he used would allow anybody in this country to benefit from the manufacturing sector.

There is one area where in this country they have had no exports of any worthwhile levels to the United States. They created a furniture manufacturing complex. They spent a substantial amount of money on it. The first order they received after signing a contract for \$10 million was for \$400 000, on a trial basis. The furniture arrived in the United States. The first part of it arrived in Virginia. That furniture was discovered to be warped and cracked. Do you know why, Mr. Speaker? They did not include humidifiers in the preparation in the factories, and as a result most of the shipment now lies in Miami where they are trying to see if they can find someone in Miami to take it off their hands. The problem is that all of the manufacturers who participated in the production of that \$400 000 in furniture have not yet been paid, so the Government will have to come to the rescue, and it will take in excess of \$1 million to rectify a problem which was created when the furniture complex and the whole concept was established.

We tried to tell them at the time — I tried — that they needed to get expert advice not only on what kind of furniture would sell in the United States, but what kind of manufacturing would be necessary to ensure that the quality of furniture would be acceptable in that market. What happened is a very simple matter. We live in two different climates, and the amount of moisture in the wood that is used, turned out, when it got to the United States and reabsorbed moisture, to be unacceptable and inapplicable. That is only a thumbnail sketch of the kind of problems which apply to exports outside of this region, and there are countries in the Caribbean that have been trying to do extra-regional exports for a very long time and they have had tremendous difficulty, and any attempt to suggest that you merely have to pass a few measures in the House of Assembly and suddenly we are going to come into the extra-regional market is, in my view, immoral. It is immoral because it continues to mislead the population.

What they need to do is to discuss the details of the CMCF. The CMCF is a blot on the development of Barbados. The \$120 million that is owed to the CMCF has never been fully explained to this country, and I believe that the Prime Minister and Minister of Finance owes it to this country now, tonight, to explain the sordid details concerning the errors and mismanagement which occurred which has caused Barbados to have a debt that is unlikely to be repaid in the foreseeable future of \$120 million.

Let me tell you what that is going to do, and has done, to the finances of this country. I said earlier that the Central Bank has no foreign reserves of its own. I

said, and I am saying, that there is bankruptcy of foreign exchange, so there is no money to buy goods and services for the people of Barbados. There is a reason for the high taxes, there is a reason for the low wages, and banks cannot lend through liquidity in the banking system in their current situation.

Here are the facts as of the 20th April, 1985. Reserves at the Central Bank, \$262 million, less CMCF, which is a bad debt, \$120 million. That leaves \$142 million, less interest on CMCF amount outstanding, that is, \$12 million. That leaves \$130 million, less \$20 million owed to the ECCI, which when it came in here made a special arrangement. So the \$20 million, when it is subtracted, leaves \$110 million, less Central Bank borrowings long term and short term of \$79 million, which leaves \$31 million, less borrowings from Japan. That is why they had to go to Japan for a \$40 million loan, because if you subtract the \$40 million loan, it shows that we are in deficit. We have a minus balance of \$11 million. I challenge the Minister of Finance to get up and tell me that these figures are wrong.

I go further. At the end of April this year the Treasury had in its account at the Central Bank, \$13 000, so the advances, what they have been existing on as advances, add up to \$16 million. What we will have is the Minister of Finance, as had been done in the past, coming back to this House and going out to borrow. The honourable Member for St. Michael West Central (Hon. V. L. Johnson) said today that the road will be built. We have no resources to build anything, we have no resources to do anything. This country at the moment, in a word, is bankrupt, and I challenge the Minister to get up and read out the statistics, based on the information which he has received from the Central Bank.

They talked about the way in which the economy is run. The honourable Member for St. Peter (Mr. O. S. Arthur) while delivering a paper recently, had this to say as part of his paper. He was discussing the Barbadian experience.

Mr. SPEAKER: Can we have the references?

Mr. B. M. TAITT: I have not got there yet, Sir.

Mr. SPEAKER: How do you expect this House to follow what you are saying?

Mr. B. M. TAITT: It is a paper which we delivered at an ISER staff seminar, and therefore it could not be published without his permission. What I am quoting from, if I quote, is information which he conveyed at this seminar. I am not reading the document.

Mr. SPEAKER: The honourable Member must still tell us what he is going to quote from. If you are going to use your own language, that is different.

Mr. B. M. TAITT: I am using my notes. These are the words that are important. If you wish to look at them and verify them, you can. I also have a document from the Central Bank, which is published, and I will quote from it. He said:

"In particular, the fact that the country's reserves were not depleted by fiscal expansion during the 1973-76 period...."

and these are the important words which the honourable Members who sit on that front bench should listen to:

".....enabled the economy to resume a real growth path as early as 1977."

That is the answer to all of what you have been crying about, who can manage and who cannot manage!

7.55 p.m.

The honourable Member for St. Peter himself, in a more enlightened forum, was able to point out that it was the management of the reserves by the Democratic Labour Party between 1973 and 1976 which set the pattern for the growth which came in 1977, a point which we have been making consistently from 1977 to the present. And yet, we have the kind of mouthings which come forth like sound and fury, signifying nothing, especially from the honourable Member for Christ Church East. He comes high when it comes to frothings which cannot be articulated as serious, economic statements!

(Hon. L. S. CRAIG: I am marking you. You only got one out of ten.)

Mr. B. M. TAITT: Here is what the Governor of the Central Bank recently said in New York:

"It did not, however, escape your notice....."

Mr. SPEAKER: The honourable Member knows full well that he has to give references to anything he intends to quote.

Mr. B. M. TAITT: "New Opportunities for International Business In Barbados - Central Bank of Barbados - by Courtney N. Blackman, PhD, Governor." An Address delivered by Dr. Courtney N. Blackman, Governor of the Central Bank of Barbados, to a Breakfast Seminar at the Vista International Hotel in New York City, November 13, 1984, and published to the whole country.

Hear him:

"It will not have escaped your notice that few developing countries have weathered the recent international economic storms more elegantly than Barbados. Throughout the difficult 1970s, Barbados achieved a real growth rate in excess of 4 per cent."

Those are his words. And yet, the Barbados Labour Party, in their attempt to demonstrate that the Democratic Labour Party did not know what it was doing.....

(Hon. H. B. St. JOHN: 1977, 1978, 1979.)

Mr. B. M. TAITT: I am dealing with the speeches of the honourable Members. I heard the honourable Member for Christ Church East, in particular, saying how the Democratic Labour Party's Administration was incapable of making bold decisions. What have we had as a result of eight years of them? I have a letter, which the new representative for St. Thomas gave to me, concerning two old people, two pensioners — pensioners have been particularly misled by this Government — pensioners in St. Thomas who

Mr. SPEAKER: Who is the new representative for St. Thomas?

Laughter.

Mr. B. M. TAITT: Junior Rock, Sir. He is not in the House yet, Sir, but he is the new representative for St. Thomas.

Mr. SPEAKER: The honourable Member must not mislead.....

Mr. B. M. TAITT: I did not say he is a Member of Parliament.

Mr. SPEAKER:.....the House.

Mr. B. M. TAITT: I am not misleading, Sir.

Mr. SPEAKER: The representative of a constituency as far as we know it....

Mr. B. M. TAITT: I did not say he is the parliamentary representative.

Mr. SPEAKER: is the person who is elected. The honourable Member must not use this nebulous language in here.

Mr. B. M. TAITT: Very well, Sir.

The gentleman gave me a copy of two letters, which I shall not read to the House, in which these poor persons sought to have their water bills assessed, and they were told that the Water Authority has no power to vary water bills. Do you know what had happened? Their water had been increased. They were the recipients of letters, which hundreds of people in Barbados have received, in which the water rate, the fixed amount, has now been increased to take account of a toilet and bath. That is symptomatic

of what is happening in this country. Ordinary people will find that with their water, a fundamental necessity in this country, if they have a toilet and bath, their bills have been increased by what, for them, is a significant amount. What is not taken account of is that the.....

(Hon. L. B. BRATHWAITE: That is the agreement with the Inter-American Development Bank.)

Mr. B. M. TAITT: I hear the honourable Member for St. Michael Central saying that they have left 43 000 people out of the income tax net. They have included every single person that earns anything in this country into the tax net, because the honourable Minister of Finance is now taking \$15 million from the Health Levy Fund to put it into the Consolidated Fund, thereby confirming that the levies were nothing more than taxation, as we have always been saying. And that taxation has been imposed on every single person who earns anything in this country. So when the honourable Member comes and says that he has left 43 000 out of the net, it is more of the same rhetoric in which they are trying to give the people of Barbados the wrong impression.

I started by giving three quotations and I wanted to indicate that I took particular objection to the concept of pornography and corruption not being an issue in this country. It is the issue. The amount of morality which permeates the Government will provide leadership for the rest of the community. If there is no morality at the level of Government, the chances are that the moral standards in the community, as a whole, will fall. It is my contention that the Government of the day has been informed by the kind of philosophy which allowed the honourable Member to make that statement. And the Government of the day, as a result, can see nothing wrong with a number of the measures which they have implemented, which, in my opinion, have contributed significantly to the demise of the high standards which we used to have in this country.

Asides

Mr. B. M. TAITT: Mr. Speaker, they may rail and they may shout, but, in the final analysis.....

Mr. SPEAKER: The honourable Member has just half a minute.

(*Aside: I am glad for that.*)

Mr. B. M. TAITT: it is the judgement of the people of this country which matters. It will be the masses of this country, including the large Christian community, that will judge the Government.

I submit that this Budget is more of the same, clothed in righteousness. In the end, the same patterns

must prevail, and the people of this country will have to make their decisions that the only way for Barbados to go forward is the removal of the Barbados Labour Party, as a Government in this country.

Applause.

Mr. SPEAKER: The honourable Member for St. Peter.

Applause.

Mr. O. S. ARTHUR: Mr. Speaker, in joining this debate to give support to the Resolution before the House, I would first want to commend the Minister of Finance and Planning and our Prime Minister for what has, in every respect, been a truly splendid Budget. To my mind, it was based on a very careful measurement of the prospects and possibilities of the Barbados economy at this time. It was also based on a very precise definition of the real problem that faces this country, the problem of unemployment, and, above all, there was a careful consistency between the objectives, as I said, and the policies advanced to accomplish those objectives.
8.05 p.m.

I had looked forward very much to this debate in the belief that the high policy goals which we set would have been met in equal measure by Members on the other side. Rather, we have been treated to a kadooment of bad analysis, a very studious refusal to come to terms with realities of our times and to the extent that they have put policies, those policies, as I will demonstrate, are impractical and are merely designed to put the Opposition in a position to criticize the Government for things in their hearts of hearts, they truly know that the Government cannot do.

I was, above all, very disappointed in the Opposition's interpretation of the recent turn of events in this country and the intentions and effects of the policies pursued by this Government in order to keep things in this country stable and under control. Therefore, before I turn to the main preoccupation in my presentation, which really is to compare the policies we have advanced relative to the policies they have put so as to let the country know where it truly stands, I want, for the purpose of a good Record, to discuss the recent turn of events in this country and the character and effect of the policies which we have pursued.

All Governments, all parties, including the Barbados Labour Party and the Democratic Labour Party, put increases in the standard of living at the centre of the economic policies. I will concede that to the Opposition. In a small, open economy such as ours, one of the principal limits to the maintenance and increase of our standard of living is the availability of our foreign

exchange, for we must constantly remind ourselves that we are a country which imports over 60 per cent of all of the commodities which we need not only for consumption purposes, but also for investment to create jobs, and in creating jobs to put money in the pockets of people, as the honourable Member for St. Philip South (Mr. H. A. Blackman) would wish. As a result, the balance of payments not only controls the standard of living of a country at any given point in time, but it can also have a direct bearing on that country's long term developmental prospects.

Any development which threatens the country's foreign exchange earning capabilities poses a threat to its standard of living not only at the time it occurs, but it also can perhaps jeopardize its standard of living well into the future, and by way of some policy, any such development has to be countered if the long term prospects of the economy are not to be jeopardized. At this stage, I would like to remind the House of the response of Mr. Naipaul when asked what will be the future of the Caribbean. He said, "the future of the Caribbean will be Haiti." In some countries, we already see tendencies towards that direction. Some economies have already started to decline, others have proven themselves unmanageable, and others are at the point of virtual collapse, precisely because of the failure to deal with the first precept of proper management in small, open economies, the management of the balance of payments.

Between 1981 and 1983 we had to face the reality of a reduction in our foreign exchange earning capabilities because of worldwide recession, added to which were difficulties in our CARICOM region. We could have done one of two things, Sir. We could have sought to expand our standard of living in the face of falling foreign exchange earnings, but only at the risk of putting this country in an unsustainable foreign debt position, a development which we deplore and which the members of the Opposition also profess to deplore. Alternatively, we could have chosen to adjust our standard of living to correspond with our reduced capacity to pay our way in the world. The general public and all of us in public life will have to understand that from time to time it may not prove possible for us to guarantee increases in the standard of living as we would all wish. There is no shame to it. What matters is that we should show the courage to do whatever is necessary to make the adjustments that are warranted by circumstances, and what equally matters is the manner in which the adjustment of our standard of living is approached.

Mr. Speaker, between 1981 and 1983 our Government wisely sought to control our balance of payments by deliberately bringing our total spending in the Barbados economy in line with our foreign exchange earnings, in the certain knowledge that for each \$1.00 spent in Barbados, we have to spend 60 cents in foreign

exchange. How did we do it? We recognize that, in order to bring a balance of payments problem under control, we have to control the rate of increase in credit, because when a man goes to a bank and borrows money to buy a fridge, he gets the money in domestic currency but the Central Bank thereafter has a corresponding responsibility to find a foreign exchange to match the domestic currency. Control over the supply of credit is an important facet of the control of the balance of payments problems.

Equally, in order to control the balance of payments problems in our types of societies, we have to control the size of the fiscal deficit, and the fiscal deficit simply means the difference between what Government spends and what Government raises in revenue. A fiscal deficit, as we all know now, can affect the balance of payments, because when Government pumps money into the economy then it is being taken out in the form of taxes, it is adding to the total spending in the economy, and if foreign exchange earnings are being reduced at the same time, Government's excess spending can have an adverse bearing on our foreign exchange reserves.

By the same token, in order to bring a balance of payments problem under control — and I say that without an apology — one has to exercise some control over wages and salaries; again on the principle that for each dollar we put in people's pockets in the form of increased wages, we have to find a corresponding 60 cents in foreign exchange to match the expenditure which could result.

We recognize that one has to pay a price for these types of policies. We recognize that a policy of credit controls will have an adverse bearing on unemployment. But we can speak very frankly of substantial accomplishments between 1981 and 1983, and I need to list them for the benefit of the House and for the benefit of the general public. Despite the recession, we brought this country through difficult times without having to devalue our currency despite devaluations and rumours of devaluation in other countries. We brought this country through the turbulence of 1981 — 1983 without having to impose one import restriction, issue one import licence more than what was necessary. We brought this country through our recent economic problems without having a massive increase in the cost of living. Indeed by 1983, if the House will recall, the rate of inflation had fallen as low as 5.6 per cent and it further declined to 4.6 per cent in 1984. Above all, one of our principal objectives was to so stabilise the economy as to put us in a position in which we would be able to continue to expand it, once international economic circumstances allowed, and we have already been informed that the economy was brought into check in 1983 and put in a position of expansion in 1984. We could equally add that we brought the country through the recession with a record level of foreign reserves at the end of the day, in contrast to

many countries in the developing world where the problem of foreign reserves availability tends to be a crippling consideration.

8.15 p.m.

What were the considerations which guided us in the construction of our fiscal and economic policy for 1985? We constructed our policy for 1985 against the background of a substantial growth in tourist receipts and continued growth in electronic industries, a real increase in our foreign exchange earnings. We constructed our policies against the background of a high level of reserves.

Let me just stray for a moment to deal with the honourable Member for St. Michael West (Mr. B. M. Taitt). Anyone who can deduct the accrued interest which has not been paid from a statement of a country's foreign exchange reserves simply does not know what he is talking. The interest owed to us through the CMCf is merely accrued interest, it is not part of our reserves. It has not been included in our reserves and hence it cannot be deducted to find what our net position is.

Secondly, we were working towards the definition of our net reserves. Our net reserves really comprise our gross reserves minus the loans that are due for immediate redemption. The Japanese loan is not due for immediate redemption, so if you were interested in finding what our net reserves are, clearly you cannot take a loan which has to be paid five years hence.

To continue, we constructed this year's Budget against a backdrop of excess liquidity in the banking system, a factor which now allows us to contemplate the stimulation of areas of the economy where excess supply exists. Most importantly — and I perhaps should address myself to the honourable Member for St. Michael South Central — we constructed this year's Budget against the backdrop of a situation in which the Government is in a remarkably healthy position as far as its accommodation to the Central Bank is concerned. He made a lot of noise in this House before about the manner in which the printing of money, through the holding of Government Treasury Bills and Government Ways and Means Accounts in the Central Bank, has caused our problems. We have a responsibility to tell this House and this nation that at the end of March 1985 the Central Bank was holding no Government Treasury Bills and that our Ways and Means Account with the Central Bank was perhaps less than half of what we are allowed by law, the point being that we can now restimulate the economy without the fear of excess money creation leading to the emergency of balance of payments problems.

What are the Government's policies? Our basic policy is to expand the capacity for employment in this country, and how do we propose to do this? We propose

to do this by a selective process of Government investments in key areas where excess capacity exists in Barbados. One such area is the area of housing, and now that we have a cement plant to produce Barbados-based cement, we can take advantage of the excess capacity in housing without fear of the resulting housing activity putting pressure on our balance of payments.

Secondly, we recognise that in order for us to think in terms of expanded employment, we have to give an ease to the private sector. How have we done this? We sought to reduce the Unemployment Levy, push back the period at which the private sector would have to think in terms of paying out severance pay, and above all, relax credit controls now that the foreign exchange position is better, so that the demand, as the Member for St. Philip South says, can be stimulated again. Above all, we are seeking to expand employment by the pursuit of an extra-regional market diversification programme.

The Members on the other side are surprised that we have not referred to tourism, but let them recall that recently substantial efforts have been made to rehabilitate the tourist industry, the refinancing of the tourist industry through the BDB, the concessions given in October last year for refurbishing, and, above all, our subsidy to Caribbean Airways to keep tourists coming from Europe at a time when the fluctuations of the European currencies against the U.S. dollar have pre-empted that.

We also have in our Budget a training policy, a savings and incomes policy, but Members on this side have already explained in detail the import and the intention of those policies.

I want to deal with some of the criticisms advanced by Members of the Opposition in relation to policies we have advanced. I want first of all, to touch up the honourable Member for St. Philip North (Mr. W. O. Franklin). The honourable Member for St. Philip North reminds me of Pisolo in the Duchess of Malfi, a fantastical scholar. He is always in the habit of coming to tell us how many houses the Central Bank building could have built and how many minibuses the transport subsidy could have supported. This evening he outdid himself. He told us that a 2 per cent increase in the Stamp Duty is going to bring about a three to four per cent increase in the general rise in prices in Barbados.

Mr. Speaker, we are a \$2 billion economy. By what means will a \$10 million increase in taxes, in the context of a \$2.5 billion economy, lead to an increase in prices to the extent of three to four per cent? I must also remind him that during the course of 1984 we increased the Stamp Duty from 3 per cent to 10 per cent, but at the end of the day the rate of increase in prices during the course of the year, despite a 7 per cent increase in Stamp Duty was only 6.4 per cent. So how can a 2 per

cent increase in Stamp Duty bring about a three to four per cent increase in the level of prices?

I only want to let him know that there is a large number of items which contribute to cost, and hence domestic prices which are exempt from the Stamp Duty, so we have overstated the effect of Stamp Duty on prices. He must also remember that exchange rate fluctuations, to the extent that they affect import prices, can also serve to minimise the inflationary effects of a Stamp Duty increase.

The honourable Member for St. Michael South Central criticised our export marketing diversification measures as being insufficient. This can only be true if you take that out of context, if you ignore that, in addition to those measures we are introducing this year, we really have, through the Central Bank, pre and post shipment financing and facilities to assist our exporters to penetrate new markets; if you ignore the export credit guarantee funds, which are maintained also by the Central Bank; if you ignore the capital loans which have recently been secured by BDB to put more marketing capital into our manufacturing export sector; if you also ignore the increased subvention to the Export Promotion Corporation, and if you also ignore the fact that we have constructed a facility at the Spring Garden Road to enable our furniture exporters, who have, we are told, fairly glorious possibilities for exports to the United States, to meet exacting control requirements of those markets.

On the question of debt, I just want to make a number of points. I am not going to get myself caught up in a numbers game. The debt service ratio in Barbados under the Democratic Labour Party was low and under the Barbados Labour Party it is also low, and perhaps both sides of this House can congratulate themselves for having put us in an unsustainable debt position.

They raised the question about the increase in the size of the debt. To that, I simply say that the debt has grown because you have left us with an overload of developmental activities to undertake. If you had built the Arawak Cement Plant between 1963 - 1976, when you had more than ample opportunity, the debt incurred would have been reflected during that period. My point is that if the Democratic Labour Party wants to claim the projects we have implemented as their projects, then they also have to recognize that the debt is also their debt. You could not have built the Arawak Cement Plant without borrowing, and the only reason why it came about beyond 1976 was precisely because of your negligence in setting up that plant when it should have been due.

8.25 p.m.

Mr. Speaker, I could not leave this debate without speaking directly to one or two constituency matters. The

Members on the other side went to St. Peter and tried to convince the people of that parish that they had no proper representation and that St. Peter had been a neglected constituency. I am pleased, in the words that you yourself so often use in the House, "to report progress." Even now we are finishing a playing field at Indian Ground, and provision is in this year's Budget to provide playing facilities at Diamond Corner and at Black Bess, so that the parish, which gave us Carifta heroes such as Trevor Small from Black Bess, Ricky Fergusson from Rose Hill, Michael Worrell and Ricky Osbourne from Speightstown, can continue to bring forward new Carifta heroes from Black Bess, Indian Ground and Diamond Corner to confound the lamentations of the Jeremiah who tell us that such facilities should be ploughed up for the purpose of producing yams and potatoes.

We are now completing a piece of road at Six Men's, there is provision in this year's Budget for the road at The Mount and, recently, I have taken a tour with Ministry officials to look at and get the roads at Indian Ground done.

In addition, plans have been approved by the Town Planning Department for the installation of 160 lots to ease congestion in the Speightstown area. I have not only a commitment, I have the assurance from the Barbados Light and Power Company by letter that lights will be put at Oxford before October. One point seven million dollars has been put in this year's Budget to restart the housing at Maynards and the National Housing Corporation will also install 17 new lots at Maynards as well, and if the honourable Members would read the Estimates carefully, they will see the amounts that have been put in the budget to build bridges at Boscobel, to repair the bridges at Speightstown and to provide lights on the Speightstown By-Pass Road.

Mr. Speaker, it is not only St. Peter, but you have also benefitted. We are making provision for the completion of the works at Lammings. Monies have been put in the Budget for the construction of fishing facilities at Tent Bay, and I am confident that the \$5.2 million that we have put in the Budget for tenantry roads will allow the Honourable Minister of Transport and Works to do the roads at Fisherpond, Claybury and Walkes Spring, which I know you have urged upon him.

I want, appropriately, to end with reference to a note of inspiration which was left to us by our former Honourable Prime Minister. In last year's Budget, he spoke in a philosophical way when he told us he had never felt so great a sense of pressure in preparing the Budget of that year. But he did not complain about the pressures. He told us simply, and in words that must reign so long as there is a Barbados:

"I take your pressures to mean we know you can take it. Now is the time to start." "Well," he said, "I have started."

Mr. Speaker, it is for us who live, who have inherited his legacy and who live in the shadows of his memory, to continue the work which he started and to which he gave his all in all. I thank you, Sir.

Applause.

Rt. Hon. E. W. BARROW (St. John): Mr. Speaker, as I have frequently said before, on listening to the honourable Member for St. Peter (Mr. O. S. Arthur) a novice in so far as this Chamber is concerned, having lived outside of Barbados for a very long time, we can forgive him for believing that yesterday was the beginning of creation in this country. I will not deal harshly with the honourable Member for St. Peter, but there are other persons, who have been in this Chamber for upwards to 15 years, who have taken part in the debates in this Chamber, who have campaigned in this country from time to time in and out of general elections, and what are popularly described as by-elections, and who should know better, who have deliberately tried to distort the political history of Barbados. I regret that, for about the fourth or fifth time, probably the first time in which we have the audience of this nation, I have to go back and set the records straight on the position of the Democratic Labour Party in so far as the people in the rural areas in this country are concerned.

In the Manifesto of the Democratic Labour Party, 1961, and as far back as I can remember, not having a copy here now in front of me, in the Manifesto of the Democratic Labour Party of 1956, which was our first Manifesto, for the first time we projected the idea of taking over the plantation tenancies in this island and taking the necessary steps to vest these tenancies to the people who occupied them. The first step in that direction was taken between 1964 and 1965, when as an emergency measure, when we were considering all the implications of the vesting of the land which the plantation tenants occupied in those tenancies, we had to pass the Tenancies Development Bill of 1964-65. The effect of that Bill was to quiet the tenants in their habitations and to freeze the rents at the levels which existed at the time of the passage of that Act. The Tenancies Development Act is still part of the Statute Law of Barbados.

8.35 p.m.

I notice that, more recently, Barbados has the distinction of being the only country in the Commonwealth in which the Statute Law of the land has been censured. The Statute Law of Barbados was censured in a letter written by the honourable Member for St. James South (Mr. N. K. Simmons) within the past six weeks in which he quoted the Statute Law of Barbados. The Statute Law of Barbados was banned, not any defamatory or libellous material, but, because the political directorate did not like the citation of the Statute Law of Barbados,

it was expunged from a letter written by the honourable Member for St. James South in both the daily newspapers. I suppose that if they get an opportunity to censure the Tenancies Development Bill, which is now an Act of this Island, they will expunge it from the historical record even of this Chamber, but so far that has not been done.

They can leave it out of tomorrow's publication, but under that Act that was passed during the time that we managed the affairs of this country, we quieted the tenants in their habitations. Up to now, funnily enough, no procedure was been evolved under the Regulations for procedures whereby the landlord could apply for increases in rent. Many landlords have managed to get the better of their tenants by even giving them notice, reducing the size of their tenancies and often increasing their rents without protest on behalf of the tenants.

As I said before, the manifesto of 1961 clearly set out the intention of the Government of the time to introduce legislation and take the necessary steps to turn over the tenancies and the land on which people live to the tenants themselves. I should like to say this for the people who now constitute the Government of the Island — they did not campaign against it, and it is very strange for them now to accuse us of voting against something that we never voted against, but which we actually promulgated for the first time in the political history of this island. That is what I am concerned about, the political immorality of their going out night after night and repeating on political platforms, and going further by coming in here and misrepresenting the debates of this Chamber by suggesting, as the honourable Member for St. Andrew (Hon. L. B. Brathwaite) has suggested that (a) two Members on this side — and there were only two or three present — abstained, and (b), that an abstention is a matter of hypocrisy, when the present Bill, the Tenancies Bill of 1980, I believe it was, was debated in this Chamber. This is now the third or fourth time I have had to do this and I only have an hour, but on another occasion I will have a longer time. I am very glad for Your Honour's suggestion that some clarification has got to be made between the Minutes which are taken as read and the actual *verbatim* reports of the debates and the divisions which were called and which were taken.

On the 23rd September, 1980, when this matter came up for discussion, I said this:

"Way back in 1961, in the Manifesto of the Democratic Labour Party, it was stated quite clearly and specifically that it was the intention of that Party, or this Party to which I still belong, to take over the plantation tenancies and to make the people who lived in the plantation tenancies owners of the lots of land which they were renting from the respective plantations. That is contained in a written document. It was not contained in the document of any other political party prior to that

time, and I cannot remember whether it was in the Manifesto of the Democratic Labour Party of 1956, because I do not have a copy, but it certainly was in the manifesto of the Democratic Labour Party in 1961."

I am quoting from page 4287 of the debates of the House of Assembly on September 23, 1980, when the Bill was introduced. It goes on

"In 1962-63 the Ministry of Agriculture, in pursuance of the avowed declaration of the Democratic Labour Party, instituted a comprehensive survey of the plantation tenantry in Barbados. Mr. James Cookston King was at that time the Permanent Secretary in the Ministry of Agriculture, and the result of that survey disclosed that there were some 4 900 acres of plantation lands which had been rented out in tenancies. I wish to make my definitions clear. The 4 900 approximately — it could have been 4 980, I cannot remember the precise amount, but 4 900 and it was not quite 5 000 — the 4 900 acres were of varying size lots, some was agricultural land and some of the land could be described as what we call in Barbados house spots. Some of these plantation tenancies, like Kendal in St. John, were well laid out tenancies with services available, and other plantation tenancies, like Springhead in St. Thomas, St. Andrew, St. James border, but mostly in the St. James area, were almost inaccessible and had no services whatsoever.

"The history of the matter is that the matter was referred to a Committee to see how best these properties could be transferred — ownership of both the agricultural land which I admit in most cases would have been marginal land, and the spots on which the dwellinghouses were — could be legally transferred to the existing tenants...."

I went on and the debate continued, and at one stage I adverted to the fact that Clause 36 of the Bill sought to alter the Constitution of Barbados through the back door. To cut a long story short, the Second Reading of the Bill was put. I questioned, on page 4294, dealing with an amendment to the Constitution in that way, and the matter was resolved in the affirmative with all the Members voting in favour of the Bill. There was a suspension of the sitting, and on page 4306, the question that the Bill be now read a second time was put and resolved in the affirmative without division.

Mr. Speaker, Mr. Craig rose and said :

"Mr. Speaker, I am calling for a division in keeping with the provisions of the Constitution."

It has already been stated that 18 members voted in favour, including the Honourable E. W. Barrow and Mr. Greaves, Mr. Greaves being the Member for St. Lucy at

that time, and there were no persons voting against. When it came to Clause 36, I then pointed out that, as a constitutional lawyer, I could not support an amendment to the Constitution in this back door manner, and on page 4310, this is the Committee stage of the Bill, of the Debates of this Chamber, a division was called again, the House divided and three honourable Members voted against Clause 36, which said that nothing in the Constitution could prevent this Bill from being correct. The persons who voted against were the Rt. Hon. E. W. Barrow — I had just been elevated in the course of a couple of hours — Messrs. Greaves, the Member for St. Lucy, and Mr. Sandiford, the Member for St. Michael South. I am translating him already, in accordance with the fond or foolish desire of the Member for St. James North.

8.45 p.m.

When it came then to the voting on the Third Reading, it was:

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

Mr. Craig called for a division. Eighteen Members again voted for, including the Rt. Hon. E. W. BARROW and Mr. GREAVES, Mr. SANDIFORD not being present, with those voting against, Nil. I do not want to go on and on and on.

In the Minutes, "taken as read", on the Third Reading of the Bill, they said that Mr. Sandiford and I and Mr. Greaves abstained. That is what it said. The honourable Member said it was a hypocritical abstention.

These are the *verbatim* reports of that day. The Minutes are taken by someone else altogether. I say no more on that.

I just want to say that we have a situation in my constituency in which, in the case of the former Chairman of the ADC and now, the Deputy Chairman of the Transport Board, none of the tenants on his plantation can get their land because he owes the Government over \$77 000 in taxes and he cannot get the Tax Clearance Certificate. I do not want to say anything more about that. That is the situation now. There are people in St. Joseph who cannot get theirs, Mr. Speaker, in your constituency. They have probably made representations to you for the same reason.

If honourable Members would go and read the debates, they would see the difficulties which we were trying to point out at that time, which difficulties still exist. Up to now, persons who have been renting agricultural land and have their houses on that agricultural land, as an undivided holding, are now being granted the right to purchase the mere house spot and the curtilage

on which the house stands, these are people living in rural districts.

There have been abuses of this Act. I should like to ask the honourable Member for St. Michael West Central (Hon. V. L. Johnson) whether it is within his knowledge that the Ministry of Transport and Works has been putting roads on a certain plantation not far from where he lives in St. Lucy, and that it was authorized to spend approximately \$300 000 on putting in roads, which have been done, as far as I know, for no other persons to whom house spots were sold.

I could take you to St. John, Sir. The only other place in which we have roads is Henley Tenantry, because this is a place where Mr. Bert Reece is supposed to distribute his largesse, particularly during election time. I am sorry, the former Chairman of the Agricultural Development Corporation.

Let us return. I should like to draw to the attention of the Honourable Minister of Finance that in St. Lucy, opposite the St. Lucy Secondary School, over \$400 000 unauthorized was spent in excess. That was on land that had no houses on it at all, and other people in other parts of the island cannot get proper roads. Even in St. Thomas, in Hopewell, they cannot get roads. The honourable Member should have an investigation into that Act. As a matter of fact, that would be appealing from Caesar to Caesar.

(Hon. V. L. JOHNSON: You are senile!)

Rt. Hon. E. W. BARROW: I invite the honourable Minister of Finance — I can give him some more particulars on that particular matter because....

(Hon. H. B. St. JOHN: Give it to me. Call it out!)

Rt. Hon. E. W. BARROW: I am very glad to hear the Honourable Minister of Finance say, "Give it to me," meaning to him, the chief honourable Member for Christ Church East Central, rather than to give it to the Police. I told him before I am not an informer.

Laughter.

Rt. Hon. E. W. BARROW: The problem about bringing things to the Police is that you have people hiding faces. You have police who cannot remember motor car numbers, that when the Queen of the Commonwealth came to Barbados, she was driven by a Sergeant, Sergeant Benn, and the honourable Member, who is now the Minister of Finance, is being driven by no less a person than an Assistant Commissioner of Police who cannot remember motor car numbers. I say that the office of Prime Minister of Barbados is now elevated higher than that of the office of Queen of the Common-

wealth. I never had anybody higher than a Corporal, and only for ceremonial occasions.

What I am perturbed about is these various levies. One of the levies collected over \$43 million, and the Transport Levy, on the information which was very kindly given by the Ministry of Transport and Works collected over \$35 million between 1981 and 1985. These funds, which are direct taxation on all levels of the society in this island, are being disbursed — I say so — on the advice of the Minister who directs the so-called Board in the way in which he wants the money spent. If the Honourable Minister of Finance discovers that funds have been spent on private land which is now being sold at \$1.50 per square foot, I suggest that the Honourable Minister should know what to do about that. If anybody of Ministerial rank is involved, then I think that the Minister of Finance would be right to call for his resignation. That is all I am saying at present.

We have been very, very easy on the honourable Member for Christ Church East Central because he is the new boy. We realize that he took over the portfolio under very difficult and traumatic circumstances. I will reserve my criticism of him, in the same way I reserved it for the Commissioner of Police, when I see how he performs.

This presentation of a Budget was only so much rhetoric which he has dispensed to us, and it does appear — and one should always give credit where credit is due — that some of the non-political aspects of this Financial Statement and Budgetary Proposals would have necessarily have to be prepared by the technocrats in the Ministry of Finance. Since most of them worked with me, I know their fine Italian hands, and for that part of their presentation I am extremely grateful. It has been devoid of a certain amount of venom. It is only the misguided Member for St. Michael Central (Hon. A. Truss) who never seems to know where he is at a particular time, whether it is putting out conflagrations or actually trying to create conflagrations in this Chamber, but he will find his feet when he settles down in the Ministry in which he is. We have been very charitable to the honourable Member for Christ Church East Central. We do not want to put any undue strain on him at this stage, but next time around he will have to face the full heat of the fire and the wrath of the people of this island.

8.55 p.m.

I am on these funds. Since these funds were inaugurated, about \$80 million has been taken out of the pockets of every working man and working woman, anybody working for more than \$5 or \$10 a week, as a form of direct taxation, and an innovation has been introduced into the political life of this island, which is directly contrary to the Constitution, that money is no longer paid into the Consolidated Fund for which, as the honourable Member for Christ Church East Central, the

Minister of Finance has said, I have direct responsibility when reports are made by the Auditor General.

In one case, we were being asked to contribute towards a free Health Service in the form of monetary deductions taken from our wages, and by the employers as well making contributions, and yet, as the honourable Minister of Finance has admitted, the taxpayers were still being asked to underwrite the cost of health services out of the Consolidated Fund until I wrote and asked for the receipts and disbursements of these funds. At least I know from the Accountant General himself that the funds were paid into the Consolidated Fund but were not spent at all, and the Minister is going to redress that, with a repayment out of the Consolidated Fund.

The thing about having a Consolidated Fund, which I will explain in a moment, is that the Constitution of Barbados, even when we had Royal Instructions up to 1964, stated quite clearly that all monies raised should be appropriated and spent only in the way that Parliament had designated and not otherwise. So much so, as I have been fond of demonstrating from time to time, that when I ran out of stationery sometime in March early one year, I had to come to the House and ask for supplementary of \$17.00 so that I could get more stationery in my office.

But what is the position today? The Minister of Transport and Works has no quarrel with the Minister of Finance and we have created this monstrosity — I am not being personal, "monstrosity" being a situation and nothing to do with the physiognomy of the honourable Member for St. Michael West Central (Hon. V. L. Johnson) — a monstrosity of a situation where a Minister, (a), can go to a bank and borrow money without any reference either to the Cabinet or to Parliament — it happened, the Minister of Finance said here in this House that he did not know anything about it; whether he was telling lies or not, I am not going to get into that — and (b), that he could spend money without any reference to the Cabinet or Ministry of Finance or Parliament — I have the letter in front of me here — because when the former Minister of Finance passed the Bridge Road, he said that he was surprised to see that work was going on because he knew that the money voted for the project had run out, and he was told that the Ministry of Transport and Works had taken the money out of the Transport Levy. That is too much money, \$35 million, for any Minister to be playing around with as if it were a slush fund — this is the point I am making — it is too much money for any Minister, to be dealing with. We used to have rigid financial control over public monies that were taken from people's wages in this Parliament, and we will have to redress that.

There is also the Health Levy, which is supposed to run the so-called free Health Service. We had a Health Service here in Barbados. The delivery of health care was paid for out of taxpayers' money, the receipts from international trade, that is import duties and consumption taxes and also the receipts from company taxes and personal income tax. Basically, those were the main sources of government revenue. Everything that was raised was paid into the Consolidated Fund, and we managed to pay non-contributory old age pensions and we also managed to pay for the complete delivery of health care to the people of this island without asking them to pay any additional taxes in support of what was foolishly described as a "free Health Service". But what is worse is that they were being asked the day before yesterday to pay for it twice, because the money was coming out of the Consolidated Fund and they were being taxed by the Health Levy, and the Health Levy was not being allocated to the expenditure on the delivery of health care on the island. The Minister of Finance and the honourable Member for Christ Church East Central has now promised to rectify that, but only after I wrote to the Accountant General and asked the Accountant General how much money he received and what was happening to the disbursements. The Accountant General said that he was putting the money straight into the Consolidated Fund, but in so far that the Transport Levy was concerned, that money went to the Ministry of Transport and he could account for it. So between 1981 and 1984/85, the Ministry of Transport had a private slush fund of \$35 million, and in respect of no single item did they come back to this House and tell the House what they were doing with the taxpayers money. The Minister was able to spend money how he liked and with whom he liked, \$6 million on purchases of buses, \$829 000 on spare parts and \$884 000 on fare boxes — I do not travel by bus, so I do not know if the boxes are installed yet, maybe the Minister will tell us one of these days — in which you put tokens or coins. I wonder if they could not be manufactured in Barbados. If the honourable Member for St. Michael West Central had come to the House, we would have been able to have a debate on these matters and approve or disapprove of them. But instead of that, what do we find? We find that out of this same fund, \$700 000 is spent and at least \$400 000 out of the \$700 000 is spent on the development of private land in St. Lucy. The Minister will have to account for that. I am inviting the Honourable Minister of Finance to ask the honourable Member who got in here and had what I should call the temerity, to use a mutual verb, to show one of the houses on his land with pride, on a private development as something that we should support inside here.

Asides

Rt. Hon. E. W. BARROW: One of the private houses on his land.

There are approximately 25 tenants on this parcel of land down there.

Asides

Rt. Hon. E. W. BARROW: Twenty-eight.

Asides.

Rt. Hon. E. W. BARROW: No, not on the private development with the slipper drainage, water, and electricity, and so on. I did not say 'none'. I said it is a part of it, this \$330 000.

Do not try to make me out as just an alarmist. I advise the honourable Member to investigate. Whenever I give him information, he tells me I should go to the police. I am not going to any police, because when you go to the police and give them motor car numbers, they say they cannot remember them, they lost them, and I am not in that.

9.05 p.m.

I will give the honourable Member some more information. As far as I can remember, 390 metres of road were originally authorised, at a cost of approximately \$200 000. Eventually 700 metres of road were done at a cost of \$400 000. (I was mixing up metres and money, but I am just refreshing myself from my notes). Water mains were laid right over the entire project where the land is now being sold privately as well to people like Mrs. Babb and Mrs. Griffith. It is in St. Lucy where I came from, it is next door practically to where I was born. People down there deserve something, so, do the people in all the other tenancies, but if you start off on this scale where you are going to build private developments for people, it means that the tenantry development scheme is going to cost the Government a lot more money than they originally anticipated. I am inviting the Minister of Finance to carry out a thorough investigation. I have been there, and I have seen it for myself.

I know the roads. You turn left pass the Mess House, what they now call the St. Lucy Secondary School. There is a nice canteen right opposite the gate, and I understand all the hucksters have been prohibited from selling lunch to the school children, but that is another matter, that is a matter for the Minister of Education.

(Hon. Miss B. A. MILLER: Not me.)

Rt. Hon. E. W. BARROW: Did you not stop the school children?

(Hon. Miss B. A. MILLER: The Board of Management.)

Rt. Hon. E. W. BARROW: Oh, the governing body. Well, there is transport and transport, the Board not being the Transport Board but the Board of the school.

We are also concerned, when we speak about saving money, that the Transport Board itself has lost over \$15 million up to the end of 1984. There have been rapid changes, chopping and changing, at the Transport Board and all is not well in that particular Ministry. It calls for a thorough investigation.

When we come to the National Bank, that is a pretty kettle of fish. We have read in the Press that several senior members of the staff have been separated, to use a mutual term, from the Barbados National Bank, but the information which I have is that the members of the staff who have been separated are those persons who were anxious to stick to established banking practices. And it left a very bad impression when reputable members of the Board — I am not suggesting that the other members of the Board who stayed on are disreputable — find themselves in a position of having to resign, including the Honourable Minister of Finance — of course I think he resigned before he became Minister of Finance — and a person who we in the legal profession have the greatest confidence in, having been a contemporary of his at university, and I have been able to study his career both in Government and outside the Government, when they have been removed. Something has to be wrong.

When you have situations in the National Bank where extended credit is given to a person who has 25 registered judgments for default of debts against him, and directives are given to the staff of the bank that they must extend more credit, and the facilities which are established by the members of the staff for clearing persons who make applications by checking their credit worthiness, the bankability of the loans and so on, are scrupulously ignored, and then we hear that they are bringing in somebody from Jamaica, like if we do not have bankers here in Barbados who are capable of carrying out those functions, and then when we see that the Chairman of the Bank himself is parading through St. Thomas, when he never, when he was an officer of the Government, engaged in no greater gymnastics than the odd game of tennis, and he has been climbing all the hills of St. Thomas trying to persuade the people to vote on behalf of the other side, something has to be wrong.

Aside

Rt. Hon. E. W. BARROW: You have not seen him? I have. All I would say about that honourable gentleman is that it took him six years and several trips to London before we could get the Central Bank of Barbados established — 1972.

Whatever anyone might say, of nearly all the currencies in the Caribbean, if not in the whole of Latin

America, including the United States, because they came off the gold standard at \$35 an ounce and left the U.S. dollar to float, and gold is now at \$227 an ounce, Barbados is the only currency which fixed its interest rate way back in 1972, when Jamaica over-valued theirs — Trinidad in my opinion at that time was slightly under-valued — and the stability of the Barbados economy as such has been saved by the fact that we used the U.S. dollar as our intervention currency and fixed the exchange rate at Bds. \$2.00 to U.S. \$1.00 and in IMF terms, as far as I can remember, at that time it was .13 something. It does not really matter now, but we have never devalued our currency, and I wish to warn the Honourable Minister that there are going to be people because he is new in the job — I do not mean that he is foolish in the job — new and foolish are two different things — because he is new in the job he will get several people rushing in and telling him that the solution to the low prices in sugar, the solution to the hotel industry is to devalue the Barbados dollar. I want to serve notice on him now, like I served on his predecessor, that we have examined the matter very carefully, not because we ever believed in it, but just to support him in resisting all these blandishments. We think it will be disastrous to the Barbados economy at this stage or any stage in the foreseeable future to devalue the Barbados dollar. I think that, notwithstanding the pressure put upon him by the people in the IMF and so on, he should tell them and come out and make a public statement that he has no intention of devaluing the Barbados dollar, because, as I said before, I think and we feel on this side that it will be disastrous.

The honourable Member spoke about savings. If the honourable Member has an opportunity to read the details of his general theory, savings as savings have no virtue. You have to have savings, but for the purpose of investment. The distinguished Cambridge economists, the Hammonds, defined the general theory and want into the propensity to save, the propensity to consume and the propensity to invest, and built up a lot of elaborate theorems on these propensities to save and propensities to invest. What we have had in Barbados is a high propensity to save, but we have not had the propensity to invest — for two reasons, (a), the deliberate policy of the Barbados Government in creaming off 27 per cent of the deposits in the commercial banks, which stifled investment, and (b), then a deliberate policy of high purchase agreements and directives from the Central Bank, discouraging people from buying consumer items, which is now being eased somewhat by the honourable Member for Christ Church East Central.

9.15 p.m.

When you take off 27 per cent of the deposits of the commercial banks, they have not, as a gentleman in the Press, I think it was yesterday or day before, set

claim that they had 27 per cent less to lend out. That is not true. The honourable Member for St. Peter would probably enlighten you. When you deposit \$100 to the commercial banker, he does not have \$100 to lend out, but, because of the creation of paper money and book entries, he would probably have \$800 or \$900 to lend out. I think the honourable Member should explain that to those honourable Members who are not quite familiar with the histories of banking.

Here was a banker keeping the bank secrets by saying you have 27 per cent less. I know this is not true. Twenty-seven per cent less is fairly restrictive, but certainly, because money creates money, it will be nine times twenty-seven that they will be restricting on lending. What happened was that the high interest rates which the banks were allowed to charge by the Governor of the Central Bank was to compensate those banks for the incomes which they lost when the Central Bank took over 27 per cent of their deposits. I am very glad to see that sanity has prevailed and the Minister appears now to have accepted readily the advice which, I am sure, his technocrats in the Ministry of Finance must have been telling him — not to pay any attention to the Governor of the Central Bank.

I wrote a letter to the Press — I do not often write letters to the Press and when I write them I sign my name — and I said two things could be happening, (a), either the Governor of the Central Bank was giving his Minister good advice and he was ignoring it, or (b), he was giving him bad advice, but in both cases, he should resign, because if I was a Governor of the Central Bank and I was giving my Minister sound advice and I was seeing the economy being distorted and wrecked in the way it has been in the last three or four years, I would not stay in that job. My integrity as a central banker would not allow me to stay, but, the Governor of the Central Bank is like old man River — he just keeps rolling along, and the printing presses keep rolling, because every time he sneezes, he has to have it in print. If we are going to cut down expenditure, we must cut down all this speechifying and all of this rhetoric, because when you spend so much time making speeches and if a tick-tock rattles down in Diamond Corner, you have to be there making a speech and then the Central Bank has to pay for printing that speech, the country will soon find itself in financial jeopardy. It might be a slight exaggeration, but it means that the Central Bank is not paying any attention to its homework.

I think that the high interest rates have to be coupled to the fact that whereas before we exercised the right under the Central Bank Act to have a reserve ratio kept with the Central Bank, quite apart from their cash-in-hand money on call at short notice and so on, they had to deposit a certain amount of their cash with the Central Bank, so that if there was a run, the Central

Bank would come to their rescue. But when you take it to the ridiculous level of 27 per cent, the only way that the commercial banks can stay in business is if you allow them 16 per cent, 18 per cent, and 23 per cent to charge their various borrowers. So the question of high interest rates is coupled to the problem of Government's liquidity itself. There is liquidity in the banking system, as I have pointed out from time to time, but there is only liquidity in the banking system because you have prevented them from lending out money, and what little money you allow them to lend out, to have to charge high interest rates in order to keep themselves in business.

Barbados, according to the honourable Member for Christ Church West, (Hon. H. deB. Forde) has done better than most countries. I should like to point out that the bill in 1973/74 for energy was in the vicinity of \$65 million. It could have been \$69 million. The fuel cost to the people of this country rose 400 000 per cent. Today, the fuel bill is not above what it was in 1975. How could you speak about crisis? If it was a crisis when it rose from something like \$15 million or \$16 million to \$65 million in the short space of 18 months, you cannot speak about a crisis now 10 years later, that you went through a fuel crisis, when it was still below \$65 million. That was crisis then, it is not crisis now! This is cruising downhill, this is no element of crisis because of fuel costs. The crisis is to the consumer because, persistently, whenever the price of crude has dropped, the average Barbadian consumer, whether he be a fishing boat owner, a taxi owner or the owner of a private motor car, has not been aware of the price drop because there has been from the Ministry of Finance a Consumption Tax Order which maintains the level of petroleum products exactly where it was before.

At one time Mobil Refinery was getting all of that profit — until I asked a question of the Minister of Finance. Then he investigated it and he said, "Well, I must get some of this, too." He said, "This, meaning the revenue of Barbados, 'should get some of the profit.'" In other countries, like the United States of America, the drop in fuel prices has enured to the benefit of the people who drive motor cars, own boats, whether there be fishing boats or not, run factories, or run light and power stations, here, the benefit has accrued to the Government revenue and Mobil Refinery and to nobody else in the society.

In Jamaica, a couple of months ago when they raised the prices of petroleum products, there were riots in Kingston, a repetition of what happened round about 1978, when there was an increase in fuel prices of about 8 per cent. Here, there will be no increases, but what has happened is that there have been no reductions. I think it is only fair that when there is a drop in the price of any raw material, except in very exceptional circumstances, circumstances other than keeping a certain Senator with

something to do, keeping him in a Ministry — he is under-employed — I think it is fair that there should be a reduction.

9.25 p.m.

I just want to take up something now with the honourable Leader of the House. The Leader of the House complains against me as he complained against the judges. He claims, and I am very grateful to him for the information, that I am only getting \$600 a month less than Ministers. I really did not know that, because my returns show that I get a salary, after taxation, of about \$3 671.67 I really was not aware of the generosity of the Government, because my net income has not remarkably increased. I want to say this: no Member on this side had anything to do with the increases which were granted either to me or to the back benchers. It was a matter done by the Government in anticipation of their going into Opposition, and they are welcome to whatever salary they get.

The honourable Member said that I work two hours a week. My office is open not only for my constituents, not only for the civil servants who have to consult me on various matters, but also to the staff of Parliament. The Speaker himself is not an infrequent visitor, so he knows that I am there from 8 o'clock every morning. When you say that I work two hours a week, I would like to ask the honourable Member a rhetorical question. Exactly what is the job description of Minister for Parliamentary Affairs, apart from moving the adjournment of the House? The honourable Member can tell me outside.

The honourable Member, who is the Minister for Parliamentary Affairs, I will say has one proficiency. He is the final arbiter on how Members should dress when they come in here. We all grant that to him on this side. So let the honourable Member leave me and the judges alone.

The parliamentary salaries have been voted on the instance of the Government voting them, not by my asking for anything. Whoever occupies this office after me I hope will get a better deal than I am getting and have a little more disposable income to spend rather than what I get now.

Asides.

Rt. Hon. E. W. BARROW: I have never asked for anything. When I first came in here we were getting \$100 a month and I decided not to take part in any debates when, without going to the people, it was raised to the princely sum of \$200 a month.

My time is running out and I want to come now to something much more important. The 2 per cent Stamp Duty is a burden. It is direct taxation; it is taxation which will affect every man, woman and child in this country.

What has caused me great concern is the fact that an order was made, which I had here, which removes contributory pensions from the exemption from Income Tax. It is the Income Tax (Amendment) Act, 1985-6, and in the amendment to Section 8 of the Income Tax Act what will happen now is that those persons who receive National Insurance pensions will have to pay tax on those pensions, not pure tax, not a withholding tax, but when it is added on to what other income they may have been getting, it means that it will put them in a higher tax bracket or in some kind of tax bracket.

People are very concerned about the mechanics of the withholding tax which the honourable Member has said he is going to introduce for professional services. It means that every time you pay a doctor or a lawyer for his services, you have to sit down and write "suffering from intense abdominal pain" perhaps and calculate with his secretary how much tax you are going to withhold from the bill which the secretary presents you with. That is going to be very difficult to operate. I think it would be better to keep on the quarterly return from the professional people and people who are in services and let the staff of the Commissioner of Inland Revenue wrestle with all those mathematical problems rather than expecting the ordinary man in the street to do it.

Another thing which people have objected to, and they have a right to object to it, is having to file a return saying what you paid to the carpenter, the plumber, the butcher, the baker and the candlestick maker for any manual services that they might perform.

As I said at the beginning, we have been very lenient with the honourable Member. I do not think anybody on this side has attacked him. We appreciate the difficulties under which he has had to labour, and I can only advise him that if he for the time being accepts the advice of his technocrats, introducing such political objectives as he considers he is permitted to, I think that he will have a reasonable passage with the Members on this side.

I will end with one short quotation, because one of the honourable Members, I think the honourable Member for Christ Church East, said that the duty of an Opposition is to oppose. One member of that party said that he is going to demolish the Democratic Labour Party, but I had said some weeks ago, quoting Mr. Norman Manley, that the parties must not differ so widely in their ideas of Government and society as to compel one side to seek to eradicate totally and to destroy the other as an essential condition of the achievement of its own aims. I am quoting from Mr. Norman Washington Manley in saying that, and all I would say is that if we have now reached the stage where the Government party feels they have to eradicate the party which I have the honour to lead, then

they are asking for civil war in this country and I do not desire to see us reach that state of affairs.

Mr. SPEAKER: The Honourable Prime Minister will now reply.

Hon. H. B. St. JOHN: Mr. Speaker, we have had a long and interesting debate on this Budget. I must say that my task in replying has been considerably lightened by the excellent speeches made in response to speeches from the other side by all honourable Members on this side, but there are, of course, a few matters which it is necessary for me at the outset to respond to.

I want to respond in particular to some of the points made by the last speaker, the Leader of the Opposition. I want to give him the assurance that as long as I hold this office and the honourable Member has any information of wrongdoing on the part of anyone, I wish him to give me that information and to give it to the police. I will not preside over a Government and do like the honourable Member did. If the Resolutions come in this House or in any place, this will be the right place to bring the right Resolution at the right time. There will be no covering up on this side. I will not follow the honourable Member.

I wish also to perhaps jog his mind now that he seems to have lost his familiarity with the law in respect of the amendment to the Land Tax Act. The honourable Member said that, as a result of the failure of an N. B. W. Reece to pay his Land Tax, tenants of his land could not get their title.

9.35 p.m.

The Government anticipated that there may be some land owners who may be in difficulty with their taxes, and we specifically amended the Land Tax Act, 1983, Cap. 13 of the Laws of Barbados, to deal with that situation. It says:

"Where a Conveyance is to be made by a landlord to a tenant under the Tenancies Freehold Purchase Act, 1980, the Commissioner shall issue a Certificate that is required by subsection 1 that no taxes due and payable in respect of the lot comprising a plantation tenantry or other tenantry that is to be conveyed but such certificate shall not affect the liability of the landlord and land tax under this Act."

So as far as the conveyance under the Tenancies Freehold Purchase Act is concerned, a tenant is not disabled in any way by the inability or failure of the landlord to pay taxes. I hope that the honourable Member will now give his clients the correct advice.

The second point that I should like to answer at the very outset of my speech is the question on the honourable Member's Government record in helping tenants to improve their position by being able to convert the state of uncertainty arising from being a tenant into that state of security arising from being a freeholder. It is true that in the Manifesto of the Democratic Labour Party of 1961 the honourable Member promised to take over all the plantation tenancies and pay for them by bonds at six per cent. Fifteen years elapsed — and the honourable Member did not take his promise seriously. So we submit and we argue, and will continue to argue, that, in truth and in fact, the scheme of the Barbados Labour Party, by bringing the Tenancies Freehold Purchase Act in law, is a superior scheme to the one envisaged by the Democratic Labour Party, and which they failed to implement in fifteen years.

Applause.

Hon. H. B. St. JOHN: We would point out that up to today, the information that has come to us is that over 3 200 lots have been surveyed and that some 840 conveyances have also actually been executed. I also know that many of the tenants whose lands have been surveyed have already taken advantage of the identification of the specific areas and the surveyors plans to improve their condition. And in case the honourable Member forgets, I think there is a quotation from Lord Denning in a judgement which says whether you have an agreement granted to you by statute or by hand, if you are in possession, your possession is as good as a conveyance. So they have an equitable conveyance, as good as a legal conveyance, and they are entitled to go ahead with a comfortable feeling that no one can put them off.

It is a serious thing for the Leader of the Opposition to get up in Parliament, before the nation, and make the allegations that the honourable Member made with respect to public finances. I take them very, very seriously. The honourable Member is, in effect, saying that a Minister of this Government used public funds for his own personal gain. That is a very serious allegation, and that allegation also goes to all those who are participants in the exercise.

The Government was exceedingly careful when the Transport Levy Fund Act was passed to ensure that public accountability took place. The Act itself set up a Levy Fund Board. The Act said, by its provisions, that the Levy Fund Board should account to Parliament, that the Levy Fund Board has to have accountants of quality. I have a document of this House, the Report of the Levy Fund Board for the period October 5, 1981 to March 31, 1983, and it is interesting to note who are the Accountants who have been appointed. The accountants are Coopers and Lybrand, a well-known international firm of auditors.

I also think that the public should know who are the members of the Transport Levy Fund. The Transport Levy Fund is headed by Mr. Andrew Gaskin, who is the chairman and he was formerly the head of the Association of Professional Engineers in Barbados; Mr. Cedric Archer, Chief Technical Officer of the Ministry of Transport and Works; Mr. Ralph Carvahlo, representative of the Ministry of Finance and Planning; Mr. Hugh Hill, General Manager of the Transport Board and Mr. Robert Morris, the representative of the Barbados Workers' Union. The honourable Members are saying that these people are conduit pipes for the shenanigans of the Minister. I say quite clearly that I have been informed that the allegations of the honourable Member are totally untrue. I go further, and I give this House the assurance that I will investigate again the allegations made by the honourable Member. I am reliably informed, by no less a person than the honourable Member for St. Lucy (Mr. R. E. Brathwaite) that the road that the honourable Member talks about, Trents in St. Lucy, is part of a number of roads which have been dealt with in St. Lucy at his specific request, and that a large number of tenants occupied the land, some eight people live on the land, and the road is there for all to see.

I also want to give the honourable Members this assurance that the Government has in the laws a mechanism to ensure that no one can take advantage of the Government's money, by taking advantage of any increase in value. An investigation of all tenancies has taken place by the Ministry of Housing, and those tenancies that get the benefit of development, of Government money, and there is not a sufficient number of tenants, are placed under a development Order and under the tenancies development Act, any increment in value will be subject to 50 per cent tax. Secondly, in the sale of the lands, the price of the land cannot reflect roads, water or light which have not been put in by the landlord. Further, I give the honourable Member another assurance, that in any event, if there is any scintilla of a possibility that anyone will benefit, an Order will be brought to this House. So the honourable Member need have no worry in that respect.

I think that it is correct for us to explain Government's policy on this. The Transport Levy Fund was set up to deal with a specific situation that we had with respect to the provision of public transport in Barbados and the need to bring additional resources for the improvement of roads in Barbados. We said at the time that a part of the fund would be appropriated by way of complementary provision to existing resources so as to speed up and improve the conditions in rural Barbados.

The honourable Member is quite clever, because he knows that Henley in St. John is one of the areas that have been developed. But he says that that has only been developed because of largesse being administered there by the same Mr. Reece. Of course, I have exposed the

untruthfulness of the statement that was made with reference to the land taxes already, so I have no need to expose the rest of the statement.

The following tenancies, I have been told, have been dealt with under the Transport Levy Fund Tenancy Improvement Scheme: Drax Hall — I do not think that the honourable Member could say that this side had anything to do with Drax Hall — Henley, Belair in St. George, Lowthers in Christ Church, Coverly in Christ Church, Canefield in St. Thomas, Trents in St. Lucy, Broomfield in St. Lucy, Husbands in St. Lucy, Black Bess and Mangrove in St. Peter. I can assure the honourable Member that Pickering will not be left out in the event of an application being made.

Applause.

Hon. H. B. St. JOHN: For a long period of time, Sir, these allegations about improper conduct in relation to the utilization of these funds have been made. We have been at pains to point out that the chief accounting officer in the Ministry of Transport is the Permanent Secretary in the Ministry of Transport. I have personally raised this matter with the Permanent Secretary in the Ministry of Transport, and the Permanent Secretary has assured me that he, throughout the period of time that he was Permanent Secretary — and he was Permanent Secretary from the beginning of the Levy — not only under this Minister but under the previous Minister, because I think it is very unfair to suggest, as the honourable Member has suggested, that the present Minister of Transport is the only Minister that ever had anything to do with the Transport Levy Fund — the Permanent Secretary has assured me that he has been guided, from the very outset, by legal opinions obtained from the Attorney-General's office in Barbados.

I want to give the honourable Member this. One of the legal opinions was a legal opinion that was given by a former Attorney-General in his regime, who has now been elevated to higher heights. It is true that there is a difference of opinion as to whether the opinion is right or not, but the fact remains that the Permanent Secretary is the chief accounting officer and is in a position to show that, from the very beginning of the fund, he was guided by a legal opinion obtained from the Attorney-General's office, and that the Cabinet Papers and the decisions of Cabinet were informed by that opinion. If the honourable Member thinks that that opinion is wrong and other lawyers think that that opinion is wrong, and that it is necessary to bring a Resolution to this House to rectify that, this Government's hands are clean — we will bring a Resolution and we will disclose the opinion.

I think that the Health Levy virtually answers itself, because Government, from the very beginning, set out in its report how the Health Levy was dealt with. When we

passed the Levy Act for the Health Service Board, we pointed out that the doctors in Barbados said that they were not going to enter into any agreement with the Government if they were to be paid from the Consolidated Fund, that they wished their remuneration and terms and conditions of service to be secured by a separate independent funding mechanism. The Health Service Board Act was accordingly passed and the Board was created. So it was pursuant to an understanding with the doctors that the mechanism of financing the Health Service and their terms and conditions in particular were going to be separated from the Consolidated Fund.

9.45 p.m.

All honourable Members know that we have had, and we have not in any way tried to conceal it, difficulties in trying to negotiate with the doctors and their association. We live in a democratic society and people have a democratic right to work and a democratic right not to work. The Government also has a right to hire locally or from abroad. The position is that as a result of this and the lack of an agreement, the fund was kept separately, it was not put into the Consolidated Fund. It was kept separately, and we disclosed in the Economic Report that the Director of National Insurance was collecting the money and the revenue did not include approximately \$20 million collected under the Health Service Act. We, in consonance with our full terms of disclosure, put that in. When it came to the settlement of the final accounts for this year, and as a result of the fact that the honourable Member for St. John was telling the public that we had illegally used the money and wrote the Accountant General, the Accountant General sent for a legal opinion, and two weeks ago the Solicitor General ruled that the money should go into the Consolidated Fund from the time it was collected up to the day of the proclamation of the Act. The Act was proclaimed in February, and the money that was collected from the day of the passage of the Act and proclamation of the Act went into the Consolidated Fund, and the rest is now in the Health Fund Levy.

We act above board. So when the honourable Member makes these allegations in his own style and in his own way, not directly but indirectly, he is dropping a bait for the gossipmongers of the Democratic Labour Party to pick up to carry into St. Thomas. The honourable Member is trying to lay the basis for a smear campaign, but we have the answers. I think that answers the point raised by the honourable member.

I will deal with the speech of the Member for St. Michael South Central, because it is important. I am thankful to him that he recognizes that the Budget will have a stimulatory effect on the economy, and all those who fail to recognize that, I feel they are incapable of really understanding public finances and how an economy works.

We anticipate — this question was asked — that well over 2 000 jobs would be created as a result of the construction effort and the increase in private sector activity. It seems strange to us that, at long last, the honourable Members of the Opposition have recognized the private sector. But there is an inconsistency in some of their arguments, because none of them have given us their views on an import licensing regime or price control, or things of that kind.

I see the honourable Member for St. Michael West, (Mr. B. M. Taitt) is smiling. I know that the honourable Member for St. Michael West does not agree with the views propounded on the floor of this House by the honourable Member for St. Michael South Central about the role of private enterprise in the Barbadian economy. I have never been hypocritical in the views that I have expressed on this. I believe that in small economies like Barbados, where you have a private enterprise sector whose skills lay in distribution, the economy cannot be pushed forward by relying alone on the private sector, and we have always said that what we need is a combination and co-operative effort of both the public and private sector. That is a philosophy which we will continue to pursue and throughout this Budget and previous Budgets we have always made the point that Government's public sector deficit should bear a relation to the amount of money available, and we need not deprive the private sector of access to capital. That is the philosophy that has inspired us.

9.55 p.m.

The honourable Member continues to speak of the investments that have been made over the years. It is true that the public debt in Barbados increased since 1976, but the value of a dollar in 1976 was not the same as the value of a dollar today, so when you look at the dollar figure of the public debt in 1976, you just cannot compare that with the dollar figure in 1985. If you are fair, reasonable and you are really comparing like with like, you would have to try and arrive at the value of the 1985 dollar in relation to 1976.

It is the same with Heywoods. The honourable Member says that it is a white elephant, a pink elephant, and that \$68 million has been spent on it. The honourable Member forgets something, that Heywoods cost less per room than the Hilton Hotel cost in 1966. Heywoods cost approximately \$200 000 a room. If you take the 1966 cost of the Hilton and you project that forward to today, the Hilton would cost well over \$300 000 a room. It is a simple exercise to do with 158 rooms, and at that time it cost \$10 million. That is the only amount that could be accounted for, because the Honourable Leader of the Opposition will recall that the books were burnt up in the fire mysteriously. I am not calling anybody's name, I respect the dead.

The position is very clear. When you are in the developing world and you are trying to compete in an industry such as tourism, very often the lead has to be taken by the Government. The private sector does not have the resources to do it. We were placed in a position in Barbados in which our tourist industry had developed very gradually along a particular line, and it was catering specifically to the Canadian market of the apartment type. We knew and recognised, particularly after our experience in 1979 when we had such a great increase in the number of visitors, that tourism had a social consequence. You have to ensure in your tourism planning, in my opinion, that all sections of your community feel that they gain benefits for the inconvenience which they feel or perceive they suffer when so many people come and compete with them for the amenities.

I believe that in a small country like Barbados it is best if we spread the benefits of tourism over as large an area physically as possible. The development of the north of Barbados was crying out for attention. When the feasibility studies were done, it is a fact that at that time, prior to the increase in building costs which resulted from the rise in energy costs, the projected budget cost of Heywoods was considerably less than what in fact it cost, but we had a decision to take. The Government at Planning and Priorities and at Cabinet had a decision to make, whether we were going to go ahead with the building of Heywoods, or whether we were going, in 1981, to stop it. I argued for the continuation of it and I am not ashamed of it, because as a result of building Heywoods, in my opinion and in the opinion of many people, Barbados has a property which has an appeal to a new market segment in the United States of America and which is not owned by a chain. In short, the Government of Barbados is in a position, through its ownership and marketing of Heywoods, to redirect some of the market segments from which it gets its visitors. I was fortified in that decision by the fact that when we came to lease it to an operator, a multiplicity of interests tried to get the lease, including Club Med. The reason why we did not lease it to Club Med was very simple, that they wanted to bring their own G. Os and wanted 150 work permits. I said that that was intolerable for me even to take to Cabinet.

I must concur with the very statesmanlike stand taken by the honourable Member for St. Michael North East (Mr. L. L. Sisnett), when he condemned the honourable Member for St. Michael South Central, and I appeal to the Honourable Leader of the Opposition to send that book he is reading to the honourable Member for St. Michael South Central to let him understand that when he tears down Heywoods, he is not tearing down the Barbados Labour Party, he is tearing down Barbados and the taxpayers of Barbados. I heartily concur with the sentiments expressed by the late Norman Manley, we

must not for narrow political gain seek to discredit the efforts of others.

I am going to deal in the same vein with the Barbados National Bank. I am personally very grieved that the honourable Member feels that the House of Assembly is the appropriate place to participate with others in a breach of the provisions of the Barbados National Bank Act in relation to secrecy. The honourable Member disclosed information about the workings of the bank which he could only have got from a person who is an officer or a servant or a Director of the Bank. I have been around long enough in politics and in the law to know that there are always two sides to a story. The honourable Member has given one side. I am going to give the other side.

The honourable Member has made some very serious allegations against the Chairman of the Board and others who happen to have been civil servants, and so too has the Leader of the Opposition. He has accused the chairman of canvassing in St. Thomas. I accuse, as it has been reported to me, the informer of the honourable Member of banking incompetence, and that is the reason why the bank had disagreement with that particular officer. There was a profound disagreement between some members of the Board and the former General Manager in relation to a bit of advice given on a number of occasions.

10.05 p.m.

I have been informed that the viewpoint taken by some of the Board was that the former General Manager was incompetent in that he gave them advice on two occasions as to the method of calculating the average lending rate which, if accepted, would have caused the bank \$1½ million. I also have been informed that the same former General Manager was constantly in the habit of advising Branch Managers on the acceptance or non-acceptance of loans, and when the loans proved to be of doubtful market value later on, he reneged on his original position and said he never gave the advice. I am also informed that, as a result of an investigation which was carried out by a distinguished former Barbadian banker, that banker recommended that the General Manager was incompetent for his job. As the honourable Member has raised these matters and has sought to request the reversal of the decision of the Board, I wish to state and let the public know that, in the face of that evidence, having weighed both sides, I have to give the Board the benefit of the doubt.

I also want to say this. Many people do not know that one of the Board members was the first cousin of the former General Manager and it was never disclosed to the Board. So when you see people sometimes giving advocacy to a particular position, the reasons may be because of a family relationship. I am saying no more. I regret that a Barbadian institution should be dragged into

the House of Assembly purely because the honourable Member thinks that he can make a little political capital out of it. Well, there are two sides to a story. The public now has both sides of the story.

The accounts of the National Bank, again pursuant to the law, have been laid on the Table of this House, the Annual Report and Accounts for 1983. I give this House the assurance that I have received the accounts for 1984, and they will be laid, too. There will be no cover-up in this Administration. There was none in the last and there will be none in this.

There are always two sides to a story. It is a fact of life that all banks in Barbados, as a consequence of the recession which the economy experienced, have difficulties. The honourable Member is not going to tell this House that the Royal Bank changed their manager, that Chase Manhattan Bank changed their manager, that First National Citibank virtually paid Colonial Life to buy the Barbados branch because of the losses. But because this is a local institution run by black people, the honourable Member is going to tear it down.

I have always believed that we have a duty as politicians to promote and to encourage the development of financing skills in this country. The Labour Party has done more to develop an indigenous financial community than any other political party in Barbados. The honourable member for St. John does not believe that black people can run banks. He has repeatedly said that his experience with black people running banks is his experience with the co-operative banks. He has said that, many times. I have been around politics to know that the honourable Member sometimes says things and does not remember he says them.

Secondly, we have to remember that we are in a unique position in these countries because we have no private sector indigenous banks. There are a few going around in the rest of the Caribbean but in Barbados, we were depending upon the banking efforts of the Canadian banks and the British Colonial Bank, Barclays Bank.

I want to deal with another point with respect to parochialism and with respect to nationalism that was raised by the honourable Member for St. John. I am a federalist. I believe that it is good sometimes for these small countries to bring in people from outside to deal with certain matters. Barbadians ought to be the last to complain about others coming into Barbados and taking jobs as bank managers and there have been more Barbadian bank managers in Jamaica, Antigua, St. Lucia and Trinidad than in any other occupation other than school teachers. I would never forget that the late Sir Hugh Wooding always used to say that it is a good thing sometimes to have a Comptroller of Customs, an Auditor

General, a Judge of Appeal or a Puisne Judge from another island in the island, because sometimes decisions have to be taken where, in a small community, people would be under pressure.

In truth and in fact, the national commercial banks in the Caribbean have decided that they are going to form an association so as to allow movement of persons and advice to be given to respective banks to people from other countries. Barclays Bank, the Canadian Imperial Bank, the Royal Bank and others have access to that kind of situation because they are big and large banks with a number of branches, with staff recruited from various areas, and when they have trouble, they can bring in a trouble-shooter to deal with the situation. I do not see, in any way, that we are doing anything wrong to our people by saying that at this particular juncture, we need a trouble-shooter.

I also want to give the House the assurance that I have been told that, pursuant to the directions that were given in accordance with the Act by the previous Minister of Finance, the search for a Marketing Director has been successful. I will not disclose the name at this stage as negotiations have not been concluded. I say no more on the National Bank other than to give the public the assurance that the people who run the National Bank know and understand the importance of delegating responsibility, but at some time a Board is faced with a situation in which they have to take strong steps and, however unpalatable the steps might be, in the interest of the organizations, they have to be taken. If the honourable Member for St. John, when he presided over this Government, took the steps when that Resolution was brought in here, you would not now be in the same position and complaining about the very same person, and I am going to deal with that.

10.15 p.m.

The honourable Member for St. Michael South Central says that there is a political loan. He did not define political loan. I particularly asked the Chairman of the Bank, through my Permanent Secretary and Director, to find out which member of the Barbados Labour Party had a loan from the bank, and the chairman made it very clear to me that they knew of no outstanding loans to members of this Government by the Barbados National Bank. But they knew of a loan to Cox Construction Company, a company apparently which is owned by a former Minister of the Democratic Labour Party Government, Mr. Joy Edwards. I asked for particulars. I am informed that it is untrue to say that loans are unsecured and that the loan is in jeopardy, and I just want to say that whoever gave the honourable Member the information, I think the honourable Member is under a duty to tell the Chairman of the Bank so that, if he is a member

of staff, he can be dealt with. Under the terms of the Act a member of the Board, a member of the staff is under an obligation of secrecy. You cannot have snakes in an organisation like that. Your duty is to see to it that your informant does not continue to do the damage that he is obviously intent on doing.

We in Barbados are very fortunate that we have managed in 1984, as acknowledged by all of the evidence, to come out of the recession. I am very pleased that the recession in relation to tourism and in relation to agriculture seems to some extent to be behind us. The growth that has occurred in the tourism industry in 1984 has continued into the winter season in 1985.

I want at this point to deal with the report of Pannell, Kerr Forster that the honourable Member referred to. I say that there is an indication of the competence in the management of the Hotel Association and in the hotel industry in Barbados that in 1985 they are dealing with their financial situation in 1980-82. If they were good managers, if they knew what they were doing, in 1985 they would not only be dealing with 1985 information, they would be projecting for 1986, 1987 and 1988. That report on its first page made it very clear that it was of limited value, because few of the hotels responded to the questionnaire, and that the response they got was not as beneficial, because the hotels that responded did not keep accurate and timely information.

In another place, we would call that chicanery on the part of anyone who starts off to make a proposition, to quote an authority and only quote those parts of the authority that are favourable to them. That is why the draughtsmen of the rules of this House and others were so very careful to say that the documents that you quote from have to be made documents of the House. That is the danger you get. That report is of historical value. Everyone knew that in 1982 Barbados was feeling in the tourism industry the full impact of the recession, and at the same time our competitive position was being eroded because of the devaluation in Mexico and in Jamaica and because of the fact that the way our tourist industry had developed, we were peculiarly dependent upon Canada and upon Europe.

I well recall the disagreements that we had, including disagreements with the former Minister of Finance. That is well known. It is public knowledge that our view in the Ministry of Tourism was that we should concentrate heavily on North America in 1982, because the North American economy showed signs of emerging from the recession faster than any other economies. To his credit, the Minister of Finance agreed and supplementary provisions were granted and more resources were channelled towards the North American campaign, and it coincided

with the signing of a favourable air services agreement when President Reagan came here in 1982.

When the honourable Member for St. Michael South Central says that we have presided over the bankruptcy of the tourist industry, let the honourable Member understand that in the tourist industry, when it was a much smaller industry, was under a greater difficulty. There is a speech by a Mr. Richard Bartlett, then area Manager of Barclays Bank or Manager of Barclays Bank, and the speech was given under the auspices of the Caribbean Tourism Research Centre on the state of the hotel industry. The honourable Member should look at it, because it would give him courage in the future, because he would understand that tourism is an industry which is subject to cyclical fluctuations. That is why we were able in 1982 to disagree with the advice given by the honourable Member, because we knew that in 1975 the industry had gone through much the same thing and it bounced back, as it has done now.

The distinction is that we have to be careful in our expansion in the future. The honourable Member will recall that by 1981 this Government announced that it was not going to give hotel aid outside of a certain zone because we wanted to develop the area between Oistins and St. Philip lighthouse and between Speightstown and the area, I am not sure of the boundary in my mind, but I think it was just past Sandy Lane. In other words, we were saying we were not going to allow development of the tourist industry in the traditional areas because of the fact that our experience had taught us that you have periods of boom followed by periods of lesser demands, not slump.

That recession has also taught us something else. We have to pay more attention to management not only tourism but of manufacturing. I am not happy that, after all these years with Barbados having a garment industry, we now have to have a garment school for the owners and people who work in the garment industry to teach them fundamentals. It is a reflection, in my opinion, on the management. And I agree with the statements that I see attributed to the General Secretary of the Barbados Workers Union, that part of the receiverships and bankruptcies were due to bad management. I add something else. Some was also due to high living and stealing. Some people even have the distinction of being bankrupt twice in both recessions.

10.25 p.m.

Laughter.

Hon. H. B. St. JOHN: The Budget addresses these problems. The Budget deals with the need for continual training at all levels of our society. That is why we say

that this is a relevant Budget. It is a Budget that addresses the Barbadian economy. We cannot compete internationally in the tourist industry with a ten or twenty-two room hotel. We have to compete internationally with hotels with a larger amount of rooms. We have to bring in professional management. That is why we will increase the grants to the Community College and other institutional and non-institutional training organisations for training in Barbados. It is the same thing in manufacturing.

I detected a little delight that the honourable Member, who is a former Minister of Industry, the honourable Member for St. Michael West, can demonstrate that the Government has failed with the furniture. It is a fact that the furniture that was sent to Virginia had problems in relation to moisture. It is a fact. They anticipated that the kiln would have extracted the moisture down to a tolerable level of six per cent, which, according to the books, was the amount to be extracted to deal with that climatic condition. It is true that after the furniture arrived, it picked up moisture in the shipping, whether by air or by sea, and that some of it split. That is why you have all the Research and Development money. Every penny that we spent in correcting that point is Research and Development money. The Government will back the furniture industry to the hilt, because we see a possibility of \$40 million. We see a replacement of the Trinidad market. That is not a failure, that is a venture, that is a risk being taken.

Applause.

Asides.

Hon. H. B. St. JOHN: That is the distinction between that Government and this Government. You think and talk.....

(Mr. B. M. TAITT: We were the ventures in furniture. We made furniture.)

Hon. H. B. St. JOHN: We, too. Made what furniture industry, what! When I went into the Ministry, they had an exhibition on the Deep Water Harbour Road of the furniture manufacturers. While they were showing me some furniture, and I touched it, it came off in my hand. It was hinged wrong. One of those people who made it, today he is a big furniture manufacturer.

Structural adjustment in these economies is taking place. Technological developments are part of the structural development, not only in Barbados but all over the world. If we take the same question of banking, the development of computers and the utilization of computers and telecommunications in banking have put many, many people out of work. As a matter of fact, the staff of the Barbados National Bank is being looked at with a view to determining whether the numbers they have are not too many, having regard to the fact that they have

been computerized. Barclays Bank did it. As far as banks are concerned, the whole world today is but a branch. You can press a button here and transfer money in the United States, in Australia, all around.

These are the technological developments that have taken place. They displace labour, but, eventually, more labour will be employed, and at a more sophisticated level and at a higher rate of pay. That is what has happened in Barbados. We have brought on in our time 5 000 or 6 000 people at a higher rate of pay, while the existing people who have been kept on get a better pay. If honourable Members doubt me, all honourable Members have to do is to look at how many water services we had in 1976 and how many we have today, how many electricity services we had in 1976 and how many we have today, how many private motor vehicles we had in 1976 and how many we have today, and how many telephones we have. Look at the quality of life and the honourable Members will see that not only has the per capita income grown tremendously under the Barbados Labour Party, but so has the distribution of that income and the resultant quality of life, and the public will have an opportunity in the not too distant future to tell us whether they are in safe hands or not.

10.35 p.m.

This Budget, I believe, is an honest attempt by the government to deal with the problems that confront us. The public will recognize from this Budget that we are trying in difficult circumstances to restructure the economy of Barbados, to re-train our people and to create meaningful job opportunities. You cannot have a country advertise itself as one of the leading service centres in the Caribbean and have people queuing up at peak travel time to be able to get to their offices. Economic impact studies were done on the roads that we are building. Too much time was being wasted in people getting to and from work, and we are satisfied that the analysis of the benefits to be gained from those roads are correct.

Before I conclude, and the road is a good point for me to conclude on, I want to say that the Government's position in relation to the Industrial Access Road has been well stated by the Minister of Transport. That road will be built. A statement was made, and I am sorry that honourable Members missed it, on the 26th of April, after a meeting of the Planning and Priorities Committee, in which we reviewed all of our public sector programmes, in which we said that we heard on that day that the Inter-American Development Bank did not agree with our proposal to award Phases 2 and 3 to C. O. Williams and to retender Phase I of the road. The bank said that all phases had to be retendered but that the bidding conditions would be limited and the time periods changed so as to allow for a fast rebidding. I said then in the statement, which was a GIS statement, that the Ministry of

Transport and Works were going to be engaged in discussions in the rebidding procedures and that the original six contractors will be bidding.

Those discussions are going on. The President of the Inter-American Development Bank is coming here next week as the guest of the CDB. Do you expect me to engage in a public controversy when the President of the Inter-American Development Bank is coming here next week? I do not believe in washing my dirty linen in public. I am not the honourable Member for St. Michael South Central. I do not believe in it. I have manners. I know behaviour.

We are dealing with the head office of the Inter-American Development Bank. This matter is above the head of the local office.

I commend this Budget to the public of Barbados and I have great pleasure in moving the Resolution.

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

AYES: Hon. H. B. St. JOHN, Hon. L. B. BRATHWAITE, Hon. V. L. JOHNSON, Hon. Dr. R. L. CHELTENHAM, Hon. B. A. MILLER, Hon. DeL. O. BRADSHAW, Hon. L. S. CRAIG, Mr. J. G. ODLE, Mr.

O. S. ARTHUR, Hon. H. deB. FORDE, Mr. L. L. SISNETT and Mr. R. E. BRATHWAITE – 12.

NOES: Rt. Hon. E. W. BARROW, Mr. L. E. SANDIFORD, Mr. B. M. TAITT, 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.

ADJOURNMENT

Hon. L. S. CRAIG: Mr. Speaker, that brings us to the end of the Government Business.

I am quite happy, and I believe that Members on the other side and the country as a whole are quite happy, with the presentation and the reply, and I am confident that the country is in safe hands.

I beg to move that this sitting stands adjourned until May 14, 1985, Tuesday, at 12 o'clock.

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

The question was put and resolved in the affirmative, and Mr. SPEAKER adjourned the House accordingly.
10.42 p.m.

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