THE

House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1981 – 86

HOUSE OF ASSEMBLY

Wednesday, April 2, 1986

Pursuant to the adjournment, the House of Assembly met at 4.15 p.m. o'clock on Wednesday, April 2, 1986.

PRESENT

His Honour C. L. Bolden, LLB., (Speaker)
His Honour R. E. Brathwaite, (Deputy Speaker)
Hon. L. S. Craig, (Minister of Information, Telecommunications and Leader of the House)
Hon. Miss B. A. Miller, (Minister of Education and Culture)
Hon. L. B. Brathwaite, (Minister of Housing and Lands)
J. G. Odle, Esq., B.Sc., (Chairman of Committees)
Hon. V. L. Johnson, M.A., (Minister of Transport and Works)
Hon. L. R. Tull, Q.C., M.A., (Minister of Commerce, Industry and Consumer Affairs)
Hon. DeL. O. Bradshaw, (Minister of Labour and Community Development)
L. L. Sisnett, Esq., (Parliamentary Secretary, Prime Minister's Office) (International Transport)
Hon. Dr. R. L. Cheltenham, M.A., M.Sc., (Econ.), (Minister of Agriculture and Natural Resources)
P. M. Greaves, Esq., B.A.
Hon. A. Truss, (Minister of Tourism and the Environment)
O. S. Arthur, Esq., M.Sc., (Econ.), (Parliamentary Secretary, Prime Minister's Office)
Hon. D. A. C. Simmons, Q.C., LL.M., (Attorney General and Minister of Legal Affairs)

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: There are no Minutes available for today's sitting.

Dr. R. C. HAYNES, Mr. N. K. SIMMONS, Mr. M. A. KING and Mr. L. E. SANDIFORD entered the Chamber and took their seats.

PAPERS

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

The Consumption Tax Order, 1986.

Hon. DeL. O. BRADSHAW: Mr. Speaker, I am commanded to lay:

The Shops (Amendment) Order, 1986.

Hon. L. R. TULL: Mr. Speaker, Sir, I am commanded to lay:

The Annual Report of the Barbados Export Promotion Corporation as at 31st March, 1985.

GOVERNMENT NOTICES

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

A Bill to amend the National Assistance Act.

A Bill to amend the Customs Act.

FIRST READINGS OF BILLS

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

A Bill to amend the National Assistance Act.

A Bill to amend the Customs Act.

ORDERS OF THE DAY

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

Mr. SPEAKER: Government Business is now the instant Order of the day.

SUSPENSION OF STANDING ORDERS

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

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

The question that those several Standing Orders be suspended for the remainder of today's sitting was put and resolved in the affirmative without division.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, we are well aware of the fact that Budgetary Proposals are going to be presented by the Minister of Finance and Planning at 5.00 p.m. this evening, therefore I propose to suspend the sitting until 4.55 p.m. today.

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

The question that the House be suspended until 4.55 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.

4.20 p.m.

ON RESUMPTION

Mr. SPEAKER: The House is in session.

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

Loud applause.

ANNUAL FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR 1986

Order No. 1 was called – To present the Annual Financial Statement and Budgetary Proposals for 1986.

Mr. SPEAKER: The Honourable Prime Minister catches the eye.

5.00 p.m.

Hon. H. B. St. JOHN: Mr. Speaker and Honourable Members, when I presented my Budgetary Proposals last year, I stated that, during 1984, the Barbados economy had been provisonally estimated to have grown about 3% and that indications were that the recovery would be sustained in 1985. Final figures for 1984 now indicate that the actual growth in 1984 was 3.5%.

At the time when I spoke, winter tourist arrivals were showing increases of the order of 10%. Expectations were that manufacturing exports would be good, as it was felt that the implementation of the Nassau Agreement by all CARICOM countries would have resulted in some modest recovery in intra-regional trade. Hopes were pinned on the market access provided by the C.B.I. legislation of the USA.

As we look back at 1985, our expectations of growth were fulfilled. Growth in 1985 is now provisionally estimated at the moderate rate of 0.3%. In tourism, winter growth was not sustained into the summer. The continuing strength of the US dollar *vis-a-vis* the currencies of the European and the OECD countries until September, together with the reduction in purchasing power caused by the decline in the Trinidad & Tobago economy, seriously affected our summer tourism as European and Trinidad visitors formed the bulk of these tourists. CARICOM countries were slow to implement the Nassau Agreement, and Japanese competition in the US market severely affected domestic electronic chip manufacturing exports. Garment and furniture manufacturers,

with the help of the Industrial Development Corporation and the Export Promotion Corporation, while making a good start in trying to penetrate the US market were unable to replace the CARICOM market with exports to the USA. It was left to construction, mining and quarrying and services other than tourism to propel economic growth at the moderate level outlined above.

The year 1985, however, proved to be an excellent year for Barbados in our effort to control inflation. The annual average rate was 3.9%, and on a point to point basis, December to December, it was 2.5%. In the last quarter, a number of new investment decisions were made, and not only was factory space on IDC estates in great demand, but a number of new factories actually started production, leading to a regaining of some of the jobs lost in the first three quarters.

Prospects

Prospects for 1986 look somewhat more encouraging and real growth of the order of 3% or more is projected. Tourism, sugar, construction and the Government sector are expected to lead the expansion. Manufacturing, too, should increase as the demand for electronic products is expected to increase, the new factories referred to above will increase production, and new markets in countries other than CARICOM for garments, furniture and other manufactured products are expected to be exploited. Inflation should remain low, particularly as the fall in oil prices works its way through the international and local economies. Policy measures taken by the Government in a number of Budgets have placed Barbados in the enviable position of having an economy which can respond quickly to external demand for products and services which it is capable of producing. As a small country, with a small population, our dependence on external markets cannot be overstated, nor is our need to be competitive.

Mr. Speaker, as usual, I will now briefly examine the international economic developments.

International Economic Developments

The year 1985 will be remembered as the year in which the major developed countries instituted measures to sustain their economic recovery which began in 1984. Although there was a slowdown in the rate of growth of the USA economy, comparatively high rates of growth, in the order of 3.4%, were realised in all the other developed countries, suggesting that these countries have, at long last, started to take full advantage of the buoyancy of the USA economy over the last three years.

The growth was accompanied by low rates of inflation and a fall in interest rates; developments which served to spur consumer and investor confidence. These stimuli for sustained recovery were reinforced by the exercise of policies to contain fiscal deficits, check the growth of the money supply and to create incentives for greater savings and investments.

Both Japan and West Germany continued to enjoy massive trade surpluses, but the USA was unable to turn around its sizeable deficit, which stood at US$140 billion at the end of December. Partly as a consequence, the Finance Ministers of the five leading industrial nations met in September, and agreed on a programme to lower the exchange rate value of the US dollar, and the dollar fell, in trade-weighted terms, by 10% by year end.

This development came too late to reverse any of the negative effects a strong US dollar has had on the Barbadian economy over the past two years. For the developing world as a whole, it is to be regretted that adjustments made by the advanced countries to create conditions for sustained economic recovery among themselves have not been accompanied

by corresponding multilateral measures to promote trade and investment flows between depressed and buoyant economies. Indeed, market access for goods produced in the developing world continues to be limited, and their prospects for expanded production are yet constrained by the general weakness of commodity prices, including sugar. A system has yet to be devised to guarantee that the lesser developed and middle income countries, such as Barbados, benefit automatically from the strength of economic recovery in the developed world.

By the same token, Mr. Speaker, unemployment continued to be the most serious economic problem across the globe. In all the major economies, strong economic growth led to the reactivation of idle capacity. This was, however, not matched by corresponding increases in job opportunities, as the rate of unemployment decreased marginally in the USA and Canada and stabilised at over 10% in most European countries. The situation was even more distressing in this hemisphere, where unemployment, in most countries, reached historically high levels. It is evident that countries, large and small, have not yet found the means to translate economic growth into increased employment, and this represents the most serious issue which has to be faced by the international community as a whole.

As we go into 1986, the prospects of the international economy are conditional above all other factors by the movement in oil prices. The fall in the price of crude should obviously come as a filip to economic growth, allow inflation to remain at low levels, and ease the balance of payment measures of oil importing countries. It will, however, exacerbate the debt service difficulties of some oil-exporting countries and, as such, will create problems in the international banking system and in the flow of trade. Whether the fall in oil prices will lead to sustained recovery for countries like Barbados will depend on whether the fall is permanent and the manner in which these anticipated disturbances are resolved.

Regional Economic Developments

In the midst of these developments, the regional economy in the Caribbean remained in deep trouble. Real output in most countries either declined or increased only marginally. The crisis of falling production was most severe in the two largest economies, as output fell by 4% in Jamaica and by 6.2% in Trinidad and Tobago, following a 10% fall in 1984.

The fall in real output was attended by equally severe balance of payments difficulties and loss of reserves, despite the efforts of some countries to shore up their external position by foreign commercial borrowing.

As is to be expected, these developments played havoc with the regional manufacturing sector in particular, and there was a sharp fall off in intra-regional trade. In addition, falling commodity prices for regional raw materials, particularly sugar and bauxite, exacerbated the already delicately poised position of the economies concerned, as the possible gains from increased production were wiped out entirely.

Across the region, undesirably high levels of unemployment were the order of the day. Grenada and Jamaica carried the heaviest burden in this respect, as unemployment in each of these countries amounted to over 25% of the labour force.

The region again witnessed several attempts by member countries to reduce the impact of external shock on their balance of payments by recourse to devaluation. The value of the Jamaica dollar slipped by almost 20% over the course of the year, while the Trinidad and Tobago currency was devalued by 33% in December, 1985. Barbados and the OECS countries did not follow suit.

It would be true to say, Mr. Speaker, that at the end of 1985, not only were the immediate prospects of the regional economy bleak, but the regional integration movement was under more strain than ever before. The virtues of regional protection are now being overtaken by the vice of insular protectionism. Extraordinary policy expedients, conceived with reference only to the circumstances of specific countries, are being called upon in preference to the pursuit of common regional solutions to common regional problems. And a trade and tariff regime, which has and can work to the advantage of all, is now being placed in jeopardy by the diffidence of some to stand by their agreed obligations.

Notwithstanding these disappointments, our faith in the regional integration movement remains intact. Indeed, given the smallness of our domestic market and the competence of our manufacturers, we have to ensure that we get a share of whatever market is left, and use our influence to get across the point in the area, that, in the long run, the only hope for meaningful development in CARICOM is to combine our resources and develop the capability to exploit extra-regional opportunities, while at the same time working vigorously to create new areas of trade within CARICOM by the providing for ourselves goods and services which are now being imported.

Mr. Speaker, these were the concepts that inspired the Barbados Consensus reached at Sam Lord's in July last year, informed the decisions of the Heads of Government in 1984 at Nassau, known as the Nassau Agreement, and produced the decision at Heads of Government Conference in Port of Spain in 1983 to create a new regime for agricultural trade within the region, involving protection of a specified number of agricultural products capable of being produced in the Caribbean and now being imported at considerable cost and wastage of foreign exchange. As the year closed, there was some hope that the Nassau Agreement and the Port-of-Spain decision on agriculture which has now been approved by the Common Market Council would be implemented by all.

The Domestic Economy

I now turn, Mr. Speaker, to the performance of the Barbadian economy.

The Barbados economy grew in 1985 for the third successive year. And although the rate of growth was not as great as we would have wished, it compares admirably with the negative experience of countries which have had to face the same conditions which confronted us with far more resources at their disposal.

If we look carefully, Mr. Speaker, at the turn of economic events over the course of the year, it should be apparent to all that we enter 1986 with a stronger economy and with brighter growth prospects than at the start of 1985.

In the first quarter of 1985, the economy grew at a rate which suggested that the target of 3% expansion in real output could have been realised. These gains were, to some extent, reversed by the confluence of three sets of factors which caused the second and third quarters to be particularly difficult. The first had to do with the fall off in production in our electronic industry; a development which we all recognise as having been part of the adjustment of the world industry to stiff Japanese competition. Secondly, the summer tourist trade was far slower than anticipated, due in large measure to the effects of a strong US dollar on European visits to Barbados, and a 24% fall off in visitors from our CARICOM neighbour Trinidad and Tobago. Our manufacturing industry in this period also had to bear the brunt of a steep fall in our exports to Trinidad and Tobago which over the course of the year amounted to a fall of about 50%.

Looking in greater detail at the provisional estimates of the performance of the respective sectors, our principal foreign exchange sector, tourism, experienced a 2.3% fall in the number of long stay visitors but a 10% increase in receipts. A total of 359 135 long stay tourists visited the island during the year as compared to 367 652 in 1984. By contrast, tourism receipts are estimated to have increased from $568.3 million in 1984 to $618.1 million in 1985. Hotel taxes, too, increased significantly, suggesting that the more high priced hotels performed better. One very significant and healthy development was the performance of the cruise ship business where arrivals increased by fully 13.2%, reversing four consecutive years of decline.

The area of greatest weakness in the economy was manufacturing, in which real output fell by 9.5%. We have already explained that this phenomenon can be held accountable to cyclical trends which are, even now, being corrected. I speak of the mid-year difficulty in the electronic industry, and the continuing problem of ready access by our garment and furniture industry to the CARICOM market and the inability of our manufacturers to replace CARICOM with other markets quickly.

The performance of the agricultural sector also reflected a small decrease. Some 0.2% less sugar was produced in 1985 than in 1984, a very small percentage drop. The volume of output (100 000 tons) coincided roughly with the demands of our premium markets and our domestic requirements, and was attained from a smaller acreage and by a higher rate of recovery of sugar from cane. In many respects, these point to the conclusion that the industry is adjusting in a realistic way to the market and technological constraints with which it is faced.

Non-sugar output fell for the first time in five years, and, then, only by less than 1%. A disaggregation of the sector's performance illustrates the degree to which this was related to the heavy rains from May to October. For while food crop production was down by 5.3%, livestock and fishing output expanded by 5% and 3.3% respectively.

These, Mr. Speaker, were the negative trends in the economy in 1985. All of the other sectors of the economy recorded real growth in 1985, with particularly strong performances in mining and quarrying, construction, the wholesale and retail trades, the utilities and businesses and general services.

The petroleum sector, in particular, continued its robust growth. Crude oil output increased from 634 881 barrels in 1984 to 678 990 barrels in 1985, an increase of 6.9%. So, too, did natural gas. I am pleased to reveal, Sir, that, as a result of the improved performance of this sector, we were, at the end of 1985 producing some 55% of our crude oil requirements as compared to 25% just five years ago.

Another success story, Sir, was our experience in relation to inflation. On a point to point basis, between December 1984 and December 1985, the consumer price index rose by only 2.5%, down from the 5.1% of 1984. The annual average rate for the year stood at 3.9%, the lowest rate recorded in Barbados for a long period of time. Indeed, at the end of the year average prices for fuel and light, household operations and supplies, clothing and footwear were considerably lower. The country was able, to enjoy six months of very stable food prices beginning January. By year end, food prices had risen by only 4.2%.

The average size of the labour force increased by 1 000 persons to reach 113 300, of whom 92 100 persons were employed as compared with 93 100 in 1984. In response to the contracted performance of the economy, the rate of unemployment was 18.7% rising from 17.1% in 1984. Unemployment among the female segment of the labour force increased from 22.1% to 24.0%. Unemployment, as in other countries, continues to be our most

intractable economic problem. The unemployment picture changed considerably in the last quarter as Government's capital development programme got into swing and new jobs were added in manufacturing and services.

In regard to the balance of payments, the balance on visible trade account narrowed from a deficit of $537.3 million in 1984 to a deficit of $513.8 million in 1985. Imports were reduced by $103 million to $1221.6 million and exports slowed by $79.6 million to reach $707.8 million. Exports to the United Kingdom, USA and CARICOM were down, significantly, but imports from the UK and CARICOM rose markedly. Trade with the USA was much weaker than in 1984, with imports down by $133.1 million and exports also down by $87.0 million. The USA therefore purchased 18.4% of local goods as against 27.6% in 1984. Trade with the rest of the CARICOM region swung into a deficit to the order of $22 million, reversing a surplus of $21.1 million a year earlier.

With an improvement in the visible trade deficit and only a modest fall in service flows, the current account improved from a surplus of $24 million in 1984 to a surplus of $42 million. Foreign reserves during the year increased by $86 million as against an increase of $11 million in 1984.

Mr. Speaker, the general conditions within which the Barbados economy will operate in 1986 allows us to predicate our policy on the realisation of real growth of at least 3% in 1986.

Already in the last quarter of this fiscal year and the first quarter of the calendar year 1986, there has been evidence of strong growth in our export sectors. Indeed, exports grew by 32% in January 1986 over January 1985. We anticipate a 10% increase in sugar output, and we further expect that our non-sugar sector, particularly the cotton and winter vegetable sectors, will continue on the growth path which it has been following since 1981 and 1983 respectively. All around us there is unmistakeable evidence of strong activity in the construction sector, and we envision that the strong performance of the service sectors of 1985 will be carried over into 1986.

It is also our view that the realignment in major currencies, particularly the fall in the US dollar and new marketing initiatives in the USA and Europe which are being undertaken, will correct some of the difficulties we have experienced of late with the summer tourism trade. We expect, too, that the commitment of member countries of CARICOM to give effect to regional trade agreements will marginally improve the lot of our domestic manufacturers. We, however, fully anticipate that domestic producers will begin to take the fullest advantage of the incentives granted in last year's Budget to stimulate extra-regional sales, and that the initial efforts which they have already taken in the area of garments and furniture exports will come to full fruition.

Above all, there can be no doubt that the fall in oil prices will have a positive effect on our growth prospects, both in terms of its effects on disposable income as well as through its impact on domestic costs and the cash flow position of our main productive sectors.

While the evidence is irrefutable that there are grounds for optimism that the Development Plan and measures introduced in last year's Budget are working, we must always remember that, given the smallness of our economy, we must be ever watchful of our balance of payments position, our need to reduce expenditure on conspicuous consumption, increase savings, and our need to be competitive. These are the considerations which have always informed the policies of this Government, and they have been proven to be correct.

Financial Review

Revenue

I now turn, Mr. Speaker, to a review of the domestic finances for the year 1985–86. The current revenue for the year was originally estimated at $625.2 million. During the month of May, measures which were designed to provide additional revenue of $34.4 million were announced. These included improvements in the administration of the major revenue collecting departments. On this basis, revenue of $660.6 million would have been expected. However, throughout the year, Government, in an effort to assist manufacturers and individual importers, considered it necessary to grant waivers or refunds of Customs Duties and Consumption Taxes amounting to $10.0 million. As a result, provisional data at March 31st suggest that current revenue for the year was $643.9 million or 12.1% more than fiscal year 1984–85.

Expenditure

Current expenditure for the fiscal year was estimated at $646.6 million. During the year, supplementary estimates totalling $45.7 million were approved. Thus, expenditure authorised by Parliament for the year was $692.3 million. Throughout the year, and particularly during the month of March, various steps were taken to restrict the level of current expenditure and, as a result, provisional data at March 31st now suggest that actual expenditure for the fiscal year was $653.5 million or 9.8% more than the previous financial year.

Capital expenditure for the year was originally estimated at $183.3 million. Supplementary Estimates totalling $35.0 million were approved during the year, making a total of $218.8 million. However, because of the unexpected delays in some of the major projects, actual expenditure at 31st March was $146.0 million.

Mr. Speaker, the above information shows that there was a current account deficit of $9.6 million and an overall deficit of $155.6 million or 6.3% of the Gross Domestic Product at market prices. However, if amortisation is excluded from the current expenditure and shown in the financing table net of capital inflows, as is the custom, the deficit will be reduced to 5.0% of GDP. Again, Mr. Speaker, if we take the financial position of General Government, as is done by the International Institutions such as the IMF and World Bank, and include the surplus from National Insurance Funds, the public sector deficit will be substantially reduced to 3.5% of GDP.

These financial indicators have been used, Mr. Speaker, to demonstrate the quality of financial management which has been exhibited by the Government in spite of the difficulties which we have experienced as a result of the unfavourable international and regional economic circumstances.

Public Debt

Mr. Speaker, every year, there is a lengthy discussion on the size of the Public Debt, in spite of the fact that we have repeatedly emphasised that there is absolutely nothing wrong with the Government borrowing, either on the foreign or local market, to finance programmes which will increase the productive capacity of the economy and, in due course, place the country in an even better position to service and amortize its debt. Once more, Mr. Speaker, in anticipation of the usual discussion, I repeat that the size of the Public Debt should not be discussed in a vacuum, but must be related to the Gross Domestic Product and earnings from exports of goods and services, since these give

an indication of the country's ability to service the debt. It is a fact, that even though the Public Debt has grown over the years, so have the Gross Domestic Product and export earnings. Consequently, we are still in the fortunate position where our debt is manageable.

At 31st March, 1986 the Public Debt was $1.1 billion, of which the sum of $616.2 million was borrowed locally and $471.1 million from external sources. As shown in the Economic Report, the Gross Domestic Product, at market prices for 1985, was $2.473 billion, while earnings from visible and invisible trade amounted to $1.6 billion. Amortization and interest on the foreign debt for the calendar year 1985 was $61.6 million or 3.9% of the earnings from the export of goods and services.

Capital Programme and Public Sector Issues

Mr. Speaker, any proper consideration of Government's financial position and the size of our debt must take into account the role that the state has and must play in maintaining and stimulating economic activity in Barbados. Were we living in an ideal world, we would expect the private sector to carry the full burden of generating activity, creating jobs, and providing the services which the society needs. However, in our real world, where we have not yet developed an active enough entrepreneurial class in the private sector who are risk takers, the private sector are followers and not leaders in the battle for restructuring and reform of our economy. The state must accept some of the responsibility of providing jobs, adding to capital formation, and strengthening the productive base of the economy.

The contribution of our public investment programme for this financial year has been set in this general mould. We intend to support job creation in Barbados by investing, as shown in the Capital Estimates, in agricultural diversification, in the rehabilitation and construction of roads and other productive facilities, in expanding opportunities for training and re-training, from entrepreneurs right down to skilled artisans, and accelerating efforts to penetrate markets for manufacturing and tourism. The fiscal deficit which supports this programme, stands at just over 6% of Gross Domestic Product; an index which compares favourably with the double-digit deficits of most developing countries, and even some of the leading developed countries in the world.

Applause.

We must reiterate that the control of transfers to the statutory organisations also represents part of Government's efforts to keep our deficit within manageable proportions. In my proposals last year, I served notice of Government's intention to create a unit of State Enterprises within the Ministry of Finance and Planning. This unit has subsequently been established and is, among other things, developing full-cost recovery systems for some of our commercially-oriented enterprises, and formulating systems of financial control to keep the deficits of other Boards down to absolute minimum.

There has, Sir, been full consultation on these various measures, and I re-emphasise the point that we intend to secure the most efficient and productive uses of public funds by our state enterprises. Very drastic restructuring can be expected, Sir, in those state enterprises which do not comply with our policy in this regard.

I am also pleased to inform the House, Mr. Speaker, that, as promised last year in the Budget, the Ministries of Finance, Education and Labour have undertaken detailed joint planning during the course of the year to rationalise technical and vocational training in Barbados. Towards this end, assistance has been sought from the Canadian International Development Agency to finance a study of the content and system of delivery of technical and vocational education in Barbados to determine the effectiveness of this system in relation to the present and projected needs of the productive sectors.

Phase 1 of this study commenced in March, and we envision being in a position on its completion to better programme our training resources to cope with the demands of the society in this area into the next century.

Strategy and Objectives

As we continue to pursue the path of restructuring our economy, this year's Budget will provide more incentives for entrepreneurial development, increase our savings efforts, reorganize our duty free provisions to carry into effect our diversification programmes in the tourist industry, increase help for our young people and the disabled, and improve provision for the aged and unemployed. Needless to say, we will continue to discourage wasteful consumption of scarce world resources, nor will we encourage waste on needless goods.

Mr. Speaker, these measures must be looked at in relation to the proposals contained in the last Budget, which started us on the path of less reliance on the region and greater penetration of the USA, Puerto Rico and non-CARICOM Caribbean markets. It is clear that we are on the right road. No effort must be spared, no wavering must occur, in our search for new markets, in our revamping of our manufacturing activity to provide the products these markets require and in the re-training of our human resources.

The enhancement of our competitive position must be constantly encouraged. The fiscal proposals I am about to outline are complementary to the monetary proposals which, in accordance with our procedures, I have approved for action by the directors of the Central Bank.

This combination of fiscal and monetary proposals are realistic attempts by the Government to ensure sustained public/private sector activity in Barbados. I do not accept the contention of some, that, in economies like ours, tax cuts alone will provide more jobs. The experience of Barbados and other developing countries has been that the efforts of both the public and private sector are needed to promote and sustain economic growth, reduce unemployment and ensure a measure of equity in the distribution of economic gains.

Substantial increases in purchasing power should remain in the pockets of Barbadians through lower interest rates, tax reductions, reduction of oil prices and increases in welfare payments. When added to the increases granted last year in tax allowances, the full effect of which will only be appreciated as tax returns are filled out this month, Mr. Speaker, I submit to this Honourable House that the totality of these measures can only be regarded as a tremendous effort on the Government's part to stimulate demand, encourage investment and improve the living standards in Barbados.

Applause.

Mr. Speaker, and honourable Members, in making a decision to release considerable sums of money to create the purchasing power in Barbados, I have been conscious of the need to design schemes to ensure that the largest proportion of this purchasing power is not devoted to consumption and imports but rather to the creation of savings, investment, or the purchase of locally produced goods and services. Given the balance of payments problems of small open economies, I am convinced that this objective is a correct one. I therefore exhort the advisers of investment institutions in Barbados, the directors of the proposed stock exchange, the banks and the mortgage companies to ensure that their machinery is sufficiently in order to be responsive to our objectives.

Of course, it will be said that more should have been granted in the form of greater tax reductions. I believe, however, Mr. Speaker, that Barbadians will realize that, at the particular time in our history, it is better for the Government to maintain job security, to share some of its revenue with the unemployed and the worst off in the community than to give more to the better off by more tax reductions.

Monetary Policy

Government's monetary policy, executed through the Central Bank of Barbados, is designed to provide strong financial support for the producing sectors, especially the export-oriented sectors, regarded as the cornerstone of Barbados' economic recovery. Through its industrial Credit Fund, the Central Bank provided medium term credit to enterprises in manufacturing and tourism and through the Export Credit Insurance and Guarantee Schemes, it provided aggressive support for exporters.

During the year, as international interest rates fell, the Central Bank, with my approval, took the opportunity to reduce the cost of commercial bank credit to businesses. The average lending rate of commercial banks was reduced on February 1st by one percentage point; a further reduction of one percentage point on May 15 brought the average lending rate down to 10%. Also, at the same time the savings rate was brought down from 5% to 4%, and the Central Bank's own discount rate was lowered from 16% to 13% in line with the downward trend in international interest rates. The rate on all variable mortgages was reduced to 12% on April 1st; a further reduction brought the rate down to 11% on September 1st. The costs of special discounts, offered at preferential rates to manufacturing, tourism and agriculture, were reduced by one percentage point on December 1st.

The Central Bank also eased its restrictions on access to bank credit by the distributive sector so as to accommodate the increased sales from the expected pick-up in the economy. On May 15th, ceilings on commercial bank loans for the construction, extension or repair of houses were exempted from all restrictions. However, controls remained on other personal sector credit to temper expenditure on imports. The export sectors, agriculture, manufacturing and tourism have never been subject to credit ceilings.

I now wish to announce, Sir, that:

1. The maximum rate on variable interest mortgages will be reduced to 10% with effect from April 1st, 1986;

2. The Average Lending Rate will be reduced to 9 and one-half percent with effect from April 1st, 1986;

3. The Board of Directors of the Central Bank, with my approval, have also approved a further reduction in the Bank's discount rate from 13% to 11%.

Applause.

Representations have been made to me that because of the appreciation of other currencies, and particularly of the Japanese Yen, against the United States dollar, the cost of motor cars has risen by about 25%, and that in such a situation there should be an easing of credit restrictions with respect to motor cars.

The concessions which have been made by the Central Bank with respect to credit are intended to assist and encourage the private sector to develop and expand in a way that is likely to maintain current levels of employment as well as to create new jobs. The need to protect the level of our foreign exchange reserves remains strong. The value of

motor vehicle imports can have a very significant impact on the foreign exchange position. It is therefore necessary to exercise reasonable control of expenditure in this regard. In recognition, however, of the increased cost of motor cars, I propose to amend the Hire Purchase and Credit Sale Agreement (Control) Order to ease the restriction regarding the percentage minimum payment in respect of a purchase. The current order provides for percentage minimum payments and maturity as follows:

Price up to	*Minimum % Payment*	*Maximum Period for payment of balance*
$12 500	33 1/3%	24 months
$13 501 – $20 000	50%	18 months
$20 001 – $30 000	50%	12 months
$30 001 and over	100%	

The above will be replaced by the following amendments:

Price up to	*Minimum % Payment*	*Maximum Period for payment of balance*
$16 100	33 1/3%	21 months
$16 101 – $24 000	50%	15 months
$24 001 – $36 000	50%	12 months
$36 001 and over	100%	

Loans to Private Sector through BDB

Mr. Speaker, I am also pleased to announce that, as a contribution to further private sector development, I have decided to introduce a new loans scheme available through the Barbados Development Bank up to a maximum limit of $500 000. These loans will be available for special manufacturing industries and service industries which have a high export or invisible earning capacity. The details of the eligible manufacturing and service industries will be arrived at after consultation with interested private sector organisations.

Income Tax Reform

I now turn, Sir, to Income Tax reform. Mr. Speaker, the record of this Government on tax reform is an honourable one. We have always felt that no tax system should ever be regarded as being so perfect that it does not require periodic adjustments to reflect the changing economic and social structure of the society in which it operates. However, given the need in Barbados to ensure balance in the distribution of our national resources, particularly the maintenance of an acceptable level of social services, the suggestions for abolition of Income Tax, when examined, have always faced the problem of how to replace in an equitable manner the revenue at present collected from Income Tax by the revenue to pay for these services. Since we do not intend as a Government to reduce the level of services provided in the community, we on our side have always charted a course of systematic reform and modernisation of the system to provide greater incentives for savings and investment and increased rewards for those who are willing to work harder to improve their lot.

Every year since 1977, Mr. Speaker, this Administration has introduced measures which resulted in a substantial reduction in the burden of Income Tax. During the process, well in excess of 48 000 persons were eliminated from the tax roll. This has been done because it is part of our philosophy that the Income Tax structure should be

adjusted regularly if it is not to reach the stage where it becomes a disincentive to individual effort.

Applause.

Mr. Speaker, as we have said, we have chosen to implement the restructuring over a period of time, not only because of the massive restructuring which was necessary, but also because we have always acknowledged that it is essential to ensure that adequate revenue is available to finance the various services which are being provided by the Government.

Up to last year, various allowances were increased. However, I now consider that it is time again to give further relief from personal taxation through adjustments to the tax credits, tax rates and taxable income bands. The details of the proposed reform are as follows:

Tax Credits

The tax credits which were introduced to bring special relief to those persons at the bottom end of the Income Tax Schedule at the moment are applied as follows:

1. persons with gross assessable income of $7 500 or less enjoy a tax credit of $400;
2. persons whose gross assessable income exceeds $7 500 but does not exceed $8 500 receive a tax credit of $250.

It is my view that the present credits do not go far enough and I have decided to abolish them from this income year . . . . . *Applause* . . . . . and propose instead that persons with a gross assessable income of $10 000 or less will not pay any Income Tax whatsoever.

Applause.

Mr. Speaker, the result of this new initiative, will mean that another 7 500 persons will be immediately eliminated from the tax roll, and when added to those who were eliminated in previous years, you will see, Sir, that, between 1977 and now, we would have removed no less than 55 000 persons from the income tax roll.

Applause.

Mr. Speaker, that is not all! There is more to come.

Applause.

Rate Adjustment and Taxable Income Bands

I now turn, Sir, to the taxable income bands and the rates which apply to them. At present the schedule of payment is as follows –

Up to $ 5 000	10%

that is on taxable income

Up to $10 000	20%

At this point there was a power failure.

6.00 p.m.

SUSPENSION

Mr. SPEAKER: This House is suspended for five minutes.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

When the Suspension was taken, the Honourable Prime Minister was speaking. He may now continue.

Hon. H. B. St. JOHN: As you will recall, Mr. Speaker, I said there was more to come. Well, here it is!

The taxable income bands at present are as follows:

Up to $5 000	10%
Up to $10 000	20%
Up to $15 000	30%
Up to $20 000	40%
Up to $30 000	50%
Over $30 000	60%

Effective from this income year, I propose the following:

Up to $6 000	10%
Up to $11 000	20%
Up to $18 000	30%
Up to $30 000	40%

and the maximum rate in Barbados will be

Over $30 000	50%.

Applause.

Mr. Speaker, these changes will bring some of the much needed relief from the burden of Income Tax and should lead to increased spending or savings on the part of those who benefit. Either result should have a beneficial impact on economic activities in the country and, in due course, lead to increased prosperity for all of us. The above adjustments are expected to result in a revenue loss of $11.6 million.

Pension Schemes

Under the existing Income Tax legislation, persons who make contributions to the National Insurance Fund are allowed to claim those contributions as a deduction for Income Tax purposes. In addition, they can claim 15% of their assessable income or $1 500, whichever is the lesser, in respect of any pension schemes to which they contribute in order to supplement their National Insurance pensions. I propose, effective from this income year, that such persons will be allowed to claim 15% of their assessable income or $3 000, whichever is the lesser. This increase in the allowance to $3 000 should provide a further incentive to Barbadians to make better provision for their old age.

Applause.

Mortgage Interest Allowance

Mr. Speaker, it is a fact that Barbadians place special emphasis on house ownership. Therefore, we have always accepted it as part of our duty to assist them in the constructing of their own homes. Earlier, I announced a reduction in the mortgage

interest rate, and in order to provide a further incentive to such persons, I now propose that effective from income year 1986, the Mortgage Interest Allowance will be increased from $9 000 annually to $12 000. This measure is expected to result in a revenue loss of some $200 000.

Allowance for Gardeners and Household Help

There is at the present moment an allowance for having a gardener of $500, provided, of course, that evidence is produced at the time of the filing of the tax returns that the person pays National Insurance. I am told that there is some difficulty evaluating some of these claims because of the difficulty in discovering and proving whether a person is employed only as a gardener.

As from this year, I propose to increase this allowance to $1 200, and, at the same time, to foreclose any doubts, I will extend the provision to cover the employment of domestic or general household help, including gardening help.

Applause.

This change is expected to cost the revenue some $300 000.

Other Tax Reform

Mr. Speaker, in last year's Budget I introduced a number of measures aimed at aiding the expansion of the exports by local enterprises into countries outside of the Caribbean Common Market. Already, indications are that our measures are bearing fruit, particularly with developments in the Puerto Rican market as well as those of the United States of America, Canada and the United Kingdom.

Admittedly, the money value of these exports is not expanding as rapidly as I would wish, but we recognised at the outset that we were setting ourself a difficult task in penetrating such sophisticated markets. That progress is being made cannot be gainsaid in the light of the gains being made in furniture manufacturing, packaging and non-sugar agriculture.

This year I propose to extend to the tourist industry the Market Development Allowance which was introduced in income year 1985 to aid export sales in extra-regional locations. Tourism remains our main foreign exchange earner, in spite of the difficulties which the sector is experiencing. Government's support of the sector has been manifested in the granting of additional concessions under the Hotel Aids Act, as well as the provision of financial assistance through the Barbados Development Bank. This new proposal, it is hoped, will encourage the hoteliers themselves to be more aggressive in the marketing of their product, either alone or in association with the Board of Tourism.

In 1985, for the first time, certain categories of commercial buildings which were not previously entitled to an annual depreciation allowance were granted such an allowance. Already the effects of this proposal are being seen as a number of such properties are being better maintained. Mr. Speaker, if Barbados is to be considered a leading service centre, actions must be encouraged to seek to enhance the quality and attractiveness of the environment in which we live, work and play.

I therefore propose to increase this allowance by a further 1%, calculated on the same basis as the current allowance; that is, the improved value of the property as assessed by the Commissioner of Land Tax and shown in the Land Tax demand notices. The cost to revenue here is estimated at an additional $1.6 million.

I may say, Mr. Speaker, that we hope this will help the private sector to participate in the Carlisle Bay Development and the Speightstown Development.

I now turn, Mr. Speaker, to properties designated as being of architectural or historic interest.

In 1983, in response to representations from the National Trust among others, this Government initiated a series of measures, which were expanded upon in subsequent years. They were designed to give tax relief to owners of old buildings, which, all were agreed, should be preserved. An annual repair allowance at a special rate was granted in respect of dwelling houses which were owner-occupied. This rate, which was introduced in 1983 at 10% of the improved land tax value, was increased to 25% in 1984.

This year, as promised in 1983, I propose to extend some measures of tax relief to owners of such listed properties which are commercial in nature. A building allowance at the rate of 10% of the assessed value of the property will be extended annually in respect of these properties. This proposal is expected to cost the revenue some $0.8 million.

Again, Sir, this should complement the annual depreciation allowance, particularly in respect of those commercial properties which are situated in these special areas.

Investment Income

Small, developing countries such as ours have to be constantly devising schemes which will encourage and assist exporters, because of the need to earn foreign exchange while at the same time providing employment opportunities. Last year an export allowance was given, and as a result of representations which have been made, this year I intend to move a step further. In an effort to encourage the retention in the island and investment of profits by enclave companies which are owned by non-nationals, I propose that, from this income year, investment income will be taxed at the relevant rate as their export earnings. This will encourage them, Sir, not to remit them to their head offices, but to use them in Barbados for expansion of their investment here.

Development of Services Sectors

I now turn, Sir, to the development of the services sector. Mr. Speaker, Government's commitment to the fullest development of this sector and its export earning capabilities is well known. In this spirit, we established a revolving fund for non-sugar agricultural exports, and created new investment and market development incentives for manufacturing in our 1985 budget. This year, tourism will also benefit.

We are, however, also convinced that there is much scope for export earnings from the foreign activities of construction firms and other professional services. It is therefore Government's intention to create a special regime for such enterprises to enable them to be competitive in countries outside CARICOM.

Applause.

I propose to introduce a provision for the allowance of a tax credit where the net foreign currency earnings from qualifying overseas construction projects as well as qualifying overseas professional services have been remitted through the Barbados banking system. I have fixed the credit at 50% of the foreign currency earnings.

Applause.

The definition of net foreign currency earnings is to be taken as the gross amount of foreign currency earnings received by the taxpayer in respect of these projects or services reduced by the aggregate of all outgoings (including capital expenditure) incurred directly or indirectly outside of Barbados.

To qualify, the taxpayer must satisfy the Commissioner of Inland Revenue that an amount of net foreign currency earnings has either been transferred in overseas currency to the credit of the taxpayer through the Barbados banking system or paid in funds held in Barbados by the overseas client-funds, which are otherwise remittable from Barbados in terms of the Exchange Control Regulations.

Mr. Speaker, in respect of incentives for companies in Barbados exporting to CARICOM, it will be recalled that there was a Harmonisation of Fiscal Incentives Agreement which attempted to preclude Governments from granting different incentives to their manufacturers. This agreement has been the subject of a review for a considerable period of time, and, regrettably, no new agreement to replace the existing one has yet been finalised. While I do not wish to take any action which will place Barbados in a position different from its well-known one of honouring its CARICOM obligations, I would emphasise that this Government does not intend to stand idly by and allow its manufacturers to operate in an environment in which some countries, by the device of devaluation and non-tariff measures, have placed their manufacturers in a particularly advantageous position. This matter will be kept under constant review and, if necessary, extraordinary steps will be taken as needed to ensure that no unfair advantage is obtained by any country within CARICOM in the Barbados market. In the meantime, we shall continue to press for a new regime to replace the existing one. I reiterate that this Government does not believe that devaluation is any solution to the problem of competitiveness which face Barbadian producers.

Applause.

Mr. Speaker, earlier I announced a special measure for certain small businesses. Other small businesses will not be left out. A complete examination of the range of instruments which can assist this class of business, including the feasibility of having a special corporate tax for small firms, is now being undertaken. It is expected that this appraisal will be completed for introduction in fiscal year 1987.

In this connection, I must add that a report on business failures in Barbados should be available by then, as well as an assessment of loan defaults of the Barbados Development Bank. This information will unquestionably be useful to the Government in designing mechanisms to aid genuine small and responsible businessmen who are aware of the necessity for probity and fiscal responsibility, and these are the ones that we are targeting our assistance at.

Taxes on Properties

The triennial review of land valuations in this country was carried out last in 1984, giving rise to new valuations which came into effect from March 20th of that year. We noted then that the primary purpose behind the valuation exercise was not to put unreasonable burdens on taxpayers, nor to increase the yield from the tax. In October 1984, the existing tax rates were reduced, so that most property owners enjoyed a reduction in the rate of about 20%.

However, Mr. Speaker, the House was informed at the time that quite a number of property owners would not have benefitted from those reductions. On this occasion, Sir, I propose to redress that imbalance by introducing, effective from this tax year, the following rates with respect to the improved value of land only:

A rate of 0.4% up to $500 000,
plus 0.75% of any excess up to $1 million,
plus 1% of any excess over $1 million.

Some $1.9 million in revenue will be lost by virtue of this measure.

Licensing Fees

Last year, Mr. Speaker, I made a few adjustments to the fees which the Licensing Authority collects from Public Service vehicles, to correct a few existing anomalies.

This year I am proposing two further changes. One change, however, relates to the introduction of a new category of Public Service vehicle; a hired limousine service, which will carry the designation HL. The fee for a permit to operate such vehicles will be $2 500 while the annual tax will be $1 200.

The other change I am proposing, Mr. Speaker, is to equalise the annual tax payable in respect of self-driven hired cars with that chargeable for a taxi driven by a person other than owner. The permit fee remains at $2 500, but the annual tax now will be $800 instead of $1 200.

The net effect of these measures is expected to cost the revenue $350 000.

Consumption Taxes

I now turn, Mr. Speaker to Consumption Taxes. Last year, as a concession to the tourism sector, I reduced by one-half the rate of the Consumption Tax on wine from $5 to $2.50 per litre. This year, I propose to respond to a number of requests for relief from sporting and cultural organisations.

Wind surfing and surfing generally have become very popular sporting activities locally in recent years. I therefore propose to treat these activities like any other outdoor sports and exempt their equipment and other requisites from payment of Consumption Tax.

Applause.

I also propose to extend a similar concession in respect of equipment for target shooting, and requisites for billiards and table-tennis.

On a more mellifluous note, Mr. Speaker, I propose to reduce from 15% to zero the Consumption Tax currently payable on musical instruments. This measure should bring some joy to the hearts of all local musicians, and encourage them to continue to upgrade the quality of their instruments.

Opportunity is also being taken, while on the subject of Consumption Tax, Mr. Speaker, to remove the Consumption Tax of 10% currently charged on micro-wave ovens used for domestic purposes. I understand that this piece of equipment may be seen as energy conserving and, therefore, it is now being added to those similar items from which the consumption tax was removed in my last Budgetary Statement.

The proposals above will take immediate effect, and are expected to cost the revenue some $0.4 million in a full year.

Petroleum

I now come, Mr. Speaker, to petroleum.

Mr. Speaker, this is the first time since 1983 that the issue of petroleum is being addressed in the Budgetary Proposals. That the issue should occupy our attention now is not surprising in the light of the present turmoil in the world's petroleum markets, and the alacrity with which some uninformed local experts have rushed into print with their pontifications on the matter.

However, as in 1983, this is an area where I am proposing substantial changes, without imposing any increased charges on the consuming public.

The present volatility of the world oil situation has begun to impact on the Barbados economy. As Barbados is both a producer and importer of crude oil and related products, the recent steep decline in oil prices has had a double impact. The effect on the local drilling operations carried out by the Barbados National Oil Company Ltd. has been negative, as the price of its crude, which is based on the Venezuela Tia Juana medium, has fallen, from US$25.92 per barrel in January to US$13.51 by March 6th. Quite obviously, therefore, this company, which has realized net profits of $19.3 million during its period of operating so far, has had to review its operations in these changed circumstances.

Despite all of the forecasts and predictions from the soothsayers, the oil industry has traditionally confounded all who have dared to apply the art of forecasting to its behaviour. No one really knows at what level crude oil prices will stabilise. Nevertheless, certain serious decisions regarding continuing exploration will have to be made as the profit margins of the operation are being eroded by the decline in prices.

Clearly, Mr. Speaker, Barbados is not alone in having to take such decisions, as is evidenced by the massive layoffs and job losses occurring in Alaska, Texas and Oklahoma, the major oil States of the USA, in the North Sea operations of the United Kingdom and next door in Trinidad and Tobago. But we have to take the bitter with the sweet, and since the oil producing sector is only a minor part of our economy, the Government has been monitoring the ex-refinery prices closely with a view to taking such action as would ensure that whatever savings accrue from the depressed prices are equitably distributed in the economy.

Before I detail the proposals in this area, Mr. Speaker, I need to advert to the Agreement signed on October 19th, 1962 by the then Government which sets out the

pricing mechanism with respect to products supplied by the local refinery. The Agreement specifies that –

> "The Company shall make available gasolenes, kerosene, distillates and fuel oil in bulk quantities to the marketing companies in Barbados at the Refinery, the prices of which shall be equal for each product on the date of delivery, to the arithmetical mean of low quotation by Platt's Oilgram for cargo lots of such product at Aruba, Curacao, Amuay and Cardon for the calendar month immediately preceding that during which the deliveries in question are made plus insurance, ocean leakage and a freight component....."

The Agreement also provides the formula for computing this freight component.

Ever since 1962, this has been the basis upon which oil prices have been fixed by the Opposition, the Democratic Labour Party, when they were in power, and by the Barbados Labour Party, since we came into power in 1976.

It should be noted, Sir, that quotations are now available only from Curacao and Venezuela, and it is very difficult to obtain regular detailed information from Venezuela. The Aruba refinery closed recently, and, as a result of this, discussions were held, and are being held, with the refinery with a view to amending the existing pricing mechanism, but we have been unable to reach agreement up to today. However, the Government has taken the decision to utilise the ex-refinery prices which are available from Venezuela and Trinidad and Tobago refineries as the basis for determining the local product prices. This decision was predicated on the fact that the refinery's feedstock is either sourced in these two countries as in the case of cocktail mix and reformate respectively, or priced with reference to them.

Since 1979, when the bi-lateral agreement was signed between the Governments of Trinidad and Tobago and Barbados, reformate and cocktail crude are bought from Trinidad and Tobago and not from Venezuela. Crude oil, fuel oil and asphalt are bought from Venezuela. The Barbados crude is priced by reference to Venezuelan crude, but Government feels that it is only fair and reasonable, since this is the source of the feedstock, that those prices should be used.

Having decided on the above, I can now announce that, effective midnight tonight, the new retail prices for petroleum products from the local Mobil refinery shall be as follows:

Gasolene $1.10 per litre – a reduction of 5 cents per litre.

For those who have a little difficulty in converting litres to gallons, that is 19 cents per gallon.

Kerosene 55 cents per litre – a reduction of 7 cents per litre; 27 cents per gallon.

Automotive diesel 90 cents per litre – a reduction of 5 cents per litre or 18 cents per gallon.

Industrial diesel – a reduction of 5 cents per litre or 18 cents per gallon.

Applause.

Mr. Speaker, the economy of Barbados, like that of any oil importing country has been based on high energy prices for the last decade. Among other things, the level of wages, the cost of utilities and food, in particular, reflect the prevailing high energy prices. Now that the energy prices are falling and we are in an era of low inflation, and low interest rates, we have to monitor these areas of our economy if we are to remain competitive. Because these dramatic changes have only occurred recently, no one is certain of the effect on their particular economy. The question being asked in every country is: Will there be a reduction in the general level of costs at as fast a level as the reduction in energy prices, or will they not change at all?

I only know of one industry in the world that has been able to do something about costs which were predicated on the high energy prices, and that is the airline industry. Dramatic and historic changes have occurred in that industry, in that wages in that industry have been reduced greatly. I am not suggesting that what has happened in the airline industry will happen in other industries in the world, but Governments have to make decisions, even in situations of such economic turmoil.

Current information suggests that bankers in the world, and oil producers with influence in the world, will fight to ensure that crude oil prices will stabilise at around US$15 a barrel, at least for the first two quarters of this new fiscal period. I have taken the decision to share the windfall which is likely to accrue from the shake-out in the world petroleum market between the concessions, via reduced prices to consumers which I have announced already, and the Government revenue, through the revenue proposals I will now announce.

I propose to increase the Consumption Tax on gasolene, kerosene, automotive and industrial diesels by 12.31; 3.498; 7.757 and 7.649 cents per litre respectively, with effect from midnight tonight.

Mr. Speaker, the Consumption Tax as a percentage of the retail price of these products in Barbados stands as follows:

For gasolene, the Consumption Tax as a percentage of the retail price under the new pricing arrangement is 58.8%.

In the recent Budget in the United Kingdom, a developed country and an oil producer, the take at the pump of the British Government was pushed to 62%. We are not doing badly!

On kerosene, in Barbados the percentage of Government tax is a mere 13.6%.

The Consumption Tax on a percentage of the retail price of auto-diesel is 48.2%.

Of industrial diesel, 27.9%.

I now turn, Sir, to fuel oil.

Mr. Speaker, indications are that the fuel oil market price is lagging far behind the drop in crude prices. This situation is very uncertain, but analysts in the oil industry expect the situation to remedy itself by this month. I do not intend to increase the tax on fuel oil – it is small already – or impose price control on the product. However, in order to ensure that fuel oil, which forms a large portion of the revenue of the refinery in Barbados, does not distort the revenue available to the refinery, I propose to reduce the tax on fuel oil from 2.045 cents per litre to 1.045 cents. The one cent per litre

reduction will be shared equally between the consumers, and they are only two significant consumers of fuel oil in Barbados, the Arawak Cement Plant and the Electric Company. Point five cents (0.5¢) will go to the consumers and 0.5¢ will remain as a surcharge to the refinery. This will be the only surcharge – the only surcharge, 0.5¢ a litre – that the refinery will be allowed. All the other surcharges have been removed.

The situation with the fuel oil imports as well as other petroleum products will be monitored. We have a monitoring unit which meets regularly to discuss Barbados' feedstock prices, as it is our aim that our feedstock prices should bear, as close as possible, a relationship to the price at which our competitors worldwide receive their feedstock.

I may also add, Sir, that this question of the turbulence in the world petroleum market and the impact that it will have on general costs in economies, has recently been the subject of special discussions between the Heads of Government in an informed way when we were in Grenada at the time of President Reagan's visit, and also as a result of a special meeting which was held in St. Lucia for technicians. We had the benefit of the advice of a well known Caribbean adviser on energy. I will not call his name, I think that most people know him. He was the Energy Adviser to the Caribbean Development Bank for a number of years. So the Government, has been taking advice from the best sources available in arriving at its decisions.

The reductions in the price of crude oil have impacted also on the price of liquefied petroleum gas (LPG). Effective from midnight tonight, therefore, the controlled prices of this product shall be reduced by 12% as follows:

	Current	*Proposed*
Cylinder of 100 lbs	$91.00	$80.50
Bottle of 25 lbs.	$24.50	$21.87
Bottle of 20 lbs.	$19.60	$17.50

Applause.

Bearing in mind the factors that I have outlined, Sir, the sharing of the revenue will be as follows:

$15 million to the Government
$7.4 million to the consumers in a full year.

This is in addition to the amount that consumers receive via their electricity bills. Between January 1985 and December 1985 the fuel adjustment clause in the electricity bills has gone down by some eight cents a unit.

Sale of Goods to Tourists

I now turn Sir, to diversification in our tourist industry, and before I leave this general heading of indirect taxes, I will now deal with the reform of the duty-free shopping scheme.

The 1983-1988 Development Plan noted the importance in duty free shopping as a major component of our tourist product. I recognised the need to review such operations, given the loss of the competitive edge of our duty free establishments. It also ties in with the rapid expansion plans that are taking place in the development of the cruise ship business in Barbados. Towards this end the several constraints to the expansion and attractiveness of duty free facilities have been identified and remedied.

As a first step, administration of the drawback system has been improved considerably, and the period for refunds from the Customs Department to the store operators has been shortened significantly.

Secondly, operators have been encouraged to make use of the licensed warehouse system to avoid tying up large sums of funds by having to pay up-front all duties and taxes on the imported items. More recently, the sale of such items to *bona fide* tourists have been also allowed drawbacks of Stamp Duty.

I now propose, Mr. Speaker, to further change the existing system by allowing the direct delivery and receipt of a number of items purchased by persons in possession of the requisite travel documents. The system will be carefully monitored to prevent any abuses, and towards this end, I have determined a number of items which may only be purchased for delivery at the port of departure from the island.

In essence, therefore, a dual system of duty free operations is being introduced to allow for –

(a) the immediate "over the counter" delivery of certain items; and

(b) a continuation of the existing system whereby items may be purchased for delivery at the port of departure.

I have agreed also to extend the list of goods which may be purchased under the duty free scheme. A list of the items concerned are shown in the attached appendices II and III.

Before I conclude this section, I would like to say that in the Ministry of Finance, we are deeply grateful for the help which we received from the Minister of Tourism, the Ministry of Tourism and the Parliamentary Secretary in the Ministry of International Transport, who gave us the benefit of their considerable investigations in this area, particularly as to what obtains in competing destinations.

Applause.

Social Security

I now turn to Social Security. Mr. Speaker; this Administration's commitment to the view that the society should make adequate provision for the elderly, the disabled, and the unemployed is well-known. In keeping with our long established tradition of caring for this group of persons, a review of the financial assistance which is being given to them has been undertaken. The actuarial review of the National Insurance Scheme has taken place, and, as a result, effective from 14th April, 1986, Contributory National Insurance Pensions and related benefits will be increased from $50 per week to $60. . . . . *Applause.* . . . . As agreed, the Non-Contributory Old Age Pensions will continue to bear the relationship of 80% of the minimum contributory pension, and that will be increased from $40 per week to $48 per week.

Applause.

Mr. Speaker, I need hardly remind this House that in this year, 1986, the situation is a far cry from what old age pensioners used to receive when this Administration assumed office nine years ago. It was $13 per week.

Mr. Speaker, these proposals will result in additional expenditure to the National Insurance Fund of $13.6 million.

Applause.

Welfare Grants and National Assistance

At present, Welfare Grants and National Assistance are given to able-bodied persons who are not eligible for unemployment benefits and who do not receive any other form of financial assistance, nor qualify for any such form. The minimum amount which was granted was $2.50 per week and a maximum of $5 per week. These rates were fixed in 1980 and are out of date. Effective April 14th, the rate of assistance will be increased to $5 and $10 respectively.

Applause.

This is a very small category of persons which is not covered by any scheme at all.

The next group Mr. Speaker, is that of the disabled persons. This group of persons has always been granted special treatment.

Presently, assistance is provided to such persons as follows:

(a) minimum rate of $8 per week

(b) maximum rate of $12 per week or in cases where such a person is over the age of 55 and is not in receipt of Old Age Pension, $15 per week.

However, with effect from 14th April, the new rates will be $12 instead of $8, $16 instead of $12 and $20 instead of $15.

Applause.

Mr. Speaker, while we are on this subject, we are not going to forget the 6 400 odd children who now receive assistance from the Welfare Department. This assistance is granted when fathers have abandoned their responsibilities or when, for reasons peculiar to particular families, the level of income is such that, in the opinion of Welfare Officers, it is insufficient to provide minimum sustenance.

At present, there are 6 400 children who receive $4 per week. Effective April 14th, I propose to double this to $8 per week.

Applause.

The Government's Social Security expenditure paid for out of the Government's budget, as opposed to the National Insurance Fund, will have to find an additional $2.3 million to finance this additional expenditure.

Special Government Pensions

I now come, Sir, to a special category of persons.

Many representations, Mr. Speaker, have been made to me about the plight of Goyernment pensioners who retired prior to 1975–76. They did not get the benefit of the increases in wages which civil servants and other people in Barbados received subsequent to the 1976 salaries revision. It is claimed that the cost of living allowances

which were granted to pensioners at the time of salary revisions did not deal adequately with the special circumstances of these pensioners.

Effective from April 1st, I propose, Sir, to increase by 50% the level of their cost-of-living allowance. This proposal will cost the revenue an additional $253 380.

Applause.

Lest it be thought that other Government Pensioners, who retired after 1976, are being forgotten, I remind them that it is customary that they receive their adjustments when salaries are fixed for serving Public Officers, and the extent of that adjustment is usually dependent on the outcome of the negotiations which are now taking place.

Wages

Mr. Speaker, before I summarize and conclude, I think it is right that I should tell the public that this is the year in which negotiations will take place in respect of a new agreement for Government workers. Submissions have been received from a number of the unions representing various branches of Government workers. We have not received submissions from all of the unions. I have had a meeting already with a number of these unions, and I intend to hold meetings with the others. In the circumstances, it would be most improper for me to set out in detail the Government's negotiating position. I shall content myself on this occasion by saying what I said to the unions, part of which is now public knowledge.

Public workers in Barbados are very fortunate, in that an examination of their position since 1980 reveals that, between 1980–81 and 1985–86, there was an increase in inflation of approximately 49.5%. Public sector wages during the same period increased by an overall average of 68%. In addition, the number of public sector workers have not decreased; indeed, there has been a small increase due particularly to the expansion of security services in Barbados, and in the Fire Service. Government can truthfully say that public servants have enjoyed both an increase in their standard of living and job security. It is inevitable that in current negotiations, the above facts, together with the general economic climate of low inflation, reducing oil prices and the need to provide expanded job opportunities, will have to be taken into account in determining Government's negotiating stance.

This brings me, Sir, to the end of this year's Budgetary Proposals. The concessions which I have given amount to approximately a release of $40.6 million in additional expenditure potential in Barbados. The proposal for increased revenue should raise $15 million.

Concessions

Personal Income Tax	$12.1 million
Corporation Tax	$ 2.4 "
Land Tax	$ 1.9 "
Licensing Fees	$ 0.3 "
Consumption Tax	$ 0.4 "
Welfare Grants	$ 2.3 "
Government Pensions	$ 0.2 "
Reduced Petroleum prices	$ 7.4 "
	$27.0

National Insurance Pensions (including Old Age Contributory Pension)	$13.6

Increased Revenue

Consumption Taxes on Petroleum products	$15.0

Mr. Speaker, last year, when I granted a number of concessions, I stated that efforts will be made to ensure that all taxpayers complied with the law and that a vigorous effort will be made to increase the efficiency of the assessment and collection procedures. Considerable progress has been made in these areas, in both the Customs and Excise and Inland Revenue Departments. Additional staff has been provided and a decision taken to have in-house legal advice within the Ministry of Finance and Planning to further assist these efforts.

I am sure, you will agree, Mr. Speaker, that it would be most unfair to the honest taxpayers if those who indulge in false invoicing, under-reporting of income, and other tax evasion techniques were not earnestly pursued. I give this Honourable House the assurance that no effort will be spared to ensure that the guilty are dealt with.

Conclusion

Mr. Speaker, and honourable Members, as we reflect on our experiences over the past five years, we can only be pleased at the degree of resilience which this society has shown in tackling the various challenges with which it has been confronted.

Barbados and Barbadians can be proud of the fact that the economy has weathered the storm of recession which raged between 1981 and 1983, and has emerged from it with our productive systems geared for growth.

I venture to suggest, Sir, that few countries of our size or status have fared as well as Barbados. We have been able, at the height of the recession, to maintain a level of public expenditure on both current and capital account, which has had the effect of maintaining internal demand at a level sufficient to prevent severe domestic depression. Government employees have had the benefit of job security, and indeed, while other Caribbean Governments were cutting numbers in their Public Service, we were maintaining our numbers, expanding our Government services, and increasing their pay in excess of inflation.

Applause.

Future generations, Sir, will marvel that this BLP Government found the resources at the height of recession to build the Cement Plant and Heywoods, complete a major school building and renovation programme, construct two major highways and lay the foundation for a modern road network system. They will marvel, too, at the manner in which we set about transforming the face of Oistins, Speightstown, the Glebe, and made the way clear for the revolution of our fishing industry.

Applause.

Last year we announced new training programmes for our youth and unemployed. This year special consideration is given to the aged and handicapped and those in need of welfare.

Our communities already know the benefits Sir, of our efforts to release the cultural energies and imagination of all Barbadians, the care we have shown in providing insurance for the unemployed and the considerable leap forward that has been accomplished in the physical amenities now at the disposal of so many villages and tenantries across the land.

Despite the dire predictions of the prophets of gloom and doom, we have kept the value of our dollar stable, maintained a sound balance of payments position, built up reserves for the use of future generations and brought down the rate of inflation to the point where the purchasing power of our incomes remain intact from year to year.

Applause.

Our productive sectors have not been left wanting. We stood solidly behind our sugar industry when there were voices calling for it to be cast to the winds. We have introduced measures to stimulate manufacturing exports, and we have left no stone unturned in easing the cash flow difficulties which normally accompany recession. The additional $10 million in tax waivers we allowed last year were our tangible way of giving support to our private sector in its time of need.

Let us also recall, Mr. Speaker, that through judicious adjustments to our income tax arrangements, we have managed to stimulate record levels of savings in our banking system and particularly in our credit unions.

In retrospect, Sir, 1976–1981 were good years. Bearing in mind the recession, 1981–1986 were even better years.

Applause.

Today, as we look to the future, with our economy poised for sustained recovery, the best is yet to come!

Applause.

I am confident, Mr. Speaker, that the same sense of co-operation and public spiritedness shown by all sections of the community which has carried us through difficult times will prevail.

As I was called upon under tragic circumstances to assume the mantle of leadership in 1985, I was buoyed up by the knowledge that the Barbadian economy was moving forward, not backwards. Inspired by this, I felt confident enough to introduce a number of new measures to spur this forward movement in the restructuring of our economy and our society.

The proposals I have announced today will set us on the road to many more firsts. As we move forward to new levels of competence in our manufacturing, in our diversified agricultural production, in our financial and tourism sectors, let us compete in the international arena with the same skill, competence and dedication as our great West Indian Cricket Team.

Applause.

This Budget has been designed to set the stage for growth through restructuring and incentives.

We intend through this Budget and the policies of the Barbados Labour Party to Keep Barbados First. It is in this spirit, Mr. Speaker, that I commend these proposals to the House.

Applause.

SUMMARY OF BUDGETARY PROPOSALS

1. Maximum rate on variable interest mortgages reduced to 10% effective 1st April, 1986;

2. Average Lending Rate reduced to 9½% effective from 1st April, 1986;

3. Reduction in Bank's discount from 13% to 11% with effect from 1st April, 1986;

4. Change in Hire Purchase and Credit Sale Agreement in respect of motor cars as follows:

up to	$16,100	33 1/3%	21 months (maximum)
	$16,101 – $24,000	50%	15 months
	$24,001 – $36,000	50%	12 months
	$36,001 and over	100%	

5. Increase in loan limit of loans from Barbados Development Bank from $250,000 to $500,000;

6. Abolition of Income Tax for persons with Gross Assessable Incomes of $10,000 or less effective from income year 1986. As a result, 7 500 persons will be eliminated from the tax roll.

7. Adjustment to Income Tax rates and bands as follows:

Present		*Proposed*	
up to $5,000	10%	up to $6,000	10%
$10,000	20%	$11,000	20%
$15,000	30%	$18,000	30%
$20,000	40%	$30,000	40%
$30,000	50%	over $30,000	50%
over $30,000	60%		

The changes at (6) and (7) will result in revenue loss of $11.6m.

8. Effective from 1986 income year, the allowance in respect of Pension Schemes will be increased from 15% of assessable income or $1,500 whichever is the lesser to 15% of assessable income or $3,000 whichever is the lesser;

9. Mortgage Interest Allowance increased from $9,000 to $12,000 annually from this year. Revenue loss of $200,000 is expected.

10. Allowance for gardeners increased from $500 to $1,200 and coverage extended to domestic or general household help. Revenue loss of $300,000 is anticipated;

11. Market Development Allowance which was introduced in 1985 has been extended to the tourist sector;

12. Annual depreciation allowance for commercial buildings increased by1%. Revenue loss of $1.6m is expected;

13. Listed properties of a commercial nature will enjoy a building allowance of 10% of the assessed value. Revenue loss of $800,000 is expected;

14. Effective from this income year investment income retained in Barbados by enclave enterprises owned by non-nationals will be taxed as income from exports;

15. Effective from this year a tax credit at the rate of 50% of foreign currency earnings will be allowed.

16. Effective from this year, tax on improved value of land only will be as follows:

0.4% up to $500 000
plus 0.75% of any excess up to $1.0m
plus 1% of any excess over $1.0m

Revenue loss of $1.9 million is anticipated from the above changes.

17. Licensing Fees have been changed as follows:

1. *Hired Limousine Services*
   (a) Permit Fee of $2 500
   (b) Annual tax of $1 200

2. *Hired Cars*
   (a) Permit Fee remains at $2 500
   (b) Annual tax of $800 instead of $1 200

Revenue loss of $350 000 is expected.

18. Removal of Consumption Taxes on sporting equipment and musical instruments. Revenue loss of $400 000 is expected.

19. Reduction in petroleum prices as follows:

Gasolene $1.10 per litre	–	a reduction of 5 cents
Kerosene 55 cents per litre	–	a reduction of 7 cents
Automotive diesel 90 cents per litre	–	a reduction of 5 cents

Revenue loss of $5.0 million is expected.

20. Consumption Tax on gasolene, kerosene, automotive and industrial diesels increased by 12.31, 3.498, 7.757 and 7.649 cents per litre with immediate effect. Additional revenue of $15.0 million is expected.

21. Reduction of tax on fuel oil from 2.045 cents per litre to 1.045 cents. The one cent per litre will be shared equally between consumers and the refinery.

22. Effective from midnight, the price of liquefied petroleum gas will be as follows:

Cylinder of 100 lbs	$80.50
bottle of 25 lbs	$21.87
bottle of 20 lbs	$17.50;

23. Change in system of duty free goods to visitors including an extension in the number of items;

24. Non-contributory Old Age Pension increased from $40 per week to $48 effective 14th April, 1986;

25. Minimum Contributory Pensions increased from $50 per week to $60;

26. Increase in Welfare Grants effective from 14th April. Additional expenditure of $2.3 million is expected from the changes;

27. Increase of 50% in Cost-of-Living Allowance for Government Pensioners who retired prior to 1975–76. Additional expenditure of $253 380 is expected.

APPENDIX I

TARIFF HEADING NO.	DESCRIPTION OF GOODS	RATE OF TAX
Ex 85.12	Electro-thermic domestic appliances Micro-wave ovens	Free
Ex 89.01.91	Wind surfing units	Free
92.01	Pianos (including automatic Pianos, whether or not with keyboards; harpsichords and other keyboard, string instruments, harps but not including aeolian harps)	
92.02	Other string musical instruments	
92.03	Pipe and reed organs, including harmoniums and the like	
92.04	Accordions, concertinas and similar musical instruments; mouth organs	
92.05	Other wind musical instruments	
92.06	Percussion musical instruments (for example, drums, xylophones, cymbals, castanets)	
92.07	Electro-magnetic, electrostatic, electronic and similar instruments (for example, pianos, organs, accordions)	Free
92.08	Musical instruments not falling within any other heading of this chapter (for example, fairground organs, mechanical street organs, musical boxes, musical saws); musical singing birds, decoy calls and effects of all kinds; mouth-blown sound signalling instruments (for example, whistles and boat swains' pipes)	Free
92.10	Parts and accessories of musical instruments, including perforated music rolls and mechanisms for musical boxes; metronomes, tuning-forks and pitch pipes of all kinds	Free

TARIFF HEADING NO.	DESCRIPTION OF GOODS	RATE OF TAX
Ex 93.04	Other firearms including very light pistols, pistols and revolvers for firing blank ammunition only, line throwing guns and the like – Guns for Target shooting	
Ex. 93.07.2	Target-shooting ammunition and parts thereof, including bullets and shot	Free
97.04	Equipment for billiards and table-tennis	Free
Ex 97.06.9	Surfboards	Free
Ex 97.07.9	Equipment for hunting or target shooting	Free

APPENDIX II

PRESENT LIST OF SCHEDULED GOODS

1. Apparel (Imported)
2. Articles of Ivory, Bronze, Quartz, and semi-precious stone
3. Barometers
4. Binoculars
5. Brassware
6. Brushes (hair + shaving)
7. Camera Accessories
8. Cameras
9. Cardigans
10. China-ware
11. Cigarette Lighters
12. Cigarettes – in containers of not less than 200
13. Cigars – in boxes of not less than 25
14. Clocks
15. Confectionery
16. Copper-ware
17. Cosmetics (including soap, bath oils, powder and lotions)
18. Crystal Lamps with or without shades
19. Cutlery
20. Doeskins
21. Earthenware
22. Electroplated Ware
23. Electronic Calculators
24. Enlargers
25. Film for cameras
26. Foot wear
27. Glassware
28. Gloves
29. High Fidelity Components
30. Household Linen
31. Jewellery Cases

PRESENT LIST OF SCHEDULED GOODS – *Cont'd*

32. Jewellery of gold or platinum of not less than $5.00 C.I.F.
33. Leather Goods
34. Musical Boxes
35. Pearls
36. Perfume Atomisers
37. Perfumery
38. Pewter ware
39. Piece goods of a C.I.F. price not less than $8.00 per yard.
40. Porcelain Ware
41. Projectors
42. Pullovers
43. Scarves
44. Semi-precious stones of a C.I.F. price not less than $15.00
45. Silver Ware
46. Smokers' Pipes
47. Spirits
48. Stainless Steel Ware
49. Television Sets
50. Transistor Radios
51. Transistor Tape Recorders
52. Watches
53. Wines
54. Woodware (excluding furniture)
55. Worsted

APPENDIX III

ADDITION TO PRESENT LIST

1. Beauty Care Sets
2. Blank tapes (video, radio etc.)
3. Car Stereo
4. China Figurines
5. Chrome-plated Household Ware
6. Compacts
7. Costume Jewellery
8. Electrical Ceiling Fans
9. Electric Domestic Appliances
10. Electrical Fans
11. Electrical Lamps
12. Electrical Shavers and other small electric units as hair curlers
13. Electric Tooth Brushes
14. Enamelled Household Ware
15. Full Lead Crystal
16. Home Computers
17. Jewellery of silver
18. Luggage
19. Optical Instruments
20. Out-door Sports Equipment
21. Pens
22. Photo Albums
23. Photographic Supplies
24. Shell Jewellery
25. Sunglasses (shades)
26. Sweaters
27. Tobacco Stripped
28. Tobacco Unstripped
29. Toys and Games
30. Video Games
31. Video Sets
32. Video Recorders
33. Wooden Jewellery

APPENDIX IV

ITEMS FOR DELIVERY AT POINT OF DEPARTURE

Spirits
Wines
Tobacco
Cigarettes
Cigars
Video sets
Video games
Video recorders
Car stereo
Television sets
Home computers

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

WHEREAS in spite of the continuation of unsettled international and regional economic conditions, the Government by its prudent financial management has succeeded in maintaining stability in the local economy:

AND WHEREAS the economy has grown again in 1985 in spite of the protectionist policies adopted by some of our trading partners and the subsidised exports of some of our competitors:

AND WHEREAS by its budget the Government has introduced measures to provide incentives for entrepreneurial activity, reward for individual effort and opportunities for savings and investment;

BE IT RESOLVED that this House note the Government's accomplishments during the year 1985 and give full support to its efforts to stimulate the economy, provide greater benefits to the less well-off in the community, and to create opportunities for investment, employment and diversification in the economy.

Hon. Dr. L. R. CHELTENHAM and Hon. L. R. TULL rose.

Mr. SPEAKER: Two honourable Members are on their feet.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, I rise to second the Resolution before this Honourable House and reserve my right to speak.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Mr. Speaker, I have a Supplementary Notice Paper which I propose to give notice of now.

On behalf of the Minister of Finance and Planning, I am commanded to lay the following:

The Drawback of Duties on Sale of Goods to Tourists (Amendment) Regulations, 1986.

The Consumption Tax (No. 2) Order, 1986.

I also beg to give notice of the following:

Resolution to note the Government's accomplishment during the year 1985 and to give full support to its efforts to stimulate the economy, provide greater benefits to the less well-off in the community and to create opportunities for investment and diversification in the economy.

SUSPENSION OF SITTING

Mr. SPEAKER: This brings us to the end of this evening's sitting and....

(Aside: Rt. Hon. E. W. BARROW: Entertainment).

Hon. L. S. CRAIG: We have a majorette over there and you have been sleeping all evening, so you do not know about the entertainment. You have been sleeping all evening, so do not wonder about the entertainment, not you, at least. But we expect that from someone of your temperament and age at this point in time in your life.

Mr. Speaker, I beg to move that this sitting do now stand suspended until 5.00 p.m. tomorrow at which the Opposition spokesman would reply to the Budgetary Proposals. As is customary, Mr. Speaker, we would then have the regular sitting, for which the electronic media would be in Parliament.

I beg to move now that this House do now stand suspended until Thursday, April 3, 1986 at 5.00 p.m.

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

The question that the House stand suspended until Thursday, April 3, 1986 at 17:00 hours was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly.

7.10 p.m.

BUDGET REPLY

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The honourable Member for St. Michael South Central may now begin his reply.

Dr. R. C. HAYNES: Mr. Speaker, yesterday, near the close of his statement, the Honourable Prime Minister said that the best was yet to come. We did not hear anything following that statement to justify that remark, and I can only assume that he meant that the best was to come today.

Applause.

Dr. R. C. HAYNES: For, Mr. Speaker, if a Budget is defined as an instrument of social and economic engineering, then yesterday's Budget has little to recommend it, even to the Barbados Labour Party supporters. It was a measure, Sir, of typical Barbados Labour Party propaganda, and a two hour hallucinatory experience, which removed him from the realities of life in Barbados and the problems facing the country. It was a structured attempt to conceal from the country the appalling performance of the Government over the past five years. There were a few fiscal measures and a few minor monetary measures, and there was some long overdue welfare benefits – far too little and far too late. Indeed, Sir, the only ill-articulated measures which have some relevance to the Barbados economy were those measures related to the energy sector, and they do reveal, in my judgment, that the Government continues to have a complete misconception as to what constitutes an appropriate energy policy for a small, open developing economy like Barbados. It was indeed – the total Budget, I am referring to – a patching experience to cover up their deficiencies, just as they are now patching up the potholes in the country in an attempt to fool the people of Barbados.

Mr. Speaker, the objective reality of the past 5 years is one which this Barbados Labour Party inflicted on this nation persistent economic stagnation, as is evidenced by the overall negative growth during the period, job destruction, and levels of unemployment which are totally unacceptable. It was a period, Sir, of over taxation, which has undermined the productive capacity of our individual and corporate citizens and has led to bankruptcies and receiverships on a scale not

seen in this country before. Indeed, Sir, there occurred the wanton destruction of the resilience of our economy to external disturbances by the squandering of our foreign reserves through the pursuit of politically-determined domestic fiscal policies and gross negligence in the management of our affairs under the CARICOM Multilateral Facility.

During the past five years, we witnessed the near destruction of the sugar industry and the indigenous manufacturing sector, whilst the entire financial fabric of the tourist industry has been severely undermined. Indeed, Sir, this period saw the tragic mismanagement of two major public financial institutions, intolerable losses in Government commercial ventures and the persistent erosion of the competitiveness of the export sector of the economy as a result of inappropriate fiscal and energy policies by the Government. It saw the battering and debilitation of the private sector by the self-imposed regime of high interest rates during the early part of the period. There were steep rises in the public debt, both domestic and external; bad housekeeping by the Government, as seen in the deficit on Current Account, runaway and inappropriately financed deficits on Capital Account, squandermania and wastage of public funds on either ill-conceived or ill-executed public projects. It saw the undermining of the integrity of the country's Social Security system and culpable neglect of the social services and welfare of the disadvantaged until this election year. There has been a general rundown of many of the economic services, heavy capital losses in the private sector, and an environment totally hostile to investment and inward capital flows. In fact, Sir, the period has seen a loss of investor confidence in Barbados.

I wish to submit that this situation has been the result of policies pursued by the present Government, and, indeed, the tragic situation is very well described in their own document, the Economic Report 1985.

But before I proceed to deal with certain macro-economic aspects of the economy, Sir, the Government seems to be hanging its fate on the inflation levels in Barbados. It is a fact, Sir, that when they took over office in September 1976, the inflation rate was less than 2%. By the end of that year, by ill-advised expansionary policies, it had risen to around 5%. Under this same Barbados Labour Party, it rose to 14.6% in 1981, and by 1985 it had declined to 3.9%. So what are they boasting about? It has gone up under them and it has come down under them. But what I would invite them to do Sir, is to tell me of one single measure, just one measure, which they have taken in the past year which would have any influence on the downward movement of inflation rates in Barbados. I will suggest to you, Sir – and I believe that this is the generally accepted view among the economic community in Barbados – that were it not for the 20% increase in Stamp Duties in the last Budget, Barbados would have recorded a negative inflation rate in 1985.

The inflation rate, Sir, in Barbados in 1985 was conditioned by 2 factors – the strength of the United States dollar during most of 1985 and, secondly, the low level of inflation in the countries from which the majority of our imports come. But I would like to say this, Sir. You cannot take inflation into the shops of Barbados. You need a job, you need money in your pockets, and what you bring out of that shop will depend very much on the prices that you find there. And I would like to suggest that if one were to look and see what has happened to the cost of living in Barbados between 1978 and 1985, very well researched by the Barbados Telephone Company, you will find, Sir, that electricity went up by 100%, natural gas by some 130%; water, in some instances, by some 300 to 400%; bottle gas, over 100%; bus fares, over 114% gasolene, some 115%; motor insurance, some 300%; some foods, like stew beef, over 300%; clod, 140%; sugar, 160%, Sir. Property taxes went up considerably in that period. Postal charges, over 160%! Road taxes have been up. The price of drugs went up. Indeed, Sir, there can be no doubt that the cost of living has risen far more than wages in Barbados during that period, and whether the Government wishes to believe it or not, the price level in Barbados is extremely high.

Barbados is one of the most expensive destinations in the world for tourists, a high cost area for Barbadians to live in, and this is reflected in the trauma that many people in my constituency, whether they are middle class, whether they are poor, or whether they are upper class, are facing today in their daily lives. Many children in this country are faced with starvation, many children in this country, Sir, and I am very glad that the newspapers published the photograph of people in Barbados scavenging for food. I am very glad that has happened. The fate of pensioners of all income groups in Barbados is something that causes a considerable amount of concern.

However, I can assure you, Sir, that this Democratic Labour Party, through a re-arranged fiscal programme for this country, and through a different approach in energy policies, will see to it that prices impact less heavily on the welfare of the citizens of this country.

5.10 p.m.

The Honourable Prime Minister said that he was happy, fulfilled, with a 0.3% growth in output last year. I would suggest, Sir, that if you were to look at a reason-

able margin of statistical error, then that could mean that there was no growth. It is as simple as that. Or you correct it to the nearest figure, 0.3. The nearest figure to that is zero anyhow. Simple arithmetic!

Now, Sir, the facts are that Government's performance in creating an environment for steady economic growth during 1981 to 1985 has been dismal, to say the very least. This country recorded, overall, 2% negative growth between 1981 and 1985 in all the productive sectors of the economy, whether it be agriculture, where there was an overall decline of some 6% with sugar showing a 23% decline, or significant drops in manufacturing and construction, and tourism, which is the key industry to turn around this country, showing a 19% drop. Several subsectors which generate high levels of unemployment have shown even greater decline.

Now, Sir, I believe that if I were to make that statement without reference to the Government's document, there would be some doubt in people's minds as to what I am saying. Now, if you were to look at this document, Sir, and I am just going to give a few excerpts – this is the Barbados Economic Report 1985, page 19:

> "Manufacturing output measured in current prices declined by 12.3% .... in 1985." "In real terms, output in the manufacturing sector fell be 9.5% ..." in 1985. "During 1985, overall tourist arrivals declined, despite a 13.2% improvement in ..." the ship passengers. "In constant prices, tourism actively declined by 3% .... in 1985 ..." "During 1985, beef production continued its downward trend ...." "Egg production, which increased by 79.6% in 1984 .... declined by some 31.4 percentage points ..."

It would seem to me, Sir, that even the chickens have become so depressed that they do not want to lay eggs.

In Industry, Sir, industrial output declined by 12.3%. The index of industrial output declined by 5.4%.

Sir, if we go through the entire Economic Report, that is the story, and that is the story that found fulfilment for the Honourable Prime Minister yesterday. I do not think that he could have been serious about what he is saying.

Our position in the Democratic Labour Party, which I have announced again and again on the floor of this House, is that we must find an appropriate mix of financial and economic policies which would generate a 3% growth per year in order to give rise to new jobs, new investment and new opportunities.

But it does not surprise me, Sir, that this has happened. I recall, Sir, that way back in 1981, when I said that this country was heading for a balance of payments crisis, that was the source of considerable debate in this House. I believe all the evidence over the past five years would have shown that I was correct. Similarly, I indicated that by September of 1981 there would have to be a mini budget, and there was a mini budget in September of 1981. In 1983, Sir, when the Government entered the fiscal programme which has resulted in much of the trauma facing Barbadians today, I indicated at that time, based on an in-house analysis done by some 46 experts within the International Monetary Fund who had done an in-depth analysis of the impact of these programmes on small open economies such as Barbados', that at the end of the day Barbados would be characterised by increasing levels of taxation, reduced output due to contraction of the economy, heavy employment losses, no new capital investment – in fact, the exact words I used, "that it would fail the capital attraction test." – No new investment and that it would destabilise the private sector and lead to bankruptcies, receiverships and job losses.

I did say that one aspect of it would be a fall in the inflation rate, but also I did indicate that there would be substantial increases in the foreign debt of this country. The figure I projected at the time was $630 million by 1986, and the figure is at least $100 million above that now. Above all, Sir, I pointed out that you usually end up at the tail end of these programmes with a very curious situation where there is excess liquidity in the system, but no one willing to invest in the country. I believe all Barbadians now can look and see whether those observations turned out to be correct or not.

Sir, I do not claim to be a soothsayer, I do not claim to be a Chaldean, as I was once referred to on the floor of this House, but I am saying that they are the facts, and, indeed, if you have some insight to understand in advance what is likely to happen to a country, then you should be in a reasonable position to do something to get it out of trouble.

Sir, I do not propose this year to spend the usual amount of time I spend on the foreign reserves and the balance of payments of Barbados. There has been no major change in these since 1984.

The Central Bank's external debt is some $160 million, about $97 million of which is the debt to the IMF which it is holding on behalf of the Government of Barbados with a promissory note from the Government of Barbados.

The other aspects of our foreign reserves constitute illiquid assets of some $115 million owed under the CARICOM Multilateral Clearing Facility, and about $15 million of unpaid interest on that debt under a column called "Other", and my colleague, the honourable Member for St. Michael West, was absolutely correct when he said that.

There is only one curious development, Sir, in that in our foreign reserves at the moment at the commercial banks – perhaps because they are not making enough money in Barbados any longer – they are holding end of month balances of some $50 million or so. This is a development which started in 1984 and continued into 1985, and the Government should give some explanation to the country as to whether the Central Bank has altered its instructions to the commercial banks or whether the long position is being manipulated to some extent, in order to generate some kind of profitability. I think you have a duty to tell the people what has been happening.

The balance of payments position is appalling. Basically, it is due to borrowings.

Now, Sir, we were promised a copy of the Annual Report of the Central Bank of Barbados 1985. We did not get it. I do not know why, but there are some very clear statements in here on our foreign reserves and balance of payments position. These documents are normally laid by Government, but I will have to take the unusual step, Mr. Speaker, of laying the document on behalf of the Government Central Bank of Barbados Annual Report, 1985, page 1:
5.20 p.m.

> "Substantial external borrowing was required to maintain an adequate level of foreign exchange reserves."

Still on page 1:

> "Government borrowed on both the Tokyo and London markets to sustain the balance of payments, securing an $86 million increase in foreign exchange reserves."

Third point:

> "At the same time, foreign exchange reserves had to be strengthened, since the country faces a bunching of debt payments in the 1986/87 period."

The next point I wish to make – I am reading, Sir:–

> "..... later, $50 million were borrowed in US dollars in London. The proceeds of the second loan were placed on a sterilised deposit for Government at the Central Bank."

The point I am making, Sir, is that any fool looking at the external assets of the Central Bank, the liquid assets among the assets of the Central Bank would recognize that it is clear that our liquid foreign reserves consist almost entirely of borrowings. The situation could have changed a little during the tourist season, but that, indeed, would disappear pretty rapidly.

But what is disturbing is that we have now reached the situation where our balance of payments is eroded by foreign debt payments, and that we need to borrow money for balance of payments support because we are not earning our way. And in that Economic Report, Sir, we did very badly in our reports in 1985, despite the so-called incentives which the Honourable Prime Minister gave for exports in the last Budget.

We had a 10% decline in exports, with rum being the only product showing an increase, and cement. Cement showed an increase because it was included in the figures for the first time. Electronics – 100% down; sugar – 12.2% down; clothing – 30.6% down. Indeed, Sir, in those circumstances, and this is a tragedy, I am saying that the Government spent about 45% of the $90 million in foreign exchange that it borrowed last year to finance current expenditure. That excludes the 50% which is in the sterilised deposit in the Central Bank of Barbados. And I was told by a black man, whom I saw in Washington the other day, who is of Japanese nationality, that the Government of Barbados is right now preparing to borrow between 9 billion and 11 billion Japanese yen this year on the Japanese market, which is somewhere around an average of $100 million that they are now thinking of borrowing on the Japanese market. I have been reliably informed and I am quite sure of that.

Now, Sir, the problems in relation to our foreign reserves can only be solved, make no mistake about this, by earnings through exports. It cannot be solved by borrowings. Therefore, I am of the opinion that it is absolutely essential that the DLP should put maximum resources behind tourism at this point in our development, and very strong resources behind agriculture, and the manufacturing sector.

I must say that the effects on our balance of payments were not only due to a decline in export earnings. It was due to the $85 million printed in 1981, the negligence under the CARICOM Multilateral Clearing Facility and, also, the capital expansion programme in the 1981 period.

I now turn to the Public Debt of Barbados. The Honourable Prime Minister said that the public debt of Barbados was $1.1 billion. I say and I stake my reputation on this, that the public debt of Barbados is $1454.4 million, or stated otherwise, 1 billion 454. 4 million and it is as follows. External debt totalled $731.5 million, of which Central Government debt is $444 million; Government guarantee external debt, $127. 4 million and Central Bank debt, $160 million, but of that, $97.6 million is the IMF debt, which the Central Bank is holding for the Government. The domestic debt is $722.9 million, of which the Central Government debt is $644.8 million, Government guaranteed, $78.1 million: statutory bodies, $90.4 million: BDB bonds, $96.9 million and private sector/public guaranteed debt, $31.8 million.

If you want to be technical, you can exclude the $31.8 million private sector debt, and you will see that the figure is still well over $1 billion 454.4 million. And,

Sir, that does not include suppliers credit to the Government, or any Government agencies; nor does it include the overdrafts by most of the statutory boards and Government commercial projects in Bridgetown: nor does it include the huge deficits built up in Government's financial and non-financial sector.

It has been said, Sir, that we should not look at debt in a vacuum. I agree. I do not think that $1 454 billion could exist in any vacuum.

Sir, I would make this a document of the House, and I believe, it would be instructive, Sir, if I should draw to your attention what has happened between 1976 and today. This chart illustrates it very carefully – in 1976, around March, the public debt was $241 million; here it is, now, approximately $1 454 million. This is what the Barbados Labour Party has done to this country, and has come in here with bogus argumentation about percentage of GDP, export earnings and that kind of nonsense. And I am saying that their projection for this year is that they will have to borrow another $184 billion, and I think the people should get them out of office now before they have the opportunity to do so.

They have increased the domestic debt of this country, since 1976, from $208 million to $722.9 million. The foreign debt they have increased from $50 million from the time of the settlement until 1976, the public external debt of this country was $50 million and they now have it at $731 million, a total increase under this Barbados Labour Party of $1.196 billion or $1 196 million.

5.30 p.m.

I ask the question, Sir – I am not going to relate it to GDP, external earnings or anything of the kind, I am a realist – I am going to ask you: do you think you should have borrowed that money and have more people unemployed in Barbados today than in 1976? Do you think you should have borrowed that money and this economy should experience a 2% contraction over a five year period? Do you think you should have borrowed that money and every productive sector of this economy, whether it was agriculture, sugar, industry, tourism, no matter what it was, be in the state that it is in today? I say the answer must be "no". Do you think, Sir, that we can take them seriously now when they went around the country in 1976 and told the people that the public debt was too high under the Democratic Labour Party, and now, on the floor of this House, I hear them arguing from time to time that the public debt was too low under the Democratic Labour Party?

Sir, the Democratic Labour Party will honour the debt. It will substantially reduce this country's dependence on foreign borrowing, it will reduce the rate of escalation of the public debt, and it will take steps to alleviate the burden of debt payment on the people of Barbados.

This debt problem, Sir, is reflected very dramatically in the charges of debt. Twenty-one million dollars we spent on debt charges in 1976, less than they spent on CARIFESTA. By 1981 to 1982, it was $73.9 million, and now it is running at $110 million or thereabouts. They have actually taken up about $750 million of all the taxes paid in this country to put to debt service, plus, of course, the incremental problems in the foreign debt because of borrowing to repay debt. We have reached the stage now where there has been a dramatic loss in our resources in this country because of repayment of foreign debt.

This problem, Sir, can best be seen in the very substantial deficits which have been incurred by the Government over the past five years. In four years out of five there has been a deficit on current account. This means, Sir, that all their forecasts of surpluses have been wrong, that they have had to increase taxation twice – two mini-budgets in a five year period – and still ended up with deficits. It amounts to bad housekeeping and highly irresponsible management. Indeed, Sir, we have found ourselves where we have been borrowing to finance current expenditure.

I am saying that the Democratic Labour Party will ensure that it manages this country in such a way that it balances its budget on current account and generate small surpluses to contribute to its capital programme.

In relation to capital deficit, Sir, or the deficits on capital account, it is just appalling: $197 million in 1981/82, an election year; in 1982/83 $145 million; $104 million for 1983/84; $168 million in 1985; $166 million in 1985/86; $184 in 1986/87. What we see here, Sir, is a Barbados Labour Party saddle back deficit. This is the way it goes – election year 1981, the deficit goes up, it goes down in the intervening years, people are sent home, and then the economy is reflated again for the next election. But, Sir, these deficits amount to some $760 million, and if they are allowed to remain in office, they would amount to $1 billion, that is both on current and capital account, by the end of 1987.

Sir, let us look and see how the deficits were financed. In 1981, the printing of money and borrowing from the commercial banks. In 1982, 1983 and 1984, the commercial banks and the National Insurance Funds, and, of course, foreign borrowing and the borrowing from the IMF. But what is significant has been the raid on the National Insurance of Funds of this country.

I want to make a few points, Sir. The borrowing from the commercial banks between 1981 and 1983 did

several things to Barbados. It crowded out the private sector, it was one of the causes for the increase in interest rates and the undermining of the productive capacity of the private sectors in Barbados, and at the end of this period with all these deficits, all we see is more and more borrowing, both locally and externally. We have seen a progressive decapitalisation of the private sector, ever increasing unemployment, no new investment of a productive nature, and what is important, Sir, and this is beginning to happen in Barbados, a destruction of the responsiveness of the monetary system as is seen in the high levels of liquidity in the banking system, despite a 27% reserve requirement by the Central Bank. I will put it no further than this, that if this situation is allowed to continue, we will find ourselves in a situation where we cannot control the supply of money by the traditional methods. I will say no more than that.

What has happened to the National Insurance Scheme? Government borrowed some $167 million of the assets of the National Insurance Board by way of treasury bills, and overall borrowings of 62 per cent of the total assets. Despite a rise in the contributions, there can be no doubt, Sir, that expenditure is growing much faster than revenue. The assets of the National Insurance Board have grown from $272 million to $374 million during that period. However, interest revenue was $28 million in 1982, $34 million in 1983, $23 million in 1984, and I have not got the final figure for 1985, but I suspect it would only be about $26 million to $28 million.

The average monthly surplus, which used to be about $3 million, is down to $1 million. I am saying that this is a direct result of Government investment policy in relation to the national insurance funds, because if you have such a substantial proportion of the assets of the National Insurance Board tied up in low yielding Government paper, then you begin to understand what is happening to the returns on the investment of the national insurance funds.

Our policy, Sir, will be to maintain the integrity of the social security system of Barbados. There will be greater diversification of the investment portfolio of the National Insurance Board. We will aim for a higher yield on those investments and have a proper maturity structure of the investments between short, medium and long term. However, Sir, bearing in mind that we shall enhance the profitability of the yield from the National Insurance Board, we are determined to keep the promise that we made of our old age pensioners one year ago on the floor of this House when we said that the minimum pension paid to them should be $50 a week. We will increase the non-contributory old age pensions from $40 to $50 a week, and the minimum contributory pensions will be from $50 to $62 per week.

We are also concerned, Sir, about the unemployment benefits situation in Barbados.

Aside.

Dr. R. C. HAYNES: Mr. Speaker, they do not seem to understand that their Budget has no more status than anything we say. An election is due, and the people will have a clear choice, whether they want to continue with their policies or whether they want our policies.

On the unemployment benefits, Sir, we are concerned that that fund seems to have reached its maximum in terms of the surpluses generated of $41.7 million, and there are heavy and increasingly heavy demands being made on the fund. The Severance Payments Fund of Barbados is broke. On February 12, 1986 a loan was approved by the National Insurance Board of $14 million from the Unemployment Benefit Fund to the Severance Payments Fund.
5.40 p.m.

What is worse, Sir, when we hear the Government talking about prosecuting people in the private sector for not paying their National Insurance Contributions, on February 25, 1986 the Transport Board of Barbados owed the following amount in National Insurance Contributions of the workers to the Fund – $3 312 258.90.

(Aside: Shame!)

Dr. R. C. HAYNES: The Board considered whether or not to prosecute the Transport Board, and they declined to do so. My advice to them is that they should have prosecuted both the Transport Board and the Minister.

Laughter

Dr. R. C. HAYNES: If I may continue, Mr. Speaker, last Budget the Honourable Prime Minister said that he was presenting an employment generating Budget – he had measures in there for housing and measures for exports – and that the success of that Budget would be measured by three things: an improvement in the export capacity of the economy, an increase in the number of housing starts and, also, an increase in the employment levels in Barbados. On all three counts, Sir, I would say that the Budget was the failure that I said it was in 1984.

Unemployment has increased. If you were to look at their performance between 1981 and today, you would see: 12.8 thousand people unemployed in 1981, 16.9 thousand unemployed in 1983, 19.2 thousand unemployed in 1984 and 21.2 thousand people unemployed in 1985.

(Aside: Shame!)

Dr. R. C. HAYNES: And they have had the gall to say that there were 4.8 thousand people in Barbados who are voluntarily idle! People who have withdrawn because of frustration, people who have gone to potential candidates and have been given letters to go to 13, 14, 15, 16, 17 employers and cannot find a job!

Mr. Speaker,.....

(Aside: Mr. B. M. TAITT: Potential candidates.)

Laughter

Dr. R. C. HAYNES: .....I would say, Sir, that by their own figures of the unemployment level, there are about 9 000 to 10 000 – I am not even going to say I believe it is more, I am going to go by your own figures – at least 9 000 people more unemployed today than in 1981. That, I think is a dismal record, particularly when taken against the background of the borrowing during that period.

But, Sir, there are some important lessons that we must learn, and these are the lessons, Sir, that unemployment in Barbados cannot be solved by increased taxation, increased borrowings, increased Government spending on capital intensive projects; that the Barbados Labour Party has been a total failure and has been a major contributing factor to the undermining of the viability of the private sectors in Barbados. It is a policy which has led to temporary job creation, at a horrendous expense, and permanent job losses elsewhere in the community, and it is vital that this vicious cycle must be broken of ever increasing levels of unemployment, increasing Government debt and increasing taxation.

The DLP, Sir, is determined to reverse these trends, stop the job losses and create new job opportunities in Barbados. The DLP is convinced that a more enlightened financial regime is required to stimulate investment in, and financial flows to, the sectors, namely, the private sector, which lead to more stable growth and permanent job opportunities. And we are determined, Sir, to put an end to the inappropriate financial policies which permit investment to flow to capital intensive projects in a country where capital is scarce and labour is plentiful.

(Aside: Hear!)

Dr. R. C. HAYNES: Public policy, Mr. Speaker, under the Democratic Labour Party will be directed towards investment, job creation, productivity gains, strengthening the capacity of individuals to create jobs for themselves and for others and a revitalization of corporate activity through a more liberal financial regime, and public spending will be strictly complementary and in harmony with these overall objectives, Sir.

Mr. Speaker, I am in fundamental disagreement with the philosophical position taken by the Prime Minister yesterday where he said that they are the leaders and the private sector are the followers. That has some serious implications, Sir, for the future of Barbados, for the future of Government and for the future of democracy in this country, I say this, that the larger the public sector grows in the economy of Barbados, by that extent our freedoms have been diminished over the years. And I further say this, Sir, that if 10% of Government's capital expenditure had gone into a capital and job stabilization plan for the productive sectors of the economy, taxation would be far less today, unemployment would be no more than 6% and the public debt would not be in excess of $800 million.

In pursuit of these objectives, we have looked very carefully at the banking system to see what waivers we can bring in order to enhance the viability of the productive sector of Barbados. We regret that the Barbados Development Bank incurred losses of $1.5 million last year. I would think that some $2 million in bad loans have been written off in the same year. The pattern over the last two years shows interest receivable, that is interest on debts acknowledged to be bad, to be growing at some $1.4 million a year. This means that further losses will be reported from the Barbados Development Bank in the future, and indeed, what is happening now is that 17% of the interest opportunity is being lost because of this situation.

I feel, Sir, that there is a tremendous role for a development banking institution in Barbados, and as part of our capital and job stabilization plan for Barbados, the Barbados Development Bank will be transformed into a full scale bank for national reconstruction. It will be given legislative authority to involve itself in factoring, a technical term which is used, which would increase the liquidity available to the private sector; wholesaling of credit, to try to break the cycle which has led to so many bankruptcies in Barbados; lease financing, to assist in the retooling of the manufacturing sector to meet the challenges of the external markets; secondary mortgage market development, to stimulate the construction industry and support our massive housing programme which we have planned and which you will find in our manifesto; soft window loans, for start up businesses and venture capital; to engage more heavily in guaranteeing loans via the commercial banking sector and to engage as partners in capital formation in sound, export-oriented businesses with buy back provisions. As an immediate step, the Central Bank will be invited to consider capitalization of its loan to the BDB, because this will enhance the leverage of the bank by some $13 million.

Mr. Speaker, I turn now to the question of investment in Barbados. I do not wish to repeat myself in relation to the investment problems in this country. But

what is necessary, Sir, and this is what the Democratic Labour Party will do, we will re-establish confidence in Barbados as an ideal small state for investment and mobilize the resources of the nation through the following measures:

1. restoring the incentives of individuals to work, save and invest;
2. reducing the cost of business operations;
3. providing incentives for re-investment of capital;
4. making provisions for corporations to build up healthy reserves;
5. placing resources behind sound small businesses;
6. an overall reduction of the tax burden in the country;
7. maintaining low domestic interest rates in Barbados.

5.50 p.m.

Again, we reject totally the philosophy of the Barbados Labour Party which says that interest rates in Barbados must reflect international interest rates. That is simply not true. It is incorrect. Capital flows into Barbados are not influenced one iota by domestic interest rates. Not one iota! Who is going to convert a U.S. dollar into a Barbados dollar to earn a higher rate of interest in Barbados? What would influence capital flows would be a sound expanding economy in Barbados, and that is investors' confidence. I have mentioned before, Sir, that we will pay particular attention to the productive sectors of the economy, and in this regard, we will be putting great faith in the tourist industry in order to take the lead in the recovery of Barbados.

Only recently, Sir, as evidence of the confusion in the Government that exists in relation to tourist policy, one Minister felt very strongly that the number of tourists should be the same as they are now, one Minister said that it should be less and another Minister said that it should be more. I think that he is quite right.

The Democratic Labour Party proposes to reduce the Hotel and Restaurant Sales Tax, to reduce the property taxes in the hotel sector, to reduce electricity and water to the hotel sector, to reduce the cost of borrowing to the hotel sector, to reduce nuisance impositions, such as the cost of a visitor's driving permit, to review the method of charging departure tax for visitors at the airport and, where necessary, have a moratorium on interest payments on debt owed to the Barbados Development Bank, a re-scheduling of loans over a longer period, the promotion of co-financing with the commercial sector and temporary equity participation. We also, Sir, will be taking steps, which I will announce later, to reduce the cost of maintenance and refurbishing and of food within the tourist sector. We will also be paying particular attention to the marketing of Barbados and, indeed, we will make sure that we have a Tourist Board which can address the problems of Barbados.

In the area of energy, Sir, there is also a clear division between the two parties here. Last year I spent a lot of time setting out the Democratic Labour Party's policies, and I will just repeat them briefly. The Democratic Labour Party totally rejects the Barbados Labour Party's World Bank/IMF policy that energy conservation should be achieved through an artificially high energy cost. This means that they put up the price of gasolene, diesel, kerosene, electricity and that it should be kept as high as possible to reduce consumption. That is worse than saying to Britain "go forward, little England is behind you," or whatever it was. Because I will tell you this, that, no matter how much kerosene, how much petrol you use in Barbados, the world supplies of petroleum products would not last for a quarter of a second longer. So it is nonsense to talk but this is your contribution to maintaining a scarce world resource. Foolishness!

I will go further and say this, Sir. That policy, Sir, conservation through prices, means increased prices in the supermarkets, increased taxes, increased transport cost, increases in the cost of living, increases in unemployment and a decrease in the competitiveness of our exports.

We also fundamentally disagree with the whole concept of the long run costing of electricity, because what that does is that it includes in the rates paid by consumers as revenue, notional expenses that have nothing whatsoever to do with the outlays of the utility company, and I refer to deferred taxes, tax allowances and liabilities to corporation taxes.

We have also taken the trouble, because there are some people who would think that we would challenge the principle of maintaining the integrity of our public utilities, to set out quite clearly that our policy towards the public utilities is as follows:

(1) The lowest feasible cost to the consumer,

(2) Maintenance of the financial integrity of all public utility companies,

and, I repeat this

(3) No suppression of rates.

I go further and say that we would endorse the policy that consumers should make a reasonable contribution to the capital expansion of these companies. We also feel strongly, Sir, that there should be a fair rate of return to investors on the capital deployed in the public service.

When all these principles are applied, I am quite sure that they represent a fair balance between consumer

and investor interest, but, in the context of Barbados, would result in a dramatic fall in the electricity rates, with an immediate reduction in the cost to Government, reduce taxation, a reduction in the cost of living, an enhancement of corporate profits, increased employment, and, very important, a significant reduction in the water rates. Fifty-seven per cent of the cost of water is due to electricity. I can say now that the Democratic Labour Party will reduce the water rates of Barbados.

Applause

Dr. R. C. HAYNES: This combination, Sir, of lower rates and lower fuel prices will impact in a very dramatic way on the cost of energy.

Another very important point that I shall bring to your attention, Sir, is that the Barbados Light and Power Company has in its tax deferral account some $30 million at the moment, and in its investment allowance account, some $8 million. The first amount should flow to the Treasury and the second amount should flow back to the consumers. Our position, Sir, is that we would terminate this practice by abolishing the liability of all public utilities to Corporation Tax. They do not pay any taxes anyhow, but the liability, to corporation tax allows them to build in things like deferred taxes and tax allowances and then add them on to the revenue requirements of the company and push the rates up.

Now, Sir, how that money will flow back to the Government or to the consumers is a matter of negotiation between the company and the Government, but nothing will be done to disrupt the financial situation with the Barbados Light and Power Company. In other words, it can flow out over a number of years and be reflected in several ways, depending on the revenue requirements of Government, etc.

Now, Sir, the area of oil. This Government, Sir, we have warned them. We have fought them on the floor of this House over the question of the acquisition of the assets of Mobil Exploration Limited for oil exploration. We told them that they were paying $26 million for assets worth only $5 million and that they could get brand new rigs at that time in the western United States for $5 million. There were some 30 United States banks that, through the bankruptcy route, had in their possession sound, new equipment. But they paid $26 million for it, and yesterday, Sir, for the first time we heard what we have been saying all along, that once the oil prices fell, that operation will be non-viable. He said, Sir, that it is having "a negative impact" – they were the exact words – "a negative impact" on the situation. I am saying that it is my understanding that below a price of $18 U.S. per barrel, then the viability of that operation is severely affected, particularly in terms of meeting its amortization payments, as far as I am aware.

Of one thing we can be sure, that the Democratic Labour Party will not factor a subsidy into the price of petroleum products to support the Barbados National Oil Company. Let that be clear. We will not put a subsidy into the price for consumers either. All we are asking for, and all we will make sure, is that the prices paid by the consumers would reflect the market prices, the usual Government taxes and any disability in terms of the agreement with Mobil until other arrangements can be lawfully made. That is our position in relation to energy.

6.00 p.m.

But, Sir, the public must judge whether or not this Government ever had any intention of reducing energy costs, were it not for the demands of the Opposition. Few people would realise that on March 17, just around the time when the Prime Minister was saying that he would be considering a reduction in energy costs, in the cost of gasolene, before the Budget, he actually increased the consumption tax on March 17 by something like 6.9 cents per litre for gasolene and 4.1 cents for diesel. What they had been doing all along, surreptitiously, is that they have been increasing the consumption tax on petroleum products in order to maintain the prices to the consumer and sharing the benefits between themselves and the refinery. It is only under the demands of the Democratic Labour Party, only because of those demands, that they have allowed five cents to flow back to the consumers. But the facts are these Sir, that between March 17 and yesterday the Government put on 18.4 cents on the consumption tax on gasolene – 18.4 cents – and gave the people five cents. Could you imagine that, Sir? Are these the acts of a Government who intended to allow energy costs, as they are now reduced, to flow to the consumer? In terms of gasolene, Sir, they put on 11.85 cents on diesel within the past two weeks. And what has happened? The net result of that is that they have taken 11.85 cents, and five cents they have given to the consumer.

Now, I am saying this, Sir. Since 1983 the total increase in consumption tax on gasolene has been 22.4 cents – of that the public got back five cents – and on diesel it was 15.7 cents. This Democratic Labour Party, if there is an early election and it forms the administration of this country, can guarantee the public that gasolene would be reduced to 95 cents per litre and that diesel will come down to 80 cents per litre. You simply arrive at those figures by an analysis of the recent increases in consumption tax, and we have not built into that price any factors relating to the basic cost of energy.

The same problem is reflected when we look at what has happened with liquefied petroleum gas. The facts are, Sir, that in 1984 a 100 lb. cylinder went from $79.4 to $91 and yesterday they brought it back to $80. In 1984, $79.4; 1985, $91; and they brought it back now

to $80.5. A 25-lb. cylinder, 1984, $22; $24.50 last year, and they brought it down now to $21.87. A 20-lb. cylinder, $17.05 in 1984, $19.60 in 1985, and they brought it down to $17.50 yesterday. They have given nothing to the people of Barbados; absolutely nothing! In fact, the only thing that was passed on were the high prices between 1984 and yesterday. That is all that was passed on.

Now, Sir, there are two key things that I wish to deal with in considerable detail, and I have deliberately left a substantial amount of my contribution to these two areas. We have done a lot of work in looking at the tax demands of Government and the expenditure pattern of this Barbados Government. We feel very strongly that there is a considerable amount of room for control of Government expenditure in Barbados, and the Democratic Labour Party has devised a programme in detail for the control of expenditure and the control of losses in Government commercial ventures, and when we analyse the savings from the losses, the turn around in relation to the profits generated on those projects which we will retain under public ownership, and the cut backs in Government expenditure, we find that the demand for taxes should be reduced by no less than $53 million.

This Democratic Labour Party, Sir, in focussing on Government expenditure, has looked very carefully at the style of government and its impact on the demands within the entire public sector. We have established criteria for evaluating the contributions of statutory corporations. We have looked very much at mechanisms by which there can be effective control of the budgets of statutory corporations. We have looked very carefully at the philosophical and the practical considerations in relation to subsidising and the levels of subsidies of certain statutory bodies. The Leader of the Opposition, the Right Honourable Member for St. John, has already announced a substantial part of the divestment programme of the Democratic Labour Party in respect of certain commercial operations.

We have looked at the growing expenditures on Defence and Security. We have looked at methods by which we would reduce the escalation in the Public Debt, restructuring it, if necessary, in order to reduce the immediacy of the burden of debt on revenue. We also have looked into the areas of discipline and restraint in Government spending. We have looked at every means of cutting down on Government wastage. We have looked at methods for better financial management and control of capital projects, and we have looked very carefully into the techniques that we would use for the greater scrutiny of contracts and the cost of professional services to the Government.

In the course of that, Sir, we have looked at Ilaro Court. There is nothing personal about this. I want it to be clear that this is not a personal attack. What I am saying is, it represents what I refer to as one's concept of the style of government. We already have a lawful Head of State, who carries out most of the functions in an environment of which all Barbadians can be proud. We never thought, and we never believed, that it is necessary to incur millions of dollars in relation to that Ilaro Court expenditure. Many millions of dollars were spent before it even appeared as an item in the Estimates of Barbados, out of the Ministry of Transport and Works.

6.10 p.m.

We have looked very carefully at the extravagance clearly demonstrated by the Ministers of Government. We have looked very carefully at what one could only call lawless expenditure thrown away, over $20 million on CARIFESTA. We have looked very carefully at the millions of dollars that must be lost when you have a clustering of capital projects, with the same managerial staff in order to carry out those projects, as they are doing now. Once again, millions of dollars will go down the drain.

Sir, I believe that with proper management, substantial savings will be made. But we have to understand that when you are elected to office you are the servants of the people, and you do not need to live in any style that would give the people the impression that you have suddenly become their masters. That is our philosophy.

When you are in private life, you can live as you like. That is your prerogative, once you live within the law. When you are in Government, I believe you have a responsibility, and it is the style and demands that you make on the public purse that influence every single person within the Public Service. And there is no point coming to me and lamenting about demands for salaries by public servants, when you have set the example, and when, indeed, in order to justify the salaries that you get, you find yourself, year after year, having to push up salaries at the top in order to maintain that differential.

I want to look, Sir, at one or two of Government's so-called commercial projects, and the tale of losses, mismanagement, continues. Last year, I pointed out that whereas there was nothing conceptually wrong with the cement plant exploiting the indigenous resources of Barbados, which was a Democratic Labour Party idea, the fundamental thing that went wrong was that the plant was built at a capital cost that was far too high, that within three months it could meet Barbados' domestic needs, that you cannot stop and start the project year after year – it would be too expensive – and that you are going to have problems with your export markets.

Since I spoke last year, with the cut-back in public sector spending in Trinidad and Tobago, it is my understanding that the cement plant in Trinidad will be seeking part, if not all, of the Tobago Market. It is also my understanding that after the refurbishing of the cement plant in Jamaica, that plant will also be competing for the CARICOM market. Columbia continues to dump cement within the region, and, therefore, we are left with a situation where for three months of the year, cement is produced at the cement plant for Barbados and the rest is sold at a considerable loss, far below production cost, in Puerto Rico. I am saying this, that we are buying cement in Barbados, I think it is $10 or $11 a bag, and your are selling cement, c.i.f. to Puerto Rico at a little over half that price. As Barbadians, now we are subsidizing the cement that is being sold to Puerto Rico. That is what is happening.

I am not surprised that there was a request recently for an increase in the local price of cement, as I saw in the Press. I gather that it was not agreed to. But it will come again after an election, if a Democratic Labour Party Government is not in office.

Now, this raises some very fundamental questions. If you analyse what has happened in that project, you will see that many non-Barbadians who supplied equipment, and supplied services, and who are still supplying services, have made a very handsome profit out of the operation and have gone out clean. We are left now to solve the problems.

Indeed, Sir, there is one contract for the transport of cement which is a substantial burden to the cement plant. I would just send this message, that that contract for the transport of cement will have to be looked at very carefully by the Democratic Labour Party, and under no circumstances will we be continuing, under the guise of purchase of equity, to finance the losses of the cement plant. We would not be doing that. Let that be made clear. Barbadians can begin to see now why we talk about reducing taxation and why we know how we can reduce taxation in Barbados.

I understand, Sir, and we have looked into this, that there is a mechanism by which the entire operation can be restructured in order to reduce the heavy losses being incurred on an annual basis.

In the area of Defence and Security, Mr. Speaker, the Democratic Labour Party, as I said last year, believes that there is a case for a Coast Guard of about 100 personnel or so, which would be involved in the controlling of smuggling and drug trafficking and, also, protecting the country against armed assaults from the sea. We also feel that there should be a Marine Division within the Police Force in order to reinforce this effort.

What we are concerned about is the size of the Army and the functions of the Army. We are satisfied, based on investigation, and particularly seeing what has happened in Canada recently, that a small, razor edge sharp commando unit, highly trained,can meet the needs of Barbados on land, and can be far more effective than thousands of people trained only up to the conventional standards in a regular army.

We will be emphasizing quality rather than quantity, and indeed, one of the defects in formulating a policy was that only until about two weeks ago were we told, for the first time, that the Defence Force consisted of 1 000 people, 200 less than the Police Force, some of them regulars, and some of them reserves. We feel that, without sending home anybody, we can absorb the Army into the productive life of the community, whilst, at the same time, we can restructure the Army in such a way that the demands on current and capital expenditure can be substantially reduced over a time.

Sir, when we look and see what has been happening there, in 1976 to 1980, that period, Barbados spent $6.1 million on capital expenditure on Defence and Security. In 1981 to 1986, they spent $134 million on current and capital expenditure. Can we ask the taxpayers to continue forking out this kind of money? I say the answer must be "No". This is why I say that, facing the realities of the situation and facing the military logistics in terms of efficiency, we can retain jobs whilst at the same time we can restructure the Defence Force of Barbados in order to reduce that expenditure. I believe, Sir, that whilst it is nice to have a first reaction unit, it is also very important to look at the cost of that unit and make sure that that first reaction unit is highly efficient, whilst at the same time it bears some reasonable relationship to what the people of Barbados can afford.
6.20 p.m.

The Transport Board, Sir. What can we say about it? Since nationalisation, Sir, over $110 million have gone down the drain. Several studies have been carried out, and I have one in my possession, where it was demonstrated that, with proper management, the subsidy to the Transport Board need not be more than $6 million, and that was before there was new capital injection in terms of an expanded new fleet for the Transport Board. Yet the subsidy grows from year to year, and I am saying it is due to indifferent management and political interference that has caused that situation at the Transport Board. All that money spent, and if there is one thing, Sir, that the public of Barbados have been dissatisfied about, it is the level of service that they get from the Transport Board.

We in the Democratic Labour Party pledge this nation that we will provide proper management for the

Transport Board; that all political interference, whether it be in job selection or otherwise, will cease; that firm instructions will be given that, except in the most extraordinary circumstances, the subsidy must not exceed $6 million. With bus fares at 75 cents and a fall in energy cost, and the fact that the Transport Board buses are relatively new and they do not have to bear the tax burden of other people involved in public transport, then I can see no reason why that should not be achieved. That is our position, and it would just have to be the policy, because we are not prepared to spend money in this way when it does not meet the satisfaction of the public.

Another major area, Sir, with over $8 million a year down the drain, is Caribbean Airways. There are huge losses annually. The Democratic Labour Party established Caribbean Airways. It fulfilled its objectives in those days and never cost Barbados one cent. Now we hear, Sir, that you put money in Caribbean Airways annually to purchase equity. What equity has Caribbean Airways got? A few chairs and some furniture? And you are spending $8 million a year and that is equity? You are financing losses, that is what you are doing under that Head.

Then, you get the ridiculous argument in here on the floor of this House that that expenditure is justified because Caribbean Airways brought in X amount of tourists – I cannot recall how many, 54 000 or something like that – and those tourists spent X amount of money in Barbados. There could be no greater nonsense. If you take the net expenditure from the figure given to me at the time and divide it by the number of tourists, Barbados would have been better off giving free tickets for the tourists to come to Barbados, because the cost would have been $6 million. That is a fact. The free tickets would cost $6 million. On top of that, Sir, they have not built into that equation and asked themselves the question how many of those tourists would have come to Barbados anyhow, whether there was a Caribbean Airways or not, particularly when a lot of the traffic, particularly in the summer, consists of Barbadians returning home.

Sir, I believe that as we ran Caribbean Airways in the past, at no cost to the Government, we will be able to seek a new arrangement which will meet the objectives of public policy and at the same time make sure that there are no job losses, and yet keep Caribbean Airways in the air. We have had relevant negotiations, and we feel that we can get that policy implemented if we are returned to office in a very short period of time. That is our position.

Now, Sir, another area of losses – and I am going to spend some time on this, because here lies the crux of our case – is that there is enough room in Barbados for a substantial reduction in Government expenditure with good management. Heywoods. If you were to go through those Estimates, 1980 through, there have been massive flows of money during the construction phase and after from the public purse to the Heywoods Project. Every year we got the most ridiculous accounts being mentioned, not presented, which gave you the cash flow situation in relation to Heywoods and completely ignores normal accounting practice, which should include the amortisation of debt and so on.

The fact is that the hotel is being run at a loss, and we are not prepared to continue to subsidise those losses year after year. The point is that we will stop the losses. We have already built a hotel at $70 million, and under no circumstances can you get, and I can find no businessman in Barbados who can ever tell me that you can get a reasonable rate of return far less make a profit on a capital investment of $70 million in a resort hotel like Heywoods. Unheard of! Hotels of that size and at that cost will make money in the centre of metropolitan cities where you have 95 per cent occupancy all year round, not in resort hotels, and the businessmen in Barbados would know that I am bound to be telling the truth. It just cannot happen. It is interesting to note why no other business person has ever attempted, either locally or outside of Barbados, to build a hotel in Barbados at that price.

I am saying as in relation to the others that we are not going to continue to finance these losses, and we will find the appropriate arrangement either by leasing – it is going to be hard to sell, but if a good price comes along we will sell it – if we are going to stop the losses and the operations continue, because the important thing is to stop the losses and try to get some kind of turn around with the money coming into the public purse.

Aero Services – a highly irresponsible investment on the part of the Government, taking over a bad debt from Barclays Bank of $3 million, buying an aeroplane, a Skyvan, which is of no relevance to the needs of Barbados. The predecessor of the Honourable Prime Minister on the last occasion that this was debated in this Parliament indicated that the losses and the debts at that time were about $10 million. The operational losses plus debt, that is, the debt involved in the purchase of the Skyvan and what not. That was the statement made on the floor of this House by the former Prime Minister of Barbados, the former Barbados Labour Party Prime Minister. Again, we have no intentions of continuing to finance these losses.

In short, Sir, our position is very simple. We are determined to cut back on Government expenditures because we see ample avenues where, with the methods I have spoken of before, we can cut back substantially on losses and wastage. We intend also, Sir, to restructure

Government capital programme to make it less dependent on foreign borrowing. We intend, too, to restructure the capital programme in such a way as to reflect the market situation in relation to the availability of capital and labour. We intend to stop the losses in mismanaged Government commercial ventures, both in the financial and non-financial sectors. We intend to dispose of such assets as already announced by the Leader of the Opposition, when it is no longer in the public interest to keep them under public ownership. There shall be strict controls of expenditures by statutory boards and, above all, auditing of all accounts of all statutory boards will be subject to the ultimate scrutiny of the Auditor General of Barbados. Mr. Speaker, this disciplined approach to Government expenditure, combined with the re-arrangement of the public fiscal policies and the return of economic buoyancy, which will be generated, will drastically reduce the need for taxation and the need for borrowing. The Barbados Labour Party clearly believes that our problems can be solved by taxation, borrowing and spending by Government. The Democratic Labour Party believes that our problems can only be solved by way of investment, earnings and economic growth. This is the policy, Sir, which underlines the fiscal re-arrangement which I will now be presenting to the nation.

6.30 p.m.

Over the past five years, Sir, the distance between the Barbados Labour Party and the Democratic Labour Party has widened considerably on economic and financial matters. The BLP yesterday reiterated a text book package of IMF measures, modified only by the crude, partisan politics in the form of token income taxes and token reductions in energy costs. The Barbados Labour Party, in my view, Sir, with those policies have succeeded in moving the Barbadian economy increasingly towards disaster. The Barbados economy cannot endure another five years like the last five years.

(Aside: Mr. B. M. TAITT: True.)

Dr. R. C. HAYNES: The Budgetary Proposals of the Honourable Minister of Finance clearly indicate that the Barbados Labour Party is incapable of managing the economy of Barbados under current economic conditions.

(Aside: True. Hear, hear!)

Dr. R. C. HAYNES: There is, therefore, need for a change in the economic and financial policy, and this means a change in Government. In these circumstances, Sir, it has become incumbent that the Democratic Labour Party present an alternative set of economic and financial proposals.

Mr. Speaker, high incidence of taxation is a major disincentive for our citizens to work, save and invest. With sound management of our economy, there would be no need to tax people at the high levels which exists today. Reduction in the tax burden is a vital prerequisite for meaningful economic growth in Barbados. There will be no employment gains of a lasting nature without economic expansion. As incomes grow, there will be a corresponding expansion of the tax base, and, through the indirect tax route, Government's revenue will grow. The Government will therefore take the small share of a bigger cake, enough to meet the ligitimate objectives of public policy and protect the disadvantaged in the society.

Our proposals have been formulated on a scientific basis after a most exhaustive study of our tax system and the negative impact which the current levels of taxation has on the lives of individuals, families, business activity and economic buoyancy. We must take a decision to make a decisive departure from the pattern of the past five years, which has led to an increase in taxation, an increase in debt, an increase in wastage, an increase in unemployment, an increase in the capital losses and, some will say, an increase in corruption. There must be, in my view, Sir, a different fiscal arrangement for this country, if we are to achieve a turnaround in our economic fortunes and stay clear of the path we have pursued over the past five years a path which has led us to the social and economic stagnation so eloquently described in the official 1985 Economic Report of Barbados. They are designed to reduce the rate of taxation without reducing the levels of revenue we need to run the country. This will be achieved through measures which will accelerate the rate of growth of the economy. An adequate rate of growth of Government revenue will result when the economy grows faster than the required rate of Government revenue. This is possible because, over the past five years, the burdensome and unscientific taxes imposed by the Government have stifled the economy. Our proposals will, Sir, in part reverse certain fiscal measures introduced by the Barbados Labour Party and break new ground by introducing measures which are rooted in a scientific and a humanitarian approach to taxation.

Should the Democratic Labour Party, form the next Administration, effective as from this financial year, no income tax shall be payable on the first $15 000 of income per year.

Applause.

Laughter.

(Aside: Shame.)

Dr. R. C. HAYNES: And quite distinct from their proposals, Sir, quite distinct from anything they brought before this House, that income, that exemption, that $15 000 applies to all income earners. Each and every income earner, your first $15 000 will be exempt from income tax.

Aside.

Dr. R. C. HAYNES: I should also point out, Sir, that this proposal was made by me in this Parliament a year ago. If you are earning $15 000 a year, or $289 a week or $1 250 a month or less, you will pay no income tax.

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

Applause.

Dr. R. C. HAYNES: You will not be required to submit an annual tax return, only a declaration that your income is $15 000 per year or less. This is in the interest of simplification.

The figure of $15 000, Sir, was arrived at after a detailed consideration of the basic needs of each individual in respect of food, shelter, clothing, transport, leisure, education, health and the prevailing levels of prices.

The maximum rate of personal income tax will be 50% on a taxable income of $55 000 per year or over. The bands will be adjusted as follows: Up to $15 000, and this is after everybody has had $15 000 on which they paid no tax, then we start out with the second $15 000. Up to $15 000 – your taxable income – 20% zero to $15 000. The first $15 000 is exempt. Then we start after this now:

0	to	$15 000	20%
$15 000	to	$25 000	30%
$25 000	to	$35 000	40%
$35 000	to	$55 000	45%
Over $55 000			50%

All family allowances will be increased by 50%.

(Aside: All?)

Dr. R. C. HAYNES: All family allowances. All pensions will be exempt from income tax.

(Aside: Hear, hear!)

Applause.

Dr. R. C. HAYNES: There will be no taxation on severance payments.

(Aside: Hear, hear!)

Applause.

Dr. R. C. HAYNES: Severance payments, in our view, do not represent future earnings. The full mortgage interest payment on homes will be allowed as a deductible expense.

Applause.

Dr. R. C. HAYNES: The full cost of repairs in any year will be allowed as a deductible expense.

Applause.

Dr. R. C. HAYNES: Fifty percent of insurance premiums on owner-occupied homes will be deductible. Mr. Speaker, there will be a householders property tax allowance. No property tax will be payable on the first 30% of the improved site value for persons living in their own homes.

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

Applause.

Dr. R. C. HAYNES: In respect of pensioners living in their own homes, this property tax allowance will be 50% of the improved site value.

These proposals, Sir, in relation to a home represent only a partial restoration of the tax benefits which the Democratic Labour Party provided in the past. They will assist in stimulating activity in the construction sector whilst giving significant relief to home owners. Home ownership, Sir, is one of the corner-stones of democracy in Barbados, and it must be promoted. Fiscal policy must be directed towards improving and maintaining a healthy housing stock in Barbados.

6.40 p.m.

On the next proposal, Sir, there seems to be some agreement between the two sides. We believe that the socio-economic situation in Barbados is such that household helpers still form an important part of the workforce of this country, and our tax system must recognize this important area of employment and be so designed as to improve the financial conditions under which they work. We, therefore, agree to, and have included in our proposals, a deduction of $1200 per year per household for wages paid to household attendants.

Next proposal, Sir. The allowances for medical expenses will be increased by 50%, and, very important, Sir, since these expenses do not necessarily occur on an annual basis while heavy expenses may occur in a particular year, medical expenses in excess of the amount allowed in one year may be carried forward for two years. We are giving active consideration to providing an allowance for medical insurance premiums when we have cleared up the chaos in the health service in this country.

Withholding tax shall only apply to interest payments of $6 000 per annum of $1 500 per quarter or more.

Mr. Speaker, we have decided to do this because we realize that, particularly with the fall in interest rates, many, many people need their little money that they can get from the bank at the time when it falls due without the deduction of withholding tax. They need it to pay the high water rates, the high taxes that Government charges them for their homes and so on, and we feel that we should relieve this burden, particularly off the elderly and the retired in our community.

In respect of taxation on overtime earnings, steps will be taken to ensure that overtime earnings are not eroded by over taxation at a time when the worker needs his money, that is, when he receives his pay cheque. Interest at a rate corresponding to the penalty rate will be paid on tax refunds which have not been paid within six months of the filing of a return.

Applause.

(Aside: Explain that.)

Dr. R. C. HAYNES: In other words, you have to pay interest when you do not pay the Commissioner his money on time. If he does not give you back the money he owes you within six months of your filing your return, he will have to pay you interest on that.

Mr. Speaker, during this presentation I placed a lot of emphasis on the revitalization of the private sector in Barbados, because I believe that the rate of return to the community, in terms of jobs, in terms of profits and in terms of expanding opportunities for the society as a whole, is far more efficiently used in that area. We have, therefore, decided to make some changes in the corporation taxes of this country.

The maximum rate of corporation taxes will be reduced to 35%.

(Aside: Mr. B. M. TAITT: Hear! Hear!)

Dr. R. C. HAYNES: A graduated system of corporation taxes will be introduced and the rate will range from 15% to 35%.

I believe, Sir, that the experience over the past four years should have taught us that we need to have a positive policy in relation to the question of retained earnings, particularly in corporations, which expand employment opportunities in Barbados and, also, that we should be firm in our commitment – very firm in our commitment – to ensure that the spate of bankruptcies which occurred in Barbados under the last five years of the Barbados Labour Party's Administration should not occur again. So that apart from these changes in the corporation taxes, Sir, we also propose a regime for reinvestment allowances. We will introduce a regime for reinvestment allowances. Tax allowances can be claimed if retained earnings are invested in national development projects, or in projects which will expand or improve businesses in such a way that increased employment opportunities will be generated.

Reductions, Sir, will be effected in a wide range of Government's import charges in the form of taxes and licences on businesses. These impositions violate the fundamental principle of taxation on profits and, in many instances, they have a strong, anti-employment bias. The general philosophy, Sir, should be to encourage re-investment of capital, business growth, and a consequent increase in available jobs, with adequate wages related to productivity.

For companies graduating from tax-free to taxable status, accommodation will be made under the new graduated corporate tax arrangements. This would allow for better forward planning for those companies which genuinely wish to remain in Barbados. More favourable allowances will be introduced in respect of start-up expenditure, for small businesses, including a tax deferral regime into early years. Special tax relief in respect of expenditures incurred in pollution control will also be introduced.

In the hotel industry, Sir, property taxes will be reduced by 50%. This measure, Sir, is designed not only to give tax relief, but to address the important principle that, unlike other business, hotel properties constitute a very large proportion of the capital structure of the business. A special rate is, therefore, justified on both grounds.

As I said earlier, Sir, the Hotel and Restaurant Sales Tax will be reduced from 8% to 5%. We must remove all irritants to the visitors, and there can be no question that a visitor seeing 18% on his bill, added on to the basic charge, or having to pay $30 for a driver's permit, can probably do more to create a negative image in relation to Barbados than anything else going on at the moment.

(Aside: Mr. B. M. TAITT: True!)

Dr. R. C. HAYNES: The charge for a visitor's driving permit will be reduced from $30 to $10.

Hotels will also benefit from the reduction in stamp duties on basic foods, medicines, and building materials which I shall deal with later.

In the area of agriculture, Sir, the levy on agricultural land will be abolished.

Applause.

Dr. R. C. HAYNES: In our view, Sir, it serves no useful purpose and it is ultimately confiscatory of people's properties. It will be replaced, Sir, by a package of incentives to bring idle land back into cultivation.

After the most careful research, Sir, we have decided that a grant of $250 000 to the Barbados Agricultural Society for research will be highly desirable, provided that that money is matched by money raised by them.

6.50 p.m.

There will be a wide range of incentives to stimulate non-sugar agriculture, fishing and agro-industrial development. We will continue the price support and/or subsidy to the sugar industry, and in this regard, Sir, it is in the record of this Parliament that I was the person who called for a subsidy to the sugar industry, and that was opposed during the last year's Estimates by every single person on that side.

Aside.

Dr. R. C. HAYNES: I was the person who called for it. I recall that on the day I called for the subsidy, it was said that I was taken captive by the white planters of Barbados, and those remarks were made by the honourable Member for St. Peter.

If I may continue, Mr. Speaker. We will continue the price support and/or subsidy to the sugar industry in the interest of job preservation, protecting the Barbados National Bank and nursing the industry back to vitality in the context of our agricultural revitalisation and diversification policies.

Sir, apart from the measures announced in respect of home owners, a wide ranging programme will be announced for potential home owners directed to lower down payments, 30 year mortgages, lower interest rates on mortgages, a reduction in the soft cost of loans and the introduction of a system of graduated mortgage payments.

I have already announced that in the field of energy all public utility corporations will be exempt from corporation tax.

Mr. Speaker, in the context of balancing our budget, in the interim period all taxes and imposts by way of levies or otherwise will be paid directly into the Consolidated Fund. There will be no more slush funds. There will be no impositions on professionals over and above the cost of regulating their activities through the relevant professional bodies established by the Laws of Barbados. Workers whose activities are not controlled by statutory regulating bodies will be exempt from the tax impositions in the Registration of Trades and Professions Act.

Genuine reductions in respect of the rentals of IDC space, factory space, will be put in place.

Reduction in taxes and fees for minibus operators and taxi drivers, 50%.

We will restore to public employees the Christmas advances which they used to enjoy under the Democratic Labour Party.

We will, as one quasi-monetary measure, reduce the down payment on refrigerators.

In the area of indirect taxation, Sir, we propose to make one change, and that is in the area of stamp duties. We feel that whereas this budget will be of assistance to all, there could be a small group of people who could not, for example, benefit from the householder's allowances or some of those allowances and so on, but could benefit from a reduction in the stamp duties on basic foods, medicines and materials, and I pledge that we will reduce stamp duties on basic foods, medicines and building materials.

Mr. Speaker, in summary, there are many many other fiscal proposals relating to the various sectors of the economy, harmonising with these major fiscal measures, and which will be set out in detail in our manifesto. These measures have been worked out by myself and my colleagues, and as we go along in this debate, many more of the fiscal measures falling under the Shadow Ministers will be presented to Parliament. They are all rooted in the same philosophical tone and with the same philosophical objectives. They represent, Sir, a different path along which the Democratic Labour Party will take this country in the years ahead. It is a path that leaves behind us five years of economic stagnation and ever increasing debt and taxation. It is a path which will release the energy of our individual and corporate citizens and enhance individual, corporate and public wealth. It is a path, Sir, which lifts the burdens off the shoulders of the people and leads to a better life for all. It is a path which reduces the cost of business operations in order to enhance profits and employment. Mr. Speaker, above all, these proposals address the needs of all groups in Barbados, irrespective of colour, class or creed, and they speak most eloquently to the critical need for investment and employment opportunities.

Mr. Speaker, I say to all Barbadians that, this year, they will constitutionally have the opportunity to choose between what was presented to them yesterday and what has been presented today. I believe that our proposals offer hope for the poor, it offers relief for the poor, it offers hope for the middle class, it offers relief for the middle class, it offers hope for the rich and it offers

relief for the rich. It offers jobs to the people of Barbados, it creates an atmosphere for investment, and I can see, Sir – I have a clear view of what can happen in Barbados – I see the opportunity where, by mobilising the latent resources of this country and bringing them all to converge and deal with the pressing problems of economic growth and expansion, we can bring considerable benefits to the people of Barbados.

I thank you very much.

(Cheers).

Mr. SPEAKER: I want to draw to the attention of strangers in the Gallery that they are in this House by leave of the elected Members. They must not participate in the proceedings of this House. If I observe anyone else in the Gallery participating in the proceedings of this House, I shall have no hesitation in asking the Marshal to clear the Gallery.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: I beg to move, Mr. Speaker, that this sitting be now suspended until 8.00 p.m. 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.

7.00 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. Dr. R. L. CHELTENHAM (Christ Church East): Mr. Speaker, Sir, the speech made by the principal spokesman for the Opposition was, in many respects, to be anticipated. For the last five years we have been treated to his annual diet of wild charges at budgetary time, undocumented accusations and generalities on the whole, which reveal that the Opposition has, perhaps, been too long away from Government, and in particular reveal a certain style in relation to the last honourable speaker, that he is prepared to cut himself adrift and aloof from the history of the Democratic Labour Party in office. For example, Mr. Speaker, he forgets that it was the Democratic Labour Party that imposed high water rates on this country because of the agreement with the IADB which this Barbados Labour Party Administration, in the interest of the consuming public, had to break with the greatest reluctance. He forgets, Mr. Speaker, that it was the Democratic Labour Party which, after 15 years in office, could not see itself to give old aged pensioners anymore than $13.

But there was another aspect of his speech which has attracted my attention, and I believe the attention of many Barbadians tonight, and it is that to which I wish to direct my remarks immediately. Before doing so, perhaps, I should say, Mr. Speaker, that there comes a time in the life of Opposition parties when they must depart from their accustomed role of criticising and opposing and tell us, tell the electorate, what are their plans, what are their programmes, so that the electorate can evaluate the bases of those programmes and determine their relevance and viability. The Opposition has rightly concluded that that hour has come in their lives, and to that extent, the principal spokesman used the last 40 minutes or so of his speech to reveal some plans and policies, which he referred to as "fiscal re-arrangements."

The Opposition is sometimes referred to as the Government in waiting, and he was forced to tell us what he is waiting for, what the Opposition is waiting for. We now know, from their own lips, Mr. Speaker, that they are hoping and waiting to be put in office to give the old aged pensioners $2 increase. We now know that all they are waiting for in Opposition, all that they are waiting to get in Government for, is to sell off the Hilton and to collapse Ilaro Court. We now know, Mr. Speaker, that all they are waiting to get in office for is to give the hotels a reduction in water rates, which this Barbados Labour Party Administration gave them two years ago, to allow them to refurbish their plant from the Barbados Development Bank, which we gave them two years ago, and allow those who have suffered adversely from the recession to reschedule their debt, an initiative which the Barbados Labour Party Administration took, through the Barbados Development Bank, two years ago. We now know, Mr. Speaker, that what they want to get in office for is to set up a monitoring unit – I know not in which particular Ministry – to supervise and oversee the operations of the statutory corporations, precisely the initiative of which the Prime Minister spoke last year, and which unit is already in operation, functioning out of the Ministry of Planning and Finance.

Apart from that, Mr. Speaker, we have been treated to a Christmas package in April. The Opposition is not only prepared to extend loans to public workers at Christmas, but they are prepared to give the public of Barbados a package in April. Rudolph the Red-nosed Reindeer, has become Richie, the Red-nosed Reindeer! And that is all very serious stuff, Mr. Speaker, because there is a natural disinclination on the part of people not to pay tax. But to that extent, in so far as the taxation proposals have been presented which will result in all of us paying virtually no tax, we have to ask ourselves the very serious questions: How will the country be run? Where from will the money come? What is going to be the cost of these proposals? Because if, in the end, they fall short of the revenue which we currently enjoy, services will

have to suffer, and the social services, in particular, which this humane Barbados Labour Party built up over many years, will collapse if the Democratic Labour Party gets its way in relation to a free-for-all for everyone. So, through you, Mr. Speaker, and through this Honourable House, I think that those of us on this side will have to appeal to responsible Barbadians, who constitute the dominant majority of our population, to view these proposals with distrust, because they are not accompanied by any costings.

We are not told where the money will come from necessary for us to maintain the large range of services and the high quality of life which we enjoy in this country. We will all like to believe that manna comes from Heaven, but we all know, in truth and in fact, that in the real world in which we live, services cost money; that we have to pay the nurses; we have to pay the teachers and the large body of public servants, we have to pay the police; that even though you will collapse or reduce substantially the Defence Force, we have to pay them, too. We know that the Sanitation Workers will have to be paid and that our streets will have to be maintained and even improved; that our school plant will have to be kept up to standard and modernised from time to time, that our hospitals will have to be kept going and that the high standard which our people have been led to expect over the years. So where is this money going to come from?

We have not been told that, but we know that if we do not have any money to maintain these services, the large and generous regime of benefits and privileges which the elderly enjoy in this community will be taken away from them. We know that the free secondary education, that the free education generally, which is enjoyed in this country, from the nursery school to the university level, along the way parents will have to pay at the nursery school and students will have to pay at the secondary level and at the university. We want to know, therefore, from the Opposition what is going to be the cost of this massive giveaway, a giveaway, proposals accompanied by no specifics and accompanied by no costing.

At the end of the day, we are not fools in Barbados, Mr. Speaker, and I think that all level-headed Barbadians would wish to know that the tax rate is reasonable, one that allows them to make a contribution to the cost of public services but allows them to hold some of their money and so they will be rewarded for their initiative and for their hard work. But they know that they cannot live in this Barbados, or, indeed, in any other part of the world, and live in a situation where there is a free-for-all in which you can enjoy the goodies of life without having to contribute and pay for those goodies. So that the proposals wear neither credibility nor conviction. They have not been accompanied by any specifics nor have we been treated to what is the only reasonable and responsible thing, a costing of those proposals and some indication as to where the money will come from to replace the money that will be given away and not taken in any form or fashion of taxation.

So that, Mr. Speaker, I think that a considerable portion of this debate will be taken up with these proposals which have been advanced and the general, vague and outrageous charges, undocumented, unsupported, which have been made against this Administration. For now, however, I wish to depart from the question of the taxation proposals, the fiscal reforms, as they have been called by the principal spokesman for the Opposition, and deal with one or two question which, I believe, continue to cause some doubt in some small sections of the Barbadian population.

I refer at the outset to the whole question of debt. Year after year we are treated to these wild allegations that the debt situation in Barbados is too high, the public debt is too high, that it reflects mis-management on the part of this Barbados Labour Party Administration and that the future of our children and our great-grandchildren is seriously mortgaged because of the debt burden which the country is carrying.

8.15 p.m.

The first point that has got to be made, Mr. Speaker, is that there is nothing wrong with debt, neither in the life of a private individual nor in the life of a nation. The important question in relation to a debt is whether you have the capacity to service it and, ultimately, to repay, and a country is no different from a private individual in that respect. The banking system pays no particular attention to a sovereign country borrowing in the same way that it pays no special attention to an individual. You have to present your proposal for a loan and that proposal is carefully evaluated in relation to your ability to repay, and if it is found by the hard-headed bankers that you have no capacity to repay, the application for a loan is rejected, whether you are an individual or a sovereign country. It must be stated, as a matter of fact, that we in Barbados have not had any of our applications for loans rejected. In fact, we are *invited* from time to time to take money from the international banking system because we are regarded as such an outstanding borrower.

There is a very important index in relation to a country's borrowing, and it has got to do with your capacity to repay from your foreign exchange earnings, because if you borrow from Japan, if you borrow from the United States or elsewhere, you cannot repay in Barbados dollars, you have to repay in hard currency. So the financial institutions look at your earning capacity in hard currency and they have rough guidelines as to how much repayment they would regard as reasonable or critical, and Barbados' repayment in relation to its foreign exchange earnings is still under 5 per cent of the foreign exchange earnings. That is what is spent on servicing debt,

regardless of how you compute that debt and whether you arrive at a figure of $2 million, $200 million or whatever.

I am not going to enter, Mr. Speaker, into the numbers game, because we can all agree or disagree as to the precise shape and size of the national debt, depending on what methodology of calculation you use. We can all agree, however, that the debt is in excess of $1 billion, but that, in relation to the capacity of the country to repay means, it is a small and manageable debt and no threat to the future of Barbadians.

Mr. Speaker, the other point in relation to the debt that has got to be made is this: you cannot speak, as the Prime Minister was at great pains to point out yesterday evening, about debt unless you speak about the development and the expansion of the gross domestic product. A man who is working for $300 a month may not be allowed by the banking system to borrow any more than $75 or $80 cost repayment. The banking system may not allow him to incur a debt that would involve more than $75 or $80 or at the most $100, one-third of his $300 income per month. On the other hand, if his income improves to the point that he is making $30 000 a year, nearly $3 000 a month, he will be allowed to borrow and repay not $75 or $100, but most likely $1 000 a month, and this country is no different.

In your time, the Democratic Labour Party's time in office, the country did not have any large capacity to borrow, though arguably you under-borrowed in your time. The country could have carried a little larger debt, but the capacity has expanded so significantly since then that we can afford to have a debt that is many times larger than the debt which we had 15 years ago.

Mr. Speaker, I need to make another point in order to put this debate in some realistic and reasonable context. We have been told by the Opposition that the economy lost jobs last year, that the manufacturing sector did not grow, that the tourism sector grew only modestly and so on and so on. All of that is true. The great achievement of this country – Government included, and people, too – in the last year is not that the manufacturing sector did not grow, but that we were able to save the entire economy from collapse and make the gains that we made, bearing in mind what was happening in the regional and international arena. The point I am making, Mr. Speaker, is that there can be no realistic, reasonable and sensible discussion of the performance of the economy unless we look at what is happening around us, both in relation to the regional economic community, CARICOM, and also in relation to our principal trading partners in the wider world. Barbados does not exist in a vacuum, and we have to consider what was happening around us. We have to determine, for example, that in the last two or three years the world was undergoing the most severe recession that we have known in this century, and that that recession impacted on all countries, Barbados included, and that there was a virtual collapse of demand in the United States of America for many of the products which we produce in our industrial estates.

Now that I am on that point, I need to make a reminder, Mr. Speaker, that no amount of words, in a small country like Barbados, with a small consuming population, just a quarter of a million people can talk about putting people back to work overnight unless there is a market, either in the wider region or in the larger world, for the goods and services which we produce. Until you can satisfy us that you have a market for your manufacturing activity, bearing in mind what has happened to our market within the last two years or so, no one out there, neither the child nor the adult, will believe the Democratic Labour Party that merely a change of office and an opportunity to them will allow the manufacturing sector to flourish. Much more is needed than words. We need in Barbados, given our strategy of earning foreign exchange through selling our goods and services to the regional and larger markets of the world, to ensure that we have markets, and if these markets were to collapse, or are depressed for any reason, it means that no amount of talk, no initiative on our part in those circumstances, will allow us to bring viability and profitability to our manufacturing sector.

Our tourism experienced difficulty in recent years. Canada, which was our principal market four years or so ago, that economy was so depressed that the many thousands, almost 100 000, who used to visit Barbados from year to year found that they could not visit Barbados, because many of them were out of jobs, and in circumstances where people are out of work, they cannot indulge in the luxury of foreign travel. We found, too, that our summer business suffered over the last three or four years because the American dollar, to which we are linked, was so strong in relation to the European currencies that the Americans went on holiday in Europe, London and many other places in Europe, and the Europeans did not find it attractive to come to Barbados and the Caribbean because of the weakness of their currency vis-a-vis the U.S.dollar.

Our earnings in sugar fell. At one point they changed overnight by $43 million, and you will recall that occasion when the honourable Member for St. Philip South (Mr. H. A. Blackman) said that it was no big thing when the country had lost $43 million overnight. We lost that because of the weakness of the European basket of currencies, with which we are paid for our sugar, against the US dollar.

8.25 p.m.

I mention those factors, Mr. Speaker, because they constitute part of the environment in which we operate, and we have no control over that external environment.

As soon as we begin to talk seriously about proposals and initiatives, we have to take into consideration the setting of the environment in which we operate, and it is because that environment was wilfully and deliberately ignored by the principal spokesman for the Opposition that his entire analysis lacked realism, lacked credibility and was extremely distorted and exaggerated. It was an unhelpful presentation simply because he did not have his feet on the ground, simply because he did not take into account the realities of the situation in which we operate. That is an important point which we have got to make very clearly in this debate if we are to bring some balance and some sense of reasonableness to this discussion.

A very important policy divide has now developed between this Barbados Labour Party Administration and the Democratic Labour Party. Within the last months, six months or so, the Democratic Labour Party spokesmen have been knocking – condemning, that is – deficit financing. We had that in the course of the discussions on the Estimates. They want to return to balance budgeting in a way that we used to practise it in this country in the Fifties. One of the points on which the Leader of the Opposition went public in disagreeing with his own party, the Barbados Labour Party, in 1952/1953 was in saying that he was opposed to balance budgets and that the country was ripe then for deficit financing. They will contract the role of the state in economic development and in the economic leadership of the country. That role will be handed over to the private sector, and they will divest themselves in Government, if given the opportunity, of a large number of the assets which we currently hold, for example, the Hilton, CBC and Heywoods.

Apart from the fact that that is Thatcherism all over, as practised by Eddie Seaga, that has brought in such an era of woe and distress, economic and human, to the people of that country, apart from the fact, Sir, that that has failed wherever it has been practised, I think that we need to address the basis on which we stand firm in maintaining that a Government in this country, if it is to lead and if the country is to go forward and prosper, must itself play a major role, a lead role, in the economic development of the country. It is our experience that the private sector in Barbados – small, of uneven ability, with no large experience in a whole range of matters – is, for the most part, reluctant to take steps, however many incentives are provided, unless the Government is out there setting the pace and taking the lead. It follows, therefore, that if there is any large scale cut-back in the role and responsibility of Government in economic development, the private sector itself will restrict its activity and wait until the Government gets out there and sets the lead and enthuse them and give them confidence by its own example.

I, therefore, believe, and I think that this is a reasonable judgement, that if the Barbados Labour Party did not play its role in many public sector projects, which is part of the proud record of this country in the last ten years, we would not have maintained the employment levels that we had in this country, we would not have generated the wealth that we have generated, the Gross National Product would not have grown as it has grown, and, on the whole we would be far worst off. We would not have been able to give the elderly in this country, the young, the sick and the handicapped, the regime of services which we now offer them had it not been for the fact that the Government was out there playing a major role in economic development over the last ten years.

So that is the major point of divide between the two parties in this country, the Barbados Labour Party and the Democratic Labour Party, and is one which we have got to take note of in this country, because the formula which is being enunciated by the Democratic Labour Party relates to a programme, a philosophy, which has been practised in other countries and which has been found to be lacking, which results in great distress and human suffering to people and which has plunged the many economies in which it has been practised into severe difficulties, more than anything which we have experienced here in Barbados.

But we know something else, Mr. Speaker, and I have no doubt that in the course of this debate it may become clear, not only to this House but to all the viewers across Barbados, and it is that on these matters, the principal spokesman for the Opposition finds himself diametrically opposed to the views of the honourable Member for St. Michael West (Mr. B. M. Taitt).

(Aside: Dr. R. C. HAYNES: What is he putting you in?)

Hon. Dr. R. L. CHELTENHAM: For the honourable Member for St. Michael West, only a few weeks ago in this House in the course of the debate on the Appropriation Bill, on the occasion of the discussion on the Estimates, had to remind the honourable Member for St. Michael South Central that there is nothing wrong with deficit financing, repeating the words of the Leader of the Democratic Labour Party, and that they, themselves, the Democratic Labour Party, practised deficit financing.

There was a view 100 years or so ago which influenced policy in the country up until the 1950s or thereabout, that it was sinful to involve oneself in debt, either at the individual level or the national level, and that, to that extent, Government should involve themselves only in balance budgets. No one now, in any part of the world, accepts that. That viewpoint is dead. It has

no supporters any longer, except perhaps the principal spokesman for the Democratic Labour Party, because it is accepted, Mr. Speaker, that a country, unlike an individual, lives on into the long future forever, and to that extent there is no reason why all the investment that is being today put in roads, in schools, in sanitation services, in sewage plants and in whatever else should be paid for by this generation only. It is acknowledged that the structures that we are erecting, the investment that we are making in the infrastructure, will serve this country in the long future, will benefit generations yet unborn and to that extent, there is no reason why we should only invest to the extent that we can pay for that investment within our lifetime, operating as though you are a private individual, when, in truth and in fact, the state will endure into the long future and, hopefully, forever.

So that there is a total departure from the view that it is sinful to depart from balance budgeting and that you ought not to engage in deficit budgeting and that you ought not to engage in deficit financing. Deficit financing is part of the strategy, it is a part of the financial techniques, employed by all countries. But all of a sudden now, contrary to the practice of the Democratic Labour Party while they were in office – and this is why I said at the very outset that the spokesman for the Democratic Labour Party has cut himself adrift from the history of his party in office – he is going to ensure that we return to balance budgeting.

8.35 p.m.

Mr. Speaker, as he rightly says, these are matters which the electorate will be called upon to determine, and I think it is important to help them understand the history of the Democratic Labour Party in these matters, help them to understand that, notwithstanding with all their blandishments to the sugar industry – and to other people in Barbados – when we first introduced price support in this Parliament, and I had that responsibility on behalf of this Administration, the Opposition party condemned the entire planter class and said that we ought not to be doing it at all, we are throwing away money, we are giving people who are buying race horses and hotels, and investing the money outside of the island for the opportunity to make more money at the expense of the suffering public. That is what we were told, in this House in my presence in hearing, and I had the responsibility of piloting that measure four years ago. Today, we are told that the Government-in-waiting, the Opposition, wants to get in Government simply to give price support to the Opposition, which we initiated, and which we are continuing from year to year. It was this Barbados Labour Party Administration that rescued the sugar industry from bankruptcy in the face of the stiff resistance of the Democratic Labour Party. The very things that we already have done, they want to get in office simply to do. I do not understand that, Mr. Speaker. I thought they were designing a policy different from the one we are practising, but they want to be given an opportunity to get in office simply to give the sugar industry price support, when we have already been doing that successfully over the last four years.

I need to turn, Mr. Speaker, to this question of energy. The Opposition has made the point that they were the ones who called for a reduction of the prices which were announced last night by the Honourable Minister of Finance and Prime Minister, and that had it not been for that call, nothing would have been done, as though we were sleeping and we were insensitive to our responsibilities and ignorant of our duties. Nothing is farther from the truth.

The principal spokesman for the Opposition went on to reveal that he does not understand Barbados' position in relation to these matters when he condemned the Government for introducing a consumption tax about March 17 or thereabouts. I think we have to go back a little, Mr. Speaker, to set that matter in some context. It was the Democratic Labour Party's Administration that made an agreement with Mobil, which agreement is still in force, which said that Mobil was entitled to operate here providing the consuming public with gasolene, kerosene, automotive fuel, diesel fuel, and all the other sorts of fuel so necessary out there, and that Mobil would be allowed a reasonable rate on their profits. That worked well until about 1973, when the price of feedstock, the raw material, the crude and the cocktail mix were reasonably cheap. When, however, the price of energy, the basic raw material, became very expensive, the Democratic Labour Party Government allowed a surcharge to Mobil so as to ensure that their profitability would not be undermined. That surcharge continued until recently because the price of feedstock, basic raw material, was high, and it was put on to ensure that a reasonable rate was enjoyed by the company. When, however, the price of the basic feedstock, raw material, plunged in recent weeks, it meant that it was important for the Government to remove that surcharge, or else Mobil would have been making super profit at the expense of the country and consuming public. The only legitimate way to do that was to use the consumption tax mechanism to take back from Mobil some of the super profits which they were making in the last weeks, and it is because we are an alert and an understanding Administration that we employed that mechanism to save the consuming public and the country from profit exploitation at the hands of Mobil. But it is because the last honourable speaker does not understand how these matters work that he is condemning the Minister of Finance for imposing consumption tax as of March 17 or thereafter, when, in truth and in fact, that consumption tax was imposed in the interest of the country and in the interest of the public.

But there are one or two questions that need to be answered. Why is it, for example, Mr. Speaker, that it was only recently that the Government was able in relation to the fall of crude oil prices, of which we have been hearing a lot for many months in several markets of the world, the North Sea Brent Market and many other markets, as seen on our television when the morning comes. The position is, Mr. Speaker, that Barbados has a secure supplier of crude. As a small country, we do not operate in the stock market or on the futures market in relation to our crude oil supply. We get our crude under contract from Venezuela, and it was not until our principal supplier's price fell – and that first fell on February 1, and continued to fall twice in the month of February – that the fall became relevant to us in Barbados. Because under the agreement which we operate, signed in the days of the Democratic Labour Party, our prices have to reflect the prices of the crude in Venezuela and the Southern Caribbean generally, the so-called Platts Oilgram, and those reductions in prices only became relevant to us in February, and we could not have acted immediately, because no one knew how enduring would have been the trend. We had to give an opportunity for the pattern to develop before we could take action, and that is the reason why, notwithstanding the fact that we have been hearing morning after morning of the fall in crude oil prices in North America, Europe, and elsewhere in the stock and futures markets, it had no relevance to us here in Barbados until recently.

The point has been made, too, by the Opposition that we should have given away more to the consuming public at the pump and we should have experienced a larger reduction. I think, Mr. Speaker, that several points have got to be made, and made quickly, in that regard. The first one is this: this is a windfall situation, and by its very nature a windfall is both accidental and temporary. To the extent that it is a windfall situation, the motoring public had no responsibility for the reduction in the oil prices and there is no reason, therefore, why the motoring public alone should experience any reductions. It must be said that the consuming public, generally, has been experiencing a general reduction in the price of their fuel charge by the electric company for over a year, because of the fact that fuel oil has generally been down for the last year, even though at this point in time it is lagging behind the price of crude. But to the extent that the motoring public made no contribution to the fall in prices – it is purely accidental and temporary – there is no reason why all the savings should have been passed on to them, and there is no country in the world that has had a budget since this development that has passed on the entire savings to the consuming public at the pump.
8.45 p.m.

We have passed on some, and we regard that passed on as reasonable and substantial. We also took the opportunity to spread around some of the savings there to several other sectors of the economy, including the productive sectors of the economy, manufacturing and tourism. I think that it is a sensible and wise judgment on the part of this Administration not to have taken all the savings, purely accidental, totally unrelated to the motoring public, and pass on all to them.

There is another important point which we have got to address, and it has got to do, Mr. Speaker, with the whole policy of this Administration in relation to conservation. Fuel oil, crude, oil as a whole, is a finite resource, it is not an infinite resource, and we ought not to be pursuing any policy, such as would be pursued by the Democratic Labour Party, that would lead the public of Barbados to believe that they should be reckless and inefficient in the use of oil. It is important that the conservation measures which we have introduced in recent years be pursued and that it be understood that we need to have a disciplined approach, an efficient approach, in relation to the use of energy. If, for the short term, we were to pass on all the savings to the motoring public in particular, we would undermine all the measures which we have put in train in order to teach the Barbadian people to conserve energy, and it was very important that nothing be done by the Government that would have undermined those initiatives taken now over many years.

It ought to be borne in mind, Mr. Speaker, that there is no good reason to believe that the depressed price of crude at present will hold for any long period. The international banking community lent the oil industry money on certain assumptions, one being that the price of crude would be at about $20 a barrel. The international financial community cannot, therefore, live with a situation in which the price of oil is $10 a barrel, $12 a barrel or less. Given the licking that they have had resulting from the recession, and resulting too from the massive lending which they made to Third World countries, resulting from the high earnings after the first energy crisis, and the fact that they were very limited, if you were to add those difficulties to the difficulties which they would experience in having energy priced at $10 a barrel for crude, it means that the entire banking system would collapse. It is because there is widespread recognition of that that many countries in the world – United States of America and others – are leading the way in arguing that the world cannot live in a situation in which the price of crude is $10 a barrel or less. So there is no reason, Mr. Speaker, for us to believe that this situation, which is purely accidental, will be other than temporary.

Mr. Speaker, I think I need to spend the last few minutes of my presentation dealing with the question of the extent to which we have managed to improve the standard of life in this country in recent years, and in

particular the extent to which we have been a caring Administration, paying particular attention to the vulnerable groups – the elderly, the young, the sick and the handicapped. I am particularly proud of what we have been able to do for all pensioners. The Democratic Labour Party forget their sorry record in that regard, that after 15 years, with some of the highest inflation rates we have ever endured – 40% in 1975, for example – they were not able to give more than $13 for the large number of old age pensioners, constituting some 11% of the population of this country, up to the time that they left office. But it is the stamp of a humane and civilised country when it pays generous attention and protects, and so ensures, the elderly, the young, the handicapped and the sick in its midst. It is also the index of a caring Administration when it consistently takes initiatives to ensure that that group is protected, and that is what this Barbados Labour Party Administration, ever since it came to office, has been doing in relation to that vulnerable group in our midst.

It has brought a lot of rejoicing across this country that old age pensioners are getting $48 per week, and they will not be impressed with a party that is telling them that they want the opportunity to serve as the governors of this country to give them $2 more, perhaps in five years. They will not be attracted to those blandishments, because they have memory, quite unlike the Democratic Labour Party's spokesman, who injected himself with a drug called amnesia and who seems to forget everything that has gone on in this country in the last 15 years or thereabouts. The old age pensioners will not forget that they suffered grievously under the Democratic Labour Party and that, after 15 years in office, the Democratic Labour Party was only able to offer them $13. They will not forget, regardless of what you are saying in relation to taxation, that when you presided over the affairs of this country, the Maids who worked for $25 a week had to pay income tax and also had to pay a sales tax.

No amount of blandishments will cause them to forget the fact that the Democratic Labour Party Administration was not a caring Administration, and in particular did not look out for the small man in this country, and that is an important consideration which we have to bear in mind in relation to your proposals, because the policies on which we proceed are fundamental and philosophical convictions on our part, that those who are well off in the community should pay for those who are not well off. It is to that extent that we have relieved 55 000 people, as of tonight, in this country, workers, from paying income tax. But you would like to introduce a system which says the rich will pay at the same rate as the poor. Let them all pay indirect tax and share the same burden of contributing to the public well-being. That is a fundamental divide between the Barbados Labour Party and the Democratic Labour Party. The Barbados Labour Party will forever make sure that the poor people in the country are protected on the premise that the well off must make a disproportionately larger contribution to the public well-being than the less well off. You would like to reverse that and you would like to ensure that the rich get richer and the poor will be poorer, which will be the net effect of the policies which you have enunciated in here today.
8.55 p.m.

I feel, Mr. Speaker, that the Budget which has been presented is a balanced Budget. It has addressed areas of need. It has demonstrated that we are prepared to earn our way out of our difficulties by paying attention to the productive sectors and ensuring that, notwithstanding the difficulties in CARICOM, we will penetrate the extra-regional markets and earn foreign exchange. We are prepared, too, to ensure that, regardless of the difficulties, the disadvantaged are protected, and that is why we have paid so much attention to the children whose fathers have abandoned their responsibility, and to the elderly, to the sick and to the handicapped in our midst.

I believe, Mr. Speaker, that the Budget has widespread acceptance across this country, and I am delighted, as the first speaker on this side, to congratulate the Government, and to express, with confidence, that this Budget, like much we have done in the last five years, will ensure that when the battle is joined, we will be on the side of victory.

Applause.

Mr. L. E. SANDIFORD (St. Michael South): Mr. Speaker, we will be dealing with the presentation of the last honourable Member in due course.

I wish to say that during the presentation of his Financial Statement and Budgetary Proposals yesterday evening, the Prime Minister, in an uncharacteristically smug, complacent and self-congratulatory manner described the period 1976 – 1981 as "good years", the period 1981 – 1986 as "better years", and he added that the best was yet to come as the economy stood poised on the point for sustained recovery. Well, Mr. Speaker, that best is, indeed, yet to come, but it will not be coming from the unimaginative, uncaring and incompetent Government party, but from the Democratic Labour Party when it takes over the reins of Government, as it is poised to do whenever the General Elections are called.

Certainly, the presentation of the Prime Minister yesterday was neither good, better nor best. On the contrary, there is general agreement that it was dull, lacklustre and deficient of any moment of high drama or of quickening expectation. On the contrary, the presentation by the principal spokesman for the Opposition, the Member for St. Michael South Central

(Dr. R. C. Haynes), was very much to the point, it was learned, it was pungent and it was penetrating, so much so that the members on the Government benches appeared crest-fallen. They did not know how to deal with that particular presentation, and the speech from the Member for Christ Church East (Hon. Dr. R. L. Cheltenham) is ample testimony to that. He obviously only had 15 minutes of material, and when he had got through that, and went down to about half an hour, he started to wobble, as we heard that Green Man was wobbling recently.

What the Member for St. Michael South Central actually did was to diagnose the problems within the economy of Barbados and then to present the kinds of proposals which would restore the sick economy back to a sound state of health. And the Government is in disarray! Because they have always been calling upon the Opposition to present alternative proposals, and now that we have presented the alternative proposals, they cannot deal with those specific proposals!

Now we, on this side, Mr. Speaker, are committed to the creation of a sound economy, based on high levels of employment, a high level of output of goods and services, a stable level of prices, and a satisfactory rate of economic growth and equilibrium in our balance of payments with other countries. We believe that the Budget is an instrument for achieving those goals, based, as it is, on a review of the economy over the preceding year, taking into account the economic background in the region and in the world, based, as it is, on a presentation of the revenue and expenditure accounts, on a presentation of proposals for changes in taxation, either to increase taxes or to decrease taxes, in order to deal with any gap in income and expenditure, to outline the economic policies, to correct any deficiencies, and to rectify any problems which may be of an endemic nature in the economy, or which may be of a short term nature, and then to forecast how the economy will perform in the forthcoming year or years. Judged against such a background, we can only conclude, and the people of this country can conclude, that the Budget that was presented yesterday was, and is, meaningless and irrelevant to the problems in this country. When we look, for instance, at the matter of Revenue and Expenditure, we will see that in respect of the public finances of this country, at the end of the financial year there was a deficit on Current Account; that the Government had spent $653.3 million on Current Account, but had earned revenues of only $643.9 million, leaving a deficit of some $9.6 million. That is for the financial year 1985 – 1986. When you turn to the Capital Account, there was a further $146 million which had to be added to the Current Account deficit, giving a total of something like $184 million deficit. Then, in addition to that, if you take the following year, the financial year 1986–87, there is a further deficit, bringing that accumulated deficit for the two years up to something like $339.7 million, both on Capital and Current accounts, understand the argument, that we have these kinds of deficits on both Current Account and Capital Account for the two financial years 1985–86 and projected for the current year 1986–87.

9.05 p.m.

The Budgetary Proposals that we are now discussing further aggravate the position, because what do they do? They provide concessions, as they are called, of some $40.6 million, but it is expected to raise revenue of only some $15 million, leaving a further deficit of $25.5 million, thereby bringing an overall deficit, when the two years are taken into account as well as the deficit estimated in the current Budget, to $365.2 million.

Mr. Speaker, this does not include the yet undetermined figure that will have to be paid to the public servants, the teachers and other public sector employees arising out of the salary negotiations which are to take place. Nor does it include the total public debt, which the chief Opposition spokesman for finance has estimated to be $1.45 billion.

The point, therefore, is, if the Budget is supposed to tell you what are the problems in the economy, we are pointing out the major problems in the public finances of this country in terms of not only of debt management, but of very severe deficits in our economy. But the amazing thing is that neither our Minister of Finance nor the deputy who is now emerging has addressed this problem at all. Neither of those two spokesmen who have delivered themselves so far in this debate has told us anything at all about these deficits and how they are going to finance them. And the Budget is supposed to be an instrument whereby these matters are sorted out!

That is one of the strangest budgets, therefore, that have ever been delivered in this Chamber. But, of course, we know what happened, and we know what we can expect, because we went through a similar situation in 1981. Santa Claus came around the preceding Christmas, elections came and then Santa Claus was not seen the following Christmas. Instead, we were told that we had to tighten our belts. Now we know that elections are around the corner, but it is not Santa Claus this time, it is the Easter Bunny handing out Easter eggs. That is what is happening on this particular occasion, the Easter Bunny is handing out Easter eggs! Afterwards, of course, it is the taxpayers and the people in this country who will have to face the particular problem.

Let this Chamber understand, and let the people of this country understand, as the Chief spokesman for the Opposition side indicated, that the status of the Budget over there is virtually of no avail, because when the stumps are drawn, we are all going on to the hustings, and then the outcome of the elections will determine

who will be the Government. If, by chance, the people decide to return the Barbados Labour Party as the Government of this country, they will have to come with an entirely new budget to deal with the problems facing this country. So what was delivered yesterday was irrelevant to the problems of this country. Needless to say, if the Democratic Labour Party wins the election, as we are confident we will do with the support of the people we will have to construct a proper budget to deal with the massive problems left behind by the Barbados Labour Party. That is the situation with which we have to deal.

But how is this problem dealt with – that massive deficit to which I have made reference? It can only be dealt with by an increase in taxation, and we know the Barbados Labour Party did that in 1981. It can only be dealt with by a cut in services. It can only be dealt with by massive borrowings or by some kind of mix of these particular policies. They call them "adjustments" and they call them "accommodations". We know that in 1981, under such conditions, the Barbados Labour Party Government streaked to the International Monetary Fund without telling this Parliament, or without telling the people of Barbados, that they were going to the International Monetary Fund for an adjustment and for accommodation. They said they were committed to open Government and they did that in 1981. So we can assume that some similar situation is going to happen if, indeed, the unexpected occurs, and so, today, that is why we had to present a budget for the people of this country to understand the real nature of the problems in the economy of this country.

I turn, Sir, to some of the concessions which have been made. If we look at the increase in the mortgage interest allowance from $9 000 to $12 000, that is nothing big. I can use that phrase. It is nothing, big, because, in the words of the Minister of Finance himself, it will only cost the revenue something like $200 000. Those were his words, so it cannot be anything too big. But we must recall for the people of this country that property owners of this country will remember that under the Democratic Labour Party the mortgage interest payments were all tax deductible, and payments for repairs to the houses and maintenance of houses were also entitlements for tax deductions. All of them! So what has happened is that the Barbados Labour Party Government took these entitlements away – not only took them away, they snatched them away from the people of Barbados – and now they are giving them back a little, not all, and expect the people to be grateful for the small mercies that they are vouchsafing to them.

We have a similar case with bottle gas. The figures have been given already, but what happened was that some time towards the end of last year, I believe it must be October or November, the price of bottled gas for the 100 pound cylinder and for the 20 pound cylinder and the 25 pound cylinder went up. Let us say, if the 100 pound cylinder was costing about $79, it went up to about $92 or thereabouts. It went up at a time when there was no indication at all that there was any need for the bottled gas to go up, because the price of oil even then was falling. What has happened now is that they have come back and they have now reduced the price of that bottled gas back to – not what it was, but just slightly above what it was. So they put it up and they put it back down and they did not restore the full entitlement to the people. In the end, it is the people who suffer from these particular matters.

Then there is the matter of gasolene itself. Since December last year, the price of crude has fallen over 50 per cent, and it still amazes me to understand how the Government can say that it is monitoring, and has been monitoring, the price of crude on a daily basis, and yet finds it difficult to respond to the price changes in the petroleum products.
9.15 p.m.

(Aside: Hon. L. S. CRAIG: Man, wake up Sandy!)

Mr. L. E. SANDIFORD: We are saying that that particular matter represents a callous and uncaring attitude by the Government, because long ago the price at the pump for gasolene, the price of kerosene and the price of diesel should have been reduced. If you are monitoring the thing from day to day, it should have been reduced long ago. And then we get a measly reduction of a few cents per litre! That is too little and too late, and that is the particular problem with which we are dealing.

They are actually playing "upsy bamsy" with the economy. That is what is happening. That is what that Government out there is doing. Instead of giving the benefit to the people of this country, to the consumers, to the taxi men, to the persons who own the commercial vehicles, to the person who has a private vehicle, instead of allowing them to get the full benefits of the fall in oil prices, they are withholding from the people what should be given fully to the people. And that is wrong. It is wrong, because when the price went up, the Government hurried and increased the price of gasolene, kerosene and diesel and of all other petroleum products. They hurried to do it! They did not say anything about monitoring and watching closely or anything like that. But now it is to come down and benefit the consumers, they are very reluctant to do anything like that.

I want to say a few words about the old age pensioners. I would say, Mr. Speaker, that any increase on the small and inadequate pension being paid to our senior citizens is, of course, to be welcomed. So the

senior citizens have been welcoming the increase from $40 to $48 which is just an $8 increase. But we are saying out here that $8 increase is too small and it should be much higher. That is what we are saying on behalf of the senior citizens and the old age pensioners of this country.

(Aside: Hon. L. S. CRAIG: Fifty-nine cents a year.)

Mr. L. E. SANDIFORD: And when those senior citizens have to meet their electricity, gas, water rates, their rent and their food bills, what can the $8 additional do? It is too small, and that is why you have got our proposals from this particular side.

Let us look at the little argument that has been put up that we were only paying, when we were in Government, the old age, pensioners $13 a week. That is not worthy of a second form pupil. That kind of argument.....

Aside.

Mr. L. E. SANDIFORD: I am not talking about him. I am talking about the Prime Minister.

That particular argument is not worthy of a second former. We could say over here that when the Barbados Labour Party left power in 1961 they were paying the old age pensioners in this country $1.80 We could say that! One dollar and eighty cents in 1961

(Aside: Hon. L. S. CRAIG: Say it!)

Mr. L. E. SANDIFORD: But we are not putting forward that kind of argument because it is a kind of a nonsensical argument.

(Aside: Hon. L. S. CRAIG: We are going to say it, though.)

Mr. L. E. SANDIFORD: If we put forward that kind of argument, we have to take into account what the Prime Minister said in relation to the public debt of this country – you cannot discuss it in a vacuum. You have to relate it to all kinds of factors, and you have to relate $13 a week to the revenue of the country, to the expenditure of the country and what the $13 could do. And I am certain that that $13 in 1976 could buy more than $40 could buy in this particular year!

Applause.

Mr. L. E. SANDIFORD: That is the situation.

(Aside: Hon. DeL. O. BRADSHAW: Who said that?)

Mr. L. E. SANDIFROD: Are you putting it that way? If you want to put it that particular way.....

(Aside: Mr. N. K. SIMMONS: It is true.)

Mr. L. E. SANDIFORD:.....why do you not tell them? You want to talk about $13 as opposed to $40, why do you not say that at that time in 1976, the Prime Minister of this country was getting something like $2 800 a month and the Prime Minister today is drawing something like $84 000 a year.

Aside.

Mr. L. E. SANDIFORD: Plus allowances, of course! If you want to make comparisons, make the comparisons. So you are giving the old age pensioners $48 a week, but you have reversed it for yourself, you take $84 000 for yourself as Prime Minister. What is the point of talking about $13 a week?

Asides.

Mr. L. E. SANDIFORD: It is an empty argument and I hope that that dismisses it once and for all. So we say, therefore, that we cannot deal with these matters.

Aside.

Mr. L. E. SANDIFORD: I do not wish to spend any time on the matter of water rates, because that has already been dealt with. The fact is that the Government itself, in its *Civic File* programme, has pointed out that the main charge for water rates in this country is the electricity for pumping the water, and if by your policies you maintain a high level of electricity, then you are responsible for that.

There was an agreement that was signed. No one denies that there was an agreement that was signed.....

(Aside: By whom?)

Mr. L. E. SANDIFORD: ..... but it called for gradual increases in the water rate, and you have not increased them gradually – you have increased them substantially. But not only that, you were so pleased with the scheme that you did not scrap it, as you scrapped the North Point. You could have scrapped the agreement as you scrapped the agreement in relation to the North Point. You did not do that. You liked it so much that you are even now proposing to extend the scheme to the south coast and to the west coast. That is what you are doing with the same sewage scheme. So, obviously, there was something very beneficial to the people of this country in that particular programme.

Mr. Speaker, we are not going to deal at length – at least, time does not permit me to deal at length – with the question of unemployment. The fact is that

unemployment is at an unacceptably high level in this country, and this particular Budget has done nothing at all to speak to the question of unemployment in this country. Nothing at all!

(Aside: Mr. B. M. TAITT: That is true.)

Mr. L. E. SANDIFORD: And I find it very amazing when unemployment, especially among the young and among the females in this country, is such a burdensome affliction. But the Government did pledge itself to create 3600 jobs way back in 1976 and we did not see 300 jobs created, and in every Budget since 1977 they have been talking about unemployment and the creation of jobs. In 1977, 1978, and 1979 we had all kinds of schemes put up, and last year's Budget was an "employment generating Budget." But all we can see is more unemployment in this country. So it is clear that the Government has no answer to the problem and is hoping to use mere words and jaw-boning in order to deal with that problem. 9.25 p.m.

And so we are left with this situation in which, in the economy of this country today, the manufacturing sector is a weak indicator, pointing downwards; the tourism sector, a weak indicator, pointing downwards; agriculture, both sugar and non-sugar agriculture, a weak indicator, pointing down; and the only thing that the Minister of Finance can point to is something called quarrying and mining. It is clear, therefore, that we had to reject that kind of Budget because it does not deal with the problems which are endemic in the economy of this country.

I am winding up now, Sir.

Mr. SPEAKER: The honourable Member has used his time.

Mr. L. E. SANDIFORD: Yes Sir. The Budget, therefore, is irrelevant and meaningless to the problems in this country.

I thank you, Sir.

Applause

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

Hon. A. TRUSS: Mr. Speaker, Sir, I would first like to compliment the Prime Minister for what I consider to be an excellent Budget. The Barbados Labour Party is united behind our Prime Minister on this side, Sir, which is not what I can say for Members on the other side. We are united behind one man, a Prime Minister who has proven his worth, who has given of his best to this country, and satisfied each and every one with his Budget last evening and that he is indeed capable of taking this country right into the 21st century.

The Democratic Labour Party, Sir, is totally divided. You have a fight for the leadership between the Leader of the Opposition, the Right Honourable Member for St. John, the last honourable Member who just spoke, and who disagreed with us on this side and disagreed with the honourable Member who spoke on his side – so you really do not know where he is – and the honourable Member for St. Michael West (Mr. B. M Taitt) is in this struggle and the honourable Member for St. Michael South Central (Dr. R. C. Haynes). So I do not see how you can win an election when they do not have a leader. We on this side have a clear and undisputed leader in the honourable Member for Christ Church East.

Applause

Hon. A. TRUSS: And when the honourable Member for St. Michael West ran against the Right Honourable Leader of the Opposition, he almost beat him. Fifty votes separated the Leader of the Opposition from the honourable Member for St. Michael West. So even the Democratic Labour Party voters did not know who to vote for.

Laughter.

Hon. A. TRUSS: Sir, the Budget Reply, for two hours was the most irresponsible Budget Reply that I have ever heard in this House of Assembly. But before I deal with that the only other statement which I have heard that is more irresponsible than the Budget Reply was a statement that was attributed to the Leader of the Opposition when he said that having free and fair elections in Barbados is not what he would consider to be fair, and he put us in the category of the Philippines. I believe, Sir, that that is a very serious statement. That is perhaps the most irresponsible statement I have ever heard by any politician, particularly by a person who has been leader of this country, as Premier and Prime Minister, for 15 years.

I have here in my hands, Sir, a report of the Barbados Constitutional Conference of 1966, which I am happy to make a document of this House. On page 4 of this report when the Democratic Labour Party was in power, under "Election Commission", we stated here, as the Opposition Party, that we wanted our dissent recorded, and the Leader of the Opposition, who was then Prime Minister, said that he did not want to have a commission – what was it called? – a Boundaries Commission, enshrined in the Constitution. Now I do not know how he is going to reconcile that. But,as far as I am concerned, Sir, it is an irresponsible statement.

We also have to view with distrust the proposal expounded by the honourable Member for St. Michael South Central. Distrust! He said on the floor of this House this evening that when the Democratic Labour Party gets into power, any person who earns up to $15 000 a year would get a taxable rebate or would be free of tax. I do not want to misquote him. Those are the words. The point he was making is that anybody who earned up to $15 000 would not pay taxes and he said that this was his statement of last year. I have here a copy of Hansard of last year's Budget, page 2482, and I will quote what the honourable Member said on that occasion:

> "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 already announced that persons with taxable incomes of $12 000 a year or less will be exempt."

So from last year to this year he jumped from $12 000 to $15 000. Next year we do not know where he is going to go. The real point is that at Halls Road in St. Michael, on Sunday, July 13, 1980, at 7.30 p.m., the same very honourable Member said, as a matter of public record, that in politics truth does not matter, facts do not matter, but impressions matter.

In my view, Sir, he talked about give away proposals. How much will everything that he is going to give away cost? He owes it to the country, in my view, to say, as a responsible individual, that he will have to be able to abolish taxation. Where will he get the money to run the country from? He has to tell the country what are his proposals in terms of revenue generating incomes. He said, on the one hand, that we should take 10% of all borrowings and create employment in capital projects, and then later on in his speech he said that we are borrowing too much for capital projects. I really cannot reconcile in my mind where the honourable Member for St. Michael South Central is coming from.

He said that he was appalled by the performance of the Government over the past five years. I will attempt during the course of my presentation this evening to deal with that. He said that the levels of unemployment were unacceptable and that we destroyed the agriculture industry, manufacture industry and the tourism industry. He made several charges. He said there was wastage of the public funds and that we were undermining the Social Security system and that there was a loss of confidence and capital as far as investors were concerned. He also said, Sir, that the Government debt was too high, which was predictable, that the charges of debt were too high and that he would reduce the public debt, reduce borrowing, reduce capital projects, reduce Current Account expenditure, reduce taxation and increase employment. I would like to know, Sir, how, and I think he owes it to this Honourable House and to the country to tell us, he is going to achieve these things. How is he going to find investment to create jobs without borrowing, because he criticised us for borrowing too much? Where will the money come from? These are the things which I think he has to answer to the country.

He talks in terms of the reduction in water rates. The question is that we are locked into a situation by an agreement signed by the Democratic Labour Party. The honourable Member for St. Michael South, when he was Minister, signed that in 1974 or 1975. We will stay locked into those rates. They are now saying, after they signed the agreement, that we increased the Waterworks rates and they will reduce it.

They say that they are going to reduce taxes on gas. When they were in power, because it is a question of performance, Mr. Speaker, what was their performance? The honourable Member for St. Michael West, when he was Minister responsible, came on national television and said that there was a gas shortage and panicked the entire country. The honourable Leader of the Opposition, then the Prime Minister, came back on television 24 hours later and said there was no shortage.

The only intelligent thing, in my view, that honourable Member for St. Michael South Central said, and I wrote it down, is that the difference between the Democratic Labour Party and the Barbados Labour Party on economic management is that the economy has widened over the last five years. That is true, Sir, that is absolutely true.

I intend to ask a few questions, Sir, because I am confused, and he has to explain to us some of this confusion which he has created, because under the Democratic Labour Party, inflation was 40%. He said that inflation is now too high at 3.4% and it should be lower, we should have a negative inflation. He said unemployment is too high. Under the DLP it was 26%. Now, I remember the Leader of the Opposition, then Prime Minister, making the very famous speech about no cane blade ever in Barbados again, and tonight we have heard the honourable Member for St. Michael South Central saying they would support the sugar industry. There seems to be inconsistency as far as policy between one speaker and another speaker within the Democratic Labour Party. And, Sir, I could go on and go on.

9.35 p.m.

I think the Budget is a good Budget, because, basically, we have to look at the facts and not look at the impressions. The average annual rate of inflation was 3.9%. We do not live in a vacuum, Mr. Speaker, we have to compare the performance of Barbados in relation to the performance of other countries. In Canada the inflation rate was 4%, in the U.K. it was 5.5%, in the great United States of America it was 3.6%, in Jamaica it was 25.4%,

to bring it a little closer to home, and in Trinidad and Tobago it was 7.8% compared to Barbados' 3.9%.

Unemployment, Sir, in Canada was 10.2%, in the U.K. it was 13.1%, in France it was 10.7%, in Italy it was 13.5%, in Jamaica it was 25% and next door in Trinidad and Tobago it was 15%.

When one talks about inflation one must also consider wages. Under the Democratic Labour Party, between 1971 and 1976 there was an increase in inflation of 122%. That is a fact, a matter of record. Wages, however, were only 47%. So you had, on the one hand, when the Democratic Labour Party was in power, inflation of 122% and wages of 47% between the years 1970 and 1976. Under the BLP Administration, Mr. Speaker, because these are the facts, between 1976 and 1981 the increase in inflation was only 42% while the increase in wage was 85%. Between 1981 and the present time the increases in inflation was 49.5% and in wages 68%. Those are the facts, that is the record. The record, in my view, Sir, speaks for itself.

We have had, Mr. Speaker, a balance of payments surplus of $93 million. The economy has registered real growth of .3%. GDP at market prices was $2.473 billion, an 8.1% increase over the previous year. The per capita income of Barbadians increased to $8 860 per person, or 7.9% increase. The international reserves, Mr. Speaker, remained above $244 million during the year, but as of December 31 of last year the total reserves was $315.3 million, an increase of $73.7 million. Our reserves are sufficient to finance 15.7 weeks of retained imports. These are the things one has to look at when one is dealing with an economy.

I have heard from that side that we have done nothing in the last five years. At random, I will give a brief synopsis of areas in which we have been able to achieve some progress. Mining and quarrying field was expanded by 10.3%; electricity, gas and water expanded by 4.9%; construction expanded by 3.1%; wholesale and retail trades expanded by 3%; Government services expanded by 4%. We think that this is a record upon which we can boast.

The BLP's financial management is not to put all our eggs in one basket. Sugar's contribution to the nominal GDP was $17.845 million last year; non-sugar agricultural output stood at $89.3 million and contributed 4% to GDP at factor cost.

The honourable Member for St. Michael South Central raised the point about agricultural produce. I would like briefly to go through some of the achievements in that area. We have had beef production up 55.5%, eggplant up 43.8%, pumpkins up 74% – last year's production, Sir, over the previous year's – broccoli up 20%, production of okras up 25%, cauliflowers up 300%, melons 8.1%, cucumbers up 4.6%, onions up 41.3%, peanuts up 62.5%, cotton up 400%. We also export 17 products – hot peppers, eggplant, christophenes, squash, breadfruit and so on. The food import bill last year, Mr. Speaker, fell by 7.4%, or some $103 million, and they make the charge that we have done nothing in agriculture. The output of the agricultural sector reached $160.14 million last year.

In the area of manufacturing, Mr. Speaker, output measured in current prices reached $231.7 million. Output in food processing, beverages and tobacco contributed $78 million to nominal Gross Domestic Product. Tourism's contribution to nominal GDP stood at $214 million and contributed 9% of nominal GDP.

Mr. Speaker, this Government has been concentrating on other areas, because we do not keep all our eggs in one basket, and we are concerned about the international business companies. There are 325 international business companies registered in Barbados. We are concerned about exempt insurance companies; there are nine of them here. We are concerned about foreign sales corporations; there are already 223 foreign sales corporations registered in Barbados. There are four offshore banks. These are other areas of finding employment for Barbadian people, nothing to do with the productive sectors, Mr. Speaker.

Gross Domestic Product moved from $700 million in 1976 to over $2.4 billion today. That is important, because in less than ten years we have seen this tremendous improvement in our GDP. Tourism earnings moved from $165 million in 1976 to over $618 million today. Manufacturing output moved from $172.5 million in 1976 to over $500 million today. These are the areas that we are concerned about when we run a Government.

Other areas we are concerned about are what are known as the leading social indicators of any developing or developed country. We have to look at infant mortality rate per thousand. In the 1970s it was up 45.9% per thousand, now it is down to 10.9% per thousand. The population density per doctor; Sir, in the 1970s there were 1900 people per doctor; today there are 1185 persons per doctor; an improvement. Electricity consumption per capita: in those days they had over 120 telephones per 1 000 people in the population; today we have over 373. Dwellings with piped water: in the 1970s, when the Democratic Labour Party was in power, only 40% of the homes had piped water; today 90% of the homes have piped water. Access to electricity: Sir, 59% of the homes in Barbados when the Democratic Labour Party was in power had access to electricity; today 99% of the homes have access to electricity.

9.45 p.m.

Increases in other areas of social indicators are what we have to be concerned about. Increases both in demand in the saving deposits were recorded in 1985; savings were up by 8.7%; to the tune of $471.3 million, and demand savings are up 20.4%, to the tune of $42.7 million. That means that there is more money in the hands of Barbadians, wages are up, inflation is down. Domestic credit at the end of 1985 exceeded $800 million. That means more and more people have more disposable income so they can improve their houses, buy their cars, refrigerators and stoves and the things that they need to improve the quality of their lives. The quality of their lives is what we are concerned about in the final analysis.

Sir, it is interesting to see that the Democratic Labour Party can call now for no one to pay taxes if they earn up to $15 000. When they were in power and you earned $25 per week, you paid taxes. I would like to know where the honourable Member for St. Michael South Central was when the Democratic Labour Party was in power and charged the poor people of this country, when they were earning only $25 a week, income tax. Today, a person can earn as much as $10 000 a year and not pay income tax. Fifty-five thousand people no longer pay tax at all.

I am tired, Mr. Speaker, of hearing about the debt service payments, and I think I have to deal with it, because it is a point that has to go down in the consciences of Barbadians. The Prime Minister dealt with it last night. The Minister of Agriculture dealt with it, and I am going to deal with it, because it is an important point.

In relation to the debt service payment, the honourable Member for St. Michael South Central used one figure that was different from what the Prime Minister used last night. I am not going to get into that. The Prime Minister will deal with that. The real point is this, that even if I use the outside figure of what was quoted by the honourable Member for St. Michael South Central, let me say this, our total debt service payments in this country last year was $127.1 million, which represented some 4.7% in terms of the debt service ratio.

In order to give the people of Barbados a comparison, I think it is only fair and just for me to quote some external debts of other countries. Argentina has a total debt of U.S. $48 million. That is not the point. The point is that their debt service ratio is 80%. The debt service ratio of Brazil is 41%. Chile – the debt service ratio of Chile is 53%. Mexico – they owe some U.S. $97 million and their debt service ratio is 59%. The Philippines is 35%; Uruguay is 45%; Venezuela is 34% Barbados – 4.7%!

The point is that when you take amortisation and interest on the foreign debt for 1985, it was only 3.9% of earnings from the export of goods and services. I think that the country is doing well and it is properly managed.

The Opposition wanted to know what we have done with the money which we have borrowed. Let me tell you what we have done with it, because when he was talking, I started to make a few notes, and I hope to give this House and the public at large a brief synopsis of the areas in which we have been spending the money. One million dollars has been voted for a revolving fund for non-sugar exports; $1 million revolving fund for live-stock development; $10 million to the sugar industry to prop them up; $4.5 million to fisheries, and this is only the last couple of years. Through the BDB alone we have extended $1.28 million to the small manufacturers; $28.9 million to small hoteliers – I am not dealing with the big boys, I am dealing with small hoteliers and small manufacturers – $12.8 million to small service industries within the hotel industry; $2.6 million to assist small manufacturers who had cash flow problems in the last two years; $33 million to general manufacturing in the last three years; $60 million for the development of the tourist industry, $8 million to small hotels in order that they can refurbish their properties; $5.2 million to help the small hotels refinance their projects; and $35 million to build brand new hotels. In addition, $32 million went into housing development, plus $20 million from USAID; $52 million for the development of trade, industry and commerce and $16 million unemployment benefits. Those are just the things that came to mind while he was talking about what we were doing with the money.

In addition, Sir, this is what we are doing with the money, these are projects which we had started since 1981: the Scotland District Soil Conservation, $11.6 million; the Scotland District Back River Project, $3.6 million; the Oistins Fish Terminal Complex, $5.2 million; the Government's Analyst Lab, $3.6 million; the Spring Hall Land Lease Project, $3 million; the Broiler Hatching Egg Project, $9 million; the Bridgetown Sewerage Project, $41.5 million; the polyclinics – Oistins, Ladymeade, Wildey, Warrens – $13.6 million; the Samuel Jackman Prescod Polytechnic, $21.3 million. Through the World Bank, we spent $43 million on ten primary schools, six secondary school, Erdiston Teachers Training College and we have expanded BIMAP as well. This is where the money has been spent in the last five years or so, so we must not talk about a budget on the eve of a general election to give away things. These are things that we started since 1981 and have completed as of today.

I can go on: the New General Post Office, $12.3 million; Heywoods Holiday Village, $54 million; the cement plant, $200 million; the Spring Garden and St. Barnabas Highway, $18.9 million; $35 million to the Ministry of Transport and Works for projects at the Belmont/Pine Roundabout and other roundabouts in Barbados; $28 million for road maintenance and rehabilitation.

These are the things that we have been doing since we have been elected to office in 1981. These are the things that have already been completed by the Barbados Labour Party Administration.

I will give you a synopsis now, Mr. Speaker, of the things that are presently being done, the things that are in the pipeline; extension and refurbishing of the health centre at Six Road, $500 000; Welfare Department at the Glebe, $200 000; Grantley Adams Runway Rehabilitation, $42.2 million; the National Training Board building extension, $.7 million; Community Centres throughout the country that are presently being constructed, $2.6 million; the Airport to West Coast Highway, $90 million; improvement and expansion of the Queen Elizabeth Hospital, $36 million; Parliament Building, $6.5 million; the Bridgetown Waterfront, $4.5 million; the Grazettes Road Improvement, $.6 million; renovation of Government House, $3 million.

Mr. Speaker, I can go on and on, because these are the capital projects that are presently under construction: the Tent Bay Fisheries Project, $3.3 million; can you imagine the Sites and Services Programme for the provision of sites and services, $7.5 million; and in the next financial year we will be spending an additional $15 million; road maintenance under the World Bank Project, $19.4 million.
9.55 p.m.

These are things, Mr. Speaker, that are presently in the pipeline and has nothing at all to do with an election year. I have told you what we have completed between 1981 and now, and I have told you what we have started prior to now, and I have not even begun to tell you what we propose to do in the Capital Estimates, because we have noted $188 million in the Capital Estimates for the next financial year, and we will deal with that.

In relation to tourism, I spoke at length during the Estimates debate on Tourism and the Environment. I would like to compliment the Prime Minister for dealing with the things that are relevant to tourism in the budget. The duty free shopping which he has enforced in my view will boost sales in Bridgetown for all those persons who have duty free shops, and for several reasons. It will create impulse buying for a tourist that was never there before. It would be a boost to the individual who never spoke the language properly, never spoke English, and could not understand that they would have to pay their money and collect their duty free items at the airport or at the seaport. So we expect some stimulation in that particular area. The Bridgetown merchants would be relieved of the responsibility, if the person so chooses to take the item which he or she purchases over the counter, of sending that item to the airport or seaport, which, in effect would reduce their cost of transportation.

Last year, based on the Chamber of Commerce records, over 106 000 packages went through Grantley Adams airport. We are unable to determine at this point how many packages went through the seaport. We are sure, based on the high increase in figures, that we have received from the seaport, that we expect to have some potential increase in duty free sales, but it is difficult at this point to quantify what that potential is.

The market development allowance which the Prime Minister introduced would be very important in the industry in terms of its marketing strategies, to allow people to go into new areas and old areas and get a rebate.

Mr. SPEAKER: The honourable Member has come to the end of his allotted time.

Hon. A. TRUSS: Thank you, Sir.

Mr. M. A. KING (Christ Church West Central): Mr. Speaker, the honourable Member for St. Michael Central (Hon. A. Truss) at the beginning of his statement made the point that he was a bit confused as a result of the presentation of the honourable Member for St. Michael South Central (Dr. R. C. Haynes), and clearly, the way in which his whole presentation developed indicated that he was accurate in that statement, because his answer to his own confusion seems to have been to present a mass of facts and figures without relating them to any specific issue and thereby seek to compound his confusion.

The honourable Member, in characteristic fashion, I am sure because he was before a public audience, tried to raise the issue of the leadership of the Democratic Labour Party again. This is a myth which the members of the Barbados Labour Party wish to get into the minds and consciousness of the electorate to give the impression that we are divided on this side. There can be nothing further from the truth. We are united in our support of our political leader, the Right Honourable Member for St. John, and it is under his leadership that we will go forth into the coming elections. There can be no doubt about that. Let the honourable Member of St. Michael Central marvel at the fact that in their own party they are so confused over their own position that they cannot even appoint a deputy leader of their party, no Deputy Prime Minister. I wonder what the honourable Member for St. James North would say.

(Aside: Hon. L. S. CRAIG: I am happy to be a member of this Government.)

Mr. M. A. KING: Can you imagine us having you as Prime Minister in case we did not have the honourable Member for Christ Church East Central? That is a possibility.

Mr. Speaker, to get back to the matters at issue, honourable Members on the other side, at every Budget debate that I have heard in this Parliament since I have had the honour to be here, continue to make the empty and the idle boast that they have introduced measures in relation to the income tax structure of this island which have resulted in a substantial reduction of the burden of income tax, and that they have eliminated a large number of persons from the tax roll of this country. Before this Budget the figure which they promoted was 48 000 persons. The honourable Member for St. Michael Central makes the point on this occasion that, as a result of the measures proposed by the Minister of Finance on this occasion, the number of persons now who will be completely exempted from income tax are some 55 000 persons.

When one takes into account the total labour force of Barbados, which is somewhere in the vicinity, if we take the statistics in the economic survey to heart, of 113 000 persons, of the total labour force we see that the percentage of persons who are being exempted from tax, according to their reckoning, is almost half of the total labour force, but what that means is that there is a very high percentage of the labour force of Barbados which is earning less than $10 000. Now is that a record to be proud of? That you have in your community so large a percentage of your working population which is earning a sum of money less than $10 000 a year? I would not imagine that is something which you should be proud of and which you should be trumpeting all over the place. An effort should be made to ensure that you get people earning far more than that, and that you would not have to make that idle boast continually that you are exempting these people or eliminating these persons from the tax roll.

Let me make another point about this boast, which I call an idle boast: it is a boast which at first blush can be very persuasive, because everybody wants to be relieved of income tax. You say that when the Democratic Labour Party was in office persons earning $25 a week were liable to tax. You are talking about in the period prior to 1976. To use that kind of argument is just as foolish as to use the argument in relation to old age pensioners getting $13 pension in 1976 and $40 in 1986. The argument is just as silly because since 1976 a whole lot of things have happened, incomes have increased substantially since 1976. The important point which you have to remember is that you have removed, you say, taxation on persons earning $25 a week, and – what have you done? – You have imposed a host of levies on all sections of the population of Barbados, including persons earning less than $25 a week. Persons earning $5 a week, you have asked them to pay the levies, the Health Levy, the Transport Levy – the bare foot levy – and you are saying that you have relieved persons of taxation!

When you look at the National Insurance payments which are required to be made by persons today, you will find that a very large percentage of these payments which are levies on the working population of this country, more than compensate for any loss, which would have accrued to you as a result of removing the income tax. What you have in essence done is to alleviate the tax burden in one area and imposed it four-fold in other areas. What kind of financing policy is that? It may be a financing policy all right, but when you at the same time can turn that around and seek to boast and make capital of it, I say that it is an idle boast about which the people of this country should be very aware. They should not be misled by that kind of idle talk coming from people who do not even stop to analyse what the issues are in the country today.

10.05 p.m.

Apart from this myth about the income tax position, what is the true position of the Barbados economy? What does this Budget for 1986 really do for us? We have to analyse it in the context of the whole economy of the country over the past few years. You cannot put Budgets in isolation and assess them just in isolation like that, because, if one did that, one would be inclined to do like members of the Barbados Labour Party and to think that this Budget is the greatest thing that has even dawned upon the face of Barbados.

(Aside: Hon. H. B. St. JOHN: You are talking the truth all the time.)

Mr. M. A. KING: But when you analyze it and analyze the historical position, what do we see? First of all, let us look at how the honourable Member for Christ Church East Central, the Minister of Finance, came to the end of his statement. He said, I am at page 60 of his statement:

> "In retrospect, Sir, 1976–1981 were good years. Bearing in mind the recession, 1981–1986 were even better years."

When you stop at that, to start with, those statements are a contradiction in terms, because he is saying that 1976–1981 were good years, he is saying that from 1981–1986, during those years there was a recession, but that the recession years were better than the good years.

(Aside: Mr. B. M. TAITT: Yes, yes.)

Mr. M. A. KING: That is a little paradoxical, the recession years were even better than the good years, so just let us look at those years, 1981–1986 and see what kind of hope or what those years did and held out for the people of Barbados.

You would remember, Mr. Speaker, that in the early years of 1981 we were in the euphoria of pre-election

times where the economy was overheating, where you had a mass bunching of capital projects, where you had persistent warnings from members of the Opposition, and particularly from the Member for St. Michael South Central, about the danger which was likely to happen to the economy as a result of this kind of strategy.

(Aside: Mr. P. M. GREAVES: And from the Central Bank.)

Mr. M. A. KING: And warnings from the Central Bank about it. But we were in the period leading up to an election and therefore it was important that a lot of money be seen to be spent in the economy. The elections came in June 1981 and then there were the post-election blues, and then that famous or infamous mini-Budget of September 1981, when, in the words of the Prime Minister and Minister of Finance on that occasion, it was introduced to avert an economic crisis which was looming ahead in the country, just like the Member for St. Michael South Central said, and the economic crisis was the inevitable result of the policies which were then being pursued by the members of the Barbados Labour Party Government. It was convenient for them, for election purposes, to pursue that policy, and we landed ourselves in that situation where we had that infamous mini-Budget, which imposed equally infamous levies, the Health Levy, the Transport Levy, and a Budget which dealt severe body blows to the taxi drivers and to the minibus operators in the country.

We have made our comments on that Transport Levy from time to time. We have expressed our entire and utter disapproval with the way that levy has been structured and administered. Our feeling is, and our position is, that all monies collected from the taxpayers of this country, by whatever guise – you can call them what you like – these levies are taxes, irrespective of whatever name you call them by – should be paid into the Consolidated Fund where parliamentary control exists over the spending of that money.

Applause.

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

Mr. M. A. KING: We have alerted this House and this country to the dangers which can result where a Minister of Transport and Works can give instructions for the spending of money out of the Transport Levy Fund without any reference whatsoever to Parliament and to the accredited representatives of the people of this country. So that one of the principal things that we need to do, as a matter of urgency, when we become the Government of this country again, is to ensure that all monies collected for taxes are paid into the Consolidated Fund and that parliamentary approval and control is thereby restored.

Within six months – talked about the pressures which were imposed by that mini-Budget of 1981 – of that infamous mini-Budget, we had the Budget of March, 1982, which dealt more body blows to the taxpayers of Barbados. By then the economy, needless to say, had become quite stagnant. The balance of payments had swung into a deficit of some $37.6 million, Government was borrowing overseas on the capital markets, a policy which they have pursued ever since then, and that is reflected today in the massive public debt with which this country is now burdened. In that year, 1982, Government imposed new taxation on the taxpayers of this country amounting to some $30.2 million. The main areas in which that taxation was imposed were: stamp duties, $8.5 million; highway revenue, $2.4 million; liquor and cigarettes $5.5 million. There was some paltry relief of some $2.1 million in tax.

In 1983, the position was repeated. Government continued its tight, economic, monetary and fiscal policies. Hear the words of the Prime Minister and Minister of Finance on that occasion:

> "We need to continue policies of restraint and caution a little while longer."

And the 1983 Budget raised revenues of some $30.7 million in additional taxation, again mainly consumption taxes, more stamp duties and health service charges. That was a year, too, Mr. Speaker, when you would recall that the Budget imposed taxation on the severance payments over certain limits, on the philosophical basis, as they then put it, that severance payments were to be regarded as future streams of income, a view with which we disagreed entirely. We feel that severance payments are to be regarded as compensation to workers for loss of a right in their employment and that that right should not be taxed, especially in a climate where you do not have capital gains tax on property, so to speak. That is why in the proposals coming from our side on this occasion, we can announce boldly that we will remove taxation on severance payments. 10.15 p.m.

In that year, you had also more pressure on the taxi owners and on the minibus owners – Stamp Duties, $19 million; Road Taxes, $3 million, and Consumption Taxes, $3 million.

In 1985, the pattern continued. That Budget, if you will recall, was categorized as one designed to stimulate economic activity, to create job opportunities, and to bring some measure of relief to businesses and individuals alike. Mr. Speaker, what that 1985 Budget, in fact, did was to deal more blows to the workers of this country and to the taxpayers. It was that Budget which said to the workers of this country that where your employers lay you off for 13 weeks, you cannot do anything about it – you have to remain in that holding position until 13 weeks

have expired before you can even move to make some claim for severance payments, whether they were laid off or kept on short time. And that are a lot of working class people who are suffering as a result of being forced into that position where they have to wait 13 whole weeks on lay-off. Some workers, incidentally, have sometimes to remain some 26 weeks in a year on lay-off, because an employer who lays you off for two 13-week period in a year has laid you off half of a year. That was a concession which was made for the business community which was totally unwarranted, and it dealt a severe blow to the working classes of this country. That is also an area, Mr. Speaker, where we will need to take serious steps to reverse that unfortunate trend.

In that year, the Budget of 1985 raised revenue of some $45.7 million, the net revenue being $35 million. So that over those five years, excluding the mini-Budget of 1981 — I believe there was a second mini-Budget as well – excluding those two mini-Budgets, we had taxation levied on the taxpayers of Barbados of some $95.7 million, and it is safe to say that in the years between 1981 — 1985 the taxpayers of Barbados were called upon to pay additional taxation in excess of $100 million. So that the pattern was consistent from 1981 to 1985 — blows, blows, and more blows to the taxpayers of Barbados.

We were in a pre-election period from 1981 — 1985, the period in which the taxpayers of the country received those body blows. But then we come to January 1986 where we are running into an election, and what has happened? The whole situation is reversed. We have been raising taxation all along and then, suddenly, what has happened? Revenue loss as a result of this pre-election Budget, revenue loss of $40 million, revenue gain of $15 million, net loss to the revenue of $25 million! You have that kind of Budget in a pre-election year, and we on this side of the House are asking the people of this country not to be misled by that sort of presentation.

(*Aside:* Mr. B. M. TAITT: Hear! Hear!)

Mr. M. A. KING: You have to view this Budget in the context of the time and the circumstances in which it is being presented.

In addition to these giveaways, so to speak, the giveaways which are not giveaways that we see in this Budget, what do we see? We see in the country at large a large number of young persons, who for four and a half years have been suffering from want of employment, suddenly being given jobs all over the place — debushing and getting a few dollars, temporary jobs. We are glad for those young people. We are glad that at this time they can get some job to do and can get some money to put in their pockets. Our only regret is that this Government has been so hard of heart that they persisted in neglecting them for four and a half years of its existence from 1981 and could only wait in a pre-election six months period to begin to offer those young persons, the citizens of tomorrow, jobs which they deserved from so long ago.

What else do we have? Not only are you offering the young people the jobs. All the old people in the country are about to get their houses repaired now.

Asides.

Mr. M. A. KING: We are glad for them. You neglected them from 1981 – 1985.

(*Aside:* Mr. B. M. TAITT: True! True!)

Mr. M. A. KING: That is what we dislike. You neglected them from 1981 — 1985, and in the pre-election period, now, suddenly, you have a lot of money available for welfare grants which was not available all along. You come with a supplementary vote just before the Estimates of 1986 to get more money for repairing their homes. We are glad you are doing it. We only say you stand condemned because you did not do it in all the years you were in office before 1985, not to speak, of course, of all those senior citizens whose water rates and whose light bills you promised to pay and did not pay. You did not help them, but it is convenient now at this time, as you are running into an election, to deal with these issues and make people believe that you are on their side.

What have your policies done for the people of this country and for the poor people of this country over the years! You have created in them and a whole lot of us a state of dependency, because, as the Right Honourable Member for St. John, I believe, said — I probably do not quote him accurately — that when you have a hungry man in your society, to that extent you diminish the wealth of all others in the community. So the position is that you have created in this country a syndrome of dependency. You have made people come to feel dependent on welfare. You have suffered them long for four and a half years, and now, at the end of that time when they are in this state of dependency, you are giving them the welfare money, you are offering them the employment, you are giving them the jobs, a little money here and there. And, to boot, there is a lot of political interference as well in the dispensation of jobs, particularly in places like the Queen Elizabeth Hospital, and you carried a lot of persons and dump them in the National Insurance Office where there was no place from them. I believe these are under the Ministry of Health — National Insurance Office and the Queen Elizabeth Hospital.
10.25 p.m.

At the Queen Elizabeth Hospital, you have a lot of persons being introduced all of a sudden whose only claim

to a job is on the basis of political affiliation. Those things are not right for this community. Every single person in this country has a right to a job, irrespective of political affiliation, and we should divorce ourselves once and for all from that kind of philosophy which found expression in the mouth of the honourable Member for St. James North (Hon. L. S. Craig), who said that even if your name is spelt with a D.L.P. by accident you should starve. Everyone remembers the famous Douglas Leopold Phillips statement, which I believe was even made in this Honourable Chamber. We have to divorce ourselves from that kind of attitude, because the moment we begin to polarise the citizens of this country we are heading down the path to destruction.

The honourable member for St. Michael Central made the point that he did not understand, in relation to the proposals of the honourable Member for St. Michael South Central, how he could so to speak make all of these concessions, as he put them, and not provide.....

Mr. SPEAKER: The honourable Member is too late. Time has expired.

Mr. M. A. KING: Yes, Sir.

Hon. L. B. BRATHWAITE (St. Andrew): Mr. Speaker, it is certainly my pleasure to rise in support of the measures as proposed in the Budgetary Proposals by the Honourable Prime Minister.

I have sat and listened with care and attention to the views expounded by the other side, and I want to say that I am impressed with nothing that they have said up to now. The proposals put forward by the spokesman on Finance will have no bearing on this side, and I do not think in the country either.

Promises have been made by the Democratic Labour Party even from its first outing in 1961, promises which I will read out to this Parliament, and I consider, Mr. Speaker, that such a manifesto would be a document of this House. However, before I go on to develop my theme with respect to this, I just want to briefly rebut a few statements made by the last speaker, the honourable Member for Christ Church West Central (Mr. M. A. King).

The Democratic Labour Party's record on welfare housing in Barbados is a sorry record. It is nothing to be proud of, it is nothing for any person who has had any part of it, to commend, and, least of all, for any person who participated in it to condemn any other group which sought to bring comfort and happiness to the poor. The Barbados Labour Party cannot, with all the ill things that have been said about it, be charged for infelicities with respect to the handling of the welfare votes in this country. I am amazed at the Member, and the honourable Member certainly does not live in Barbados if he is not aware, and he certainly must be aware, because I have heard him on a number of occasions adverting to the amount of houses he sees going up in his area for welfare people, so therefore he has to be aware.

I recall, Mr. Speaker, that in 1976, shortly before the General Election, money was voted, $500 000, for welfare housing, and the auditors of the day commented very adversely upon the manner in which this vote was spent. Peat, Marwick, Mitchell and Company, Ken Hewitt and Company; these are auditors that are of high repute and I do not think anybody would want to question their integrity. This document was laid in this House, it is a document dated 1st April to 31st March, 1977 and it comments upon the vote.....

Mr. SPEAKER: If the honourable member is going to quote from a document, will he please tell us the name of the document?

Hon. L. B. BRATHWAITE: Yes, Mr. Speaker. The document is the Fourth Annual Report of the National Housing Corporation for the financial year 1st April, 1976 to 31st March, 1977.

Mr. SPEAKER: And will you quote the page?

Hon. L. B. BRATHWAITE: All it says here is "Auditors' Report to the members," it is not paged.

Mr. SPEAKER: Thank you.

Hon. L. B. BRATHWAITE: This is what it said:

> "Independent investigations into the use of the grant to the Corporation of $500 000, funded by the Labour Welfare Fund, and which was officially designated to be used for the purpose of repairing old age pensioners' houses, revealed that persons other than old age pensioners were beneficiaries of expenditure from proceeds of the grant."

Even the old people! In other words, they were virtually taking the blanket off the dead — disgraceful! — and I will tell you.....

Aside.

Hon. L. B. BRATHWAITE: This is for the time when you made the vote. I was not the Minister who did it, and they did not say that it was during your time that it was done. Mr. Speaker, I do not want to take up my time with any cross talk with honourable Members on the other side, I am prepared to deal with the facts before me.

I will tell you why the country has got to be suspicious, Mr. Speaker, about the arguments which have been put forward by the spokesman for Finance this

afternoon, it is because the Democratic Labour Party as a Government did not fulfil its promises. I am going to read here from the Introduction of a document — the introduction of a document to any people in the world is a serious thing and I am going to name the document, the Manifesto of the Democratic Labour Party, Barbados General Elections 1961:

"INTRODUCTION

"The Democratic Labour Party presents the following programme of action for immediate implementation to effect social and economic improvement in Barbados. The Party proposes that the next session of the Legislature be limited to three years instead of the five which the Law now permits. If it is elected to office it will at once prepare a three-year developmental programme based on the accurate and additional information which will be made available by the opportunity to investigate the colony's financial position and economic prospects, at first hand."

Mr. Speaker, within a very short time after the party was elected on a serious pledge and promise, this was nothing. It is raping an electorate when you do this. This is very dishonest dealing when you can come on a programme of three years and ask the people for three years, not five as the law allows; and then you decide that you are going to depart from that. That is a serious indictment upon you. I therefore invite the population of this country to examine their record and to say whether or not they will vote for them on the basis of a promise when they have so violated a serious promise.
10.35 p.m.

It is not only that promise, Mr. Speaker, but on page 2 of the very document, they talked about a shoe factory and a plant by which they would seek to shoe every Barbadian. That has not yet come.

(*Asides*)

Hon. L. B. BRATHWAITE: I am not going to speak right through, so I am very sorry for anybody who is worried. See page 5, Mr. Speaker:

"The removal of discrimination in the payment to the peasant holders for their canes.

The taking over with issues of 6% land bonds by the Government of plantation tenantries and the resale of the land by Government to the tenant occupiers."

Mr. Speaker, you, like myself, are aware, and the whole country is, that nothing like this was ever approached until this Government in 1980 introduced the Plantation Tenantries Freehold Purchase Act, which was bitterly fought against in this Parliament by the other side.

I continue:

"The encouragement of short term scholarships and refresher courses in agriculture for plantation overseers."

I have never yet heard of one who ever got a refresher's course or who went anywhere yet. Yet we are hearing these noble and very lofty promises made by the spokesman for Finance in this Honourable House.

Mr. Speaker, I am going to give you another one, and this is very interesting:

"WORKERS' RESORT HOUSES

"The D.L.P. will acquire beach land at a number of sites in St. Philip, St. John, Christ Church, St. James, St. Joseph, St. Peter and St. Lucy to build holiday resort houses for the workers.

The proposal involves construction of two or three-bedroom modern, artistically designed cottages to be rented at moderate funds for short periods to workers on their annual holiday. This will enable some of the colony's beach spots to be reserved for the masses of the people. Each site will contain a children's playground and the cottages will contain basic items of furniture. The workers will provide all additional items such as mattresses, crockery, cutlery, cooking utensils, etc. The scheme is designed to enable the workers to holiday by the sea with their families at rates within their reach — the price of such seaside houses now being beyond the capacity of the average worker to pay."

Mr. Speaker, this is a solemn and written pledge by a party which has come before us this afternoon with nothing to say. When it left office in 1976, it went out without ideas, and the public knew it, and it has got to be able to recharge itself even with nine and a half years of experience in the wilderness. They will never be able to do it, and I submit to the country, Mr. Speaker, that the Democratic Labour Party is not ripe, it is not ready. The last election they said they were ready. I said, ready to do what and to go where? They were never ready and will never for a long time be ready.

(*Aside:* Mr. B. M. TAITT: You helped make that manifesto.)

Hon. L. B. BRATHWAITE: Mr. Speaker, the Government has presented in its proposals some very good and worthwhile benefits for the aged, the poor and the unfortunate in our community. We charged the other side with indifference during their time to the old aged pensioners and the poor, and in their fight back, they said when they came in, the pension then was $1.80 and they

carried it to $13, and I heard a suggestion here made that they will go up on the $48, which is proposed in the Budgetary Proposals, by an extra $2, which will carry it to $50. I know the old people out there, witty as they are, will not fall for anything like the suggestions made by them. They are very satisfied, and I have been talking quite a lot with them of late, with the performance of this Government, and no matter what you put up, what platitudes you bring forward, they are going to stick with us, as far as this programme which we have put forward is concerned.

If you look, Mr. Speaker, at the proposals put forward by the Honourable Prime Minister, one can see that this Government has very deep concern for the poor people in this country and for those who are unemployed and who have no means of an income. The children who are without fathers, or fathers who are not giving them the normal support to which they are entitled, the Government has taken that into account, has been giving very serious consideration to it over a period of time and, from time to time, has been upgrading those people. A cadre of persons that we have looked at as well, and in a very serious way, is that unfortunate group of civil servants who went out of office before 1976. There are a number of people who have been very disadvantaged. They went out at a time when wages were comparatively low. I heard the honourable Member for St. Michael South comparing figures when he was making his address with respect to what the Prime Minister was getting when he came out of office, and with respect to Ilaro Court and a number of other things which I will address if time permits. He admits that at the time when he went out, things were bad, and that group of civil servants, including teachers, people who work all over the place in the Government, some of them retired on pensions of $20 per week, and some for less than that. But as a result of the concessions which were made in the Budgetary Proposals, those people's pensions will go up, I understand, to something like $154 or more a month. This is a considerable improvement on that.

We have to be very careful even though we are fighting our political battles as to how we fight our battles. I get the understanding from the other side that the Prime Minister should not be living in a house; at least, it should not be Ilaro Court. I want to know if you subscribe to the principle that the Prime Minister should live anywhere. In the past you had Culloden Farm for the Prime Minister, but Culloden Farm proved itself unsuitable for the purpose for a number of logistical reasons. But, we did not buy Ilaro Court in our time for the Prime Minister. It was bought and allowed to be rotten down by the Democratic Labour Party. Nothing was done to it over a time. It is a place of architectural interest, it is a building that needs to be preserved, and it has to be preserved in some form. At the time when it was visited, I took the view that a property like that should be cared and therefore I had no difficulty in suggesting at the time that it could very well be used for a Prime Minister's home.
10.45 p.m.

Do not let us cheapen ourselves. Every time you hear that Ilaro Court should go, you hear that state enterprises should go, you are going to do this and you are going to do that. I want to know when you get rid of these things, what do you propose to do. That is what I want to hear. I heard some proposals there, but these are capitalist proposals, these are fascist suggestions. In an enlightened democracy we do not talk that way.

The Prime Minister has to live somewhere. He has to entertain. Do you want the Prime Minister to go up Enterprise in his house, which was not built for that, and entertain somebody there? You have to have a state house.

Somebody talks about the person who is in a building as the Head of State. The Head of State is different from the head of Government. You all know all about it and you should not want us to lecture you on that. They are two distinct entities. One controls the Government as such and the other is in a different position by himself, and you do not actually interfere in that direction. I submit that there should not be a question of failing to give the same consideration to any person who sits in the position of Prime Minister of a country, and therefore these are things which you have to look at.

I want to touch briefly on the question of state enterprises. I heard the honourable Member for St. Michael South Central, I prefer to call him the Shadow Minister of Finance, referring to the question of subsidies with respect to the Transport Board, and said that he would bring it down to $6 million. I want to know how it can be done while maintaining the bus fare at 75 cents. The downward trend in the Transport Board took place from the time when you decided to reduce the bus fare from 65 cents to 25 cents, when you were held over a barrel by Dr. Caddle at the time, but when you take inflation into account, you cannot deny that Barbadians have not done badly in terms of the bus fares which they pay.

You talked about Caribbean Airways. You will divest yourself of Caribbean Airways. You must give me a substitution for that. You must tell me how you are going to substitute Caribbean Airways. If you are going to get rid of the Barbados Marketing Corporation, you must tell me how you are going to do it.

It is all well and good to be pulling ideas out of a hat and throwing them into the ring. I want to say to you that the ring out there that you are throwing your ideas into is a very critical political ring that examines everything very carefully, and whenever you seek to reduce taxes in the form and manner in which you have put forward this

afternoon, the public is concerned about where you are going to get money from.

I want to make a suggestion to you. As a matter of fact I thought you would have come out with it. At one stage I think the spokesman was going to say that he is going to totally abolish income tax in this country. I believe it would be a good political gimmick, but the Barbadian public is much unlike a number of other publics within the Caribbean, and even though you might offer them that as an inducement to win an election, it is very unlikely that they would support you upon that basis.

Let us look at Barbados and how well it has done. In the face of all the difficulties in the world, Barbados continues, and Barbadians say and people who come here among us express this view — and Barbadians, even if they are doubtful of this view, develop it when they go abroad — to be an oasis in the desert. Despite all the problems, despite our lack of great natural wealth and resources, we continue, Mr. Speaker, to hold our heads above the water. Unemployment is a problem which most countries of the world are facing. It is not peculiar to Barbados or to the Caribbean, and when you think in terms of the vulnerability of the Caribbean to outside pressures and what is happening around us, we have to accept, and the public will accept, that Barbadians are doing well in all the circumstances.

Mr. Speaker, we have a very small land resource, we have a limited population. The economists feel that a take off point, on a population base, is one of about 3 million people, and if Barbados is to survive as an exporting country, it must have a population to support that ability for a take off. Does it by itself have that population? The answer is "no", it is around a quarter of a million, and therefore it has to look to the regional market or to the extra-regional markets. If because of the tail-spin which most economies have been experiencing it is decided that other Governments might make it difficult for other countries to come in and to do trade with them — I suppose countries, as soon as their economies start to shrink, look at the question of protection of their own markets, they become fearful of themselves, unwittingly so — you have to look at the extra-regional market which this Government has been doing. The Honourable Prime Minister and the Minister of Agriculture have both adverted to this fact and we are working very strenuously in terms of developing these areas for export.

Mr. Speaker, I am heartened by the fact that in my meeting several people within recent times, they have been expressing to me their satisfaction that, even in these difficult times, the Government is trying its best to keep its head above the waters. Only an unreasonable person would try to be critical of this Government for the bold initiatives it has been taking over the past to keep the economy afloat. We are told that we are borrowing too much money. We are told that we are committing the country to too much debt. But are we borrowing to throw it away? Are we borrowing it for conspicuous consumption? Or are we borrowing it for the total internal development of the country which will redound to future generations? The money you are spending at the airport must be spent; the new highway, the Industrial Access Road, will lead to tremendous benefits in the long term, not only the cutting down of time to get from one point of the country to the next, but also in terms of opening areas for manufacturers to come and place their equipment thereby employing Barbadians. We have not set out to construct monuments for high visibility purposes, as was done at the time when the suggestion was made that the polytechnic should have been placed over by the hospital. We came to the conclusion that it was not the best place for it and we did not put it there. We could have put it somewhere else with a lot of visibility but we do not look at it that way. We look at what is good for the country, what is good for all generations to come.
10.55 p.m.

I want, Mr. Speaker, in the short time at my disposal to make a brief comment, and it is one to do with energy. I sincerely hope that, even with a reduction in the price of energy, Barbadians would not seek to overdo themselves in terms of that product. Fuel products are diminishing resources, as all things, I believe, that come from the land or from the earth. I would advise them to use whatever benefits they get in oil with care.

I feel, Mr. Speaker, that this is a good Budget, a Budget that is a people's Budget. I know that the people in the country are satisfied and I know that there are better things to come.

Applause.

(*Aside:* Hear, hear, hear!)

SUSPENSION OF SITTING

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

I beg to move that this sitting be now suspended until 10.00 a.m. tomorrow.

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

The question that the sitting be now suspended until 10.00 a.m. tomorrow, Friday April 8, 1986, was put and resolved in the affirmative and Mr. SPEAKER suspended the sitting accordingly.
11.00 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The honourable Member for St. Michael North West.

Mr. L. A. WEEKES: Mr. Speaker, a few days ago the Honourable Prime Minister delivered his Financial Statement and Budgetary Proposals in this Honourable Chamber. Yesterday the honourable Member for St. Michael South Central, chief financial spokesman for the Opposition, presented counter proposals on their behalf. Mr. Speaker, it ws a clearly articulated position of the Democratic Labour Party's position in any new Government. It shows clearly, Sir, that the Democratic Labour Party is determined to improve the quality of life in this country, provide better opportunities for all and reduce the hardships and the sufferings of many low income workers despite the state of the situation. We are prepared, not to blame any circumstance as if we were playing on a sticky wicket; we will blame the wicket for the problems, and we certainly will examine ourselves and bring corrective measures to assist this country.

Mr. Speaker, I want to commend very highly that honourable Member for his presentation. In fact, to me, Sir, it caught the Government unawares and sent many of them on the defensive, and I am still to hear a fair reply to that statement. One of the few criticisms so far that have been made against our proposals is that one can cast one's mind back to 1960—61, as the honourable Member for St. Andrew (Hon. L. B. Brathwaite) has taken us back. In those circumstances similar situations arose, and when we decided to pilot the destiny of this country the cry was, where would we get the money from, we could not implement it. When we said we would provide free secondary education at that time, we could not do it, we could not afford it. When we said we were going to introduce radio, it was impossible to be done. Rather, Sir, some preferred that we waited until we had a Federation. Mr. Speaker, not only did we provide the wireless station, we gave them TV as well, and it gives us the opportunity today in a lasting institution whereby all honourable Members can meet their constituents and educate the general public.

Mr. Speaker, not only were cries made against us at that time — remember free school meals — not only was it not possible within the finances of the country to be done, but the reply was it was more suitable for some countries. Mr. Speaker, I take you back to those former years, because at that time the revenue of the country stood at only $26 million. We provided these institutions, which are lasting institutions, to serve generations to come. It is not like some of the proposals or the projects like the National Health Service, Sir, still ten years behind. As a matter of fact, Sir, I would describe that as a thalidamide baby. Some years ago the drug thalidamide was introduced and many of the children were born deformed. This service has deformities in it, and so, Mr. Speaker, that has not materialised, not even to the benefit of the very old people we hear so much about. Further, Sir, another intimation by the Government was to set up a medical school in Barbados. That, too, has not lasted till today. What I am saying is that the Democratic Labour Party has always demonstrated the will, the courage, the know how, and, most of all, it had in the leadership of this party one of the most capable people to demonstrate to this country what can be done.

Sometimes people refer to Barbados and its transformation like the village to the city. Mr. Speaker, we will pursue the course which has been outlined by my colleague in those proposals. The honourable Member for St. Michael South Central is no newcomer, or no new baby, to the introduction of new tax reforms. Over the years he has been advocating for these tax reforms, and like the rest of us has been satisfied that over-taxation must be a disincentive to work hard, even to save, and that in turn will obviously lead to less investment and certainly to more unemployment. That is the burden, the social ill today of many of us. The Government has not been able to grapple seriously with that position.

Mr. Speaker, the purpose then is to create a healthy environment to ensure a good standard of living. The last five years have seen tremendous hardships and problems among the lower income groups. There have been many problems facing these people. They had to face up by way of restraint and limited wage increase, and at the same time they had to face the increases over the years in housing rents, and in some instances, the water services have risen from as little as $40 per quarter, particularly in some of the housing estates, to $79 a quarter. This has forced many a person to use the services of the Welfare Department, and never since the days of the City Council have we seen a department so hard pressed to provide services which were almost removed in the time of the Government of the Democratic Labour Party.

Mr. Speaker, we on this side are very optimistic about our position in changing the fortunes of this country. The Financial Statement and Budgetary Proposals then, Sir, contain no element of surprise, but rather we see shortcomings. Having failed to establish that 1985 was a year of increased employment, we are now seeing that, to build and to change that situation, the Government has almost given up. They almost feel that that problem is so worldwide that they often take complacency, in my view, in placing total responsibility on the recessionary period, and even so they have used comparisons to justify their own positions.

10.10 a.m.

Mr. Speaker, we in Barbados have never looked to the lesser side to be a yardstick in our development. We have never used the smaller countries in the Caribbean to determine our own success. We have always maintained the lead, that we are the persons to whom they must aspire to succeed in their development. Neither have we been accustomed to referring to the developed countries to determine whether we are a successful people or not, and the reason is obvious. In those distant countries, the whole circumstances are different. In times of unemployment, they have built-in services that will automatically take care of any deficiencies in those countries. We have only started to scratch the surface, and the numerous complaints would suggest that even the limited employment benefit is not as successful as it should be.

Mr. Speaker, the whole country is looking at this point to relief from the Democratic Labour Party. We have demonstrated that yesterday in the proposals we have put forward. The experiences that I have had suggest that we are in a much more favourable position by our proposals to achieve that objective.

I have had the privilege of visiting some homes — school shoes the parents cannot meet. Even if they got the uniform, the child is unable to go to school — it is also a question of lunch, money. All of these are the hardships which the lower income groups have endured over the last few years.

I go further. We have seen an experience which we have never had before, where many people have been forced to spend a day or two, or probably a week, in one of our institutions because of their defaulting situation. That is a sign that is a far cry from the statement that 1976—1981 were good years, and 1981—1986 are better years. The concept of improvement and progress clearly has different interpretations for us than those on the other side.

Mr. Speaker, we talk a lot about the old aged pensioners. It is strange that, years ago, these people were almost forgotten. It is true the Democratic Labour Party, by our own social programme, the introduction of Social Security, removed quite a lot of that. Also in that programme was the removal of the infirmaries. We do not have infirmaries today because many of those people who would normally have gone to the infirmaries are likely to be drawing National Insurance, and even if they are not drawing National Insurance, their contributions have been made in relation to some of the improvements in the Social Security programme. Hence, the move from $1.80 to $13 in 1976.

Mr. Speaker, I can justify my statement that that improvement had its success. Only recently, under the new rates an old lady in my constituency invited me to her home, and she said, "Look at my larder. When I used to get $13 not only was I able to have a proper meal every day, but I saved some and was able to give my grandchildren at least a dollar somewhere." All of that was done under $13. But when she showed me her larder — "this is what I got from the supermarket with the increased $40" — it was almost empty, and that is no lie. That is a fact. It is true. So that when we talk today about the relationship between the increase and what they got in the past, there is no relationship.

Mr. Speaker, these old people, when you look at the old medical services that were provided for them, they did not have any stipulation of travelling on buses, and there was a very good reason for that. The clinics at that time worked on a first come — first served basis, and so, when you have to travel after 9 o'clock, it means that younger persons who are there before are likely to be served before these old people. We in the Democratic Labour Party will obviously remove that restriction and give the old people an opportunity to be first in their service.

One disadvantage that has arisen out of this so-called health scheme is that there is no 24-hour service as used to be in those days. The doctors had to — it was not a matter of choice — and if I remember clearly, in response to a question the Honourable Prime Minister said that the new service would pay extra for that service. But Mr. Speaker, if you work in a clinic where you see 80 persons a day, as probably happens in the new polyclinics, no doubt the service has deteriorated. It will, because there is no possibility of giving efficient service under a mass system like that. In short, Sir, we have crowded the service in such a way that we are using less medical personnel to deal with more people. The original service obviously called for a larger number of medical practitioners, so if you put 28 people to do the job that should be done by 60 people, what do you expect? That is why I said that the service is a deformed service. It has no continuity, and neither does it seem as if it will ever reach any reasonable proportions.

10.20 a.m.

Mr. Speaker, there are some other areas which either side may have to fulfil. We will have to instruct some of our ministerial officers, particularly those who are responsible for the areas of lights and roads. Mr. Speaker, how could it be that a Government development, after seven years of repeated complaints, is still without lighting, and I refer to none other than the two developments of Fernihurst and Rosemont. If we go into Free Hill, there is another development where there are no lights, and that was the subject of a question put by myself to the Minister in 1983. I hope, Sir, that I would not be asking that question again, but that these people will get what they deserve.

Mr. Speaker, the transport system in Barbados seems always to be neither here nor there. The amount of

changes and initiatives as pronounced by the Board still leave the service in a very uncertain position at times. It clearly demonstrates, Sir, that that service must be reviewed by any future Democratic Labour Party Government. I am very concerned about the number of school children seen packed in buses like sardines, and the recent incidents of buses either burnt or turned over creates a fear in my mind. We ought not to wait until disaster strikes to provide for the children of this country a proper school bus service. We in the Democratic Labour Party will make sure that there are pronouncements as the time draws nigh as to our position in these particular areas.

Mr. Speaker, we believe that the lower wage earners in Barbados need relief, and that is what the Budget did not give. It seems to me, Sir, that they will have to continue to struggle and fight against adversity. They will have to continue, Sir, to bear that burden until help comes. The Democratic Labour Party, through its good leadership, unlike what some Members believe — we have sound leadership, experienced leadership, leadership that has demonstrated beyond any doubt that not only can we lead Barbados, but countries bigger than Barbados — there is no leadership problem, Sir — will bring the help.

Mr. Speaker, solving all these problems, we believe, will assist the people in Barbados to be motivated once again, it will give them the initiative to feel that they have a hope. We will try to turn around at least the despair that has led many a young person to turn to drugs. We are committed to eradicating that evil as best we can, but we believe that the prevailing economic situation has led many people to venture into areas not best suited for their development, and this drug problem is one.

Only recently I had in my hand an article where a young boy 10 years old was the victim of, and eventually died from, taking drugs, and it was further believed that it was not done by a colleague of his, but it was done by someone who was out to get the most out of the drugs. We consider drug trafficking not a way of life to Barbadians, we consider it a total evil, and, Mr. Speaker, whoever is responsible for these acts, we, like the Government, would like to see the appropriate legislation to deal with these people.

Mr. Speaker, it is then left for me in these few moments to tell the people of Barbados that we sympathise with their difficulties over the last five years. We want to tell them, Sir, that all is not lost, that we who rescued them in 1961 with virtually no tourism, very little manufacturing, we who rescued them at the time with a revenue of $26 million and handed to the Government a health package, will be willing and ready to place ourselves at their disposal when the time comes that they will give us that opportunity to serve them. And so, Mr. Speaker, I am happy that we have been able to produce alternative proposals to the Government's which I know will be totally accepted by the people of Barbados.

I thank you, Mr. Speaker.

Mr. J. G. ODLE (St. George North): Mr. Speaker, I am very pleased this morning to be able to make my contribution to this debate, and I am particularly glad that I am able to speak at this point in time, coming right after the honourable Member for St. Michael North West (Mr. L. A. Weekes), who has just taken his seat. The honourable Member talked about his party and their chief spokesman taking the Government by surprise. I have no intention whatever to comment on the speech of that honourable Member, but I certainly think I must get the record straight.

There is no surprise that could be brought to us coming from the other side. We know well enough the whole past, the history, of how the honourable Member operates, the extent to which he relies heavily on impressions rather than facts, and we have had a splendid example today in his contribution, because it was an easy thing to stand up and tell the country that he can give more to the people and make greater and larger concessions. Certainly it was his privilege, and he did it very well indeed, but he failed completely to tell the country how he proposes to raise the money to finance these large hand-outs. Obviously, another fine example of his ability to give impressions without giving facts.

The honourable Member spoke of shortcomings in the Budget, and in this regard, he places some emphasis on the position with respect to unemployment and under-employment in Barbados, and alleges that we in this party are prepared to blame the recession for that altogether. That is a fact, of course, we had to accept it, but he went on to say that we are hiding under the fact that we are in some respects better off than our neighbours around us and the suggestion that we are saying that we are better than our friends and our colleagues and neighbours in the islands, means that we do not have a problem. We of this party are well aware of the problems with unemployment. I will in a minute or two deal with what we are doing with that, and I will let you see what the record will show that this Barbados Labour Party has been doing in its attempts to relieve the pressures of unemployment among our young people in particular, those among us who are not fully trained or who need to be retrained. Our whole training programme is geared in this direction.

10.30 a.m.

Right now this Government makes it possible for young people to go to school at the Polytechnic, to take a job in some commercial enterprise, receive a salary as long as they go to school, as long as they attend the classes, as

long as they produce good work, and the cost of it is met, in some cases, for the first year. The Government pays approximately 60%, I believe it is, and the employing company pays about 40%. The second year the student continues, the Government pays 50%, the company pays 50%. In the third year, the company picks up 75% of the tab and the Government picks up the other 25%. Have you ever heard of that during the regime of the last Government? I am not one to break down and tear down and discredit, but I must get the honourable Member straight on these matters, because it is well recognized that in the area of training our youngsters, retraining them, giving them the skills and making it possible for them to earn a living, we stand solidly behind that, and we are doing more than any other Government has done in this country.

The honourable Member also speaks disparagingly that there is no relief for the low income earners. I do not want to dwell too much on that. But we are certainly, Mr. Speaker, looking out for the children who are disadvantaged, the children whose fathers are either not on the scene or who certainly do not meet their responsibilities. We have increased what little allowances they had by 100%. Surely, we would want to do more, but we cannot go promising more and offering more unless we know how we can meet the bill. The spokesman for the other side can promise the whole world, because he does not have to do anything, nor does he have to justify how the money is to be spent or where it is to come from. That is the big difference. It is a sort of "luxury which he enjoys, which is not the luxury of a responsible party.

He spoke of sound, experienced leadership of the DLP. That is not a problem. That is their problem, if it is one.

It is clear, Mr. Speaker, to the entire island of Barbados that the proposals set out in this Budget seek to further improve the quality of life of our people, and this is well in keeping with the stated position, the well documented position of the Barbados Labour Party to put Barbados first. The fact, Mr. Speaker, that so much can be offered, such concessions as the Prime Minister has made in the debate, in spite of the difficult times that we have had, difficulties with international trade, difficulties with regional, economic circumstances, is certain proof that this Barbados Labour Party Government has managed the affairs of this country superbly, and I am supremely confident that when the election comes later this year, the people will return the Prime Minister and this party back to power.

Applause.

Mr. J. G. ODLE: This, ladies and gentleman, is the record.

In training, we are on top of it. We are examining more. We are sparing no energy, no money in getting our people in our population trained. As a matter of fact, Mr. Speaker, this technological age that we are in requires that almost every Barbadian, in some way or other, be retrained. He has to rethink a lot of the positions that were held before. But we are getting that organized. We are training people in handicraft, in woodwork, in metal work. We have now in this country more young men being trained in the art of cutting cloth and making clothes, and young women, than we have had for some time. I look forward to the day, not very far from now, when in every village, every community, you would have some person who is a good shoemaker, who is a good shoe repair man, a good clothes cutter, a good laundryman and have all of these facilities in every little village. I look forward very much, Mr. Speaker, to the day when I can go to St. Judes and have my clothes made by a young teenager who has come through the training which he is undergoing now. I look forward very much, Sir, when communities will have those who are trained in agriculture and agricultural pursuits having little businesses in the villages where they can take their produce. I look forward to a time when there will be almost a complete little self-supporting unit in our country in the villages. The artists will flourish. Right now we see an upsurge in art work by people from all across the country. This Government of ours is looking at areas where they can bring the work and handicraft together and where the tourists can come in their numbers. Right now the tourists only see certain places and things in Barbados. But with this new development, this new training that we are undergoing and provision for marketing of the produce and the handiworks of the people, you will find that the taxi drivers will be bringing more and more tourists to these areas which would bring about — what? — greater independence for our people. I look forward, too, to the fact that they are within the very villages men who are helping to train the young people in the management of their resources, the management of their money, how to spend their money and how not to spend it, and in what directions they should invest. These things are the offshoots of the progressive and dynamic policies of the Barbados Labour Party.

When the honourable Member talks, he must remember, Mr. Speaker, our commitment to the poor, the pensioners, the old. Look at the jobs they are doing with welfare housing. One member of the Opposition has had the effrontery to suggest that it is, in fact, a waste of money. I personally support very much the system of helping people who cannot afford it to repair their houses — I much prefer that way, as an individual — than building a lot of.....

(*Aside:* Rt. Hon. E. W. BARROW: Roads.)

Mr. J. G. ODLE:.....housing units which are very expensive to build and to maintain. I believe there is a

saving to be generated when you repair houses of old people and of the people who are somehow or other disadvantaged. Keep those houses in good shape — they will live on to a much longer time, until the day comes when the economy turns around and things are moving on steadily and then we can go ahead and help them further with more substantial houses. In any event, it is better to have the old lady's house repaired, because more often than not she is living quite near to some relative who may have little children and whom she can help look after, while the son and the daughter may go out working and help to improve their own condition. So they are the benefits that are flowing from the scheme which we have undertaken. The other party has done that, too. We did not complain. Things are better now and we are doing more, and I hope we would continue to do more than that. 10.40 a.m.

There is another good thing, in that those old persons who do not have to be in an institution but are near to relatives. That certainly helps them to maintain their dignity in their old age. It will certainly help to relieve the burden on the district hospitals. So this Government, under our Prime Minister, must be congratulated, Mr. Speaker.

In terms of agriculture, we have in Barbados a category of experts. I believe that in this area, we have, in terms of population, vastly superior skills than probably in any other area in this hemisphere, in this part of the Atlantic anyhow, people who are trained and who have experience in growing different products. Look how many new products we are turning out now for the market. Peanuts have been here with us for a long time, but more emphasis is on it. Cotton is coming back; we hope with success. We know the problem with sugar, but we are looking at these things. We are looking at flowers, ginger lillies and anthurium lillies, and we are encouraging the young people of this country to make use of the available land rather to grow these crops. We have the people who will teach them and show them how they can successfully, at a commercial level, grow these things, and they must make use of the land around them.

Our curriculum must at every level require that our students have exposure to agricultural sciences. It is very necessary in a small country like ours that people learn to do as many things as possible and that they try and help themselves in every possible manner. Gone are the days, Mr. Speaker, when a man can be a painter and expect to draw and earn a living solely by painting, or if he is a carpenter or mason, even a doctor. There are other areas that he must get himself involved in which will bring extra benefits to him, apart from the fact that it is well known and well understood that the broader one's experience is, the much happier a person you are likely to be and the greater your contribution to your country can be. And, so Mr. Speaker, if we continue in this way as we are going, there is no reason why this country will not continue to progress, as we have been in the past, despite the difficulties which we have had going against us.

In fishing, we see a new dimension. The Oistins Fishing Complex is an example. Look what is happening in Speightstown, what is happening in Bridgetown — the Bridgetown Development — and I understand, Mr. Speaker, that in your constituency at Tent Bay we are having developments in the fishing industry which must bring greater reward to the people involved and an improved service to the people of the community. These and Conset Bay in St. John will probably be taken care of. So it is unfair and unwarranted for any honourable Member to suggest that this party is not performing, because we have been performing better than any other party, any other Government, at any other time in the history of this country.

Old age pensioners and their increase in pensions — Mr. Speaker, I did touch on that area — the people are glad and happy to receive the extra $8.00, Mr. Speaker, and they cannot be fooled by that promised of $2 more. It is too late. They cannot get away with that. They know that we always do the best. They must not be left out. They know that we are going to do the best we can for them at every turn of the clock. We recognize their contribution, Mr. Speaker, in the past is largely responsible for whatever progress we see today.

When honourable Members talk about expenses and debts, I would like, Mr. Speaker, to remind them of the developments that are going on and taking place in the Glebe, St. George. The first phase has been completed and the second phase is in progress. We have a development, Mr. Speaker, that is unlike, I believe, anything that has ever happened in this island. We have resited almost the whole village and provided better roads for them. The quality of life of the people has improved tremendously in a very short space of time. What is most heartening is the fact that one has only to give people a little push, a little help, show them the way, point the way to them, and it is amazing how they will respond, how quickly they realize that they must make use of this improved situation. I am pleased when I go through the areas; they are not completed by any means, but already they are saying our garbage collection, Mr. Odle, you must make sure that it is there. We need it twice a week now. They are not tolerating garbage. They are more conscious of the environment in which they live and they are prepared to see to it that high standards are kept. You have only to give them the little push, and it is our intention to carry this further.

They recognize, Mr. Speaker, that with the polyclinic which is supposed to serve a catchment of about 21 000 people, where we shall have two doctors to start, where we shall open to 10 o'clock at night, and if necessary

if the demand is there we will continue probably for 24 hours when it opens, that this great Barbados Labour Party is a caring party, a party which has the people's interest at hand. These are projects which I hope will be extended to areas like St. Judes eventually, because St. Judes is bursting and needs room for expansion. They are opening up new vistas and new dimensions in community life and living. Our young men and women will find new meaning, new purpose in life.

I must warn, Mr. Speaker, that in our society, as people emerge and move on improving their living standards, with better houses, better roads, better facilities, better food, there are some who move ahead faster than others. I would like to caution some of those who as they move along feel that they should outdistance their brothers and sisters who are less fortunate. I call upon them to recognise their responsibility to the community and to these disadvantaged people, and wherever possible go out and help them. There is a lot more I feel that could be done on the part of members of the community all over this island in terms of helping disadvantaged children, helping homes where there are problems rather than setting themselves up ahead of them, above them or parts of them. This is a country, it is too small to have those divisions. This is a country in which we have to recognise that some people are more fortunate than others, but nonetheless know we are all brothers and we should all be holding hands and making the best for all those people.
10.50 a.m.

In the Budget, Mr. Speaker, the monies which will be expended will have a serious and beneficial effect to all concerned. It will be of interest to the tourist sector of the economy. We are reaching a point now — and I am sure my colleague from St. Michael North East (Mr. L. L. Sisnett) will probably speak about that — where more and more people are coming to Barbados for day tours, coming on liners and so on, and I expect, I confidently believe, that we will have more tourists in the future. The type of developments which we planned, which we are pursuing, will provide for them a wider area where the tourists will travel into the country into districts that the ones now do not get a chance to go to, and they will have a chance of seeing the people at work and buy their handicraft, and in areas where the agricultural pursuits are followed, to the point where we have in each village provision for the sale and marketing of the guava jellies and the jams which the people in the community make. They will understand that these things are attractive to the tourists, and more and more they will want to tell their friends about it and more will come back to Barbados. That is the sort of spinoff which will come around.

Mr. Speaker, I have to make mention of one or two things before I take my seat. The small businessmen in the country, I believe, while they are doing the best they can, obviously they do not have large markets. I am talking now mainly about the rum shops. I like the rum shops. The businesses even around Bridgetown, Christ Church and St. James have a big market on which to draw. The small shops in the country, Mr. Speaker, are not so fortunate, and I would ask that at some time in the near future some consideration be given to the licence fees paid by those shops in the country compared to the ones in the city. I feel that there should be a reduced rate, they should not have to pay the same, and I certainly would like some enlightenment on that. I do think a case can be made out for the small shopkeeper whose turnover is much smaller, and obviously whose profitability is less, that some consideration be given to them.

In like manner, in the area of transport I would like to think that to attract more minibuses into St. George to bring out the good people from Workmans, where I live, and other areas in St. George, and in St. Joseph, Mr. Speaker, the constituency which you have the honour to represent, that the owners of the minibuses be encouraged to come into these areas, and that could be made attractive to them if we gave them a differential in the licences that they pay too. I am throwing that out and I am asking that it be looked at for whatever it is worth.

Mr. Speaker, we have a country, a great country, small as it is, of which we are proud, we are justly proud, and I am not pleased when I travel abroad to hear of Barbadians going abroad and speaking ill of Barbados. I always, whenever I go abroad, let people know that Barbados comes first with me, and it is the most wonderful country there is in the world, and I just would like to think that when some of our colleagues in Parliament, from whatever side, open their mouths in Toronto and New York, that they be careful and be guarded in their speech, because these things have a way of filtering through and getting the sort of publicity which they should not get. We must at all times hold our country high, and our honour to our country, no matter what our political views are, and I would certainly make a request that these things be looked at.

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

The question is.....

If there are no other honourable Members wishing to continue, I shall be forced to put the question.

The question is that this Resolution.....

Hon. L. S. CRAIG (St. James North): Sir, it is customary that we always have operated on this system of having an arrangement which I understood was dealt with yesterday evening, and I believe that if an occasion arises such as this after one of my members speaks again, I am

going to ask that the question be put. I am going to have the Prime Minister have the question put. That is all I have to say at this point in time, Sir.

Mr. SPEAKER: The honourable Member will not have the need to ask to put the question. It is customary that those members who want to contribute in any debate in this House should rise as soon as a Member sits. If no Member rises, I will put the question, and I can assure honourable Members I will not be withdrawing the question.

It has always been customary for arrangements to be made between the two political parties as to which side will speak and when. I have not been informed of any arrangement and I therefore intend to follow the Standing Orders of this Honourable House. Members should therefore be aware that I will put the question if I do not see an honourable Member on his feet.

May we now proceed?

Mr. R. E. BRATHWAITE (St. Lucy): Mr. Speaker, I rise to support the Budgetary Proposals put forward in this Honourable House by our Honourable Prime Minister. Mr. Speaker, I am sure that Barbadians from all walks of life are truly happy with this Budget. I was surprised when I heard the reply given by the honourable Member for St. Michael South Central (Dr. R. C. Haynes), who tried to paint a picture of doom and gloom for the economic performance of this country. I want him to know that Barbados has performed well in the past ten years under the good management of this Government.

Mr. Speaker, the Member for St. Michael South Central tried to confuse the public. Barbados has recorded some growth in our GDP while other countries in the region, including places like Trinidad and Jamaica, which have natural resources, are reporting a decline, Jamaica 4% and Trinidad 60.2%. We have no natural resources in this country such as oil and anything like that, and I believe that the performance of this island was very good in the last 10 years.
11.00 a.m.

Mr. Speaker, I would like to deal with a few points that were made here by the members of the Opposition. I am very shocked by the honourable Member for St. Michael North West (Mr. L. A. Weekes) and it really grieved my heart, because he is a very good friend of mine, when he said that some old person in his constituency told him that in 1976, when the Democratic Labour Party was in power and that lady used to get $13 a week, she could save something out of that. I would like now to quote a little of the facts from 1961 — 1976, and I want him to listen to me carefully. We all know the Democratic Labour Party came to power and they added $8 for 15 years on the old age pensioners in this country. That is 53 cents per year. The Barbados Labour Party came into power in 1976, and from 1976 to now they have raised it by $35, so I would say, doing your figures, that would be $3.50 per year as compared with 53 cents a year.

To get back to the honourable Member for St. Michael North West, I would like him to know that in that year, when the old aged pensioners were getting $13 a week, English potatoes were $1.10 a pound. A tin of corned beef in that day was $3.50 per tin. Up to a few weeks ago, I read in the papers that we had supermarkets in town selling one tin of corned beef for $1.59 and 10 pounds of English potatoes for $2.39, so that proves to me that in a day like today, dividing 2.39 by 10, that would be around .24 cents a pound, but when you think about the old people drawing only $13 a week, and then having to buy at least 10 pounds of potatoes, in that day it would cost $11, and one tin of corned beef would cost $3.50, I think that would be $14.50. So those old people could not even afford that, and they would not have anything to buy milk or anything like that since then.

So, Mr. Speaker, outlining these facts here, the old people of this country had to make out with that $13. They never had free bus service in that day. They never had Home Help Service, whereby we go around and attend to old people. They never had free medical care, and they never had repairing of old people's homes all year around. The Democratic Labour Party had a tendency only to repair old people's homes when there was an election year. But the Barbados Labour Party, from the same time we came into power, has been repairing old people's homes. We also pay their water bills and give them lights.

Mr. Speaker, I would like also to show them the improvements brought by the Barbados Labour Party as far as health services are concerned. I know the old system where you would go to the doctors on Tuesdays and Thursdays and you would have approximately two hours because the doctor might come at 2 o'clock and finish at 4 o'clock, and you had that four hours per week. Now, Mr. Speaker, we have an improved service where doctors start now at 8 o'clock on mornings and finish at 8.30 o'clock at nights and for five and a half days. That makes it 66½ hours as compared with four hours a week.

If anyone would tell you that this country has not improved by leaps and bounds as far as the old people in this country are concerned, he is just trying to fool the people. I know they cannot fool the old people in this country and I am sure that they are very happy. The honourable Member for St. Michael South (Mr. L. E. Sandiford) yesterday said we only gave them $8. Well, he only promised $2, you know. Since the Barbados Labour Party came into power we moved away from that $1 a year and $2 a year system. In 1984, we raised the old age pensions from $32 to $40 and now in 1986 we have moved it

by $8 again, but the Democratic Labour Party took 15 years to raise it by $8. They came up with .50 cents, $1.00, all kinds of things like that. I am sure that the old people of this country are very grateful and satisfied with what the Prime Minister is doing for them.

Mr. Speaker, I would like to draw an illustration on the honourable Member for St. Michael South. He was very, very clever in his debate yesterday. He spoke about a Bill that we had in this Honourable House a few years ago, I would say three years ago, dealing with the water rates. The honourable Member from St. James North (Hon. L. S. Craig) got up and said that it was a bogus transaction or contract that was done under the Democratic Labour Party regime, and that honourable Member got up and said, "Mr. Speaker, I would like to let the honourable Member for St. James North know that we also bought the North Point and they sold it, so if I made a bogus arrangement in 1974 they could also change that, too." But we all know that you cannot change a bogus contract so easily.

I have to commend the honourable Member for St. John at this time. I always admire him for his uprightness at times. But I would say that one mistake he made in his life as a Prime Minister of this country is that he chose the wrong people to head his ranks and to sit. I remember that same day, when the members were yelling and jumping and talking about the water rates in this country — because you know when you talk about water, lights or telephone, everybody has a tendency to fire away and try to destroy the Government — I was sitting here and I said, 'Well, the Government gone'. But when the honourable Member for St. John came in, he said, "I disagree with all that you are saying because I just came from a country that I paid $5 for two pints of water," and he said he thought that the water rates in Barbados are very reasonable and satisfactory.

I have visited Dominica. Dominica is a place which has 366 rivers, a river for each parish, and if you do not get up on mornings in Dominica and get your bath around 5 — 5.30, you can be assured that you cannot have a bath for that day. There is no way that you can go and drink water in the daytime unless there is somebody who has it put on reserve for you. So, as far as that is concerned, you can see what the Barbados Labour Party is trying to do for this country.

Mr. Speaker, I would not end unless I talked about unemployment. I do not think that they have any right to come out on unemployment, because when we started to build the Heywood's Hotel, the Democratic Labour Party said not to build any hotel, it was too big. When we started to build the cement plant, they said they did not mind having a plant, but you should not have the total plant because it is too big. Everything was too big, and yet we have unemployment. If the Democratic Labour Party knew what they were saying, they would encourage us to build a bigger Heywood's because it would employ more people. It would help solve unemployment. The same thing would go for the cement plant. I am sorry to know that they really touched the cement plant, because I think that the cement plant has brought a stable price to this country since it was built there in the parish of St. Lucy, because it is a number of years since that plant came into existence that we never had a price rise in cement.

I would say that this party is not a party of mere words. It is a party of action. It is a party that thinks before it moves, and I am sure that everybody in this island is quite satisfied, because listening to the replies from the members of the Opposition, I think they were really talking about a different island. They are not really replying to the Budget that was put in here last Wednesday. That is something different altogether. They are trying to side-step the issue. They are not talking about the new strides in gasolene. They are not talking about the reduced price in bottled gas. They are not talking about the reduced taxation in this country. All of these, and, as I say, Barbados never had it so good, and I always wonder how it is that you can get so much in this country, which has so little. I remember seeing in Dominica a few years ago, about two years ago, one bottle of gas costing $300, and when I came back to Barbados and I heard the folks crying and yelling about the $79 a bottle, I said we have a lot of things to be thankful and grateful for.

I would say that Barbados is a very fortunate country from its inception that it was lucky to have good leaders, even in the Conservatives time. Then we had the Democratic Labour Party in that era and they were reasonably good, and then we started to move from strength to strength. The late Prime Minister, we cannot thank him now, but we have another Prime Minister, and I would say that this is the best Budget speech that I have ever heard in all my life. I would like to tell the members of the Democratic Labour Party that yesterday afternoon when they started their reply, some people took out their water hoses, some went jogging, some went all over the place, because they really did not understand what was going on. I would like to appeal to them that had they got up and commended the Honourable Prime Minister for a job well done, the people in this island would be very happy, but most of the people believe that it is just a kind of waste of time.

Mr. Speaker, I am going on to a few more points as far as unemployment is concerned in this country. We all realize that a few months ago, we had the St. George Medical School, and the Democratic Labour Party they went throughout the length and breadth of this country trying to destroy that school, which gave employment to a couple of people in the north. Quite a few girls from my constituency were working over there, and those people now are at home.

11.10 a.m.

It is the same members of the Democratic Labour Party who are responsible for the closing of the St. Joseph Hospital. When these people went there to negotiate, the directors at the hospital appealed to them and begged them: They said "We have 38 per cent occupancy, give us a break, things are tight with us." They said "No break; we are going to give you a break up." Now today the same members are running through the length and breadth of this country again and saying we should bring back the St. Joseph Hospital. Most of the workers who spoke to me since then said they would like to take a stick and lash these same people who went there to negotiate, because when you look around you could see that the people would be feeling happy working, they realised that the work was not hard, and they were quite satisfied with the salary until things brightened up. So you can see, Sir, how the Members of the Democratic Labour Party reacted.

Mr. Speaker, I would like to deal a little with taxation. From 1959 — 1961 I used to pay $6 per acre for land, and from the time the Democratic Labour Party came into power that same tax bill came to me for $110. From $6 to $100! I agree that we were getting a few improvements as far as free secondary education was concerned, and I believe it would take money to do such things, but now the Members from the other side are trying to give the public of Barbados the impression that they can run the country without taxes. That cannot work. In the time of Christ, he said "Render unto Caesar the things that are Caesar's and the things to God that are God's." I am appealing to you people in the island of Barbados to think and be wise, and when you go to the polls, whenever, that time be, vote for the party that will have to tax you, because if you do not tax a country like Barbados — we cannot make money, nor do we dig money — how will the country run? Every now and again you hear calls that everybody wants more money. Where will the money come from? When I think about their telling you that they will cut back on taxation, I am sorry. People of Barbados, I am appealing to you. Cutting back taxes will mean a cut back in health care, it will cut back the roads, the sanitation department, the day care centres, the playing fields and many other facilities. Also, we are giving the young children of this country $100 when they are going into school for the first time. Friends, if we do not tax you, how will we find these things to help the people of this country?

Mr. Speaker, I notice that some of the Democratic Labour Party members are saying that, if they get back in here, they would do this and do the next. One Member tried to be bold enough, the honourable Member for St. Michael South. He seemed to be talking like me. I am not saying "if I get back in here". The only way I will not be coming back in here is if I die; but if God spares my life, I am sure I will be a member of the Barbados Labour Party for the parish of St. Lucy, and I am sure I will be back in here. I did my homework. The people of St. Lucy told me that they want a man. They say for years we were suffering under the arms of the Democratic Labour Party, all we were doing was voting the Dems, but we got nothing for our time. I do not want to make it as a boast, but I would like to outline a few things that were done for me in the parish of St. Lucy. I will tell you, Mr. Speaker, that for the last few months that I was here I got eight new roads: one at Trents, St. Lucy, one at Rock Hall, one at Bromefield, one at Husbands, one at Mount Gay, and I also fixed the bridge at Pie Corner and started the road at Coconut Hall.

Some people nowadays are telling me "Brathwaite, you built the bridge at Pie Corner," because when we had the flood in St. Peter a little water came over the top. They blamed me, and said "Brathwaite, look at your bridge." I told them I am not an engineer, I am a member of Parliament, and when I go in the House of Assembly I ask to have things done in the parish of St. Lucy. But we have engineers in Transport and Works, and if they do not have that idea to see the volume of water that would pass, and allowed the bridge to be a little low, that was not my concern.

11.20 a.m.

Mr. Speaker, I would like to say a few more things, I have not finished yet. We now have playing fields in the parish of St. Lucy: Spring Hall, one; Connell Town, two; Checker Hall, three; Crab Hill, four; and I also levelled and made a new playing field at Rock Hall, St. Lucy, which I am planning to cover with mould next week, even if I have to take my own truck to cover it with mould so that the people of Rock Hall would have better facilities, the same as other people throughout the island.

Mr. Speaker, it is the second time that the parish of St. Lucy ever had sites and services. In 1954, when we were in power, we established such a service at Clinketts. The Democratic Labour Party came into power from 1961 — 1976, 15 years, and they did not see fit to do anything in the parish of St. Lucy. But now, thank God, we have 64 house spots at Checker Hall.

Mr. Speaker, I would now like to thank the Minister of Tourism for his action at River Bay. I am sure that last bank holiday we had 40 to 60 buses at River Bay, and they had beach facilities up there. I told the late Prime Minister, 'If you do not give me beach facilities at River Bay, I will not be running again, I will resign and come home.' I always prize myself to be a man of action, and I am not a seat warmer. If I come in here only to sit and warm a seat or to second the motion for something being done in St. James or St. Thomas and nothing for St. Lucy, I would resign. I would not allow the people to drop me, I would resign.

We also have a new day care centre at Checker Hall. That is something new. I would like the people of St. Lucy to know that we did not plan the day care centre directly. It is a house that is owned by the Government and we are

going to use that house. I do not want my people from home to believe that I am thinking about the west of the parish. To build a new day care centre, I would recommend that it be built by St. Lucy Church, in the centre of the parish, where you would have three bus services. You have the church, you have the school, you have the post office, and it would be a better spot. I am sure that myself and the Minister of Transport and Works can plan and he will give me such a service where I would be able to take the nice people from Pie Corner down to the day care centre at Checker Hall, and all the other parts of St. Lucy could be served.

I have now my agenda here. This is the new agenda, because, not as a boast, all the work I had on my agenda for the last five years is completed. You know, when you are at school and you take the sponge and you wipe off the blackboard, — well, I have a clean sheet. Nothing more is left on that board. And in my new five year plan, if God spares my life, is a housing complex. I want a kind of middle income housing where we can have a few nice houses in the centre of the parish where everybody would be served. But I am sure if you allow the Democratic Labour Party to capture this Government my plans would be fouled, because the only way we can do these things is through taxation. I have now on the agenda Ellis Tenantry, Hannays, Harmony and Pie Corner again, Gilkes, that nice district, Rockfield, and I have Rock Hall, another road for Rock Hall, a road in Little Bay, Alleynedale, Connell Town and the nice people of Crab Hill. I could not leave out my people in Crab Hill. You can see from every side that you have to pay tax to be able to get through with things in the island of Barbados.

Friends, as you listen to a few of the achievements of the Barbados Labour Party, you can see what we are doing. The Shadow Minister of Health in this country, he spoke again this morning about $26 million when they were running this Government. But look and see. They must say that we gave them this Government in 1961 with five old polyclinics and they never had the decency even to paint one of them, far less to repair them. They left all of them in a dilapidated state, and as soon as we came into power we have now, listen to the work, eight new polyclinics in this island: Wildey, Maurice Byer, Randall Phillips, Six Roads, Warrens, Ladymeade, Black Rock. I believe that somebody from out there might say you built Warrens, but you all never built a polyclinic. You know, you all do things by guess. You all built that for something else. But after you all got mixed up, you all did not know what to do, where to turn, and we came into power and we put it to the best use, because up to today we do have that crematorium in Barbados.

We have the improved ambulance service. Years ago when you sent an ambulance, somebody would take up a sick person and throw him in the ambulance. Not now! We have small doctors, I call them that, paramedics. Those people come and they can give injections. They can do all those things, so that when you get back to the hospital, you would start to improve.

We also have — nobody has not mentioned that yet — the overseas medical scheme. Years ago when people were sick and found themselves with a brain tumour or heart disease, they had to lay down in the hospital bed to die. Not now! Straight to the United States of America, Trinidad, Jamaica, wheresoever you have to go, free of cost to the taxpayers of this country. So that is the kind of work that we are doing. We cannot cut back tax in a day like this, because when we cut back tax, where would you get that $75 000 to send our sick patients overseas to get treatment? Gone are the days when people would get up and say they are going to have a dance to try to fool people and rob the people of this country, when they themselves take half the money and give the people the other half.

(*Aside:* Hon. D. A. C. SIMMONS: Like Rock.)

Mr. R. E. BRATHWAITE: Gone are the days when anybody would walk about with a brief case asking for help to go to Jamaica or Trinidad or anywhere else. Government is also taking that in hand. So you can see, friends, that we are trying our best to make sure that the people of Barbados are served and are in a good position.

They also talked, Mr. Speaker, about the sugar industry and about the support price. I think that is a joke. That is really hypocritical since in 1983, Mr. Speaker, the members of the Democratic Labour Party were in this Honourable Chamber harping, 'Oh, the managers send their children to England. They buy race horses, they gamble out the sugar money, they should not build Portvale,' all sorts of things they were saying, and now today the same honourable Members are coming back. Only through the cleverness of the late Prime Minister in 1984, when he brought the sugar producers in here to face them, and when I saw the sugar producers facing them, did the members of the Democratic Labour Party take another side and they join arms with the Barbados Labour Party and say, "Yes we support the sugar support price...."

Mr. SPEAKER: That brings the honourable Member to the end of his half hour.

Mr. R. E. BRATHWAITE: Thank you very much, Mr. Speaker.

Applause.

Mr. N. K. SIMMONS (St. James South): Mr. Speaker, when the Budgetary Proposals were delivered two days ago, I heard a comment that it was pure entertainment and, quite frankly, listening to the Minister of Tourism yesterday, I think he continued it,

and now the last speaker has really treated us with nothing but pure entertainment. But the Budgetary Proposals of a country is a very serious matter and the Democratic Labour Party and the members of this side will deal with it in that manner.

In making my contribution today, I want to begin by complimenting the Member for St. Michael South Central on his presentation. I believe it was the Budget which the people of this country anticipated, and in so doing, the Member for St. Michael South Central, the Shadow Minister of Finance and Planning, has earned himself the task of directing the financial affairs of this country during the next session, the 1986—91 session. So, in effect, what I am saying, Mr. Speaker, is that the Member for St. Michael South Central will be our next Minister of Finance.

As I listened to Members on the other side trying, because, quite frankly, that is all they were doing, I was convinced that never in their wildest dreams could they have anticipated the budgetary proposals as were delivered by the Member for St. Michael South Central. In those proposals he has shown Barbados the way in which we would reactivate the economy and indeed bring unemployment down to the level which we consider to be acceptable. But that was not the first time I have heard him in that vein. He has, over the past five years that I have been in here, been putting forward the same suggestions without the Members of the other side even trying to understand where he was coming from. I can say now that we will make his presentation a document for the people of this island to read and inwardly digest. It is a document which will carry Barbados into the 21st century and onwards.

11.30 a.m.

In looking briefly at some of the comments made by Members on the other side, I will say that the normally articulate, fluent, and attacking Minister of Agriculture found himself defending the indefensible, that is their Budget. He even forgot that it was the Barbados Labour Party who in 1975 and 1976 went throughout the length and breadth of this country trying to impress upon the electorate that our national debt was too high. It is my belief that, because of their mouthings at that time, the people felt that the national debt was too high, and that it was impossible for Barbados to service that debt and, therefore, they rejected us out of hand and brought in the Barbados Labour Party. But today the national debt is in a runaway situation. It is galloping at a speed which is unbelievable, and I am yet to hear anybody outside the ranks of the Barbados Labour Party believing that it is manageable. I am yet to hear, and I have tried, because I am a layman in economics, I do not hold forth to be any authority in economics. I have gone around and I have sought opinions from all sectors of the community and the one answer comes back that the people of this country are most concerned about the national debt at this time.

Do you know what disturbs me most? What disturbs me most about our national debt is that the average man and woman in this country cannot say that he or she has benefitted from the vast sums of money borrowed; I mean benefitted in their pockets. We are at this present moment engaging in the madness of building a $90 million road so that people can get from the airport to the seaport, when, as far as I know, they have got about ten different roads that they can use to get there. And we heard in here that when that road was being constructed, over 2 000 people would get jobs, and somebody even ventured to say 3 000. But today, 425 persons are going to benefit from spending $90 million, and I would hazard a guess that of that $90 million, if those 425 people get between them $50 000 they would have got a lot of money. That is the situation in which the Barbados Labour Party has placed us.

I want to comment further on the Minister of Agriculture. He said that the Barbados Labour Party has introduced more social legislation than the Democratic Labour Party. I know he is someone who researches, and he should know that one of the most fundamental changes on the social horizon in this country came about because of the free secondary education. I do not want to repeat that. That is for all and sundry to know. The National Insurance Scheme — I believe one of my friends alluded to it already — I do not have to mention these things. These are facts for all and sundry to know. But he went on to say that we are shifting the burden on the poor. In other words, the Budgetary Proposals of the Shadow Minister of Finance was shifting the burden on the poor. But his Government has admitted that more than half of the workers in this country are existing under subsistent level, because anybody who is getting less than $10 000 a year in this country is only eking out an existence. And they have got the temerity to boast about the fact that 5 500 people would benefit from some tax concession! They should be holding their head in absolute shame to think that 55 000 people, half the working population of this country.....

(*Aside:* Mr. W. O. FRANKLIN: More than that — 60%.)

Mr. N. K. SIMMONS: Sixty per cent — I will give them half — is below subsistent level in this country. So there is nothing to boast about. I can remember our honourable leader saying that he was trying to narrow the gap between the lowest income earner and the highest income earner. This is what the Democratic Labour Party have been trying to do. But you have come about and you have created a situation in which today 60% of the people are working for less than $10 000. A shame!

I do not want to go on in that vein. We are discussing our Budgetary Proposals and it is for them to defend, and

they have been doing that. But my shadow Ministry is not to do with Finance and, therefore, unlike the Minister of Tourism, I am going to stick to things about which I know, and I must say a few things about his presentation. He has come here and trotted out a series of percentages of figures without even attempting to relate those figures to anything at all, and the one area in which we would have believed that he knew something about is Tourism, and he said not one single word about that. So, therefore, my conclusion is — and he did it last year as well — that he has no grasp of the Ministry for which he has responsibility, and in order to make some contribution, he comes in here, takes a report about which he knows absolutely nothing, and trots out the figures. He could have been a robot. You plug it in and the figures are spat out and that is the end of the day. So forget about him!

The Honourable Minister of Housing, I believe that he will be dealt with by somebody else.

Listening to the Honourable Prime Minister deliver his proposals, I had to ask myself what is the purpose of a Budget. I always held the view that a Budget should really address itself to some of the economic problems facing the country, at least one of the tasks is to address itself to the economic problems facing the country, and indeed set out some proposals to alleviate those problems. Anyone could leave here now and go into the street outside and ask the first six people what is the most pressing problem facing this country today. The most pressing problem facing this country today is, undoubtedly, unemployment. The fact is that people cannot get work. Even some people who have gone to the university who have graduated, some people who have got four and five O levels, some people who have got A levels cannot find work.

Mr. Speaker, I have looked at that Budget, I have read it, and I have not seen one area in which the Honourable Prime Minister has specifically addressed himself to unemployment in this country. But that does not surprise me, because last year the Honourable Prime Minister said that his Budget was an employment generating Budget. He said it was based on the money given to housing — I think it was $29 million or $27 million, it does not matter — and I asked if he could be so kind in his reply to indicate to us how many people that project would employ. I believe he said 3 000. Probably it was a guess, but we know today, having looked at the financial report, that, rather than creating employment, it has created unemployment. So he found himself in a dilemma, he fritted over the most important issues and decided it is time for a budget, I shall deliver one whatever happens, and that is the situation.
11.40 a.m.

Our party is interested in people, and that is where we differ. We are not interested so much in the cosmetics. We realise that a beautiful building is okay, but unless the people in this country can go to the supermarket and push their hands in their pockets and buy, then all the most beautiful buildings are to be no avail whatsoever, and that is the difference. So that our party has devoted a lot of time discussing the strategies to be employed to generate employment for the electorate in this country, and that is why we will make available to the people of this country the document which the honourable Member for St. Michael South Central presented in here yesterday.

As I looked through the Economic Report, and I believe it is a document of the House, the sad plight of our young people and women is more than obvious, and I just want to read briefly the situation with the persons between age group 15 and 24, because that is a critical age group. Those are the most energetic people in the country, and unless they are properly directed, unless their leisure time is properly used, unless their time, period, is properly used, this country will be in for a lot of trouble. The figures show that of an unemployment figure of 21 000 people, the age group 15 to 24 produces more than half that number. We have, according to these figures, 21 000 plus people unemployed, and the 15 to 24 age group makes up more than half that figure. Do you understand the mammoth problem facing this country!

That is the totally unemployed, but this does not address itself to the partly unemployed, it does not address itself to what the other side would like to call voluntary idle. Let me say this about voluntary idle. When a person has been out of work for two or three years, you develop the type of indiscipline with which you will find it difficult to hold a job even when you get one later on, because it is like anything else; you practise not working, so when you get to work you feel you should be home, because that is what you know, and that is why this is so critical in this country. People have left school with four and five O levels believing that they will get work, but, lo and behold, no work for three, four and five years, so when they actually get a job they cannot feel as though they want to work. You have a situation in this country where we see some of our most beautiful young ladies beside the road, hoe in hand, obviously never even saw one before, far less use one. They still wear lipstick, they still wear stockings, because they do not know that that is not the uniform for weeding the road.

Let me say this: the young people of this country are frustrated and fed up with the hypocrisy of the Barbados Labour Party. Our young people want work, permanent work, not the type of temporary existence which you now give them and pass out $50 as a hand-out. They do not want that. I will tell you why they do not want that, because these young people see Ministers walkling about like peacocks, strutting about boasting that "not even God can 'brek' me." The young people see that, "not even God can 'brek' me." The Ministers will know who I speak of. Our young people want to know that they can get jobs

commensurate with their qualifications and not jobs that they get because they have to get a letter from a Minister, so when they go to the Ministry, the Clerk says they have come from the Minister, a Mr. A. Truss, whoever he is. Our young people do not want that, our young people want to know that when they apply for a job they get it because of the content of their skills and not affiliation to any party, because most of them do not affiliate to any party.

Our young people want to know that they can be part of the national development of this country. They want to know that they can be part of the process of the decision making of this country. I say this now: it is our intention on this side, when we win the next election — and you can believe it, we are going to win it — that the young people will be sharing a position on each and every Board in this country. A young p rson under 25 will be on every single Board, every National Board in this country, because we have to link the experience with the youth so they can go forward into the 21st century. That is what we are doing for our young people. We are not talking about it, we are going to do it, because it is easy to implement it, it is just that you do not know how to implement it. It is not my fault, it is just that you do not know how.

Our young people, most and foremost, want to have role models that they can emulate and be proud of. It is unfortunate that I have to say this, because some of them came to me only yesterday and asked why the Leader of the House behaved in such a manner on Wednesday. They asked me that. I said, 'Well, the truth is this, all sorts can come into the House. We have no control over that.' But I further explained to them that the sad thing is that he is the *de facto* Deputy Prime Minister of this country and next in line. They reply was, "God help Barbados. What a shame!" I share those views, and I have no apology about it. I share those views with those young people. It is a shame!

You see, our party is cognisant of the fact that the young people form one of the most valuable assets of this country or any other country, and again we have spent a lot of time discussing the proposals which we intend to implement when the time comes, not too long from now. Patience is a virtue and time is on our side.

We know, for example, that a lot of young people work in the tourist industry, and we know, too, that the Barbados Labour Party Government, by amending the Severance Payment Act, has now made it possible for hoteliers to open only in the winter season. That is what is happening in the tourist industry in this country. The tourist industry in this country is a winter season industry. The hotelier have told me that it pays them better to only open in the winter season because they do not have to bother now about severance payment. The door is open. The Barbados Labour Party has done that to the workers in the hotel industry. I represent the tourist belt in this country and I speak to them on a daily basis, but we understand the plight of the hoteliers as well, and therefore, it is incumbent on any Government to make sure that any industry is an all-year-round industry, and so I am going to tell you something about our proposals for the tourist industry, the young people included.
11.50 a.m.

Sometime ago I said that we can make Barbados a sports haven. I have heard it repeated, but I do not believe that those who repeat it, quite frankly, understand what they are talking about. It would be tied in with the tourist industry because if it is going to be a sports haven, you would need visitors to come.

I want to say, though, that one of the things which disturbs me about the tourist industry is that the Government does not understand that, by the introduction of free water sports at the hotels, a number of youngsters who once made their living on the beaches by providing these services can no longer do so, and, therefore, we will enter into discussions with the hotels to stop that practice. Another aspect to it is that a lot of the money which was normally being spent in Barbados is now paid overseas and never reaches these shores. The third thing about it is we have a situation in which a lot of non-nationals, not even West Indians, are now running these facilities at the hotels, and it is creating a great degree of antagonism among the youngsters on the beaches.

Asides.

Mr. N. K. SIMMONS: The Minister of Tourism, I will leave it at that.

Mr. Speaker, if we have to tie our sports programme with the tourist industry, it would be, in my view, essential that we have a group of sportsmen within this country who are properly trained and whose job it is to play sports. So our party, after serious consideration, has decided, in consultation with the private and public sector, that we will introduce semi-professional sportsmen in this country. I do not want to go into any greater detail because those of us who have been involved in sports will know the type of sportsmen. What I will tell you is this. In discussing it with sportsmen, suffice it to say that they are excited about the concept of semi-professional sports in this country and they eagerly await the results of the elections, when our policy will be implemented.

Our whole concept of youth development does not only revolve around tourism and sport. They are all inter-related. So even our National Youth Service would be connected with the sports. Let me say this, as I gather

time is now of the essence: our National Youth Service will be linked with sport because we need the young people to properly develop our playing fields, and our facilities generally, which are not of the best. Our National Youth service will be linked to the Red Cross, St. John Ambulance Brigade, the Boy Scouts and Girl Guides, because they are internationally known and reputable organisations. It will not be linked with the Defence Force, the army or the Regiment, because we do not see the Army or the Regiment playing any useful part in any National Youth Service. We do not see it, the youngsters do not see it, the Barbados Parent-Teachers Association does not see it, so it will not be linked there.
12.00 noon.

Mr. Speaker, one of our areas of concern is youth in agriculture, and before we went out of Government in 1976, this party was negotiating for the purchase of Carrington's for the specific purpose of training our youngsters in agriculture. Today, if that policy had been carried out, all the diversification they are talking about now would have been made easier because we would have had a corps of young people who knew what diversification was concerned with.

Over and above those comments on youth, I want to say that there are two areas in which we will assist our young people, and the first is that the duty on sporting equipment will be reduced so that our young people will find it easier to purchase sporting gear. Incidentally, let me say this: my investigation reveals that it is untrue to say that wind-surfing equipment was subject to consumption tax. It was never subject to consumption tax. I just want to make that correction. I believe that is part of the Budgetary Proposals. Furthermore, in our area of national development, we will abolish the entertainment tax as it applies to our entertainers when they are having local shows in which 100 per cent of our locals are involved.

Mr. Speaker, in concluding my address, I want to end as I started, by congratulating the Shadow Minister of Finance on his set of proposals as delivered. I have no doubt that every Barbadian from every socio-economic grouping will benefit from his proposals, and I know that with those benefits we will be able to rectify our economy, our unemployment situation will be reduced and Barbados will be better off under the Democratic Labour Party.

Mr. SPEAKER: That brings the honourable Member to the end of his time.

Hon. V. L. JOHNSON (St. Michael West Central): Mr. Speaker, my presence in this Honourable Assembly is occasioned by the honour conferred on me by the people of St. Michael West Central for the past ten years to represent their interests and to speak on their behalf in this hallowed Chamber, and Sir, they would want me to convey on their behalf the appreciation which they feel to the Honourable Minister responsible for Finance and Planning in this country, for the very caring way in which the Budgetary Proposals were submitted on the last evening. This Budgetary Proposals underscore and endorse the commitment of the Barbados Labour Party to the Christian tradition which has informed its social policy for these many years, a commitment to provide for the widows, the fatherless and to let the oppressed go free.

We have heard from honourable Members on that side that these Budgetary Proposals are too little, and, in particular, we heard from the honourable Member for St. Michael South Central (Dr. R. C. Haynes), who sought to suggest that, if they were in power, they would honour the elderly in our community by an additional $2. But we, Sir, are not dealing now with promises. We have actually set out to provide a better life for the poor, the young and the underprivileged in our community. We have addressed all sectors of the community in these Budgetary Proposals, and we believe, Sir, that they are fair, reasonable and just.

Mr. Speaker, a few days ago when we were discussing the Estimates, the honourable Member for St. Michael South Central stood in his place and referred to the state of the accounts of the Ministry of Education saying that they were in a scandalous situation, warranting investigation, and shortly thereafter the honourable Member for St. John (Rt. Hon. E. W. Barrow) stood in his place and stated that he was the Chairman of the Public Accounts Committee and he had had the opportunity to examine the accounts of the Ministry of Education just a few weeks ago, and they were in order. Now, Sir, when we look at that and when we look at the further utterances of the honourable Member for St. Michael South Central, we wonder how seriously we can take what he says, a promise of $2 for the elderly and a comparison between the then and the now, the $13 which the old people used to get then.

Sir, I would like to refresh your memory just briefly by referring to 1976, just prior to this party coming to power when the Barbados Labour Party raised the old age pensioners stipend from $13 a week to $20. I do not wish to bore Your Honour with a recitation of facts already recited, but I believe that we need to examine it in a little closer detail because it is so easy for us to forget that in 1976 when the old age pensioners were getting $13 a week, that $13 was conditional. It was conditional upon their reaching the age of 68, it was conditional upon their being able to pass a Means Test, and there was also a third condition that stipulated that only one person in a household could draw that pension. The Barbados Labour Party, seeking a better deal for our elderly people, decided upon assuming office that we would reduce the age of eligibility from 68 to 65. We further determined that the Means Test, that iniquitous imposition, had to be

abolished, and we abolished it. And we further said that if a husband and a wife were living together in the same house, they were both eligible to receive old age pensions, and it did not matter whether a son or a daughter in England or the United States was sending back $15 or $20 a month to assist in their support.

Sir, as you examine that, I want to pose a question. With your Honour's permission, I would like to demonstrate this product that I have in my hand. It is an Exeter corned beef. In 1976, when one old age pensioner per household was getting $13, they had to take $3.25 for this particular brand of corned beef.

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

Hon. V. L. JOHNSON: I will be happy to make this a document of the House. Sir, it was purchased from the supermarket over at the Bridge, right over here on my left, this morning. The price tag is still on it and it is $1.99, which means, that if two old people live together in the same household, they are now in a position to earn $96 per week between them, and the one tin of corned beef, if they chose to eat corned beef, because they can select other forms of protein now, if they choose Exeter, $1.99 is all that they will pay.

I would like to pose a question through you to the honourable Member for St. John, who, I believe, is eligible now to collect old age pension. I suspect that he is debarred by virtue of the fact that he will receive a pension from the Government, so he will not be entitled. But suppose he elected to draw his old age pension, I am asking him which programme would he choose, the one where only one person at age 68 could get $13 or the programme where two Barbadians in the same household can get $48 each and then be able to purchase his corned beef at $1.99?

Mr. Speaker, I do not believe that it is honourable or even moral for us to play politics with the welfare of our elderly or our young and our disadvantaged. I believe, Sir, that our approach to social welfare legislation ought to be informed by the commitment that we have, and, as I mentioned, it ought to be a Christian commitment. I believe, Sir, that each one of us who is employed and in good health has a moral duty, enjoined in the scriptures, to look after those less fortunate than we are, and it does not serve any useful purpose to come into this Chamber and seek to address the greed that lies within the bosom of all of us and seek to tell people that they ought to feel it a duty of the Government to abandon income tax. The question is, where will we support the legitimate claims on the Treasury? Where would the money come from? I believe that when you speak to people frankly and address the caring in their hearts, because each one of us is capable of caring, if you address these higher motives, every single Barbadian will recognise the need and the duty to pay some reasonable share of taxation in order to provide the level of services that we now enjoy.

Sir, the old age pensioners at $96 between the two of them no longer have to pay a doctor, they no longer have to pay for drugs, they no longer have to pay 6 per cent sales tax out of the $13 that they used to get in those days.

I happen to speak, as I said, on behalf of the people of St. Michael West Central, the old age people have given me the permission to speak here in their behalf and say, 'Thank you, Sir, for recognising that we have already made a lasting contribution to building this society and that we are not left out there to rot on the hills as the people of the Eskimos do, but that we have a programme in place to make sure that body and sould and spirit are all kept together with dignity.' They can go and they collect their cheques just as if they were employed.
12.10 p.m.

Mr. Speaker, yesterday evening we heard the honourable Member for St. Michael South Central say that the DLP will reduce water rates. I happen at the present moment, Sir, to be the Minister responsible for Water in this country, and it was in 1984 that I spoke to the then Prime Minister in respect of the cost of water in this island. We felt that the agreement, to which we had been committed by the honourable Member for St. Michael South when he was presiding as Minister responsible for Health, was a continuing commitment that called for the automatic escalation in water rates. I told him then that I did not regard it as necessary in 1984 to honour that agreement by imposing a further burden of increased water rates on the people of Barbados. He accepted that principal, and water rates did not go up then and they have not gone up this year. But, Sir, I believe that it is necessary to tell the people of Barbados that it is presently costing $8.7 million a year to pump the free water that is there out of the ground, $8.7 million to get it out and to distribute it in Barbados, and we are distributing it to approximately 98% of the households in this island. Honourable Members would not be able to recall when the Democratic Labour Party was in power the precipitous rise in water rates we had, particularly for those persons living in the housing estates.

Mr. Speaker, I would like to address my attention now to another promise made by the honourable Member for St. Michael South Central. He said yesterday that when they get back into power, they are going to continue their commitment to the support of the sugar industry. In other words, they will continue to give the subsidies or the grants in order to keep the people who are now employed in the sugar industry employed. Well, Sir, you could have knocked me over with a feather would I have heard those words coming out of his mouth yesterday! I could not believe that it was the honourable Member for St.

Michael South Central, that same honourable Member who, just a few short years ago, 1982 to be precise, stood in that very place and, with venom and fire in his eyes, proclaimed that he was not in favour at all of any support to the sugar industry. Mr. Speaker, that time, he is a bit more pious and subdued. His speech is softer now. But, Sir, can we believe what he says. I think it is a situation where the voice is a voice of Jacob but the hand is the hand of Esau. Because, Sir — and in order not to be imprecise, I choose to refer to the Debates of this Honourable Chamber July 13, 1982 to December 8, 1982, and I am reading at page 1946 of the debates in which the Resolution for the price support for sugar was debated — this is what the honourable Member for St. Michael said at that time:

> "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 the domestic price support in Barbados."

He continued, Sir, at page 1947:

> "Sir, another major area of scandal."

He is always able to identify scandal:

> "I think the Portvale situation up there, which the Honourable Prime Minister glossed over, is so serious that it must be ventilated in this Parliament — and these are the very people who you are entrusting with the responsibility to raise bonds probably up to $20 million to $25 million guaranteed by the Consolidated Fund of this country. I am saying here on the floor of this House that it was a catastrophic error to have gone ahead with the building of Portvale".

Sir, he said

> "I say that with all seriousness.....it is not only a fact that external sugar prices have fallen — that is a very important factor — but we have an element of protection there because we will sell in the protective markets".

Sir, he went on to make the point that he is fundamentally opposed: "I am fundamentally opposed to this Bill." Fundamentally opposed to this Bill!

And he said that the people in the sugar industry took the money and sent their children overseas, I want to read the exact words, Sir:

> "I would like to refer to another matter. Many of those loans made to plantations have been used to keep race horses, they have been used 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 concessionary rates rather than paying the interest rates".

And for that reason, Sir, he went on to flay this Government, and he said, "I am not going to support any price support to the sugar industry." But now he comes in here today, on the eve of an election, and says, he does not really mean that, he will continue the subsidy to the sugar industry!

Mr. Speaker, when we regard the matter of unemployment in this island, we know it is a serious matter, and we in the Barbados Labour Party have informed our social policy based upon our understanding of the changing realities of Barbados. We recognize that many of our young people coming out of school today are coming out not really prepared for the job market, because our educational system is now in the process of changing to meet the changing realities of a developing society. Children with four or five O levels are not really fit to do any work yet, they now have to go and be trained, and it is this that the Barbados Labour Party is actively involved in. It is for that reason, Sir, that we established the National Training Board, so that youngsters who come out of school not having received the kind of academic rating that would qualify them to go on to the university are able to realize their potential through training. The Government pays a substantial portion of the training through the National Training Board. I can point to particular cases in my own constituency where I have used my influence, as a responsible representative in that district. to make sure that I persuaded some of the youngsters who came to me asking for work, but whom I did not regard as sufficiently qualified to go to work, to go into the National Training Board programme as apprentices. Only a few days ago a young man came to me and he said, "Mr. Johnson, I am now qualified as a mechanic," and I picked up my telephone and placed him in a job immediately, as a qualified mechanic, something I would not have been able to do, if he had not had that skill. This is the emphasis of the Barbados Labour Party.

Sir, we need to appeal to our youngsters and help them. That is what we are here for, we are supposed to guide them and help to persuade them to use the facilities that the Government has already provided so that they will be able to go out and earn a living for themselves and their families. The honourable Members are talking about short term programmes and people clerking in Bridgetown. We have steel benders. We have technicians. Right now, Sir, there is an appalling shortage of qualified technicians in this island, and it is for that reason that the National Training Board is engaged actively in making sure that our youngsters go and get trained through the Polytechnic, do the City and Guilds Certification through the NTB, so that they can hold a certificate of training and go and accept a job that will give them independence.

Mr. Speaker, another factor which this Government recognizes as important is the question of unemployment insurance. When I was Minister responsible for Labour I had the profound honour to introduce to this Chamber provisions that would bring into being the unemployment provisions under the National Insurance Scheme. If a worker loses his job, as we expect some workers will do from time to time in a fluctuating and growing economy, he does not have to go home and languish. For six months he can continue to draw 60% of his salary, until he has an opportunity to find alternative employment. These are the provisions that this Government is making, provisions calculated to provide for every eventuality. It is an orderly, systematic programme of planning so that our young people are provided for in work and out of work, so that the handicapped in our society do not have to go around with cap-in-hand begging and pleading. That is part and parcel of the Social Security package that this Barbados Labour Party Government has put forward.
12.20 p.m.

Mr. Speaker, I have no doubt at all in my mind what the people of St. Michael West Central would say. When you look at the roads in this island, I challenge anyone of them over there to say that they can do better. Never before in the history of Barbados — it is unprecedented — has such an elaborate programme of road construction and rehabilitation been undertaken — and not just roads, I mean sophisticated roads, roundabouts, highways, super-highways — to provide for the growing realities of our society. These have been made possible through the judicious use of the tax resources available to this country. Cut those tax resources irresponsibly and you put your people once again back in the depressing state that they were in when you left them.

We went into the tenantries of Barbados. You opposed us at every possible step. We went into the tenantries of this island and provided roads right through the cane fields where they used to be tracks and now we have Barber Greene.

Sir, I submit to you, in closing, that this programme which we have put forward in these Budgetary Proposals is an enlightened programme worthy of endorsement. We on this side heartily endorse it, the persons on whose behalf we speak in this Chamber endorse it, and I believe, Sir, that whenever we go outside and put this package again for ratification, the verdict of the people will be "Well done, good and faithful servant." I am satisfied, Sir, that once again the Barbados Labour Party will be entrusted with the responsibility of guiding the destiny of this nation.

Applause.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting do now stand suspended until 1.30 p.m. for lunch.

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

The question that the sitting be suspended until 1.30 p.m. for lunch was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.
12.30 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The honourable Member for St. Michael North East.

Mr. L. L. SISNETT: Mr. Speaker, once again we have sat here through another budgetary debate in which the Government has outlined its plans and proposals for the country under some very trying times. They are plans and proposals which the average Barbadian seems to think reasonable. In a very hostile world, the Government has been able to manage the economy and keep Barbados afloat in a very hostile economic situation.

Once again, Sir, the country has heard counter proposals by the Opposition, proposals which one would think are most unreasonable, without any basic, fundamental facts on which these proposals have been given, and so we have been bombarded by the Opposition, in particular the chief spokesman, the Member for St. Michael South Central (Dr. R. C. Haynes) with charges of massive unemployment. It is as if he has taken his speech from a magical bag and repeated almost what he has said over the years — unemployment, debt, debt borrowing, the economy stagnating, tourism in trouble, trade stagnant, and the Barbados Labour Party unable to manage the affairs of this country — and what he is saying is that the Democratic Labour Party's proposals are the alternatives to this Government's. What he has not said is how they propose to bring these things reasonably into fruition as an alternative to what the Government has been offering.

The Member for St. Michael South (Mr. L. E. Sandiford) has castigated the Government as uncaring, unimaginative, lack lustre, dull. He said that his party will restore the sickening economy to a state of health. He said Government cannot deal with the proposals of the Opposition and that the Budget was meaningless. He also spoke of the massive debt which the Barbados

Government, according to them have run up which the people of this country can no longer pay.

Mr. Speaker, all these charges and counter charges you yourself have been aware of, and the people of Barbados have become used to hearing this diatribe from the Opposition. I would like to spend a little of my time this afternoon to ask a few questions of the Opposition and to tell the people of Barbados, to explain to the people of Barbados, that Barbados happens to be part of the practical world, a very minute part indeed, but a very important part, and we are living in times in which countries with much more to offer are finding it extremely difficult to keep their economies afloat, to keep their countries and their Governments intact.

There have been a number of persons in Barbados who have lost their jobs, and so has it been almost every part of the world. The loss of a job today is probably the greatest concern to a worker. It is not in the Government's interest to see people unemployed, but there again, what are the Opposition's solutions to creating jobs? The creation of a job takes time, it is not like a cup of instant coffee, and even that takes time. The pods have to be grown, they have to be cared for, they have to be cured and they have to be processed. It takes time to create jobs. The Government is aware of this.

They speak of a number of our youth unemployed, and so are youth unemployed everywhere in the world. It is not germane to Barbados. This Government is aware of these problems and they are looking for solutions, even though we are finding temporary solutions. It is not easy to create the kinds of jobs that the people of Barbados want, but we are aware of it. What would they do if the shoe was on their foot this afternoon, Mr. Speaker?

The Opposition, in addition to making its many charges, has castigated certain areas of Government. They have spoken of the Heywoods Resort complex. They continue to repeat what they have been saying over the years, but I am happy to say that Heywoods has turned the situation around. It is about now getting over its initial teething problems, as any new business venture any part of the world would have, and I would want the Opposition, despite their political points of view about the Barbados Labour Party Government, to be a little cautious in castigating certain vital institutions in Barbados. The Government has invested some $63 million in Heywoods, because we believe that, in the process of time, Heywoods, like any other viable industry, will repay the investment which has been committed to it.

When the Democratic Labour Party established the Hilton Hotel some years ago, Sir, this Opposition, the Barbados Labour Party, were mindful of many salient points which they could have come up with and make critical points about the location of the Hilton Hotel, in the heart of an oil refining zone where the pungent smell of oil is a deterrent to the promotion of tourism. That is one point that the Opposition could have come out with. They did not do it because they felt it was in the national interest to have some kind of investment going for the good of Barbados. They could have said, 'Well, what they have done, they have put the Hilton Hotel outside a cemetery.' These are points, Mr. Speaker, which they did not capitalise on.

We are seeing Heywoods as a viable industry which in a very short time, in another two years, will begin to repay the cost or part of the cost which the Government has had the faith in establishing that complex.

They have spoken in derogatory terms of Caribbean Airways: Caribbean Airways is a financial loss, Caribbean Airways is a drain on the economy of this country. I want to say, Sir, that there are a few problems with any airline venture today, particularly if you do not own your own aircraft. It is expensive to lease aircraft, and the Barbados Government found itself in a position when, back in 1982, with the demise of the Laker Agreement, which was entered into by the Democratic Labour Party, we were faced with a situation in which we could have said to the world, 'let Caribbean Airways collapse with Freddie Laker, let it go down the drain.' Caribbean Airways under the Democratic Labour Party owned less than 25% in Laker Airways. I am happy to say, Sir, that because of the thought, because of the insight, because of our commitment to tourism, the Barbados Government thought it fit to rescue Caribbean Airways at a point in time when it was most needed.

If you will recall, Sir, the agreement entered into with Freddie Laker and the Barbados Government so many years ago stated that the Barbados Government will not participate in the management or operations of that company. The Barbados Government will not be permitted to examine the books or records of the company, nor will Government share in the profits of the company. In other words, Government's 51% share-holding will give no rights, no privilege or benefits except the right to appoint in its sole discretion three Directors whose functions will be essentially nominal.

Mr. SPEAKER: The honourable Member will obviously have to make that piece of paper a document of the House, because you have quoted extensively from it.

Mr. L. L. SISNETT: It is my pleasure to make it a document of the House. It is information which the Democratic Labour Party will have dear to their hearts.

Mr. SPEAKER: I am nothing to do with the Democratic Labour Party, but for the records of the Chamber, if a Member quotes extensively from any document, it must become a document of the House.

Mr. L. L. SISNETT: Yes, Mr. Speaker. Thank you. I make it a document of the House.

Mr. SPEAKER: As soon as you are finished with it, I will expect that the Clerk will collect it from you. He can make a photocopy and hand you back, but that must be made a document of the House.

Mr. L. L. SISNETT: I am happy to say, Mr. Speaker, that I am fully in agreement with your ruling, but I just want to continue that despite all those points which I have just mentioned about the Government of the day some years ago, the Barbados Government is now 100% owner of Caribbean Airways. That is fundamental, Sir. You are 100% shareholder of an airline.

The Government, the country, is not in a position to acquire the kind of aircraft that would be needed to assist Barbados in its venture into getting into the more lucrative areas in the world to promote our tourism. The Government is working towards this end. We have acquired certain other route rights within the United States which we intend to take up should there be an upturn in the economy. I am sure this Administration has taken on other serious challenges and this is no responsibility that we will try to shirk off. We have got to get into the areas and do the same things which our competitors are doing to make our tourism meaningful, and to put more Barbadians at work in this vital sector in our community. I believe we have taken on challenges in the past, and this one, we will also take on, Mr. Speaker. 1.40 p.m.

I want to dwell for a short while on the new and upsurging cruise line business, because the Opposition and their main spokesman on it would want the world to believe that the Government is again pulling figures out of the air and that there is very little that can be achieved in this venture.

I have here with me an issue of the Sea Trade Magazine, March 1986 — with your permission, Mr. Speaker, I will make it a document of the House — in which there is an ad in this magazine on page 100 speaking of Barbados. "Excellent cruise sport facilities. New multi-million dollar passenger terminal." Where has the money gone that the Opposition has been saying that the Barbados Labour Party has spent? Part of it has gone in the creation of the facilities to lure more people here in Barbados. As a challenge to a direct response from the Cruise Lines Industries Association back in 1982 to the now Prime Minister, the president of that association complained that Caribbean Governments were not doing anything to assist the operators of vessels that come to these ports by the promotion of their ports, and the Prime Minister, then Minister of Civil Aviation and Tourism, undertook to do something meaningful, and that is what this ad is all about:

> "Flight cruise operations in Barbados with minimum amount of red tape strategically located for south Caribbean cruises."

Only last night, Mr. Speaker, an investor, despite what the Opposition is saying there is no investment climate in Barbados, arrived here in Barbados, and we are going to have some talks here this afternoon — the Port Department, myself and Mr. Sylvester. What is he here for? He is here to put 35 000 more passengers in Barbados this year, basing his vessel in the Port of Bridgetown beginning November through April next year. This is very significant because it has come on the heels of another massive investment in which one of the major cruise lines in the world, Carnival Cruise Lines, has promised, has instituted and has commissioned its vessel Carnival to Barbados. All year round, also beginning November this year, 50 cruises a year, 1 400 passengers per cruise! Tell me if that is not investment in Barbados! You tell me, Mr. Speaker!

The significant part of it is this. We are bringing new people into Barbados, and it is now for the Barbados Board of Tourism to capitalize on this new business and convert those persons, who will be coming here for one day who would just be seeing a smattering of Barbados, into long staying vacationmakers. They have a captive audience coming through the Port of Bridgetown, 1 400 passengers a week. If only 2% of them return, that is a lot of people coming back to Barbados, but they must now get out there and have an attractive package that those persons could take back with them once they have left these shores.

To stress the point further, the cruise line business is such that people pass through the Airport to go to the Bridgetown Harbour and go for seven days vacation, probably nine days, in the Caribbean. What they see from the Airport to Bridgetown in Barbados leaves a very memorable impression on their minds. What they say? 'Oh, Barbados is different. We thought Barbados was one of those pirate places. Look at the streets. Look at the port. Look at the terminal. These are extremely lovely. We must return here some day.' That is what we are after, Sir. They are only here for a day but we must now capitalize on making them at least one day vacation users of Barbados.

What do they want? The operators tell us that their clients have money to spend. The vessel which I mentioned, the Carnival Cruise Line, estimates they will spend, if the services are available, if the duty-free items are available here in Barbados, in excess of $10 million. What do they want? They need to share in our social culture. They need to share in our night life. They need to share in things indigenous of Barbados. They need handicrafts to purchase that they can take back to their countries in memory of this little island.

Here is the test for Barbadians. Here is the test for the young men and the young women out there to be creative, to be inventive, not just to produce coconut shells and the like for handicraft, but to make things of a permanent nature that would be reminiscent of Barbados. Mr. Speaker, the challenge is not impossible. It can be done.

The cruise line business is about to take off in a very significant way here in this country. Only on Saturday one vessel, the Azure, has gone back to the Middle East, to Europe, after spending the winter here, and that ship has left a significant amount of money in the economy of Barbados. At least the Port charges, marine charges, water, telephone, the amount of milk it bought here, the amount of beer and other things they would have acquired here in Barbados represent a significant contribution to the economy. They have gone, but information reaching me only over the weekend indicates that they will be back 100% next year with another vessel, the same number of passengers, 100% increase. They are bringing two vessels, Mr. Speaker!

Figures for 1985 up to the end of March indicate that between January and March this year the cruise line business to Barbados has seen a significant 25% increase, and over March last year, a 46% increase. We would have seen at the end of this winter cruise line season some figures like 155 000 passengers passing through the Port of Bridgetown and the Grantley Adams International Airport. These are people who are involved directly in the cruise line industry.

The projections, Sir, that is the part I want to talk about, for 1987 will see us at a figure of 200 000 people using the Port of Bridgetown on cruises in the Caribbean. And they are talking their nonsense about not being progressive, not having solutions to the problems! Just hang on a second! Just wait! We need to create economic activity in Barbados. This Barbados Labour Party has demonstrated in the past it can do it and we will do it again.

1.50 p.m.

Sir, you have heard charges that the Opposition has made counter proposals, that they are going to improve on the income tax earnings of Barbadians who earn $15 000 or less per year. There is nothing wrong with that. Any madman could talk anything any time, he has no commitment to anybody, but I would suggest that they say how are you going to do it. Tell us how you are going to do it. Who will suffer as a result of this? What levies are you going to increase in order to do this? They have said, Sir, that it is a meaningless Budget and we cannot understand how they are going to do all these things. They are going to remove income tax for those persons who work for $15 000 or less. I do not really subscribe to it. I think it is just a plausible statement which sounds nice to the chief spokesman on economic matters for the Opposition, but those who are used to going down to the Bowry in New York would see all kinds of fanatics down there in every sphere of life. You see philosophers on the streets, in the garbage, and you see statisticians always on the street and wine bibbing, you see historians walking all around. They are very lonely people and they can pontificate on any aspect of the economy, on any social science. You see every imaginable person down there, artisans, everybody in the Bowry, and I believe you see some of them in here, too.

Mr. Speaker, I want to go a little further in trying to show you the difference between the Barbados Labour Party and the Democratic Labour Party. I want to remind Barbadians, lest they forget, because it has been said that we have very, very short memories, that we had been promised by the Democratic Labour Party not so long ago in the Seventies full employment for all Barbadians. I believe it was in 1972 that they talked about full employment for all Barbadians. We are still waiting to see the realisation of that promise by the Democratic Labour Party. Only recently the honourable Member for St. Michael South said again that the Democratic Labour Party will bring full employment to Barbados, just give them a year and they will ensure that all Barbadians have a job. Promises, promises!

Mr. Speaker, it is not that simple. If anything, you can say that that logic is simple-minded logic. Barbadians want to work, the Government wants to put Barbadians to work, but it takes time, it takes imagination, it takes countless hours of negotiations to bring the kind of jobs that Barbadians need in this country.

But Barbados is not alone, Mr. Speaker, we are in a situation in which you find unemployment rampant in almost every country everywhere in the world. In the United Kingdom, you have a figure of 4 million people in search of work. If the Government there was able to do better, I suppose they would find jobs for everybody. The European scene is even more serious. There are about 14 million out of work. The Canadians are trying hard to find employment. The Government is at its end to create jobs, but they cannot find the kind of employment for the people. The world is going through a cycle. Barbados is part of that cycle. It takes time to create jobs. Then you come to the massive United States of America, Mr. Speaker, and you look at the unemployment situation there. It is about 10 per cent. There are about 21 000 Barbadians out of work. We are concerned, but what can you do in a situation when the entire world has this problem? What is the Opposition going to do that we are not doing? Are they going to, with a magic wand, say, 'Tomorrow create jobs for every Barbadian?' I doubt it. They cannot do it. I challenge you that if the people were so reckless as to think that they would give you a Government and you would find jobs in ten years, you

could find them. You cannot do it. Latin America, Costa Rica, El Salvador, Uruguay, Mexico, Peru, Chile, Bolivia, all of the countries with the great wealth, tin, copper, zinc, aluminium, gold, you name it, Mr. Speaker, Argentina with all the wheat, Brazil, the unemployment rate in these places is horrendous, and those on the other side would want to make Barbadians think that they can create jobs that we are incapable of creating. It just does not happen this way.

Mr. Speaker, 38 million in Latin America want to find a job, but nearer at home, we do not have the oil wealth of our sister country across the water Trinidad and Tobago, we do not have the bauxite, we do not have the gold that Guyana has, we do not have the alumina that Jamaica has, we have not got the basic natural resources as most of these countries have, but what we do have is what the Democratic Labour Party does not have, good, sound financial management of limited resources. That is what this Labour Party has. Let us not forget, Mr. Speaker, full employment in 1975.

I want to touch for a very short while on the subtle differences between these two parties. The election is around the corner and the people must be reminded. You have a committed Barbados Labour Party, we always said we would put Barbados first, and the late Prime Minister lived for it and perhaps he died for it. The Grenada intervention is a classic example of the subtle difference between the Barbados Labour Party and the Democratic Labour Party, because if they were in power today, the Caribbean would have been experiencing a new history, a different kind of history. It is because of their indecision, Mr. Speaker, that this Government took on the might of the communist world and sent Barbadians along with the great United States to bring democracy back to a hopeless people. Thanks to the Barbados Labour Party, thanks for the freedom that the youth of this country are experiencing today! They can criticise the politicians in this country because democracy lives in Barbados and throughout the Caribbean because of the Barbados Labour Party, thanks to the late Prime Minister, the great Tom Adams, and thanks to the people also, Mr. Speaker.

But check them. Barbados second only to Manila, according to the Leader of the Opposition, a man who led this country into independence, a man who put the electoral system into operation in Barbados, the one under which we still thrive. He has classified Barbados as second to Manila in malpractices with regard to electoral matters. Is that something that he and that party should be proud of today, Mr. Speaker? I can only say that he is losing his mind. I can only say that he is going senile when he can reduce Barbados and the intelligence of the people of this country to such a low point as to say that our electoral system is second to Manila which the world has castigated for malpractices. But to show that my saying he is going senile is not without foundation, within two weeks' time, without any reform within the electoral office, he has come back and said all is well, everything is okay, everything is fine. That is what he has done.

Mr. SPEAKER: That has brought the honourable Member to the end of his time.

Mr. L. L. SISNETT: Thank you, Mr. Speaker.

Mr. W. O. FRANKLIN (St. Philip North): Mr. Speaker, the people of Barbados can quite easily decide who has the interest of Barbadians at heart, who is more committed to Barbados between Errol Walton Barrow, the honourable Member for St. John, who has brought.....

Mr. SPEAKER: There is no Errol Walton Barrow in this House. Unless the honourable Member, under the relevant Standing Orders, has given me the name of any person he intends to call, I will ask him to desist from calling names.

Mr. W. O. FRANKLIN: Thank you, Mr. Speaker. The honourable Member for St. John has over the 30 years of his political life slaved morning, noon and night for the development of this country, and we can proudly look on the record of his achievement for Barbados and Barbadians. The record will speak for itself. I leave that.

Mr. Speaker, in the two areas for which I have portfolio responsibility in this Parliament, namely, Agriculture and Housing, we have had a peculiar situation in this Budget Debate, in that the Honourable Minister for Agriculture spoke for one hour, and, as far as I can remember, has stated very little, if anything, about agriculture in Barbados. A similar thing has happened in the area of housing. I remember the Honourable Minister for Housing started first and his comments were that in the area of welfare housing the Democratic Labour Party's record was a sorry one, and he was finished with his portfolio. I do not intend, Mr. Speaker to spend too much time on the Budget, since neither of the two Honourable Ministers saw fit to say anything about their portfolios. I would only like, in the limited time afforded to me, to put forward some of the proposals that the Democratic Labour Party would be using in these two areas to help propel the economy of Barbados forward.
2.00 p.m.

I will start, first of all, with the Ministry of Agriculture. Right away I want to eliminate a myth that has been perpetrated on the people of Barbados, that the Barbados Labour Party has brought back more land into cultivation than the Democratic Labour Party. In 1976, there were some 76 000 acres of land under cultivation. In 1986, 55 600 acres of land are under cultivation. Very

simple arithmetic would show that the myth of the Barbados Labour Party returning more land back to cultivation is only what they believe, a myth, and it is not true.

In this area, the Democratic Labour Party of the next Administration would continue its policy of encouragement by an attractive package of incentives to encourage people to return their lands to agriculture. We will remove the levy because it has been proven that the levy in no way has assisted any person in bringing back idle land into agriculture. It acted more as a penalty on the persons than an incentive. We will remove that levy and replace that levy with a package of incentives which would allow our people to return to agriculture.

It is our intention to release some of the Government lands for projects like the Spring Hall type projects, but with better management and co-ordination. I have observed this project for a long time and I believe one of the shortfalls of that project was the lack of foresight by the present Administration in providing housing facilities for the farmers so that they would be actually on the lands that they are farming. I remember the proposal that was put forward, and it was said that these farmers would have been provided with modest concrete structures, and the late Prime Minister said in one of his passing remarks that farmers do not need any concrete structures, they need wooden houses. Whatever type of houses you give those farmers, it would have been a lot more meaningful to the Spring Hall Project if the people were able to live on the lands that they occupy; they would be there early in the mornings to start and they would be able to assist in preventing some of the larceny of any of their stock.

The agricultural stations that have been allowed to be ruined by the present Barbados Labour Party, we would once again bring them back. Sayes Court, Bullens, Jerusalem, Haggatts and Rouens would be reactivated, because we believe that these stations have a central role to play in any agricultural diversification that you might need and in the encouragement of agriculture, livestock, food crop and otherwise, in the out-districts. Without the technical assistance of these people and an active guidance situation we could always have a problem with advice to the small farmers in the area.

Incentives would be introduced for the production of beef and mutton. I do not believe, as they said, that Barbados would ever be self sufficient in beef and mutton. It is not true. We do not have the kind of land mass to do that. But wherever there is available land, land that could be used for good quality grass in a feed lot type of situation for cattle, we would encourage that as part of our diversification programme.

We would wage a very vigorous campaign to help to reduce the loss of food crops due to monkeys and rats all over this country. On numerous occasions I have been hearing farmers complain about the destruction of their crops by monkeys in particular parts of Barbados. The Government has not seen fit to mount that type of programme that will stop the small farmers from being completely ruined by the destruction of this type of situation.

Mr. Speaker, one of the areas of concern to the farmers is marketing, and this year has been a classic example of the lack of marketing. The plantations have been encouraged to grow nuts, they grew quite large acreages of nuts this year, and when these nuts came to the market it was a fact that there were still large sums of imported nuts in the bonds of the retailers in Barbados. As a result, a lot of the nuts planted could not be sold on the open market. A lot of the nuts have actually been ploughed in. I know for a fact that Edgecumbe Plantation had loads of nuts that they could not use and they reverted to dumping some of these nuts in what we call the marl hole. No wonder they talk about mining and quarrying has improved. Those people who know of it were quarrying nuts from Edgecumbe Quarry because there was no market for them. Hannays Plantation had two fields of nuts that they could not sell and they ended up ploughing them in. River, which is owned by ADC, had a similar situation. This is a typical example, Mr. Speaker, of the lack of planning for agricultural marketing in Barbados that has frustrated the farmers in this country time after time. You invite farmers to plant, and the nuts you are planting are extremely expensive, and then when they go into the overheads of preparing, planting and harvesting time comes around, there has been no foresight and nothing has been taken into consideration for the proper marketing assistance needed by the farmers.

I am saying that in a place like Barbados where so many nuts are now being eaten, if the co-ordination between the importing agency of the Government and the Ministry of Agriculture had been better, the cut off for importation of nuts would be such that the local farmers would find adequate markets for their nuts. The same thing happened a time past with onions. We have producers of carrots still complaining about the number of imported tinned carrots allowed into this country.

I am saying, Mr. Speaker, that we in the Democratic Labour Party would naturally have to harmonize the marketing situation in order to make sure that when we encourage people to plant, they would be able to sell. Time does not allow me to deal too much with that topic, so I need to pass very quickly.

Mr. Speaker, a document has been laid in this House called "WHITE PAPER ON HOUSING". It is a document of the House, so I am going to quote from it, and I am quoting from the conclusion of that paper on page 8 "THE HOUSING PROBLEM — A SUMMARY".

1. The need for 1 700 units.

2. The high cost of house construction.

3. The short fall in housing units.

4. Lack of internal kitchen and bathroom facilities.

5. Substandard housing.

6. The need for service lots.

7. The protection of our housing stock from fire.

From that same document, Mr. Speaker, some alarming statistics come out. We still have in this country some 35 000 pit latrines. The Democratic Labour Party as part of their policy will give to all of those people out there a grant to assist in digging sewage wells in order to assist them to move forward from this situation. We would also, Mr. Speaker, through a system between the commercial banks and the Central Bank, an insurance system, make it easier for the commercial banks to provide loans on easier longer terms, at lower interest, at no risk to the commercial banks, to allow those people who are now finding extreme difficulty in obtaining bank facilities to improve this situation.
2.10 p.m.

What has happened with the Barbados Labour Party? The exact opposite. They have now said, through their water rate policy, that if you have an external tap, it is all right, but if you improve your facility and bring in an internal WC and a bath, you must pay an additional $14 for the WC, an additional $7 for the bath. In other words, when the people out there in those latrines want to move forward and have internal toilet facilities to stop them from having to go out at night, the same old people they are talking about, the same labouring class, the same people who have sweat, you are saying to them that they should not have it, and if they have it you will penalize them by way of an increased water rate.

We have already said that this is a very short-sighted policy. You cannot discourage people from improving their sanitary and housing conditions by those types of methods. They should know that the single household use very little water, because each of those individual people would be waiting at the tap at the backyard, and if we have to subsidize it to prevent the situation of the pit latrines that they are talking about, with the associated potential of a health hazard, we will easily associate with that debt.

We in the Democratic Labour Party would introduce a system, a block insurance policy, that we would provide assistance for the householders whose units are destroyed by fire or any natural disaster. If I may quote from the Barbados Economic Report, page 68, we will see that in 1985 some 227 units were lost, 66 completely, 36 extensively damaged, and 125 partially damaged. The policy of the Democratic Labour Party would provide the type of block coverage that we need for that.

Mr. Speaker, the Democratic Labour Party's housing policy is against a background of promoting the ownership of property. We would encourage the maintenance of the existing stock, because we believe that there are hundreds of thousands of people out there whose salvation lies in improving their situation where they are. They would not be able to buy the service lots in other places in the parks. There are some 35 000 people like that, and towards this end, the programme that has been started and is not going at the rate we would need it to go at, the tenantry programme would be expedited. We believe that if this Government was really as caring as they say and were people oriented, those 19 000 people living in agricultural tenantries would have a priority for roads and water over the priority of a road from the seaport to the airport costing some $90 million. There is no one that can convince me that you can turn your back on 19 000 people living in substandard conditions in tenantries throughout this country, many of whom cannot get home at night if rain falls – no lights. I have drawn the attention to Vineyard already no road, no lights. I have drawn attention to Lynch's, Chapel, Jessamy and Bayfield. How could you give a priority to providing a road for $90 million that has destroyed a lot of the existing housing stock? You have destroyed a lot of the existing housing stock and you could have given a priority to providing proper facilities for these people in the tenantries who have slaved and who have built Barbados to the stage where it is. And you are telling me that you are a committed Government to the people of Barbados? The people will have the last word.

By way of providing better facilities for the middle income people, we would discuss with the appropriate mortgage authorities in this country the immediate reduction of the graduated mortgage programme. This would allow people to start paying smaller repayments and their payments will increase with their earning capacity, which would give them a higher mortgage entitlement at this particular time.

We would endorse for the security of those people fixed interest rates for five years, which would mean that the rates would not be able to increase for a five-year period, but if the economic climate is such that you could reduce them, you can. This would give people the security of mind when they have budgeted for a particular payment that you cannot come next day and increase that interest rate and make them uncomfortable.

The soft cost in the housing programme that is now entering ten per cent, it is our policy that that should be added as part of the overall loan. That would make it a lot easier for them to handle it.

The reduction of down payment will be to 10%. I believe that is an adequate portion for anybody to contribute to show that they have meaningfully worked toward the situation that they have had.

In our sites and services programme, a continuation of our philosophy that the people should have adequate facilities, we will provide as part of the services a sewer well that would allow them to immediately go on with that facility, and we would allow a loan purchase arrangement whereby the first five years they could lease with an option to purchase at the end of the five years. I also believe that you should standardize the size of lots to 4 000 square feet, about 50 by 80, for the simple reason that it allows our people, when their economic condition improves, to extend their houses without having to come too close to the neighbours.

We will once again put the structure of the General Workers programme on a good footing.

Mr. Speaker, there are a few areas of general concern to people out there. The first one is the new imposition of the Town Planning requirement for chattel houses. We would set up a desk at the Town Planning Department to deal specifically with this type of situation. The situation would be, Mr. Speaker, that all that would be required would be an appointment with the particular officer who would assist with the location plan. The Town Planning Department would make a visual inspection and, on the certification of that, give the people the okay to go ahead. We would remove the imposition of the $700 that people now have to pay for repairing chattel houses.

Applause.

Mr. W. O. FRANKLIN: Mr. Speaker, there is a next area. There have been generally concern and hardship in Barbados as a result of allowing the number of the houses that constitute a tenantry to go from six to two. What has happened is that numerous people, who out of their generosity have allowed people to put two houses, now find themselves in a situation where they cannot make the best use of their lands. We will appoint a review committee to look into all the hardship cases, and in those cases where there is a problem, a hardship for the land owner, the Government of the day under the Democratic Labour Party, or in consultation with the land owner, will provide proper facilities to move the tenants to lands that have been left to them in certain cases. Because of the new rules, any person in Barbados now who has a piece of land refuses to let anybody put a house on it, they would not even let you put a goat to graze, and it has created a problem for the present Government, because the pressures of people refusing to provide house sites have forced the Government to take up that lead which they are now lacking.
2.20 p.m.

We will provide for the working class people the technical assistance needed to meet the Town Planning requirements.

Mr. Speaker, the programme that we see for housing in this country is one that would allow certain tax incentives. It has already been stated that we would allow full deduction of repairs for income tax purposes. In order to speed up the acquisition of lots in the tenantries, we will allow a five year land tax free for those people who are buying lots in the tenantries for the first time. Do you know why? A lot of people have not gone through with the transaction because they have realised that the taxes they will pay in most cases are higher than the rates they are now paying, and to encourage them to go ahead with the transaction, we will say that for the first five years after the acquisition of lands in the plantation tenantries, we will allow a no property tax.

One of the areas in which we will have a reduction in consumption tax, again as I said, would be in the area of toilet facilities, because we want to give all encouragement to those people to go ahead with that.

We would encourage, Mr. Speaker, by way of an incentive programme, people to construct units for rental to working class and low income people in this country.

Mr. Speaker, our welfare programme and welfare housing. I want to put on record that this Democratic Labour Party, which would be the Administration of tomorrow, fully realise and appreciate the contribution of the old people of this country to the development of this country. We fully realise this, and if there is anyone on that side who does not realise that, I think that they are less than honest to themselves. Towards this, we will make absolutely sure that a proper welfare housing programme is continued and expanded, a programme that would make sure that our old people would not be allowed to keep kerosene oil lamps in their houses that they would knock down at night and burn themselves, because the welfare housing would have electricity in it. We would not have a situation where these old people will continue to burn kerosene oil lights when they get up at night to make a little tea, as they say, to knock them down and burn themselves up. We will make sure that that is continued, if it is going on, and I will say to you that it is very obvious to me that the welfare housing programme will be continued, so there is no need to fear out there. We are believers in the development of people in this country.

Mr. Speaker, as I have just said, the Democratic Labour Party believes in the development of people. Where this present Barbados Labour Party expand and use the money for the building of roads, we will activate the economy of this country by a massive house construction programme in all sectors. This includes the element of taking care of old people. We are improving the surroundings of the people and we are developing these people, who, we are certain, realise that the Democratic Labour Party is the party for them.

Mr. Speaker, all that remains for me in the two minutes left is to thank the people of St. Philip North for the opportunity to serve them over the last five years and to assure them that I am willing and will be serving them again in an expanded Democratic Labour Party Administration in the next five years, and all of those things that I have spoken about, all of their needs that I have identified, I will be in a position, as part of a Government of the day, to do them for the people of St. Philip North.

Thank you, Mr. Speaker.

Mr. SPEAKER: The honourable Member for St. Thomas catches the eye.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, debating, like evidence, ought to be relevant. It ought to be relevant to the prime issue that is the subject of a debate. Since Wednesday afternoon, Sir,.....

Mr. SPEAKER: The honourable Member seems to be criticising the Chair.

Hon. D. A. C. SIMMONS: Not at all, Sir, I am most respectful to the Chair.

Mr. SPEAKER: The honourable Member seems to be criticising the Chair for the conduct of the debate. These are the Financial and Budgetary Proposals which touch all aspects of Government. Therefore, I have allowed Members to stray far and wide. It is up to them to control themselves, and I believe if one side goes astray, the other side could pull it back. The honourable Member may now continue.

Hon. D. A. C. SIMMONS: That is precisely what I intend to do, with Your Honour's leave.

Your Honour, the prime issue since Wednesday afternoon at 5 o'clock was the Prime Minister's Financial Statement and Budgetary Proposals for 1986. Even though one would not deny the right of the honourable Member for St. Michael South Central (Dr. R. C. Haynes) to take the occasion for the first time in the ten years that they have been in Opposition to outline his party's proposals for fiscal reform, yet, Sir, I have been stunned, as have analysts, by the honourable Member's comments on the Budgetary Proposals for 1986. Those comments on the 60 pages of Budgetary Proposals and review of the financial affairs of Barbados were limited to about 184 words. He described it as a hallucinatory experience removed from the realities of life in Barbados, and I want to examine whether in truth and in fact the Budgetary Proposals for 1986 were hallucinatory, or whether they were grounded in reality.

Mr. Speaker, what has the Budget done? In a nutshell, Sir, the Budget has been a budget for all Barbadians. First of all, let us start at the bottom with the low income earners. Abolition of income tax for those who earn less than $192 a week is in effect as from this week, according to statements attributed to the Income Tax Department, as from this weekend, as a fact, not an hallucination. Persons who receive $192 or less will have seen on their pay cheques that no tax has been deducted this week. In fact, the abolition is immediate. I cannot see how such a fact can be alleged to be fanciful or hallucinatory. The effect of that action, no longer a proposal, is that as from today those wage earners have more money in their pockets.

2.30 p.m.

While we are on it, two honourable Members on the other side, the honourable Member for St. James South (Mr. N. K. Simmons) and the honourable Member for Christ Church West Central (Mr. M. A. King) decried the fact that the proposal of the Honourable Prime Minister related to those whose assessable incomes were $10 000 a year or less. The honourable Member for St. James South went as far as to deem those people as existing on subsistence wages. I wonder how much a week Members on that side pay their maids, their office messengers, their search clerks and people of that kind. If they pay more than $192 a week, they can raise their hands and I will sit down.

(Aside: Dr. R. C. HAYNES: $500.)

Hon. D. A. C. SIMMONS: Five hundred dollars a week? I am not making joke. This is serious business.

They are seeking to deride those persons who have been granted an ease and categorize them as persons existing on subsistence levels. Before we do so we should examine our own breasts and see whether we employ people who are in receipt of wages of less than that. That is the abolition of income tax for those who earn less than $10 000 a year.

The second positive proposal relates to the widening of the bands between $11 000 and $18 000 a year. Clearly that extension of the bands will assist the lower income earners also, not the middle class. The reduction in petrol

prices will further assist those in the lower bracket who have cars, motor cycles and so on. The reduction in the price of bottle gas will assit the whole stratum of society and will particularly be beneficial to those at the bottom.

The poor, old aged pensioners who have been given an $8 increase and the National Insurance pensioners a $10 increase, they have been assisted by this Budget, not in a hallucinatory way. With effect from April 14, old aged pensioners and National Insurance pensioners will feel the reality of the increases in their pay cheques, which will reflect the $8 and $10 a week respectively.

There has been one category of persons entitled to pensions in this country who have been denied for a long time. Some have referred to them as the gentile poor, the old, retired civil servants, the old headmasters, nurses, and so on. They are now getting a 50% increase in their cost of living allowance. Some who were getting $800 a month will now find another $200 added to that, because that $800, as we know, is made up partly of cost of living allowance and partly of basic pension. I am sure that those persons who made a substantial contribution in various fields in this country – I am speaking particularly of the Government pensioners – in education, in health, in the Civil Service, will deeply appreciate the substantial increase that has been granted by the Honourable Prime Minister in this year's Budgetary Proposals.

The welfare grants for the disabled and others who were getting what we call welfare will also be appreciated by the worst off in this society. These are not matters of hallucinations, these are matters of fact, and it does a disservice to suggest that we were talking pie in the sky when, in a matter of days, these facts will come to light in a real and meaningful way.

Sir, I turn to the middle-class and the upper class and look at what has been done for them. The gasolene and bottled gas reductions, as I have said, will permeate the whole society. But in relation to taxation generally, let us look at what has been done for the middle class.

The land taxes have been reduced. The last Member who just sat down, the honourable Member for St. Philip North (Mr. W. O. Franklin), went to Australia studying a system, did not properly understand it, brought it back to Barbados and deposited it upon this country in 1972. It is now left to this Government to reduce the burden and inequities flowing from the land tax policy initially set up by the honourable Member for St. Philip North. We have given an ease from land tax in this Budget which will redound to the benefit of the property owner classes, be that middle class or otherwise, and not one of them on the other side has identified that the reductions in land taxes this year will go substantially towards the reduction of pressure in the hotel sector. If you analyse it, you will see.

Mortgage interest has been changed. You can now claim up to $12 000 a year. That is going to be a boom to the middle class in this country. The domestic allowance, which will allow you to claim $1 200 for the employment of a maid, again will be a boom to the middle class, and is intended to be an incentive for the creation of female employment.

Members on both sides of this House will have the experience of young ladies coming to us saying that they would like a job. You ask them what they can do. They say, 'I do not mind, anything. I would be a maid.' This is an incentive to the middle class to follow the lead of Government in creating job opportunities and employing persons who can benefit, with the ultimate benefits in terms of tax allowances going to the taxpayer.

The widening of the bands again will assist the middle class. The reduction of the tax rate – we talked about the tax rate from 60% to 50% – must help the middle class, must help the senior civil servants, must help the professionals. These are not hallucinatory matters. The bands were widened in 1977 or 1979, subject to correction, and we got some ease then. They are being substantially widened again. This party has been in the forefront of the campaign for tax reform; not talking about it, doing something about it.

Sir, the allowances in respect of the pension scheme and the reduction in the mortgage interest rates are all matters beneficial to the middle class.
2.40 p.m.

No one on the other side has yet taken the trouble to remind the general public of this country that in filing returns for this year, each and every person who pays Transport Levy is entitled to deduct this. It was introduced last year to take effect from this year. So that the burden that is alleged to have been occasioned by the imposition of Transport Levy and Training Levy has been eased.

Mr. Speaker, I conceive this Budget as one to further stimulate tourism. The market allowance that was extended to manufacturing last year has been extended to the tourism sector this year, and 150 per cent of expenses allowed for the development of markets outside CARICOM can now be claimed. They have not bothered to relate this year's Budget to the proposals in last year's Budget. I said already that the land tax reduction will be of benefit to the tourist sector. The change in the duty free system is again a boom to tourism.

I stated it was a budget for all, and it has also been a budget for the commercial sector. In 1985 we granted one per cent of improved value on commercial properties as building allowance. In this year the annual depreciation allowance for commercial buildings has been increased by

1%. In this year, too, Sir, a further incentive has been given. We have granted them a building allowance of 10% of the assessed value to encourage persons who have, for example, large warehouses to refurbish and upgrade them and make them into productive buildings with the commensurate tax benefits.

I established a link, Mr. Speaker, between the Budget of 1985 and that of 1986 to properly look at the proposals for the young, the unemployed and the culturally talented. It is necessary to consider the two Budgets of 1985 and 1986 together. The cumulative effect of what was done last year and what has been done this year, first of all, is to start up and continue; in 1985 we started and they are continuing in 1986 the training schemes under the National Training Board – the Skills Action programme, the Skills Training Programme the Apprenticeship Scheme – which encourage young people to acquire skills to fit them for the world of work of the future. I believe that some weeks ago the Honourable Minister responsible for Labour gave an indication of the numbers of young people who have been absorbed in these schemes, something like 1 220. Also last year, we increased the period for employment benefit to 26 weeks to cushion the effect of unemployment.

This year we have removed the consumption tax on those sporting goods which had been left out previously, because you must remember that cricket gear, football, basketball, mass sports for some time now, has not been attracting consumption tax. What was done for water sports and table tennis this year is designed to bring them in line with those other sports which have been benefitting from the abolition of the consumption tax imposed some years ago.

The two Budgets taken together are stimulae for the generation of employment opportunities. It may be alleged that the pace of reduction of the level of unemployment has not been as spectacular as may have been wont, but it has not been in any part of the world. Three or four million people are unemployed in England, a country with far greater resources than ours. The Economic Report this year shows the level of unemployment in Trinidad, oil rich though it may be, in Jamaica and, I believe, in Grenada to be higher than our present levels. We have consistently made the point that we are not complacent about unemployment. We find the levels unacceptably high, and to that extent we are determined to do something about it, hence the claim, for example, demonstrated by the National Training Board.

We have pinned great faith in the construction industry. For example, massive housing schemes in West Terrace, 454 houses, the road programmes and the other programmes that are coming on stream. Only today Members will have seen in their newspapers, or one of them, that one Nord Construction firm, already engaged on some of these projects, says that in a few weeks they will be looking for another 200 workers: They say, Sir: "Scores more will find work since a lot of work will be contracted out to similar companies and individuals."

Mr. SPEAKER: From what does the honourable Member quote?

Hon. D. A. C. SIMMONS: My own notes.

Mr. SPEAKER: Thank you very much indeed.

Hon. D. A. C. SIMMONS: The construction programme of Government will have the effect of expanding the opportunities for jobs. I believe, Sir, that having taken selectively some of the highlights of the Budgetary Proposals for 1986, it is clear that that was not a presentation of hallucination, but one of substantial facts.

I turn, Sir, to examine briefly some of the submissions and contributions of Members on the other side. The honourable Member for St. Michael South Central challenged just yesterday afternoon the Government in these words, "Tell us one measure that has contributed to the downward trend in inflation." I will give him one answer in the nine minutes left to me. Our policy on imports, our policy on licensing, import licences and so on, which controls several imports and leaves others to the free interplay of the market, has contributed to the downward trend in inflation as distinct from the policy adopted by them when they were the Government that, on their own admissions, had inflation in 1975 at 40%.

The honourable Member for St. Michael South said that the Democratic Labour Party will find an appropriate mix of financial policies to produce 3% growth. Mere words as words; general words. They had an opportunity, Mr. Speaker, when they were in power for 15 years, and particularly in the last five years, to find a proper mix of financial policies to produce 3% growth. What did we have from their mix of financial policies? Five years of negative growth. That is what we had. The country cannot rely on the use of language and linguistic gymnastics to befuddle simple minds. When reduced to its simplest, that is just a jigsaw puzzle of words. That will produce nothing for the benefit of Barbadians but only sounds sweet.

2.50 p.m.

The outstanding feature of the presentation of the honourable Member for St. Michael South Central was that he fixed his criticisms and proposals for fiscal rearrangement in a vacuum. He dealt with Barbados as though Barbados existed completely outside of the CARICOM region, completely without reference to the international situation. I am amazed no one of the Democratic Labour Party's side has ever yet conceded that

there has been an internal economic recession, that the recession has hit the Caribbean, that there have been instituted in some of the countries in which we trade protectionists policies that have kept our goods out of their market. The whole country must know that we live in a world in which each one of us is inter-dependent on the other. To have dealt with his proposals without telling us how he intends to get Trinidad to give us levels of trade that would produce $89 million for us again, how he intends to get an expanded market in Jamaica, is to do the country a disservice by hiding relevant economic facts which have a direct bearing upon Barbados from the general public. They know the difficulties that are being experienced in Trinidad. He did not have one word to say about the 33 1/3% devaluation in Trinidad and how it affects us. Nothing so, Sir! He acted as though Barbados were an island on its own!

He said that the national debt was $1.454 billion. But for all this national debt, he is going to take off this tax and the next tax, give this incentive and the next incentive, and still, Sir – I quote from the words of the honourable Member yesterday:

> "The DLP will honour the debt and will alleviate the burden of debt payment on the people of Barbados."

This massive debt that he now says is a burden on the people of Barbados, that should not have been incurred, that we have to pay for into the 21st century, he says they are going to honour that, $1 billion, 454 million of it, and still do all the other things, and has not yet told us how he is going to raise one cent to help pay the interest on this debt. Time, when they publish the document, will allow us to destroy it by analytical processes.

Before I finish, Sir, the honourable Member for Christ Church West Central said that we waited until now to do old people's homes. That is untruthful. During the period January – December 1985 – they could take down the figures – 529 houses were repaired at a cost of $1 490 137.24.

(Aside: Last year?)

(Aside: Mr. H. A. BLACKMAN: Give the 1983–1984 figures.)

Hon. D. A. C. SIMMONS: I have not got the figures for the previous year, I could tell you what was done last year, and you know what is going to happen this year. Those have already been dealt with in the Estimates.

It is a fact, Sir, that we have helped the old age pensioners in the payment of their water rates and, by and large, no one in Barbados can criticize the work of this Government in the last five years.

Mr. Speaker, Sir, time does not allow me to go much further, but my political instincts tell me that this 1986 is not the year for Dipper and the Ds, Sir. The signs are unmistakable that 1986 is the year of the Bs. We put Barbados first. And we have had a number of firsts this year, "Big Bird" and the cricket team put Barbados first in cricket.

(Aside: Rt. Hon. E. W. BARROW: That is DLP.)

Hon. D. A. C. SIMMONS: Bentom put Barbados first in the Gold Cup.

(Aside: Mr. P. M. GREAVES: Another D.)

(Aside: Rt. Hon. E. W. BARROW: Another D.)

Hon. D. A. C. SIMMONS: But you are a D. This Budget, in its last pages, Sir, put Barbados first, and I am convinced, Mr. Speaker, that in 1986 the people of Barbados will put Bree and the BLP first and back in the fore.

Applause.

Mr. SPEAKER: The question is.....

Asides

Mr. SPEAKER: The honourable Member for St. Michael North catches the eye.

Mr. P. M. GREAVES: Mr. Speaker, anyone listening to the Budgetary Proposals made this week, that is the 1986, and expecting anything different from the Barbados Labour Party Government will be living in a fool's paradise. Sir, this is an election Budget, pure and simple, delivered in an election year. To come will be part 2 of this Budget, and that will be after General Elections. Sir, then, the sting of the Budget, like the scorpion,....

(Aside: Or the bee.)

Mr. P. M. GREAVES: ....or the bee, as the honourable Member for St. Thomas just told us, will be in the tail. That is their strategy.

Sir, I already have a name for this Budget. I have christened it a fly now, pay later Budget. I will return to this later in my address.

Sir, as I listened to the two principal speeches delivered on this Budget here, I got the impression that we had, in fact, two Budgets. We on this side have the confidence to present our own proposals because we

know that the present Minister of Finance will not be given the opportunity to implement his. The people of this country will see to that. So, quite frankly, Sir, an examination of this Budget is hardly more than an exercise in academics. But we will do him the courtesy.

Mr. Speaker, I am particularly interested in employment in this country, not only because of my association at one time with the Labour Department and labour as Minister of Labour, and, for some time in this Chamber, as the chief spokesman on labour matters, but because of the amount of human suffering that I have myself experienced as I go around my constituency of St. Michael North day after day. I encounter it, Sir, in Eden Lodge and I encounter it in Grazettes, in Cave Hill, in Whitehall and in Jackson, and I have no doubt, Sir, that my colleagues on this side encounter it when they are doing their house to house visits. I believe, too, that the honourable Members on the other side, if they do any house to house visits, will understand precisely, Sir, what I am talking about.
3.00 p.m.

It is not uncommon, Sir – it was not an uncommon experience for me – to find whole households out of work as I visited them, and I have been at a loss to know how those people are existing. From my own survey, Sir, done in those areas, particularly in the housing estates, I have come to the conclusion that unemployment in those areas is in excess of 50%. I can say this, because I have done a number of visits during the morning period, between the period from 9 a.m – 12 noon during the normal work week, and I have hardly found a home that is completely closed. It is only left, Sir, to persons living in places like Rock Dundo Park, Lodge Terrace, to some extent, Grazettes Gardens and the Courts and Terraces, areas like Clermont, to reduce this figure, Sir, to some degree. It is therefore sad, Sir, that I can find no measures in the Budget delivered by the Honourable Minister of Finance that will have any impact on unemployment in this country, either in terms of job saving or in the creation of jobs.

Sir, on previous occasions such as this when I addressed this Chamber, I warned the Government on those occasions that the measures that they were proposing would have no effect on reducing unemployment. Last year I was able to show that, after the 1983 unemployment, far from falling – and we were told then that the Budget designed then was designed for creating employment – far from falling, Sir, it rose from 13.3% to 15.8%, and after the two Budgets in 1984, it rose even farther to the astronomical figure of 18.3%. I warned the Government again, Sir, in 1985, that the incentives they were offering in that Budget were so meagre that the so-called "employment generating Budget" would have the same results, and I was right. Unemployment, Sir, rose again, officially as high as 19.7%, and averaged out over the year, officially, at 18.7%.

Mr. Speaker, the 1986 Budget offers even less in terms of incentives for expansion and greater productivity. But, ironically enough, Sir, it is my opinion that we will have some marginal reduction in the employment figure this coming year, brought about not by any activity of an economic nature on the part of the Government, but by the Government, whether those 20 people are needed or not, sending people to work in places like the National Insurance Office, the Queen Elizabeth Hospital, the Post Office, the cemetery and places like that, and of course, not to mention, Sir, the debushers. The Douglas Leopold Phillipses are left to providence and the starvation diet prescribed for them by the honourable Member for St. James North. But such employment, Mr. Speaker, will have no lasting effect, because as in 1981, those persons will be back on the bread line after the next General Elections. We have had experiences of that.

Mr. Speaker, what I said in the 1985 Budget Debate, a statement I made then, can bear some repetition here. I said then, Sir, that unless there is a sufficient and meaningful inducement to the private sector to expand their businesses and become more productive, the unemployment situation will not be reduced. But there is hope, Sir. There is hope not in the Government's proposals presented to this Chamber by the Honourable Minister of Finance, but there is hope in the proposals put forward by the honourable Member for St. Michael South Central in his reply to the Budget. It showed, Sir, what Government ought to do, and clearly cannot get done, and what a Democratic Labour Party Government will do when it is returned to the government later this year in order to bring jobs to the persons who need them. So the unemployed of St. Michael North and the rest of Barbados can take heart.

Sir, as a provider of jobs, the retail business is important to the economy, and such business, Sir, should be encouraged, by way of inducements, to expand, and a natural consequence of those inducements would be an increase in job opportunities. Sir, this can be achieved by a re-investment of retained earnings, as outlined by the honourable Member for St. Michael South Central. Sir, that facility can be available not only to retail business operations, but more particularly, Sir, to industry and to manufacture. But, Mr. Speaker, contrast those proposals of the Member for St. Michael South Central to the proposals of the Honourable Minister of Finance. Sir, the Minister of Finance said at page 37 of his statement:

> "In an effort to encourage retention in the island and investment of profits from exports, I propose that from this income year, investment income retained in Barbados by enclave enterprises owned by non-nationals will be taxed as income from exports."

The honourable Member for St. Michael South Central is talking about giving allowances for investment on retained earnings, but the Honourable Minister of Finance is talking about taxing the retained earnings of non-nationally owned enclave enterprises, which might very well a breach of faith, or probably at best a breach of understanding that there is with those businesses when they were established in Barbados, for what is certain is that a statement like that can have the effect of scaring away investment from Barbados. It will discourage expansion and have a very negative effect on employment. The last thing we want in this country is anything at all that will scare away investors. Already, Sir, there is an air of uncertainty among the business community and we will have to restore their confidence.
3.10 p.m.

Sir, in the manufacturing industry it is clear that the lack of adequate markets has been a problem in this sector. In CARICOM we have a ready, virtual guaranteed market, but there are also problems in CARICOM and there are problems with the Multilateral Clearing Facility. I noticed, when I looked through the Central Bank Report for 1985 that was laid in this House yesterday, Sir.....

Mr. SPEAKER: Am I hearing correctly?

Mr. P. M. GREAVES: That is what the honourable Member for St. Michael South Central said he would do. He said he was laying the Central Bank Report for 1985. He said he would take the unusual step...

Mr. SPEAKER: It shows to me that the honourable Member does not yet understand our Standing Orders.

Mr. P. M. GREAVES: It was not laid, Sir?

Mr. SPEAKER: It shows me the honourable Members do not yet understand the Standing Orders. The only documents that can be laid in this House can be laid by a Minister of the Crown.

Mr. P. M. GREAVES: Well, then, Sir, it was made a document of the House yesterday. That is my understanding.

Mr. SPEAKER: It was not made a document of the House. It was not laid in the Chamber.

Mr. P. M. GREAVES: Not laid, made a document of the House. I am not saying it was laid, Sir. It was not made a document of the House, Sir? Is that what you are saying?

Mr. SPEAKER: I do not intend to enter into any argument.

Mr. P. M. GREAVES: I am not doing that either. I am merely asking.....

Mr. SPEAKER: You said the document was laid yesterday.

Mr. P. M. GREAVES: I am not asking that now, Sir. Was it made a document of the House? That is what I am asking.

Mr. SPEAKER: Not as far as I am aware, and I believe I have been sitting here from Wednesday evening.

Mr. P. M. GREAVES: Very well, Sir.

The honourable Member for St. Michael South Central yesterday, with the Central Bank Report for 1985 in his hand, and reading from that document, and stating that he will make it a document of the House – I can only say what was stated, Sir – read from that document. Am I permitted to read from the same document, Sir?

Mr. SPEAKER: If the honourable Member wants to read from a document, he is entitled so to do, but he understands the consequences thereafter.

Mr. P. M. GREAVES: Yes, Sir, the consequence is to make it a document of the House, and I have nothing against making this a document of the House.

Mr. SPEAKER: Fair enough.

Mr. P. M. GREAVES: But it is a very simple point in any event. I really want to get a matter cleared up in relation to the Caribbean Multilateral Clearing Facility, and I have no problem with that whatsoever.

Sir, it says on page 4 of that Report:

> "The Central Bank of Barbados passed a BDS$4.6 million debt to Jamaica through the suspended CMCF, reducing the amount owed to Barbados by the Facility by a similar amount."

What I want to find out, Sir, is this. The amount owed Barbados under the Caribbean Multilateral Clearing Facility is $120 million plus interest. I understand the interest is 4%, a low rate of interest. The amount owing, then, would be $120 million plus $15 million in interest. I would like to know why it is that this $4.6 million was applied towards the principal of the money owed to Barbados and not towards the interest first. That is what I would like the Government to answer, Sir.

I am quite happy, Sir, to make this document a document of the House.

But there are other problems in CARICOM, and Barbados is not blameless in some of these. The principal problem is the problem of markets, but we in Barbados have never been encouraged to set our sights beyond the Caribbean market. We have not been encouraged to do this until recently. Now we are told, "try to penetrate extra regional markets." This is something now about a year or so, the past 18 months, since the CBI. Look at the records, the records speak for themselves. The honourable Member is saying it is not true, but the record speaks for itself.

Sir, we have inherent weaknesses in trying in our efforts to penetrate this extra regional market. First of all, there is a weakness of this high cost, which is a problem. Low quality is a problem and insufficient volume is another problem. Contributing to this high cost is the factory space rental, and other overheads, like energy and the cost of borrowing.

Sir, I will have to join hands with the honourable Member for St. Michael South Central who in his proposals stated, in clear and unequivocal language, that there will be a meaningful and substantial reduction in factory space rentals in Barbados. The problem, Sir, is this, that we have allowed ourselves to be hoodwinked by the donor agencies into charging commercial rents, and that has had the effect of destroying the Construction Division of the IDC and has led to the laying off of persons. But when I said here, Sir, that one of the problems was the problem of high rents, the Honourable Prime Minister, during the Estimates Debate, took me up on this point and said that is not what he had been told by persons who were forced out of those factories. He was told it was a question of high wages. It is quite easy to blame the workers, and that has become fashionable nowadays.

What I am trying to say is this, that the package presented by the honourable Member for St. Michael South Central, like the income tax proposals, the proposals relating to overtime earnings, corporation tax, energy and so on, when taken together will not only provide jobs for the jobless, but set the country on the course towards the prosperity that it enjoyed in the 1960s and early 1970s. But one thing is certain, Sir, that it cannot achieve these goals unless the full productive capacity of the country is brought into gear.

Mr. Speaker, the proposals unveiled in here by the honourable Member for St. Michael South Central are so far-reaching that the Government has been stunned by the sheer thoroughness of the conception and brilliance of presentation. Honourable Members on the other side have no answers to those proposals. They are so confounded that they want to know the answers to a number of questions that were themselves answered in the budget. They want to know how much taxes will be raised in order to implement those proposals. They want to know what cuts will be made in the services in order to implement those proposals. They even say that those proposals are beyond implementation, and we are told that the honourable Member for St. Michael South Central should come in here and lay bare on the table of this Chamber, in full, the proposals that he has made in relation to his own tax proposals.

3.20 p.m.

Mr. Speaker, I maintain that he has done just that, but some of the honourable Members on the other side have been unable to comprehend what the honourable Member for St. Michael South Central is saying. What he is saying – how is he going to implement this? – is that he will cut out wastage. Wastage will be eliminated.

Asides

Mr. P. M. GREAVES: There is a fantastic amount of wastage – not where? – in the Government Service, particularly in public corporations. There is a fantastic amount of wastage there, and the honourable Member alluded to this. He will control expenditure. He will expand the tax base by providing incentives, which he himself outlined in his speech, so that the momentum of the implementation of those will itself create its own revenue. But that, apparently, is beyond the comprehension of some honourable Members. The honourable Members are saying that they are impossible to implement.

As the honourable Member for St. Michael North West said in his presentation, we have heard all of that before. That is nothing new. They said it when we proposed that we would abolish free secondary education, and it was a matter of days after the Democratic Labour Party became a Government that those proposals became a reality. And one of the first beneficiaries of free secondary education was the honourable Member for Christ Church East, so he should be ashamed of himself to question the intent and ability of a Democratic Labour Party to implement proposals such as these.

But let me give the honourable Members and the doubting Thomases a little help as regards these proposals. Sir, I have done a little exercise, and it has shown – comparative tax tables: up to $10 000 under the BLP proposals, taxation nil – under the DLP taxation nil; $10 000 – $15 000, under the BLP, 10%; under the DLP, nil; in the $15 000 – $16 000 range, under the DLP, 16%; under the DLP proposals, 20%; the $16 000 – $21 000 range, under the BLP, 20%; under the DLP, 20%; $28 000 – $30 000 range, 40%, BLP; 20%, DLP; $30 000 – $40 000 range, 40% BLP; 30%, DLP; $40 000 – $50 000 range, 50%, BLP, 40% DLP; $50 000 – $70 000 range, 50%, BLP; 45%, DLP; and over $70 000 range, 50% on either side.

This table shows that the Democratic Labour Party's proposals are 25% more generous than the Barbados Labour Party's proposals made by the Honourable Minister of Finance. What we are, in fact, putting back in the hands of the people is $20 million, and we know that when they have made use of their increased purchasing power, we will get that $10 million back.

I would have liked, in the brief moments left at my disposal, to answer a number of questions raised by the honourable Member for St. Thomas. But unfortunately, I cannot put my hand on the notes that I made at the time.

I want to say that I have looked at the performance of the Government over the past year under the Honourable Prime Minister, and it shows us a decline in a number of important sectors. In the agricultural sector, it shows real output of sugar declined by a margin of 2%. Non-sugar agriculture declined by .09%. The manufacturing output, measured in current prices, declined 7.3%, In real terms, output in the manufacturing sector fell by 9.5%. Sir, unemployment in manufacturing – I have given that already. In industry, the industrial output for GDP purposes declined 12.3%. The industrial index output declined 5.4%. Here, Sir, the Economic Report of Barbados is reading for me. In IDC – assisted industries, there was a net loss of 1 746 jobs. I could go on and on and on. Everything we have here is going down, down, down. The only thing that is going up, up, up, is the national debt. That is the only thing, Sir.....

Mr. SPEAKER: That is the last thing the honourable Member will have an opportunity to say in this debate.

Hon. DeL. O. BRADSHAW (St. Michael South East): Mr. Speaker, on Wednesday afternoon the Honourable Prime minister and Minister of Finance deliverd his Budgetary Proposals. Not only were those proposals impressive, and not only did the Barbadian public receive them well, but we have seen the Opposition moving into a state of panic and coming here the following day, yesterday, to provide this Chamber with an election manifesto rather than a reply to our Budgetary Proposals.

In the Budgetary Proposals, one expects to find costings, because proposals have to be based on costings, how they are going to be financed, and since the Shadow Minister of Finance failed to tell this Honourable Chamber and the wider community how he would finance those proposals, we must see them as mere simple gimmicks. We know that the Democratic Labour Party is accustomed to using these kinds of gimmicks. There is no reason why we should not see them in 1986 producing another bag of tricks and the Barbadian electorate knows the well-known slogan of the Barbados Labour Party no tricks – not, this time, in 1976 – but no tricks in 1986.

As I listened to the Shadow Minister of Finance, I began to wonder how he could stand here in this Honourable Chamber and trot out figures which are simply not true. I will challenge the honourable Member to provide this Honourable Chamber or the Barbadian public with any document to prove that, as he states, more people are unemployed today than in 1976. That statement is false.

3.30 p.m.

The other statement that he made is that 9 000 more people are unemployed in 1986 than in 1981. Now let me deal with that. The honourable Member, like all honourable Members in this Chamber, is not in possession of the 1986, the latest, statistics on unemployment. The statistics are calculated every three months. At the end of March, a sample survey was conducted, and it is now being analysed. The honourable Member does not have those statistics, and, even if he had them, it would only be fair that he in his presentation outline to this House, or state categorically to this House, that he was quoting from the first quarter statistics. But what is even worse is that if he meant the last available statistics, which were made known at the end of 1985, then he is way out, because it shows that in the year 1976 there were 104 100 persons in the labour force, of which 16 200 were unemployed, and at the end of 1985 there were 113 200 persons in the labour force, of which 21 200 were unemployed. I therefore submit that the honourable Member owes this Honourable Chamber an explanation or an apology for misleading this House.

That is the sort of thing that concerns me, because when we look at the situation which confronts the youth today, when the youth become frustrated, no wonder they are frustrated, because we who are supposed to be leaders in this community do not tell truth. That is what I am concerned with. The honourable Member, who is seeking to assume prime office in this country, must understand you can fool some of the people some of the time but not all the people all the time, and I would advise him to understand that in leading a country your credibility must not be brought into question.

The true position is that unemployment in Barbados jumped to 19.7 per cent. We regarded that as unacceptably high, but, in all fairness to this Honourable Chamber, honourable Members from that side know that the 19.7 per cent figure which was revealed at the end of the third quarter of 1985 dropped to 18.3 per cent. There is no doubt in my mind that there will be a further drop when the last quarter statistics are revealed to this country and to this Chamber. In other words, this Government has done everything possible, and continues to devise ways and means, and introduces measures, to reduce the unacceptably high unemployment. But I want the honourable Members on that side to

understand, and the country, that it was this Barbados Labour Party, when it assumed Government in 1976, that was able to reduce unemployment that was left by the Democratic Labour Party at 22.5 per cent to a mere 10.8 per cent in 1981, and therefore the country can be happy in the knowledge that the same Government that was able to reduce unemployment created by the Democratic Labour Party after 15 years in power and left in 1976 is capable of reducing the unemployment situation of 19 per cent. That is very important.

Now everybody knows that the world endured the harsh economic conditions and experiences over the last three to four years. Barbados was no exception. We have done extremely well. I have had the benefit of examining the unemployment statistics of Britain, Canada, the United States of America, Sweden, Jamaica, Grenada, Trinidad and Tobago, and I must say that the Barbados unemployment statistics, under the circumstances, were very good indeed. We have done well, but we are not going to sit on our laurels, and we are not going to be satisfied that all is well because we intend to devise policies to further reduce unemployment in this country, and that is what this Budget is all about. The Honourable Prime Minister set it out quite clearly:

> "This year's Budget will provide more incentives for entrepreneurial development, increase our savings efforts, reorganise our duty free provisions to carry into effect our diversification programmes in the tourist industry, increase help for our young people and the disabled, and improve provision for the aged and unemployed."

Mr. Speaker, that is what a budget should do. What the Prime Minister and Honourable Minister of Finance is telling us is that he wishes to create a climate where economic activity will be generated and improved so that employers can create jobs for the unemployed of this country. At the same time the Government has taken positive initiatives to see that our work force is adequately trained, because we recognise that we are now in the age of technology, and with that, we have got to compete with other developing and developed countries. We cannot sit idly by, Mr. Speaker, and therefore the Government embarked on a programme to retrain and retool our young people and to make them more efficient so that they could take advantage of the job opportunities that will certainly arise from the new technology.

Mr. Speaker, all of us know that the computer has been doing a lot of work in the commercial banks and in offices. You are seeing manpower being replaced by the computer. It calls, therefore, for new training, equipping and retooling our young people and our older people to face up to the new technology to fit them for the challenges that lie ahead, and that is what the Government of the Barbados Labour Party is doing. How, therefore, can we be criticised for taking these initiatives, these positive steps, to keep Barbados in front and be able to stand up against some of the developed countries?

Mr. Speaker, this Government will not rest until it finds jobs and more jobs for the women of Barbados. We are totally committed to that. We feel that women, who have more and more asked to be in the work force, must and should be given opportunities, and this Government is bent on exploring avenues in order to make job opportunities available to women. We have embarked on a deliberate policy to encourage women to move away from the traditional areas of employment and to get into some of those areas that were once known to be areas in which only men worked. In that way, we will not only be bringing more women into the work force but we will be able to realize what lots of people have talked about but do not understand how you achieve it, equality of the sexes. We want women to have economic power.
3.40 p.m.

That side has not said what it is going to do for women. Neither one of the spokesmen out there got up and said what plans they have for women. The Shadow Minister of Finance mentioned nothing, nothing for young people. But we are aware that the young people of this country have a role to play, that they are the future masters and governors of this country, and this Government is prepared to have a programme designed to assist those people. We have one for the older people, too, Mr. Speaker, and nothing the Opposition says today, or at any time, will deter us from pursuing our objectives.

What talk am I hearing today from the honourable Member for St. Philip North (Mr. W. O. Franklin), and the honourable Member for St. James South (Mr. N. K. Simmons) about putting young people under the age of 25 on boards. They are not with it. This Government has already done that. We have already adopted that as a policy and there are lots of young people who are on boards – the National Training Board, boards of schools, the National Housing Corporation, to name but a few.

The honourable Member does not understand, but in an attempt to fool the young people of this country, they are saying, "We are going to put you on boards." Let me say this to you. The young people do not want so much of boards. The young people want work. They want you to set certain standards and examples for them to follow. They want an opportunity to become independent, not dependants like how you intend to make them. They do not forget the Democratic Labour Party for, in 1976, turning the fourteen year-olds out of school. We, as a caring Government, mindful of our responsibilities and the contribution which the young people can make to national development, brought them back into school.

We have equipped them, Mr. Speaker, and today they are out there, bread earners in their own right.

What this Government intends to do, therefore, is to make sure that the young people can participate in the economic life of this country. What we have said and what we intend to do is not only to equip them, but to make funds available to them, as seen in this Budget, so that they could draw from them and set up their businesses. We want them to be employers in their own right, to be self-employed – not only to be employed, but to be self-employed – so that they could, in the process of time, benefit from what is national development and have a share in the national cake of this country. We do not believe in giving lip service to this thing about people come in and are reaping the sweets of this country. We want now to arm, to equip the young people with the ammunition so that they would be able to participate in the economic life of this country.

What we are saying is that we would make sure that the IDC provides some factory space for these potential entrepreneurs, because we want to encourage them. We want to offer them some advice from BIMAP, or some other managerial school, to allow them to develop their managerial skills, because we recognise that one of the failures of young entrepreneurs in Barbados is the fact that, having got the money, they lack the ability to market and to understand certain business principles. We feel that, going hand in hand with the capital and the funds that are placed at their disposal, there should be some managerial experience. That is how we as a Government are thinking for the young people.

Let us turn to the area of the National Training Board. We have initiated three programmes with a view to assisting the young people. I heard the honourable Member for St. James South talking about people leaving school with 3 and 4 'O' levels and cannot get a job. It is for this very reason that the Government addressed its attention to that. The Government devised what is known as the Work Experience Programme, formerly known as the Skills Action Programme. What is important about that programme is that we recognized that people who had 4 and 5 'O' levels, when they applied for a job, were told by the employers that they did not have the experience, and were turned away, and, recognizing that fact, we created the Work Experience Programme, which now gives young people an opportunity to be attached to an employer so that he or she could gain that much needed experience. That programme has received support from the employers and the young people are clamouring for it.

We are not alone in this programme because when I did some checking I found out that in Ireland the programme has been a very successful programme and it is one of the ways in which they are introducing the young people into the work force. In Britain, there is a search for programmes, and there is something called the Youth Training Scheme, the YT Scheme, and what the White Paper coming out of Britain says, the one that was published in April of this year, is that ways and means have got to be found to keep people in training up to at least the age of 18, because it is recognized in Britain that training is the key to the future world.

When we hear the Opposition talk, we wonder if they ever had an opportunity to govern this country. But what happened? The honourable Member for St. James South was Director of Youth Affairs under the Democratic Labour Party. He had an opportunity to put forward these schemes and programmes. He did not do it. Can the young people of this country, can the mothers and the grandfathers and the parents, take the Democratic Labour Party seriously when in 1976 they fooled the young people and allowed the young people to roam the streets? I can remember that the then Minister of Education, who is not in this Chamber now, invited the young people to go and register only to have them frustrated. What a ridiculous situation! And now you are talking about what you are going to do to help create employment!

I am saying to the young people of this country, this Government cares about them. This Government has provided not only training and equipping them with jobs, but this Government has embarked on a vigorous sporting programme so that those people can become the Sir Garies, can become the outstanding cricketers or footballers of the region earning thousands of millions of dollars. But what have we heard from the Opposition? Linking tourism to sport. Let me say this. I have already announced that, not on one occasion, on a number of occasions, so the Opposition, the Democratic Labour Party is not with it. I am on record as saying years ago that the Government's policy is to link sport with tourism. So we are not hearing anything from the Opposition. They are copy cats.

We have international events coming here: surfing, the 10K. We are bringing international tennis stars to Barbados. With those events, we are able to lure visitors who we know are keen supporting enthusiasts to Barbados. We are thinking about developing the motor racing track at Bushy Park in St. Philip. We are thinking along these lines. The race that the honourable Member for St. Thomas has alluded to, the Bentom race earlier last year, the Cockspur Gold Cup, is an international event, say what you like, and we have seen thousands of Barbadians and foreigners coming into Barbados to witness that event. That is what we want. It brings dollars into this country. So we understand the policy, linking sport to tourism. We do not want you to tell us that. We have already done it, and we will continue to accelerate this sort of programme.

We have said that we will make sure that our facilities in Barbados are brought up-to-date and upgraded, and you can see the accelerated programme where so many playing fields have been provided – only to be condemned and criticized by the Opposition. But we understand your negative approach to the young people and their needs and desires, because in 1976 you made available a mere $125 000 for the development of sport, and a mere $50 000 for other cultural activities and community development. We know that you do not like the young people. You treated them with contempt! If the young people had to know what you did to them, how contemptuous you were of them, they would not have any uses for you. But you can go on.
3.15 p.m.

Do not let us fool ourselves. The young people are wiser today than ever before in their lives, and they understand. Look around Barbados and you will see many sports fans. Look at how many footballers on every cricketing field, pavilions going up, young people taking part and not committing the sort of crimes that some of you would believe of them. The young people want leadership. They want an opportunity to express themselves. They need guidance, and if that is done, I am sure we will see the young people improving in this society. I am not going to condemn them, because I know that there is good in them. There is some bad in some, but there is a lot of bad in some older people, too, like the honourable Member and shadow Minister of Finance, who yesterday sought to mislead and to offer false statistics to this Honourable Chamber.

Mr. Speaker, I have heard the Opposition talk about the old people's programme. The honourable Member for St. Philip North jumped up and he was in defence. I do not know what he was defending. All that I said to him earlier today is that I was made to understand, and reliably so, because Members of the Opposition talk confidentially to me, that what was meant by the added $2 pension over what we offered coming from the shadow Minister of Finance was in exchange for the abolition of the Housing Welfare Programme along with the Home Help Service. I was told that. They say that they are going to give the old people $2 more but they are going to do away with the Home Help Service. 'What help do they need? What kind of Housing Welfare Programme do they need? We are not going to continue that!' I was told that, and I have good reason to believe it, and when I asked Members of the Opposition today they were completely worried, and that is why the honourable Member for St. Philip North got up and made that explanation.

We know you do not like the old people. We know in 1976 you spent money which was supposed to be used to help the old people repair their houses on house repairs for able-bodied young women. We know that is how you operate. We know that the money was frittered away under the Democratic Labour Party. So you do not have to try now to make out a case that you are going to continue this.

For the Members of the Opposition's information, we already pay water bills for the old people. We pay electricity bills for the old people. We pay house rent for the old people. We pay land rent for the old people. They have free bus rides and – let me tell you something – they are very happy with that. On Sunday afternoons, you should see some of them getting dressed 'snug' and taking a drive on the Government's Mercedes, going to St. Lucy just for a casual ride in the evening. You cannot deny them. What else? They are getting free medical attention and, in addition, to that they are getting free medicine. Are you going to deny them that?

When you talk about the pensions are not enough, when we have increased them from $40 to $48, you must also be quick to point out that this Government has also accelerated its House Repair Programme. Do not mind you are talking about $2.00 extra. We have given some old people and welfare persons brand new houses. The estimated value is sometimes $15 000. That is what it cost for the house alone, and not only that, we put in electricity. We want the honourable Members to understand. You cannot tell us, you are behind time.

You do not understand that when I was Minister responsible for Welfare I insisted that a programme of wiring the houses of senior citizens whereby electricity is made possible. There are cases where some of the houses are located in areas that make it impossible to wire, because to wire them would take lots of money to run poles. But you do not have to worry. We recognize that some of these senior citizens and the poorer people in the community, and not only the poor people but lots of other people, use kerosene oil stoves. I saw a report about a week ago where it said that more and more people are purchasing kerosene stoves, that was a headline in one of the leading newspapers and we recognise that when we take off 27 cents or 28 cents per gallon on the price of kerosene, we are doing a lot of good to the users of those stoves.

We do not want you to tell us about caring for the old nor for the young. We already have a caring Government, a Government that is with it, which understands and relates to the problems confronting the poor people in this community, and I am sure that the Government will continue.

There are plans to have, Mr. Speaker, a Day Care Centre in St. Lucy at Checker Hall. I do not hear the honourable Member for St. Lucy, (Mr. R. E. Brathwaite) talk about it. We are expanding it because we believe in taking care of the very young. We intend to look after the old and everyone else. This is a caring Government but you do not understand that.

So I would like to invite all Barbadians and this Honourable Chamber to support this Budget. Do not go for the cheap gimmicks. Promises, promises, promises! What do you expect? You want a Government so you must bluff the people? But if you get in we know that you are going to do them in, you are going to wax them, because you say you are going to come back. We do not forget that in 1976 you put on the 10% on travelling tickets. You put them on. You reduced bus fares to 25 cents because you wanted to win the election, and the people did not pay any mind. We understand that. Tricks! But, as I said, you must understand while you talk, we work. We are not the talkers only. We are the doers, and that is where the divide is between the two parties.

Mr. Speaker, I submit that we support these Budgetary Proposals.

Applause.

Mr. SPEAKER: The honourable Member for St. Philip South.

Mr. H. A. BLACKMAN: Mr. Speaker, for part of the 30 minutes of the honourable Member who just sat down, I was convinced over here that he was putting a case for the Democratic Labour Party even better than those of us over here could put it for the Democratic Labour Party.

During the honourable Member's speech he said young people want jobs. They want to be independent. That is what the honourable Member said. We over here have been telling the Labour Party this for the past three or four years, that young people in Barbados want to be independent, they want jobs, and they do not want to be dependent on any Minister for any hand-outs. They do not want to depend on any Minister to find jobs for them, because we recall that under the Democratic Labour Party, persons with four or five certificates would apply to the Public Service Commission, certain regulations would be gone through, and then you would get a letter telling you to come to work. Under the Barbados Labour Party, if the reference letter is not signed by a Minister there is no job. So when he is saying that young people in Barbados want jobs and they want to be independent, we are at one.

The only other thing I would like to respond to from the honourable Member for St. Michael South East (Hon. DeL. O. Bradshaw) is that he said that when they came to power the unemployment rate was 22½%. Well, that was said during the election time in order to catch votes. Because those of us who have been in here since 1981 have heard on many occasions the late Prime Minister say that unemployment at that time was never 22½%, that it was more like 15% or 16%. I have heard the former Prime Minister say that on more than one occasion. So I am not going to waste anymore time with the honourable Member for St. Michael South East because, as usual, he was keeping a lot of noise, but the people are hearing him and the people will know whether what he said is the truth or not.

Mr. Speaker, I believe that in discussing this Budget today we have to look and see where we were just before the Budget was delivered on Wednesday, and we have to look and see how we got there. The problems, Mr. Speaker, in Barbados mainly go back to 1981, just before the election in that year. You will recall that the late Prime Minister in his Budgetary Proposals of that year, 1981, said, "one good term deserves another." On May 8 of that year the Deputy Prime Minister, who is now Prime Minister, said, "Barbadians never had it so good." Mr. Speaker, the thing that amazes me is that these two honourable gentlemen knew when they were making those statements that they were not telling the truth. They knew that what they were saying does not square with the facts.

4.00 p.m.

Mr. SPEAKER: Is the honourable Member accusing these Members of misleading the House? The honourable Member is fully aware of the Standing Orders of this House. It would be better if you rephrase your terminology.

Mr. H. A. BLACKMAN: I will reverse it. The two honourable gentlemen knew that the words that they used did not square with the facts at that time. By the time of the speech by the Governor-General the Throne Speech, all of us in here realised what hardships were in store for Barbados. By October 1981, there was a mini-Budget designed to correct the wrongs that were done early in 1981. Then came the IMF, then came 1984 – we are coming down through – and taxes were put on severance payment. I said it then and I will say it again in this Honourable House, I am still firmly convinced that those taxes were put on severance pay primarily because a large company in Barbados where I have the honour to work was at that time in the process of making redundant a large number of senior persons who would have received large sums of money, and the Minister of Finance at that time saw an opportunity where he could collect some more taxes, and the severance payments were taxed.

Mr. Speaker, let me say this. I have already declared my interest.

Mr. SPEAKER: The honourable Member is breaking several of our Standing Orders, several of the Rules of Parliament. I did not want to interrupt you in your speech, but please be very careful how you continue.

Mr. H. A. BLACKMAN: The result of these policies followed by the Barbados Labour Party has seen what in Barbados? The result of the policies has seen more women going to Glendairy Prison because of inability to repay debt than ever before. The result of the policies followed by the Barbados Labour Party has seen women scavenging in garbage dumps to get something to eat, and when we told the honourable Members over there that this sort of situation was happening in Barbados they denied that it was happening, and when they discovered it, they had to put security guards at the garbage dump in Kingsland. They denied that it was happening!

I go further. What have the policies of the Barbados Labour Party brought Barbados to? They have big men and women in Barbados today going and taking canes from plantations and selling them in order to make a living, and in some instances using them as a meal. I am telling you what I know, I am not telling you anything that any person tells me. What have the policies followed by the Barbados Labour Party done? Dozens of persons today are selling by the wayside during the day and roasting corn at night in order to make a living. This is what the policies of the Barbados Labour Party have brought to the people of Barbados. You have the policies of the Barbados Labour Party where they have got to the stage now where Welfare Officers have not been paid travelling allowance since last year, and what I am telling you is a fact. At a time when unemployment is going up, where the Welfare Officers have to travel even more, you have not been paying them. This is the situation which Barbados finds itself in today.

In the midst of all this demeaning and degrading experience of most of the citizens of Barbados, the Barbados Labour Party has gone stubbornly on in the belief that it alone knows what is right and everyone else is wrong. That is what they have been doing for the last five years. I tell you, Mr. Speaker, what has come out of all of this. The Barbados Labour Party, instead of looking at itself, instead of looking at its policies to see where the policies have been wrong, has been blaming every institution, every organisation, every profession and every person in this country for their shortcomings. The Ministry of Education blames the teachers and the headmasters. The Ministry of Transport, they blame the workers. The Ministry of Tourism, they blame the ski operators and persons trying to sell on the beach. The Ministry of Health, they blame the nurses, the doctors, now the radiographers. The Ministry of Agriculture blames no one, because it is doing nothing. That is what is happening in Barbados today, and I will get to the Ministry of Agriculture later on. The Prime Minister blames the Minister of Transport for the state of the roads. The upshot of all this, Mr. Speaker, is that, for the first time in the history of Barbados, every single sector of workers in this country is up against the Government. The Government has alienated every single sector of the community, from firemen to policemen, doctors, radiographers, nurses. You know this is so, because I am telling you, if you all would keep your ears to the ground you would know that the people out there are longing for you all to call elections to get rid of you.

Mr. Speaker, I have put my case to show the point where we have reached just before the Budget on Wednesday. Now I go to the Budget as such. When I look at the economy of Barbados, the Barbadian economy it is said depends on three main planks – agriculture, manufacturing and tourism. When I look at these three planks of the Barbadian economy – agriculture, negative growth; manufacturing, negative; tourism, negative! Mr. Speaker, would you believe that we have reached the stage in Barbados today where the only thing that a Government can find to brag about is mining and quarrying? And in that situation they are digging up all the rocks and the marl and throwing it in the sea, but they are bragging about mining and quarrying.

We have reached a very sad state in Barbados today under the Barbados Labour Party. What has happened is that Barbados has now become a mediocre society, where we glory in the slightest little advancement, forgetting how far back we have gone and that we are only now easing back forward. We have become a mediocre society, and I will explain what I mean by we have become a mediocre society, and I will start with inflation.

They brag about they have kept inflation low. The Barbados Labour Party has not kept inflation low. Thousands of people are unemployed, do not have any money. It is not a situation in Barbados where there is too much money going after too few goods. There is no money. There is no investment. You have to understand, Mr. Speaker, the nonsense about inflation low and therefore you do not see why anybody should be asking for more percentages in this or that. It does not hold water, and that is why not one single housewife in Barbados will ever take you all seriously when you speak about inflation is only 2% or 3%. That argument holds good for places like in the United States of America where you have vibrant consumer agencies, where prices are monitored, and if the prices go up by a penny, you are told, do not buy that. You cannot use that argument from North America and bring it to Barbados.
4.10 p.m.

What is more is this, that the Barbados Labour Party is taking off most of the people's money from the top in levies. If you take off the money in Transport Levy, Health Levy and all of that, how then can you turn around and tell the people they cannot ask for more money because the inflation has only gone up by

2%? You are taking the money from the top, so the people have less money, less disposable income, and you cannot just bring economic policies or economics from outside, from Great Britain or in the United States, and just dump them willy-nilly on the people of Barbados. You have to take all the peculiar circumstances of Barbados into account.

This Barbados Labour Party has systematically destroyed the middle class in this country. I am saying, Mr. Speaker, that if there is one class that has been destroyed by the Barbados Labour Party it is the middle class in Barbados. Under the Democratic Labour Party between 1961 and 1976, we had an emerging middle class, people like us who came up poor and suddenly saw the light at the end of the tunnel and started to move. The Barbados Labour Party has got in, and since then what has happened? The middle class has stopped, and if the middle class has stopped, those behind them cannot move. An economy is something that is dynamic, and people start to advance. If you stop one group, you are retarding the other group as well. They came on Wednesday with a sort of plot for the middle man. But there is not a single middle class person in Barbados who has not seen through the policy of this Barbados Labour Party Government.

I turn to pensions. You hear a lot of song and dance about the pensions that they are giving to the older persons. The honourable Member for St. Michael South (Mr. L. E. Sandiford), I believe, dealt very well with one aspect of that, because, as you would recall, he compared the difference in salaries of the Prime Minister then and the Prime Minister now and the pension then with the pension now. I believe he dealt very favourable with that. But what I am saying, Mr. Speaker, is that when you look at the pension today for the old aged pensioners, it is $40 at the moment. Electricity in 1976 was $11 on the average, water rates $6. That is $11 for two months then. Today electricity, the minimum bill is around $50 or $60. Water rates are $51. Check with any old aged pensioner in Barbados.

What amazes me is that when I go through St. Philip doing my house to house work, there are old aged pensioners complaining to me all the time that the Government does not pay their water bills and they are very tardy in paying their electricity bills. I am hearing today from the honourable Member who just sat down that the Government pays the water bills and is paying the electricity bills. That is another of the hoaxes that was played on the people of Barbados in 1976, because you all promised the old aged people that you would pay their water rates and electricity rates in 1976 – you promised them that – but I had the privilege of sitting in here and hearing the late Honourable Prime Minister say that they never meant to pay all – they only meant to pay some. That was one of the hoaxes that you all played on the people in 1976.

When the honourable Member for St. Thomas (Hon. D. A. C. Simmons) speaks about no tricks in 1986, I believe the people in Barbados realize what he means, because people will not be tricked anymore. People have seen through the Barbados Labour Party. They realise that the Barbados Labour Party has not been operating on their behalf, and, as I have said before, they want to call the election as quickly as possible. I am telling you that.

I go on now, Mr. Speaker, to tourism. Over the past three years or so, we have had a lot of rhetoric in tourism and no action. I am not surprised that tourism has not advanced anymore anyhow, because the Minister should never have been Minister of Tourism, and he was never put there to be Minister of Tourism, as we stated in here before.

Early in 1985, it was officially stated and reported in the news media that prospects for the summer season were very good. They said it would be certainly better than the corresponding period in 1984. It turned out to be worse. The Minister in 1985 said that we would see the highest number of visitors ever recorded in Barbados. He said it would top 400 000. They were less then in 1984. In late 1985, the Minister again, the Chairman and the Director, all said that this would be a bumper winter season. Mr. Speaker, let me tell you something. It was patchy and disappointing, and the only thing that saved it was the severe winter in the north and the influx of the visitors who came to watch the test matches. That is what saved it, but for three years, we have been having talk all the time of how great tourism is, what great strides tourism is making, and when you look at the facts at the end of the year, when you look at a review of tourism at the end of the year, you see all the rhetoric was nothing more than what it is – rhetoric!

Even in the Estimates that have just gone, the Minister again said that indications are that it will be a good year this year. The Minister has to understand something, that saying it will be a good year does not mean it will be a good year, and he has to understand that hard work does not mean a lot of talk. We are having a lot of talk in Barbados and no action from every single Ministry, and that is why Barbados is at the position that it is today.

The Democratic Labour Party has put forward some suggestions for the ailing tourist industry, and before I go to the proposals that we have put forward, I would just like to say that the late Prime Minister, speaking to the Tourist Board and the Minister at the time, it was the Deputy Prime Minister, in 1983 said, "Spending on

advertising alone is not the prime determinant in the popularity of a destination. There can be no justification for increased spending or promotion until serious weaknesses have been corrected" – That is what the late Prime Minister told us in 1983. "Too much public money has been wastefully spent already" – the late Prime Minister told them that in 1983 – and they are still going to waste the taxpayers money.

I go further. The late Prime Minister did not stop there. He said "The time has come for a much more fundamental approach to the problem than seem evident in the counsels of your Board and I would wish you and the Board's considered judgement on what I see as your total failure over the past three years." That was in 1983. Everything has deteriorated since 1983 with the tourism sector.

4.20 p.m.

We have to understand certain things, and I say this: the Honourable Shadow Minister of Finance came in here yesterday with his proposals, realistic proposals, proposals that he has been putting forward for the last two, three or four years to get this economy moving. After all, Mr. Speaker, if you look at how the Barbados Labour Party operated, it has brought Barbados to a standstill. Don't you believe that it is time that policies are changed, that the policies that they have pursued which have brought Barbados to this situation should change around? It is time to change them around to the proposals of the Honourable Shadow Minister of Finance in the Democratic Labour Party.

We have said over here that in the hotel industry property taxes will be reduced by 50 per cent. What could be wrong with that? The hotel industry is ailing and it needs some revitalisation. That is what it needs and that is what we intend to give it. We went further and we said that the Hotel and Restaurant Sales Tax will be reduced from 8% to 5%. What is wrong with that? We are making it cheaper in the hotels for visitors to come here. We said that the charge for a visitor's driving permit will be reduced from $30, which was a total nuisance and a stupid thing to put on, to $10. What is wrong with that? We are trying to get the tourist sector moving again.

Mr. Speaker, dealing with unemployment, I will read from the response to the Budgetary Proposals in 1976, at page 7081 of Hansard. These are the words of the late Honourable Prime Minister.

> "Mr. Speaker, how long can a country survive where even a quarter of its citizens who would work, are out of work? How long can you avoid an explosion? You cannot avoid it forever by giving false leadership and giving false statistics and making people feel that unemployment is structural to mankind: that in every economy there must be unemployment."

I go further, quoting the late Prime Minister.

> ".....those of us who have been to Bermuda that has a Government not notorious for putting the interests of the people of Bermuda or the black people of Bermuda first – even if we only go to Bermuda we know there is no unemployment. There need be no unemployment in a small island."

That is what the late Prime Minister said in here in 1976. From over this side he said that. Now they are blaming every single person throughout the world for the unemployment situation in Barbados, and have not been looking at their own ineptitude to try to correct the unemployment problem.

We on this side have set out a number of proposals designed to correct the unemployment in Barbados, but what has got them in a speed wobble is the presentation of the honourable Member for St. Michael South Central yesterday afternoon. They could not understand. They never expected that the honourable Member and this party would have come with alternative proposals, because for four years they were saying that we are always criticising them and never tell them what to do. Well, we have told you what to do at the right time. We are not stupid. We would never have told you before; we have told you now at the right time.

Mr. Speaker, in the two minutes left to me, or minute and a half, I would just like to say this: the people in Barbados today have a choice to make, a clear choice. You have heard the Budgetary Proposals put forward by the Honourable Prime Minister, you have heard the alternative proposals put forward by the Democratic Labour Party, through its Shadow Minister of Finance. The people of Barbados will have to decide whether they are going to continue with the Barbados Labour Party, which has a leader and every single Ministry he has ever held has gone to the dogs, every single one – Trade, Industry, Tourism – and the only adjective that has ever been used to describe that Honourable Minister's work is "hard-working". You have never heard good, great, not bad, but "hard-working". So the people in Barbados have to decide, you either want the Barbados Labour Party again or you want the Democratic Labour Party, led by the honourable Member for St. John, with a proven team, a team that know what governing is all about.

Thank you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, I beg to move that this sitting be suspended for 15 minutes. This is a request of Mr. Speaker, and I am quite sure the House would gladly oblige.

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.
4.30 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. L. S. CRAIG (St. James North): Mr. Speaker, I believe that there are two very important days in the lives of all Barbadians in this country, one is when the Minister of Finance presents his fiscal proposals to the country, because it impinges on the livelihood of all Barbadians for the ensuing year, and the second very important occasion in the lives of Barbadians in this country is when they have to choose a Government to determine their fortunes over the constitutionally agreed to five years. It is therefore, Mr. Speaker, that I speak this evening with a degree of sadness to know that the Budgetary Proposals have been treated in a manner – to quote the Member for St. Michael North West (Mr. L. A. Weekes) – as "an evening of entertainment". That is how important he has treated the fiscal proposals by the Minister of Finance. Whether they agree with them or not, it cannot be "an evening of entertainment," and that saddens me.

The other aspect of it, Mr. Speaker, is that I regret that, before a national audience and beyond these shores, my country can be torn apart, ripped apart in the eyes of my Caribbean friends, my Caribbean neighbours. I never knew, Sir, that I would have lived to hear the day when any person in Barbados, and moreso speaking from the floor of this House, can accuse Barbadians of scavenging for food on dumps in this country. It is something, Mr. Speaker, that saddens me. But I believe, Mr. Speaker, that the people will examine all of the criticisms, all the insulting language used about the Barbadian women on the floor of this House, what they have to do to supplement their incomes and that the prison population has gone up in Barbados because they are unable to pay their debts. I have sent for the figures, Mr. Speaker, to determine at this point in time how many women they have in prison, and I hope to give these figures to this House this evening.

On the other hand, Mr. Speaker, I would like to get another two matters out of the way, and these should be of no great importance. The Member for St. James South (Mr. N. K. Simmons), paid me a compliment on one hand by referring to me as the Deputy Prime Minister *de facto*, but, on the other hand, he said that he was besieged by young people worrying how bad my conduct is, and my integrity has been challenged. I want to say this, Mr. Speaker, I am happy, very, very happy, to be the proud father and husband of a Craig family. I would never ever be in my life, ever in my life – and my family's integrity can stand the test of time in this country – want to be a brother of the Member for St. James South. I would not like to be any relative of his, because his integrity and his family's integrity can be challenged. I regret I have to say this to you, but when you come in the kitchen, you must face the heat, and only time and history, within a few months, will prove whether I am right or wrong.

Mr. Speaker, the fiscal proposals brought before this Honourable Chamber and presented by the Minister of Finance and Planning set about to provide a better way of life for all Barbadians, to remove whatever little discomfort there may be among our senior citizens, to relieve some of us who pay taxes so that the tax burden can be shared properly among those who can best bear it, Mr. Speaker. But we have heard of the national debt of this country. We have heard of the Barbados Defence Force torn apart and reduced in the eyes of this country. We have heard, and I repeat, what our women folk – on several occasions utterances have been made publicly and reported in the Press and not denied by the Leader of the Opposition – must do to supplement *their* incomes. And there is nothing worst, Mr. Speaker, than for a man who helped charter the course of this country for 15 long years to have come in the evening of his years, in the sleepy evening of his years, to try to drag this country down to the lowest possible ebb.

I have before me, Mr. Speaker, the facts, and this is for the Members in this Chamber, the country at large and for our Caribbean neighbours, that at the present time, at this very moment, there are 11 women in prison in Barbados. That is the population of the women in prison in Barbados, 11. And we were told this evening by the Member for St. Philip South that the highest population of women ever in this country is now in prison because they are unable to pay their debts, Eleven women, Sir, 11!

Sir, I want to make reference here to a relatively important subject which I think has been tugged about today, in particular by the Member for St. Michael North West I think it is. In his contribution this morning he told this Honourable Chamber that an old lady met him and hugged him, called him to her home and told him that things were so good during the regime of the last Government on $13 per week that she was able to buy food, save a couple dollars and also give her grandchildren some money, on $13 per week.

I have with me, Mr. Speaker – I hope you bear with me – some figures. First if it was a husband and wife, that $13 would have to pay all of the expenses for the husband and wife, because there was a Means Test. So the two persons would have to live on the $13, as long as

they were getting any pension over and above the $13 which was then paid, Sir. I have here, Mr. Speaker, with me maybe the basics which a senior citizen would try to exist on: a tin of corned beef was for $1.47 and a two pound bag of rice was for 90 cents, a box of matches for 5 cents, one pound of onions for 72 cents, a cake of lux soap for 68 cents, a roll of toilet paper for $1.20, 1 gallon of kerosene oil for 96 cents, two pounds of sugar for 76 cents, a small package of tea for 76 cents, a tin of cocoa for $1.13, a tin of condensed milk for 66 cents, one pound of meal for 37 cents – this does not include okras – one pound of salt for 20 cents, a small Tide or Breeze for 83 cents, one pound of split peas for $1.25, a tin of sardines or mackerel or Middle Cut for $1.41, a half pound chicken backs for 67 cents, one pound flour for 62 cents, one pint of lard oil, Sir, for $1.34, a small margarine for 52 cents, a package of Eclipse Biscuits for 39 cents, a pound of sweet potatoes, imported by Mr. Sam Gibbs – when the Minister of Trade at that time was the then Member for St. Michael West (Mr. B. M. Taitt), he gave him a wide range to import things into this country, and among them were sweet potatoes – sold to old age pensioners at 80 cents per pound – so happy was Mr. Gibbs that he referred to the Member for St. Michael West as a "nigger of class and may God bless you" – a small macaroni, Mr. Speaker, for 46 cents, a pound of English potatoes for 32 cents, a half pound of pork or stew beef for $1.67.

4.55 p.m.

Mr. Speaker, when you total these together, Sir, this brought us to $19.53. This does not include, Sir, clothing. It does not include, bus fares. She was unable to put anything into the collection box of the church which she believed in. She was unable, Mr. Speaker, to buy any Alcolado or Limacol or aspirin in the event of a head-ache, because there was no National Health Service. She was unable to go to the very Member's drugstore, Sir, and buy some mints, which he would have sold her on that occasion, Sir. All of this was for $19.53 and, there-fore, I cannot understand how is it that this gracious old lady could have called the Member to her home and hug him and kiss him, and say to him that on $13 per week she lived very well, saved a couple of dollars and then gave her grandchildren something. I will say this: I would like to meet that old lady and ask her to adopt me.

Laughter.

Hon. L. S. CRAIG: This is the type of picture, the whole pattern of the debate coming from the other side, Mr. Speaker, for the entire session.

I would like to say, Mr. Speaker, beware of the Greeks when they bring you gifts. For we have heard, Mr. Speaker, coming from the Member for St. Michael South Central (Dr. R. C. Haynes) all of these grandiose things which he is going to present to this country. They have given us their manifesto which we can now sit down and examine, as well as the general public, and digest it, and determine what is right from what is wrong as we grow closer and closer to the election. Mr. Speaker, when they went out of office, they were taking 27% of the income tax for this country's revenue. Under us 17% – not during the Budget but before the Budget – was paid towards the country's national revenue. It has taken 25 years from 1961 to 1986 for the Oppposition to determine what beautiful things they would bring. We heard nothing at all from them between 1961 – 1976, when maids earned $48 per week, when a shop assistant earned $35.00 a week, and had to pay income tax. We never heard of these grandiose plans at the time, how they actually killed and destroyed the social fabric of this society with their mismanagement and their corrupt practices, which were highlighted in the report that came before this Honourable Chamber, which my colleague read out, where money was voted, and when we thought money was voted for houses and the repair of houses for the senior citizens of this country, who gave so much and during their time received so little, according to the auditors' report the money found itself into the hands of other people who had no need for it.

We are hearing that orders are going to be given – not carried out, given – that there shall not be any political interference and there shall be all the integrity and all the co-operation in Government and at the governmental level. It is a very easy thing to give an order or to make a promise, and equally as easy not to carry out the order, and equally easy to break a promise, as you have done so often in this country. When you were in Government you had an inflation rate of 45%.

Asides

Hon. L. S. CRAIG: All right Sir, this has been read repeatedly and it is needless for me to make it a document of the House. I am reading, Sir, the manifesto of the Opposition Party of 1976. I said that they had an inflation rate of 45% and they chuckled, conveying that I was misleading them. I am going to read from their own document, Sir – 40%, I beg your pardon:

> "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%."

We managed to reduce the rate from 40%!

Asides

Hon. L. S. CRAIG: Listen, I said 45%. I stand corrected. I have corrected myself – 40%. You are proud to know that the inflation rate was 40%. You are proud to know that the very old age pensioners, who you said you gave so much to, had to exist under an inflation

rate of 40%, and, as compared with today, they are now going to receive, Mr. Speaker, $2 496 per year. That is what we pay to the old age pensioners starting from this Budget, $2 496 per year to live on, while you gave them $676 per year.

I just want to get this out of the way in relation to the old age pensioners and the senior citizens who you have been making a song and dance about. You have no record in respect of those people, absolutely no record. There was a time when you went to repair a house, and when you finished repairing it, you found the outside was grey, because of the weather, with a new board stuck in here and there, or a sheet of galvanize put on. This is not done today by us. We demolish the house first thing, if we feel it is not good enough, and build them a new house, and put in it water and electricity paid for by the Government of Barbados. There is a Home Help Programme where the senior citizens can sit down and wait until someone comes and bathe them, comb their hair, wash their clothes, make their bed up and prepare their meals.

I am hearing today in here that the worst time ever in the history of this country is now – so bad it is that you have people walking around taking food off the dumps to eat. Yet the experts claim that they are unable to lend the Barbados Government more money because we are doing so well, and we have to look for other avenues to find money to carry out our programmes. So well are we doing in the eyes of the entire world, the experts, that we are leaders in the Caribbean, the English-speaking territories, they look forward to us for the lead in respect of other people. But we hear this evening from that side a picture of gloom and doom. From 1981, when the shadow Minister of Finance, the Member for St. Michael South Central, took over, there has never been a Budgetary Proposal in here, or in the Estimates on a second reading, that we have never heard that Barbados' economy is going to collapse, that the national debt is too high. We repeatedly said to them, a man will only give you credit if he is satisfied that you can pay, and pay back on time and pay well, and we have not faltered in our commitments overseas.

5.05 p.m.

Sir, I think for the record one should have an idea about how this $1 454 billion was spent. It was spent during the past nine years, and, obviously, some would have carried over from their time. The difference between that and what it is now, I have not worked out, Sir, but we built ten primary schools, we built the Adam International Airport, we extended the harbour, we built the holiday resort at Heywoods, we built the Spring Garden Highway, the St. Barnabas Highway, the Arawak Cement Plant, the sewerage system which we are paying for, and for which the Member for St. Michael South committed this country to increasing the water rates. His signature is on the document increasing the water rates, which he has to answer for, so that the water rates must pay for the sewage plant, increasing water rates. The Member for St. Michael South who has just left his seat is responsible for that. The whole of the Scotland District, for the purpose of saving our lands, planting the trees, putting in gabions, extending six secondary schools, Mr. Speaker, polyclinics, all of these things is where the National debt is. A new General Post Office building, all of these things is where the National debt is, where my children and your children and your children's children must pay, because of the imaginative approach to this country, not until we go into the year 2500, we do it now so that they will have to bear the cost for our imagination. Sir, the Samuel Jackman Prescod Polytechnic, the extension to our Queen Elizabeth Hospital, BIMAP, all of these things is where the national debt is. It is not in the pockets of the Ministers of Government or the members of the Opposition. Nineteen point four million dollars alone to improve the facilities at the QEH where Barbados can boast of one of the finest medical services in the entire Caribbean, one that we can be justly proud of. And what do we hear, Sir? What do we hear coming from the other side? What are their criticisms? Not to laud the Government, I would not expect, them to, but to be able to pull down their country. And yet, when the experts come here to Barbados, what do they say? Barbados is well managed.

Sir Shridath Ramphal, in opening a conference at Heywoods – I think it was the Ministers of Finance Conference about two years ago – said that Barbados was the envy of the Caribbean and Central and South American countries, and many of the other Third World countries. Sir Ramphal is the Commonwealth Secretary General, who must know what he is talking about, since that information must pass through his desk, and he lauded the Government of Barbados for all that it has been able to do, even in these very harsh times of economic recession, where countries throughout the world are cutting back in salaries for their civil servants, sending them home by the hundreds and by the thousands, massive layoffs as you look at the CNN news in the United States of America, in Trinidad, our own neighbours next door Barbados can give civil servants an increase in salaries, I think to the tune of some $17 million it cost the Government, but I stand corrected on that, Sir, and is employing additional civil servants to carry the burden of free secondary education from nursery to university level, Sir.

This is a proud record of a proud country. I am not talking about Government at this point in time, I am talking about my country, the country in which I was born and in which I am prepared to live and have the honour to represent. All that we have heard from the other side is gloom and doom, the cutting down of Barbadian citizens, but in the Leader of the Opposition's own words – and I quote him, Sir, from page 483, Debates of the House of Assembly in 1967 – this is what he himself asked of the Barbadians:

"It is also my highest hope that those who would wish to see this country progress should refrain from indulging in propaganda outside of the island calculated to damage the credit of the country in the eyes of would-be investors."

That is the message sent out in 1967 by the now Leader of the Opposition, who was then Prime Minister, who had called upon all Barbadians to refrain from saying things that would damage the credibility of this country. Now this evening we have heard his own members, before a national and CARICOM audience, telling me that there are Barbadians who go to dump heaps for a daily meal and you have to bring security guards to stop them from scavenging. What an indictment, Sir!

Mr. SPEAKER: And that brings the honourable Member to an end.

Hon. L. S. CRAIG: Sir, finally, I simply say to you.....

Mr. SPEAKER: That brings.....

Hon. L. S. CRAIG: .....let us be all strict guardians of our heritage and be firm craftsmen of our fate. You would endorse that. That is all I say to you.

Hon. L. R. TULL (St. George South): Mr. Speaker, I have listened to this debate from last evening, and much has been said about the Government's record and much has also been said about what the Opposition would, if they had an opportunity to do, do in this country. I want principally to deal with the area of my ministerial responsibility, that is the Ministry of Commerce and Industry, but it would be most uncharacteristic of me if I did not deal not only with some of the things that were manufactured in this Chamber, but also with the people who manufactured them.

5.15 p.m.

I want, first of all, to say that what has come through from two or three spokesmen of the Opposition is the contention that vital to economic growth in this country is the promotion and expansion of exports. That is a policy that this Government holds dear and is an area in which it has made a number of efforts, through incentives to industry and through other grants, and by promotional efforts, through its Industrial Development Corporation, its Export Promotion Corporation and other agencies. This Government has tried to put a major emphasis on exports, because we feel, as a basic tenet of our philosophy, that unless we can improve the flow of goods manufactured in Barbados overseas, there is very little chance of any sustained economic growth. It is for this reason that last year in the Budget the Prime Minister and Minister of Finance in his Budgetary Proposals came up with a number of measures that sought to stimulate activity in the manufacturing sector, particularly that part of the sector that was seeking to penetrate extra-regional markets, and I will mention three or four of those measures.

Last year, introduced was an allowance of 150% of expenses incurred in developing markets outside of CARICOM. There was also an investment allowance of 40% in the purchase of new capital equipment for companies, 10% of whose sales are to extra-regional markets. They were also granted a maximum rebate of tax on extra-regional sales, and this has been increased from 50% to 80%. I mention those because it is important to see this year's Budget alongside that of last year's because there is a logical continuation, and those who rant and rave against the proposals of this Budget and the one last year, because both are projected to increase employment in Barbados, are people who either do not know what they are talking about, or, if they do, are not honest enough to say what they know.

What is the background to all of this? We have gone through, in the first part of the 1980s, the most devastating economic recession this world has ever known, and it has played havoc not only with the economies of small states like Barbados, but, indeed, it has had devastating effects on the economies of the major western industrialized areas. There were widely fluctuating interest rates that caused problems. There was a tremendous drop in the price paid for commodities, principally those that come from developing countries. In this region we all know that the bottom is falling out of the bauxite industry in Guyana and in Jamaica. We know that the price of sugar has dropped beyond recognition. We know that cocoa and citrus and all the other primary commodities from developing countries fell dramatically in price over the years. These are the products that we export, and traditionally have exported, to developed countries. So while we are getting less money for our goods as we export them, on the other hand, we are paying far more than we were paying before, because of the devastation caused again by high oil prices, for consumer goods, equipment, machinery, all the sophisticated goods that we import in this country for the enhancement of the lives of the people of this country, all those cost more. So while what we sold brought less, what we have to buy cost more and that is a situation that, ever how much the Opposition may wish it away, is a reality, and it is one that we had to deal with in this country. There was a further question of the high national debt of many countries in the developing world and the amount of protectionism that came in first of all, in the industrialized countries and, subsequently, in the developing countries themselves, and in our particular case in CARICOM caused additional problems to us in Barbados.

It is important, Mr. Speaker, to recognize the fact that despite the phenomena of a world gone mad, the whole total monetary system in chaos, and the richer

countries breaking for themselves and leaving small states like Barbados and other developing countries to look after their own, despite all of that, there was no cutting back on social services or no reneging on social legislation in this country. That is important. One sees, for instance, in the United States of America, when they had the problem the Reagan Administration cut school lunches, cut welfare grants, closed down old people's homes. In short, he used a butcher's knife on welfare services in the United States, and this is a situation that was multiplied many times over in countries, like those in Western Europe, the rich countries. Here in Barbados, despite these difficulties, not only have we not cut our social programmes, but, indeed, we have expanded them.

That is no accident. This party that forms the Government of this country was born in the bitter and seething days of the 1930s, and was at the beginning of a social revolution that would transform the lives of the masses of the people of this country. We have never forgotten our roots, and we will never be moved from our moorings, so that whatever the problems, Mr. Speaker, how ever hard the economic times, we consider as paramount the continuation and expansion of the social programmes.

We are giving the people of this country the things that they fought hard for. This is why during these times we were able to carry on educational reform programmes, school rehabilitation – we have read about it, Sir – we were able to expand health services in this country, we were able to increase the welfare services in this country and we were able to introduce many aspects of labour legislation to give the workers in this country a better deal. Unemployment insurance – an historic piece of legislation, unparalleled in any developing country anywhere in the world, 26 weeks of pay, 60% when you are out of a job in this country, and we have increased, as we have done again in this Budget, provisions for the people at the bottom. We have heard a lot of that in this debate on the old aged pensioners and how well they have been treated, and I, too, must lend my voice to those who say that the pensioners in my constituency are grateful for the additional $8 a week that has been granted.
5.25 p.m.

We heard, Mr. Speaker, talk coming from the honourable Member for St. Philip South (Mr. H. A. Blackman) about the payment of water and electricity bills. This Government has put the honourable Member for St. Philip South in a position to complain about the payment or non-payment of water rates for old age pensioners, because when we became the Government there were very few old age pensioners of this country who had either water or electricity in their homes, so they did not have that problem. Very few pensioners in 1976 had water installed in their homes or electricity, and now we have the honourable Member for St. Philip South in here complaining about the payment of electricity and water bills. We made it possible; this Government has installed water in the homes of pensioners for nothing; and this Government pays, where the need arises, the water rates for those poor people. It does not fit well in the mouths of the Opposition to engage the Government in debate when it comes to welfare services in this country.

There is more to it than that, Sir. When the Democratic Labour Party, that Opposition, was the Government of this country, you got old age pension at the age of 68. Perhaps the plan was that if you kept it late, by then so many of them would die out that you would not have to pay too much money. We recognised that there was a gap where there was a great deal of suffering and we dropped the qualification from the age of 68 to the age of 65 and brought thousands of old people into that ring.

We also, for the first time, removed the Means Test. Mr. Speaker, you would know how that Means Test applied in the old days. Up in St. George, in the constituency in which I live and the one adjacent to it, the one which I have the honour to represent, there was a welfare officer who would go around the old people who applied for an old age pension and seek to find out if they had a quarter acre of land with ratoons growing on it, and if they had, he said, 'No pension!' Or if they had a daughter in England who was a nurse, who would send £10 in the mail for them now and then, they said, 'No pension!' That was the kind of crime encouraged by the Democratic Labour Party as a Government in respect of the old people, and it forced a lot of them against their Christian feelings, to tell lies to get $10 a week, because they needed it. We have transferred that.

I want now, Mr. Speaker, because half an hour is a very short time when it comes to these debates, to deal for a few more minutes with my area, the area of Trade and Industry. We have in this Budget, Mr. Speaker, continued where we started with our proposals to aid manufacturing industry in Barbados. We made provision for market development allowance last year for industry. We have, effective of this income year, investment income retained in Barbados by enclave industries owned by non-nationals will be taxed as income from exports. We allow, effective from this year, a tax credit at the rate of 50 per cent of foreign currency earnings. In other words, Sir, we, in every single step that we have taken in Budgets in the last two to three years, and indeed in measures not budgetary proposals, but decisions that we have taken during the course of this year, sought to bring a certain measure of relief to manufacturing industry, not for the sake of the manufacturing industry in itself, but because we believe that the manufacturing sector can be an important area for licking the unemployment problem in this country, and further because we believe that it has

tremendous potential for export of manufactured goods, thereby winning us a certain amount of foreign earnings.

We believe, Sir, and there are no doubts about it at all, that the whole policy of import substitution, pursued relentlessly by the Democratic Labour Party at one stage, through its principal actor in these days, the honourable Member for St. Michael West (Mr. B. M. Taitt), when he was Minister of Trade, was a prescription for disaster, and it turned out that way. I heard the honourable Member for St. Michael South Central (Dr. R. C. Haynes) in his statement last evening – and I have to keep my eyes on the watch, because I have to deal with some of what he said – talking about incentives to the manufacturing industry and throwing money of the people towards them as if we were not doing it. But it is important to remember, because the historical facts have to be pleaded, that the Democratic Labour Party almost destroyed industry and commerce, business and the distributive trades, when they were in Government, and the architect of it was the honourable Member who will speak next, so he will have a chance to deal with it. Those were the days when business people had to go down at the Reef and line up in the sun for four and five hours to get licences to get goods in the shops in Barbados for Barbadians to buy. You must not forget these things, Sir.

I am not making out a case for businessmen in particular, I am making out a case for the people in Barbados. If you destroy business, you destroy employment, and I am glad to hear that the honourable Members are moving in our direction. But all these problems require a genuine commitment to serious Government, serious public financing and an economic policy that is based on reality. That is necessary. You need that kind of management that would harness the creative skills of Barbadians and encourage entrepreneurs in our community to get involved in these kinds of ventures to create a better environment in this community.

I see that a number of measures have been taken by the Ministry of Labour to deal with preparing young people with skills and having attachments prepared for them, to have them better equipped to move into the world of self-employment, and it is for this reason, Mr. Speaker, that I have long advocated, and I am glad that the Minister of Finance agrees with me – he is very progressive in these areas – that there must be a risk capital fund set up in Barbados, but not under the close clutches of the Barbados Development Bank, with all the rigid feasibility and pre-feasibility studies and all the channels that you have to go through that put off people who want a few thousand dollars to start a small business. You have to set up a risk capital fund in Barbados that the fellow who attends a skills training programme and who wants to be a cleaner can buy equipment; if he is a plumber, he can buy the tools; or if he needs a van to carry around his equipment when he goes around, he can go and get the money without going through all the long arduous and difficult procedures required by these special banks. That is absolutely vital, because our Skills Training Programme and our new orientation in training in this country point towards the development of a number of independent, self-employed young people who are, and who will be, given opportunities for self-development working for themselves. It cannot be done unless you make money available to them to carry out the work they want to do.

5.35 p.m.

Mr. Speaker, Sir, I want very quickly to deal with some of what we heard yesterday. A tabloid newspaper screamed across the top today saying, "HAYNES' WAY". I say, Mr. Speaker that Haynes' way is the Carthagenian way, or, as Latin would say, it is *punica fides.* If you do not understand it, too bad, Sir. Not you, Mr. Speaker. I know you understand it, Sir.

Mr. SPEAKER: No, no, because our Rules provide for our debates to be conducted in the English Language.

Hon. L. R. TULL: Yes, Sir.

Mr. SPEAKER: And I would therefore suggest that you translate it for the Hansard Writer.

Hon. L. R. TULL: My words are, Punica, P-u-n-i-c-a and the second one is f-i-d-e-s. Mr. Speaker, I like your ruling, Sir, but when they start talking about *per se* and all those words in here, you will have to ask them to translate them into English too, Sir. I consider that as a Carthagenian way.

(Aside: Mr. B. M. TAITT: Translate.)

Hon. L. R. TULL: The translation, Sir? What one has to understand about the proposals put by the honourable Member yesterday relates to the whole question of credibility. When the Minister of Finance and Planning puts up his budgetary measures that is law, that becomes the law of the land. He says, "As from midnight tonight" so and so happens. When the Opposition reads out a long list of mumbo jumbo, since there is no time frame put on it and no costing, they can say anything. And I must correct the honourable Members. What we heard from them was not a budget. There is no such thing as an Opposition budget, unless they are budgetting for George Street, in which case, they can do that. What they have is a set of proposals, which may be manifesto in nature, or may be flying a kite to see how the wind is blowing. Those measures do not say how much they would cost, Sir, but I believe we will hear more about that when the night gets a little cooler, and they have never said at what time they would implement these things.

I know the School Meals recommendation of 1961 took 16 years to be implemented. I went into the Ministry of Education in 1976, Mr. Speaker, and had to give directions for the School Meals to be extended to a number of primary schools in Barbados, because it had not reached them. This is not making a statement to knock the Opposition, Sir. I am not into that now, there are other times and other places for that. All I am trying to say is that if you put a programme as a proposal, you have a moral duty to tell the people over what period of time you would implement it. Are you going to implement it in 15 years, 20, 25 or 30 years? If you do not do that you are short changing the people and you are trying to fool them, and they do not get fooled that easily.

Every single proposal that we gave is effective from this income year. What is not effective today will be effective during this income year. These things are important Sir. We have to deal with the whole question of credibility.

I noticed, Sir, that the debating tactic of the Opposition during this debate was to distance themselves from the statements made by their leading spokesman in his reply. All through the debate, Sir, from the time the honourable Member for St. Michael South (Mr. L. E. Sandiford) spoke last evening, they had the good sense to stay very far from the rather alarming statements made by the chief spokesman for the Opposition. That spokesman said in his presentation, he promised, that as individual members of the Opposition spoke during the debate, they would add to the proposals that he articulated. I have not so far all day heard one single member of the Opposition add one iota to the recklessness of the honourable Member for St. Michael South Central. The honourable Member throws out promises as thick as the autumnal leaves that strow the brooks of Vallombrosa – that is not Latin now, Sir, that is Milton, "Paradise Lost" – strows them all over the place, and a gullible 30 or 40 people went out in the yard and swallowed it up, hook, line and sinker. But they are not representative of clear, intelligent and straightforward thinking in Barbados.

The people are asking for answers today and they have not heard anything from the Democratic Labour Party all day. Words, idle words! We know not what they mean. The people are demanding some answers. They want to understand the time frame in which these promises are to be carried out and they want to know about the cost. But do you know, Mr. Speaker, why they are going to fall on the rock of credibility? Because the honourable Member for St. Michael South Central is a man whose life is characterized by inconsistencies. The honourable Member is a man who stood here in this Chamber on two or three occasions and lambasted the Government for introducing price support for the agriculture industry so that the thousands of people in my constituency, in St. George South, could continue to have a job. The honourable Member opposed it. This is election year, so he is bringing in the sheathes; he is throwing out a little bit of bait at the people in agriculture saying he is going to have something for them.

I remember, Sir, when the Democratic Labour Party and its principal spokesman on Finance used to go across the country telling the people not to cut the canes. I used to read the speeches. They used to come on my desk as part of my job. Now we are hearing a change. The people want some answers. What is at stake now, Sir, is the credibility, once and for all, of the Democratic Labour Party. We are not being judged, because ours is action. You can look and see what we do. You do not have to go by what we promise. You can see what we have done and what we are doing day after day. They thrive on promises, Sir, and that is where we have to nail them. Not we the Government, we the people of Barbados.

Mr. Speaker, Sir, every time they talk, they give me something about CARIFESTA, and I cannot avoid it. I am like the handful of people who ran from the Gallery down in the yard and danced a song of joy – I also go for this CARIFESTA think hook, line and sinker – because, Mr. Speaker, I believe deep in my that there cannot be any true development in this country unless there is a development of the other side of the human personality. You give a man a home, a motor car and things like these and you do not give him a chance to appreciate the good and the beautiful things of life and give him the capacity to appreciate them then he is less than human. It is for this reason that I am an unrepentant supporter of the need for Government to inject funds into cultural development, into the arts, so that the same young people that the honourable Member for St. James South (Mr. N. K. Simmons) is always talking about would think that all they need is not a hammer and a chisel and a $20 bill, but they want an appreciation of the solid values of this community. I feel strongly about these things, and these are not the things one usually hears about in debates in this Chamber, they are not concerned about these things.

I feel there must be development of a sensitive and alert and confident citizenry, starting with the young people. I believe that we have to make our young people sure of themselves. They must be solid in their virtues and in their values. I believe that we have a responsibility to make them proud of their heritage and be masters of their own destiny. That is the dimension, the moral, spiritual, cultural dimension, that I think is necessary to bring the development of our young people in this country. We do not hear enough about it.

I do not know how much time is left at my disposal, Mr. Speaker, but very quickly,.....

Mr. SPEAKER: The honourable Member has five minutes left.

Hon. L. R. TULL: Five minutes, Sir, thank you.

Mr. Speaker, back to Trade Ministry. We have suffered some fairly devastating blows in CARICOM because.....

Mr. SPEAKER: My apologies. The honourable Member has used up his time. It is 5.40 p.m. You started at 5.18 p.m.

Hon. L. R. TULL: Mr. Speaker, the Chair is never wrong, Sir and if you said it is five more minutes, it is five more minutes.

Mr. SPEAKER: I have corrected myself.

Laughter.

Mr. SPEAKER: I do apologize to you, but 5.40 p.m. is your time.

Hon. L. R. TULL: As Your Honour pleases, Sir.

Applause.

Asides.

5.45 p.m.

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, at the request of the honourable Member for St. Michael West (Mr. B. M. Taitt), I will go before him and hope that he would tread in a more sensible path than his other colleagues on the side of the Opposition has treaded so far.

Mr. Speaker, this annual exercise is probably this year accentuated by the fact that we are very near to an election. It is expected, therefore, that the guise of her Majesty's Opposition will be one of maximum posture in order to reap the maximum benefit from its presentation to the public of Barbados. I think it is necessary to remind people of this, because judging from the presentations here, one has to be conscious of the fact that a Government in power has to govern. It is the Government even right up to the election day. The Opposition's sole duty is to oppose and, if necessary, by blandishments or otherwise, succeed as the Government of the day. I believe that these two stances have been illustrated in the difference of approaches by the Honourable Member for Christ Church East Central (Hon. H. B. St. John) and the honourable Member for St. Michael South Central (Dr. R. C. Haynes).

It is necessary to remind Barbadians that we must live in a world of realism, and whilst we would all like to live in an ideal world where we will pay no taxes, we will have no constraints on our freedom, we will be at liberty to live as we like and do as we like and buy what we want, a realistic world is not like that. Barbados cannot, therefore, assume that it can have a cocoon around itself and live in an isolation ward free from the buffetings of the outside world. Outside circumstances, sometimes referred to exogenous circumstances, have had an adverse impact on the economy of all the world, developed and developing, and Barbados is part of the world.

The climate of 1981, Mr. Speaker, to 1985 was a different climate from that of 1961 – 1971, a different climate from 1971 – 1976, and a different climate also from that of 1976 – 1981. Those of us who listen to the daily news, either on the overseas programme on our television or our local news, must be conscious of the fact that there is only one country in the world which has escaped the ravages of the terrible economic recession of 1980 – 1983, and that has been Japan. The mighty United States has seen its growth rate reduced to less than 3%. It has seen its Congress forced to pass legislation to control deficit financing, despite the fact, Mr. Speaker, Sir, that it continues to burst its budget every year and to try and go on high interest rates in order to get investment flowing into the United States. In the developing world, every country, even the oil-producing countries, now have felt the impact of the economic recession.

Barbados, as I have said in this House before, is not an economic oasis. God knows that many of us wish it was. Barbados does not produce all it needs, nor does it need all that it produces. But within that aphorism, Mr. Speaker, is the clear indication that Barbados is heavily dependent on the outside world for investments, imports, exports, even for immigration, and because of this, Barbados, though a sovereign state, can never be fully master of its affairs. As a small, open economy, Mr. Speaker, we are sensitive to the fluctuations generated abroad. The unfavourable climate of 1981 – 1983 has impacted seriously on all aspects of our economy, and it is an accepted fact, by all other than by the shadow Minister of Finance, that the severest impact has been on developing countries, and that this impact has had very dangerous consequences for the social and political structure of countries.

Democratic Governments in other countries have been overthrown. Take Nigeria, coming out of the oil boom years to face its third trial at democracy, and taken over of the military. Other Governments have had constant confrontation with their own people in the streets. Take the Dominican Republic here in the Caribbean trying to implement some form of programme in order to restructure its economy, and people marching in the streets for days and having to call out the army.

Even in developed countries, Mr. Speaker, there has been severe strain on the body politic. Steep rises in unemployment have brought confrontation between worker and employer, between the state and the people. I will give you the example of the United Kingdom and the riots over the coal fields and the strikes over closing down the coal fields. We saw that and witnessed that on our television in our drawing rooms, because high unemployment of 13.1% was having its havoc on the social structure of the community. In Canada, Mr. Speaker, in one of the richest provinces during the oil boom, the province of Alberta, one saw long queues waiting at the soup kitchens for food. That is the reality of the world in which we have had to operate between the period of 1981–1985.

Here in our region, Mr. Speaker, the experience has been similar. Even prior to the second recession of 1981 – 1983, some of our major partners had felt the full impact of some aspects of the first recession, in some respects probably because of an inefficient system of government. I speak particularly of the Republic of Guyana, a country that went near to bankruptcy, and Jamaica, a country that has reacted neither to the policies of the PNP or to the conservative JLP, and even in our neighbour Trinidad and Tobago, the early buoyancy shown by the oil revenues in the boom years has given way to the lean years, with growing unemployment, now at 15%, worsening balance of payments position and a contraction of its trade and foreign reserves, with the consequential protectionism which has crept in as part of the policy of that Government.
5.55 p.m.

I have to cite these matters in order to bring a little realism into the visions of what Barbadians can and should expect. The problem confronting the Government was to manage the limited resources of this beautiful island of ours in such a way as to resist and withstand the buffetting winds from outside. It is my submission to this Honourable House that the Government has managed the worst recession in the history of the western world much better than the Democratic Labour Party managed the recession of 1971 – 1973, and that, therefore, if one is to compare like with like, one has to compare the boom years under the Democratic Labour Party, when there was no recession, with the boom years under us, when we took over in 1976 – 1980, and the years under us of the recession, a worse recession than theirs, and see how the two parties performed.

There is no doubt that in our period where there was no recession we refloated the economy and maintained consistent growth rates averaging over the period about 5.7%. This was slightly better in some years than was done by the Democratic Labour Party even in its boom years of 1961 – 1971. When it came to the recession, Mr. Speaker, we have again done better than the Democratic Labour Party did in the oil recession of 1971 – 1973. Unemployment under the Democratic Labour Party reached, when they left power in 1976, 22.5%. We are still a long way from that here. The social services were in the doldrums. One must remind of the number of bankruptcies that occurred not in the larger firms but among the small holders of Barbados, the small shopkeepers of Barbados. One must remind the public that you could go into a supermarket and walk right through the place without finding at times, even if you had the money in your pocket, the goods which you went to buy. That has not happened under us.

There are problems, none of us can minimise the problems, but what is quite clear is that there has been a better standard of leadership in worse and in better times from the Barbados Labour Party than there has been from the Democratic Labour Party. The party has not shrinked from taking decisions that may be unpopular or unpalatable, because we recognise that we had to put Barbados first, and we did that. If we had, Mr. Speaker, to make a tough decision, we took the tough decision, and we took it in the interest of the long term progress of this country, Barbados. So, Mr. Speaker, we were not afraid – the honourable Member for St. Michael South Central (Dr. R. C. Haynes) seems to be afraid – to use the standby facilities of the International Monetary Fund in 1982. Several countries, including the developed countries, such as the United Kingdom, has had, both under the former Labour Government and under the Conservatives, to rely on IMF standby credit, and there are very few of the developing countries in the world which have not at one time or other asked the IMF not only for advice and expertise, but to use resources to which they contribute. It is my submission that those measures at the time were timely and they had a proper impact on the economy in such a way as to stop the drift which has occurred in some regional and other Governments. We were not therefore surprised that by 1984 we could see quite clearly the signs of recovery in the economy, to the extent that we recorded 3.5% growth, real growth, resulting principally from a 10% increase in tourist arrivals and a higher sugar cost, something like 17% in the sugar industry in that year.

Mr. Speaker, in 1985 we have had reduced growth, but one again has to look for the causes here. The causes, in my submission, have again been external, principally. We have had the position where our principal trading partners in CARICOM cannot afford to buy our goods. Guyana cannot afford to pay them, Jamaica is hardly in a better position and Trinidad has begun to look inward, not because of any words from Barbados, but because people sometimes believe that home drums beat first.

If you cannot sell your goods, you are going to have a contraction in your economy until you can find

alternative markets. The Government's strategy has been export-oriented. The honourable Member for St. Michael South Central says that the Democratic Labour Party will follow an export-oriented strategy. What is the difference between what the Government has been doing, not only talking about it, and your following it? We set up the Export Promotion Corporation and have made adequate resources available to it. We have used every facility of the Central Bank to give impetus to export promotion. So there can be no quarrel with the Government's policy in this regard. But until we are able to sell more, Mr. Speaker, and until we are able to reduce our costs and increase our productivity, we will not be able to show the magnanimity which the honourable Member believes that he can pull out of his magician's hat.

One has to be realistic and say to Barbadians nobody owes this country a living – it has to be earned by us Barbadians. The Right Honourable Member for St. John (Rt. Hon. E. W. Barrow) says he has never encouraged the beggar mentality. I recall him at the Constitutional Conference in London stressing that if you are going to be joining a club, you must be able to pay your way, and it is a message that we should send to every Barbadian. We must get out of the freeness mentality in this country and understand that there are limits to welfarism and there is a limit to politician's blandishments and saying that you are going to get everything free, because everything cannot be free. We have to pay our way, we have to work, we have to be conscious of how we produce. There are not many politicians who are prepared to say this, especially in an election year. Mr. Speaker, I have never minced my words in politics. I believe we have to say to the country that each one of us must now show a greater effort instead of allotting blame right down the line. True enough, ministerial and governmental responsibility means, in the last resort, that you throw the licks at the politicians, but surely the country must recognise that the country has a duty, not only to politicians to work. A lot of the armchair people who sit around and are the biggest critics, and don't themselves make the effort, they must recognise that the effort for progress must come from them as well.

Mr. Speaker, I believe that the majority of our people have made that effort and that the others are prepared to make the effort. I believe that our economy has weathered the unfavourable economic climate much better than most economies have weathered that climate. There have been no riots in Barbados. My friend, the honourable Member for St. Philip South (Mr. H. A. Blackman), talked about people going on heaps to look for food. The honourable Member has never seen one riot in Barbados in the ten years of Labour Party rule. You have seen a few nuisance people make speeches here and there. I believe that the Workers Party tried to lead an unemployment march and could only muster six people in the process. We have not even had the confrontation that there was in the Dominican Republic or the confrontation that there has been in England. What then is this so-called destruction, of which the honourable Member for St. Michael South Central speaks? This collapsing of everything?
6.05 p.m.

All the reports from recognized economists who have looked at the Barbados economy have said that the Barbados economy came out of this second recession with its basic structures intact, and I believe that the programme that the Government has pursued over the years, and if it is allowed to continue as the Government of this country, will find the right balance for putting Barbados forward further. Only the most partisan, Mr. Speaker, will deny that, during the years that we have been in power, the per capita income has risen. I believe that when the Democratic Labour Party went out of power, the per capita income was something like $3 000, or just over that. It is now nearer to $10 000. The majority of Barbadians now enjoy access to the basic amenities of life – water, electricity, transport, telephone – and the honourable Member for St. Michael South Central is never tired of reminding us that we have one of the best health services. He says there is no need for the National Health Service because we have one of the best health services.

I believe, Mr. Speaker, that there are few real pockets of poverty in this country, and where there is, the Government has tried to implement social programmes to ameliorate the worst aspects of that. Let me not only mouth words, but give a concrete example. The honourable Member for St. Michael East (Dr. D. G. Blackman) implemented a programme of Home Help. He was the Minister at the time. Seven days a week senior citizens in this country have the assistance of people who can care for them, comb their hair, wash their bodies, help them with their houses. And I hear that this is not a caring Government? Wherever there has been abject poverty, we have tried to help.

Steps have been taken, too, to modernize our community life. Look around us and see the increase in the number of playing fields, the community centres, the renaissance that has taken place in the arts. Even the calypsonians now have a field day, and this Budget will give them an opportunity to play more music. Look at the number of young painters and dancers. Look at the revitalisation of the artists under this Government. It did not happen before, and one must ask whether this is not a Government that has been performing well with the limited resources and in the difficult economic climate of Barbados.

There are several things we have accomplished, Mr. Speaker. I do not know how time will allow me to go through them, but I will try to be quick with some of them. We have tried to cushion, for those who have been

unfortunate in not having jobs or losing their jobs, the unemployment situation, by initiating, in the best tradition of democratic socialism – and despite the columnists, let me say there is nothing wrong with democratic socialism – and implementing an Unemployment Insurance Benefit. So far we have paid out $16 million from that fund to cushion the shock and to allow the re-adjustment at the work place. In Social Security, we have consistently increased the old age pensions, contributory and non-contributory. Today, we have raised that in ten years from $13 to the position of $48, effective this month, not some time promised in the future an extra $2. The Democratic Labour Party can harp back to its days when it took over at $5 and raised it to $13 in 15 years.

We have increased the welfare grants. It must never be forgotten that the qualifying ages have been lowered. More people came on. I believe the Honourable Minister of the time reminded us that some 7 000 people came on to the roll.

We have looked after our handicapped much better. I have already cited the Home Help. We have tried to assist with water rates, the repairing of welfare houses – each one of us in a constituency can attest to that – the provision of drugs for the old people and those suffering from serious diseases. We have implemented, against sometimes stout opposition, aspects of the National Health Service to improve the lot of health. Mr. Speaker, look around us. Look at the polyclinics and the services they are providing today and the impact they are making on the landscape of this island, and we recall that those were only done between 1977 – 1985. Even the children who go to school, those who could not afford it, we have given them uniforms, and we have built on one of the good acts of the Democratic Labour Party, expanding the School Meals Service so that it now caters to all of the primary schools in our island.

Those are some of the Social Security benefits that we have given. But, Mr. Speaker, we have also transformed the physical infrastructure of Barbados in ways that sometimes boggles the mind to think that we have accomplished so much in such a short time. In fact, people sometimes say to me, 'The problem with the Barbados Labour Party is that you all have done too much, too quickly and people forget how much you have done.' Mr. Speaker, may I remind those who live in Oistins that it was only a few years ago that that place was nothing to talk of. Look at the transformation! May I remind people of the tremendous work already undertaken to rehabilitate and to provide a modern road structure for Barbados.

Mr. Speaker, I want to make sure that I make the point. You are hearing from the Democratic Labour Party that the roads that we are providing are an election gimmick. Mr. Speaker, I wish Barbadians would take time out to read and not only to listen. This Development Plan of 1983–88, published and laid on the Table of the House, set out quite clearly the Government's Highway Rehabilitation Programme and stated the aspects that would be completed in the planned period. Nothing that we have done in this year was omitted from this plan. If you look at all aspects of it, whether it be the access road to the Arawak Cement Plant, Warrens to Mile and a Quarter, Bay Street to Sam Lord's, which has now gone out to tender, Eagle Hall to Speightstown – you have seen some of the works there – the improvement of Bridge Road, the resurfacing of all roads in Central Bridgetown, the improvement of the junction at Erdiston/Belmont, Pine East-West, Collymore Rock-Culloden-Road – all these were plans of this Government from 1983, not in an election year, and it is absolutely dishonest politics, in my view, for people to give the impression that the Government has only waited until 1986 to start on such a programme.

6.15 p.m.

Mr. SPEAKER: That brings the honourable Member to the end of his time.

Hon. H. deB. FORDE: Mr. Speaker, I am much indebted to you. I will have many opportunities to preach the gospel according to St. John to the other side.

Mr. B. M. TAITT (St. Michael West): Mr. Speaker, these Budgetary Proposals and debate constantly remind us of the politics of desperation, but never more so, Sir, than this particular debate, this particular set of days.

I wish, before I deal with the debate, to take just a couple of points made by the two honourable Members who spoke a while ago. The first one, the fledgling Minister responsible for Trade, Industry and Commerce, may be excused, because he did indicate on taking over the portfolio that it would take him some time to understand it, and therefore I had pledged that I would not take any advantage of him while he was in the learning process. I wish that before he exposed himself today in an attempt to interfere with substantial work that had been done, work that has been praised even by his own side, would have waited until he had learned the Ministry of Trade at least as well as he knows the Classics. But even then, Sir, you cannot get a translation out of him when you ask him for one because he would take no chances, less he should be wrong!

He did say, Sir, that our import substitution programme of the Sixties and Seventies was a "prescription for disaster". He spoke about it in terms of the industrial development as well. I wish to remind that honourable gentleman that there was a time when you could go on the President Kennedy Drive, the Harbour Road and you could see young Barbadian women leaving work in the afternoon and you could not

tell whether they were working in factories, or whether they were working in Broad Street – they used to look so good, Sir! You could go to any of the industrial parks, the industrial parks that were created by the Democratic Labour Party, Sir, and you could see a large number of persons who were benefitting from a programme that understood and cared for development of the people of this country. That prescription for disaster formed the basis of a number of programmes on the Government Information Service even in recent weeks, when they are talking about our import substitution.

How, Sir, can it be a prescription for disaster when Your Honour would be able to help the honourable gentleman to know that we became self-sufficient in eggs in Barbados under that programme, self-sufficient in pork in Barbados under that programme, self-sufficient in milk in Barbados under that programme? The Pine Hill Dairy is a shining example of implementation of that programme. We became self-sufficient in a large number of projects in this country!

But the honourable Member talked in terms of a prescription for disaster. The only disaster which has visited these programmes came in 1976, when this group led the people of Barbados to believe that they were going to be offering them a continuation of the same programmes they had had at a higher level and with more energy. By 1981, Sir, they had started to fail, because the great strides that were made in 1977, arising out of the programmes we had left, had started to fizzle out.

The people of this country said that they would give them a second chance. Now the honourable Member for St. George South comes in here and talks about "we, the people". He says he is speaking for the people. I wish to tell him and the honourable Members on that side, you do not have a mandate to speak for the people of Barbados any longer. You could judge from what is happening this week that the people are not interested in you any more. The people of this country are merely waiting to dismiss you with thanks. They are finished with you!

The honourable Member talks about it took 16 years to implement the School Meals programme. Mr. Speaker, that is not a matter to be judged between the Democratic Labour Party and the Barbados Labour Party. That is a matter for the people of Barbados. Let the people decide if it took 16 years to implement the School Meals programme. But there is no doubt that it has taken them nine years to implement the National Health Service which they promised boldly they staked their reputation on. It is now nine years and all they have given us is the distinguished Minister of Health whom nobody wants – neither them, nor us, nor the people!

Mr. Speaker, they promised the people of this country school uniforms in their manifesto. They wrote it down, Sir. Do you want us to talk about credibility? We will talk about credibility. They wrote it down that they would give the people of this country school uniforms. That was their extension of the same School Meals programme which they did not want. The school uniforms are yet to come nine years later. Instead, they gave them $100 sometimes, and there are many people who cannot find the $100.

The honourable Member talked about going across country and telling the people of this country things. Mr. Speaker, you may not recall, because you no longer take an active interest in these matters in this Chamber, but they went into St. Lucy and other areas of this country and they told the people when the national debt was $240 million that we were going to come and take up their little sheep and their goats and all of their stock to pay the national debt. The Barbados Labour Party should hang their heads in shame when they come to talk about the national debt. I heard them talking about the national debt in passionate terms today. Some $1.5 billion later they are talking in passionate terms about the national debt and now they are talking about our going across the country and telling the people various things!

Credibility? Mr. Speaker, the credibility of this party and the credibility of the proposals we have presented are very straightforward. It says, Sir, for example, that no income tax will be paid on the first $15 000 of income per year. We said that before the Budgetary Proposals, we said $12 000. And I wish to say at the outset that these proposals, lest any input from that side may give the impression that these are merely statements, are proposals that have been examined in detail and studied by the Democratic Labour Party, and they are presented as the programme of the Democratic Labour Party behind which all of us stand. These are the proposals which we are putting to the people. This is a choice which we offer the people of this country. We are not in the business of doing things tit for tat, because they have no tat, so we will offer no tit.

Mr. Speaker, the proposals said that we would give all family allowances an increase of 50 per cent. I am taking a couple of them to demonstrate to this House that these are proposals that have been seriously thought out.

But I think a question has been raised that is a legitimate question for anyone who was listening to the proposals in a superficial manner. The question is, how do you propose to finance them? They said that we have not told them. The honourable Member for St. Michael South Central did tell you, Sir, but I am going to repeat some of them:

> "The rescheduling of debt payments resulting from clustering of payments to reduce the burden on current revenue."

He did say that. We understand, both from experience and because we know what we are talking about, that when you put in your capital budget a sum of money, the capacity to extend that does not exist in Barbados, and we know from our experience that when you bunch the projects you are going to end up with a deficit.
6.25 p.m.

Sir, the reason why the Central Bank of Barbados Annual Report for 1985 appears to be late is the same reason why it was very late in the by-election of 1978. There are some home truths which appear in this report, which it would not be convenient, or desirable, for anyone in this debate to hear. Fortunately for us, Sir, one dropped and we were able to see some of the things which the Central Bank has reported. The introduction of that document, which is now well known in this Honourable Chamber, says:

> "The capital account was weakened by negligible private inflows and heavy debt repayments; substantial foreign loans were needed to maintain an adequate level of foreign reserves."

Listen to this part now, Sir:

> "The aggressive Government capital works programme, intended to reduce unemployment, produced an even higher fiscal deficit."

(Aside: Shame!)

Mr. B. M. TAITT: That is not the honourable Member for St. Michael speaking, that is the Bible. That honourable Member who is now Prime Minister said that this is the Bible. I recall him holding it up, the Central Bank Report, and saying, "These are the facts." You remember? He does not say facts the way I say it, Sir, but other than that it was the same thing.

(Aside: Hon. D. A. C. SIMMONS: Read the first paragraph.)

Mr. B. M. TAITT: He said....

(Aside: Hon. L. S. CRAIG: Let me hear some.)

Mr. B. M. TAITT: .....that these were the facts. So if I quote from the Central Bank, you would appreciate that I am using his Bible. I am saying, therefore, that we are going to reschedule debt payments resulting from the clustering of payments to reduce the burden on current revenue, because the question of debt arises out of the capital works which he is carrying on.

Sir, when we said in 1981 that there would come a day when we would have to pay back so much money to service the debt, and that it would be a drain on the economy, they laughed and pooh-poohed us to scorn. I am going to deal with that in a moment, but I want to finish the question of how we are going to finance. We said, Sir, that there would be a reduction in expenditures by $53 million by this Government through measures outlined in the proposals, in that statement, by the Shadow Minister of Finance. Among the things that would happen, we would stop the losses at Heywoods, at the Arawak Cement Plant, which is a drain, and on which, if time had permitted, I could give you information, Mr. Speaker, that would grow your hair. But there is another time and place, according to the honourable Member for Christ Church West. We will talk about the Arawak Cement Plant in some detail. I promise the honourable Prime Minister that he will hear it in detail from us. Caribbean Airways, Aero Services, the Transport Board – I think the least said about the Transport Board at this stage, perhaps, the better – the statutory bodies.

He did say, Sir, that there would be a reduction in the amounts spent on Defence and Security, and contrary to the wicked rumours which people went out into the highways and byways and started putting, that we are going to send home the people at the Defence Force, they have already sent home 100 which we have not heard about. One hundred members of the Force have been asked to go home! In fairness, some of them may be in the Reserve Force. I do not have all the details, but I am sure the Prime Minister – these are costs – will give us details about which are from the reserve force and which are from the regular force, who has gone home and who has not.

(Aside: That is wickedness.)

Mr. B. M. TAITT: Mr. Speaker, he said that he would cut out wastage on overruns on capital projects, and I think that it would be fair to say that that would be so.

There is another area, Sir. Mr. Speaker, we are going to be getting a higher revenue, because we are going to have a lot more economic activity in the community. We are going to have that economic activity in contra-distinction to the position outlined by the Central Bank in the same document. They talked about credibility, but let us look at what has happened:

"Manufacturing output sank to its lowest level..." I am reading from page 6 and I am quoting:

> ".... in ten years following several years of stagnation and decline. Real output fell 9.3% compared with the modest recovery of 1.9% in 1984. Over the last five years the rapid growth of electronics has sustained manufacturing output. However, a slump in the American computer market eroded sales of electronic components reducing the demand for Barbadian output by one-fifth. Layoffs and the closure of four large plants cut employment in

electronic plants by one-fifth – a loss of 1,200 jobs. Garments, chemicals and furniture were down 16%, 10% and 12% respectively, as trade restrictions cut exports to the region by more than one-third."

Sir, I do not read that to glory in it. I read it to give the lie to the nonsense that is being put forth that people are falling over one another to get the space in the industrial parks. I give the lie to the nonsense which is being suggested that we in Barbados have prospects for a better 1986 based on improved manufacturing in this country. As a matter of fact, so that I would be consistent, Sir, I am going to read what the Central Bank itself says are the prospects for 1986, in this glorious year, as outlined by the Barbados Labour Party speakers during this debate. Here is what the Central Bank itself says at page 26:

"In spite of the anticipated increase in earnings from tourism and other services the current account is projected to move into deficit once again. External debt payments, including $27 million borrowed from the IMF under the 1982–84 stand-by agreement, will considerably reduce the net inflow of capital. Unless the fiscal deficit is kept in check, an overall deficit in the balance of payments can be expected.

"Government finances will again be weak as growth in expenditure outstrips expansion in revenues."

Higher up on the same page, Sir, here is what the Central Bank has to say:

"The Barbados economy is unlikely to grow by more than two percent in 1986. Sugar production should increase by 8% and the tourist industry can benefit from the weakness of the US dollar against European currencies."

Note the word, "could", Sir.

Sir, if you read on on that same page, here is what the Central Bank says:

"However, manufacturing output will probably decline for the third successive year as Barbadian enterprises struggle to break into extra CARICOM markets."

Sir, if the Central Bank says, "probably," it is because bankers like, even when they are giving bad news, to try and frame it in optimistic terms. Probably! What that means, Sir, can be equated with what they said concerning the growth last year. Anyone who reads it will see that they said we could expect and anticipate a growth of 3%. Instead, we had a growth of 0.3%, which the Prime Minister, in characteristic fashion, described as moderate, and the newspaper, in childlike fashion, described as moderate.

6.35 p.m.

For them, Sir, that is a massive achievement, 0.3%, because, as my colleague from St. Philip North (Mr. W. O. Franklin) has said, that is a mediocre Government. So, 0.3 would appear to be moderate to them, but to the rest of us, Sir, to the children who were given to believe that once they got seven "O" levels they would get a job and a place in the sun, to those children who have been waiting for a job for two years, that is not modest. To those persons, Sir, who have been waiting for a job three and four years in Barbados, to those who have to accept the hand-out from the Skills Training Programme, the stipends, to those who have to wait until a Minister, Sir, approves whether they get on or not in the National Assistance Programme – a Minister has to sign it – to all of those, Sir, is that is not moderate. Those persons would prefer to see real growth because, Sir, they were told by generations before them that they had a right to expect a place in Barbados. But what has been happening, Sir, is that from 1976, but more particularly between 1982 and now, they have been given a lot of promises by the honourable Members on that side – the honourable Member for Christ Church East (Hon. H. B. St. John), who tells them every year that we are poised to take off; the honourable Member for St. Peter (Mr. O. S. Arthur), who tells them, in very modulated terms, well articulated, that this economy is no different from any other economy, which is a fact. What he does not tell them is that the other economies seem to be better managed. Or he does like the honourable Member for Christ Church West (Hon. H.deB. Forde) who gives us the same speech every year, and tells us that we should have the courage as politicians to tell the people the truth. The fact is, Sir, that telling the people the truth would require us to be more realistic about what has actually happened in Barbados.

Sir, the Budgetary Proposals by the Prime Minister reminds me of a story of a man who has been converted to a faith, and having been converted, he goes home and he writes somebody a letter and he sends them $50 and says, "When I was a thief, I took vast sums of money from you. But now I have converted, I hereby return this $50 because I feel remorse. If I should feel any more remorse, I will send you some more money." That is the Barbados Labour Party. They took taxes from the people of this country, more and more taxes from the people of this country. I am not even going to read it. In fact, I think I had better do that. The amount of tax which they took – the revenue, Sir – listen to this, Sir, on page 11.

"Tax on personal incomes increased 14.5% to $139.4 million. Collections from land and property tax rose dramatically; some 1984 payments had

been delayed until early 1985 while better collection methods ensured that payments for 1985 were made properly. The continued weak performance of the corporate sector led to the 9.2% decline in company taxes which totalled $48.4 million."

But listen to this!

"With the increase in rates from 10% to 12% in October 1984, stamp duties brought in $66.3 million, $31.8 million more than for 1984."

Then they come this week and they offer the people a sweet to suck.

They have not offered, for example, the children in the schools, Sir, proper teachers, because, Sir, they have not allowed the teachers to go on leave. The Democratic Labour Party has pledged, and I am pledging on its behalf again, Sir, that the school teachers in this country will once again be able to go on study leave.

Applause.

Mr. B. M. TAITT: We are pledging that the fees which the children have to pay for examination will be abolished and once again people will be able to take their exams.

Applause.

Mr. B. M. TAITT: We are saying to the small motorcycle man out there that he has not got to worry much longer; two more months, or whenever the Prime Minister calls the election, and we are going to arrange for him to have a decent premium for his motorcycle so he can ride again. Mr. Speaker, we are going to ensure that, once again, the small man, the middle class, and everybody in Barbados who has an interest in progress for themselves will find an avenue in which to do it. We are going to show that taking these large sums of revenue from the people of Barbados is not required in order to provide them with a higher quality of life. The people of Barbados deserve a higher quality of life than that which they have been offered in the last three years only to be visited, as we come toward an election, with a number of charlatans and other people going through the constituencies giving people to understand that the Government has a stack of money which it is going to be able to pass out to them at election time.

Mr. Speaker, the morality which we require in this country does not allow us to discuss the politics of Barbados in terms of buying votes, in terms of giving people money in order to get them to vote in a particular way, in terms of bribing people with their own money. But, Sir, when, indeed, a programme is designed where a number of projects are outlined for the superficial acceptance of a small group of people and then those who design those projects go for another four years without paying any attention to them, I sumbit that is a form of immorality which this country can well do without.

Mr. Speaker, the proposals which the Democratic Labour Party has laid before this country are proposals designed to re-introduce a higher quality of life for the people of Barbados. They are proposals which are designed to allow every single person in Barbados once again to have hope. The people of this country have been hopeless.

Let me say, Sir, that there has been, across the world, pressure, but it is not true that nothing can be done about it in Barbados. They used to be the ones arguing in the early 1970s, when we attempted to offer that argument, that that was not true. They said that what you needed was to apply yourselves. Then they had the opportunity and they have frittered it away, and now they come in the evening of their second term saying to the population to give them yet another chance. Mr. Speaker, the only chance I would say they should have is that they be allowed to go quietly. Let them go, Sir, because that is what the people of Barbados want, and that is why we on this side are offering all of the people in this country, from the top to the bottom, an opportunity, with alternatives that are realistic and that have been based on an examination not only by the politicians over here, but by a number of experts who subscribe to our view that Barbados deserve better.

Thank you very much.

Applause

Mr. SPEAKER: The honourable Member for St. Peter.

6.45 p.m.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, very rarely in the history of this Parliament has the House been presented with approaches to the management of the economic affairs of this country which differ more in scope, in likely economic effect, and indeed, Sir, which differ more in relation to economic ideology, than those that we have had the opportunity to hear over the past two days. In a real sense, Sir, the divide between the two sides of the House can perhaps only be best explained in biblical terms, that straight is the path and narrow is the gate that leads to life, but wide is the gate and broad is the way that leads to destruction.

Mr. Speaker, in so far as we have two sets of budgetary proposals before the House, I intend to restrain myself purely to matters of public finance, to systematically compare the two sets of budgetary

proposals, so that at the end of the day, the Members of the House and the people of the country may be in a position to truly discern which of the two budgets are reasonable and feasible, which of the two can truly be put into effect, having regard to the resources available to this country at the present juncture in its development.

In this process, Mr. Speaker, I intend to establish that the proposals and general policies of the Barbados Labour Party are sound, that they can and that they will be implemented, and that they address the social and economic problems facing the country, having due regard to the economic resources with which we have to work. By contrast, I will establish that there is no reconciliation between the Opposition's diagnosis of the state of the economy and their prescriptions for the economy to give out gifts at large. I will also establish that we have been presented with a mixed bag by the honourable Member for St. Michael South Central, a mixed bag of measures which will lead to a drastic deterioration in the state of public finances and will put the Government in an unsustainable fiscal position.

I feel, Sir, that I must also stress that, in the context of an export-propelled economy, the strategy at the core of the Democratic Labour Party's proposals, personal income taxes, cannot work in resuscitating export-propelled sectors such as sugar, tourism and export manufacturing. And I will further want to stress, Mr. Speaker, that the economic philosophy which now inspires the Democratic Labour Party is an opportunist device which is merely intended to prove that the Democratic Labour Party, at long last, after having spent many years trying to convince the people of this country that the Barbados Labour Party was pro private sector motivated, at long last the Democratic Labour Party is insistent on establishing that that party is more private sector oriented than the private sector itself.

I deal, Sir, with the Budget, and I must put the Budget in the context of sound, public financial policy. In essence, Sir, the debate before this House, the substance of the debate before the House, has to do with the size, the financing and the role of the public sector deficits where we understand public sector deficits to mean the difference between what Government spends and what Government takes up in revenue. That is the core of the debate, and the House is correct in focussing on this issue for a number of reasons.

The first reason is that Government is, by far, the biggest spender in our economy. When it puts more money into the economy than it takes out, a number of consequences can ensue. If its deficit is too small, as has been the case in the past, then the injection by the Government into the economy to create spending power will be too limited, and the likelihood will be that unemployment will ensue. That was the case in the early Seventies when the Democratic Labour Party, give given their fear of debt, refused to borrow money to implement projects in order to put the people of this country to work.

By contrast, Sir, if the deficit is too big, then the Government is pushing too much spending power into the economy, and in our kind of economy, where we import about 60% of everything that we consume, too much spending power in the economy will directly affect the balance of payments. Equally, Sir, a deficit that is too big may have to be financed by the printing of money by the Central Bank, or it may put such a drain on the resources in the domestic banking system as to pre-empt the private sector from having access to credit, leading to low growth in the future. At the worst, a deficit which is too big may lead to excessive short term foreign commercial borrowing, giving rise to debt service payments sometime in the future.

So that in constructing a budget, any Government has to effect a balance. It has to go far enough to maintain domestic spending power and employment, but it must not go so far as to cause a drain on our reserves, low rates of growth in the future and a build up of short term external commercial debt. So that the size of the deficit is the key to this debate.

The experience in Barbados is that deficits in the order of six to eight per cent of our total output have proven to be manageable. When our deficits are less than 6%, our external reserves have tended to increase. By contrast, whenever our deficits go beyond 8% and go over 10% of the total output of the economy, Sir, this country has faced problems.

This Budget by the Barbados Labour Party has been presented in an election year, and I find it desirable to measure it against the norms of such budgets in similar election years, and also, more importantly, to discuss it in the context of the particular economic circumstances which face us at present.

I take you back to 1976, Sir. In 1976, the then Government led by the honourable Member for St. John presented Estimates at a time when the economy was producing about $700 million a year, and these were his Estimates, Sir: His current revenue, $182.48 million; his current expenditure, $208.86 million, a projected current account deficit in 1976 of $26.4 million. Capital expenditure for that year as presented in the Estimates of Expenditure, approved by Parliament, was set at $80.2 million, up from $48.6 million in 1975. The bunching of projects!

Overall, Sir, in 1976 the then Government was contemplating a deficit of $106 million in the context of a $700 million economy, a deficit of 14.6% of GDP. The results, Mr. Speaker, are now history. By 1977, the country was in the hands of the International Monetary Fund.

I will be brutally frank, Sir, I must be brutally frank. In 1981, we made fiscal errors again. The deficit was established at $181 million, amounting to over 10% of GDP, in the context of a situation where there was tight liquidity in the banking system, where interest rates were high and where the economy had reached virtually full capacity, and any more expansion would have caused it to overheat. Again, Sir, a deficit of that order of magnitude, within the context of the financial relationships at the time, caused us to go to the International Monetary Fund.
6.55 p.m.

The 1986 Estimates, Sir, I submit to the House, are of a different character. These Estimates have been constructed against the back-drop of excess liquidity in the banking system, which allows us to contemplate expansion of the Barbados economy in a moderate way, by calling upon the savings of the society rather than by printing of money. First point!

Secondly, the Estimates have been constructed against the backdrop of excess capacity in the economy as a whole, particularly areas like construction, which means that a reasonable deficit, not beyond 8% of the GDP, can be accommodated by the economy without the overheat that was evident in 1981. And let us look at the numbers. We are contemplating a deficit this year of $184 million in a $2.5 billion economy, 1986, as compared with the DLP's $106 million in 1976 in an economy of $700 million, a deficit of $7.3 million, and the budgetary measures that have been presented by the Honourable Minister of Finance will cause that deficit to increase to $196 million, or 7.8% of GDP.

I turn, Sir, to the bogus proposals of the honourable Member for St. Michael South Central. He tells us that he would reduce expenditure by $53 million – I accept him at his word, even though he had the opportunity during the debate on the Estimates of Expenditure to show us where those cuts would have been effected so that we could have debated them systematically in this House; but he did not – so his total expenditure would drop from $888 million as proposed by the Barbados Labour Party to $827 million. Our estimates of revenue are based upon a 3% growth of the economy. I, therefore, suggest that we hold revenue constant, and that before his tax concessions, he would have revenues of $704 million.

This is what he would give away, Sir. Corporation tax, to be reduced from 45% to a low of 15%, but on a sliding scale between 15% and 35%. You would give away by that measure alone $15 million, and I am being conservative.

Asides

Mr. O. S. ARTHUR: Thirty-five. I am being conservative.

He would reduce the price of two energy products, which would cause a loss to the revenue of an additional $12 million.

He would give a subsidy to the sugar industry. If you were to follow the principle that you have followed in relation to old age pension, then you would back-raise the Barbados Labour Party and you would want to give $15 million. But I assume that prudence would ask you to give no more than $10 million. I take you at your word that you would subsidize the Barbados sugar industry. I have also included an additional claim on the revenue of $10 million.

You would reduce the hotel and restaurant sales tax from 8% to 5%, and you would, by that stroke, cost the revenue $6.4 million.

There would be another set of measures pertaining to reduction in land tax, reduction in licences, and miscellaneous collection of taxes which would cost the revenue about $5 million, and your income tax adjustments, by the best and most conservative estimate, would cost the revenue in the vicinity of $90 million.

You give away $138 million, unless, Mr. Speaker,.....

Asides

Mr. O. S. ARTHUR: Mr. Speaker, the honourable Member does not fully understand what he is giving away. He believes that only people earning less than $289 a week would pay no taxes.

Let us take the case of a married man, a typical case in Barbados, earning $36 000 a year. He has a mortgage on which he is paying a new rate of 10%, he has two children, he acknowledges a granny, he has a life insurance policy – a typical case in Barbados – because not only have you given exempt income of $15 000, but you have taken allowances which have been there and you have added to them. So how would this man fare?

Aside

Mr. O. S. ARTHUR: Thirty-six thousand dollars a year, Sir.

His first $15 000 is now exempt, so his income before allowances would be $21 000. You are allowing him the full mortgage of $965 a month, which works out at about $1 100 a year. His two children allowances, Sir, you say that you will increase that by 50%, so those go up by $1 100 to $1 650. You said you are going to increase his personal allowance, by 50% again from $3 000 to $4 500. You will increase the allowance he claims for his granny from $500 to $750. The medical expenses, you are going to allow up to a level of $950; insurance, $1 800; home insurance, $900; and you have promised the man that you are going to cut his property taxes by half, so a man with a house of that value, rather than paying $400 in property taxes, would end up paying $200 in property taxes. You throw in his credit union, another $1 800, which I have not included here, Sir, and you are also allowing repairs to house of 4%, which can be estimated at $2 000.

When you add all of that, add all the allowances, a man earning $36 000 in Barbados, in a typical case, with a house on which he has a mortgage of $1 000, with a granny, two children, an insurance policy, contributing to a credit union, would end up paying no tax at all.

(Asides: So what!)

Mr. O. S. ARTHUR: I am coming to the "so what". A man earning $48 000 a year, caught in relatively the same situation, but with a mortgage of $120 000 per year, would end up, by our calculations, having total allowances of $12 700, mortgage allowance of $13 887 and taxable income of $6 403, on which he pays a tax of $106 a week. You would end up, in short, freeing over 80% of the tax paying public of Barbados from the incidence of tax, and the taxes foregone by that measure, would amount, it has been estimated, to at least $90 million.

So let us compare the two budgets, Sir, remembering that the size of the fiscal deficit is the key, and the bigger the deficit, the more problems that you have. We are speaking of a deficit of $196 million, made up of expenditure of $888 million, revenues of $692 million. You speak in terms of a deficit of $261 million, made up of expenditure of $835 million, because you said all you are going to do is to reduce our expenditure by $53 million, and that is all I have done, and you are going to give away taxes of $139 million.

More importantly, Mr. Speaker, how is he going to finance it? He said he is not going to touch the National Insurance funds at all. It is the intention, he says, of the Democratic Labour Party to restore integrity to the National Insurance funds of this country. He will not, I dare say, go to the Central Bank, because you have said on the floor of this House that any Minister of Finance who ever finances the budget by printing money ought to have five years in gaol, and we would hate to have a Minister of Finance and Planning who would be running the country from Glendairy. You are not going to borrow abroad, because the Democratic Labour Party does not believe in borrowing abroad. You will obviously, Sir, have to utilise the domestic banking system in order to carry a deficit of this order of magnitude, and you will succeed in choking the private sector whom you are so assiduously setting out to court.

7.05 p.m.

But, Mr. Speaker, I must go forward. The former Prime Minister and Minister of Finance in his penultimate paragraph of the budget of 1984, his last budget, left us with a statement, drawn from his twenty years of experience in public life and his ten years of experience in the Ministry of Finance and Planning, which should be a word of caution and warning to all of us, and I shall read it, Sir. He says:

> "Calls by the Opposition spokesman and other figures for impossible levels of tax relief are part of a political game, and can be ignored. They are made, not because they are feasible, but to give an opportunity of criticising the Government for not doing what in their hearts they know cannot, in wisdom or prudence, be done."

Calls by the Opposition spokesman and other figures for impossible levels of tax relief are part of a political game, and can be ignored! We see that most evidently, Sir, in their view that you can have a process of tax reform in this country centred around massive personal income tax relief, in the context of a situation where you have identified that our major production problems lie in our export sectors.

Let me develop the point, Sir. The release of disposable income in Barbados is not going to solve the sugar industry problems, because it is not going to markedly lead to an increase in consumption of sugar. You will completely bypass the sugar industry if you believe that increasing domestic spending power by releasing taxes is part of the solution. It cannot solve the tourism problems, because tourism problems do not have to do with domestic spending power in Barbados; it has to do with domestic spending power abroad. It cannot help us increase electronic production, because the output of these particular industries is not purchased by Barbadians.

When you release a vast volume of domestic spending power in the Barbadian economy, you are going to have no effect whatsoever on your main export sectors, which depend upon foreign demand, and all you are going to do is pass that income, so released, through the domestic economy into imports and you are going to

collapse your balance of payments. You are going to collapse the balance of payments, because for every dollar released, you are going to have to find a corresponding 60 cents to buy the imports that will ensue.

Mr. Speaker, I wanted also to touch on the political opportunism that resides in the Democratic Labour Party at this stage, trying to profess to have a private sector orientation which is stronger than that in the private sector itself, and it shows, Mr. Speaker, in that party's approach towards the sugar industry. The honourable Member for St. Michael South Central would have us believe that there is something wrong with our using public funds to meet the losses of public corporations – something is wrong with our subsidising Arawak, something is wrong with out subsidising Caribbean Airways – but there is nothing wrong with using taxpayers' money to subsidise the private sector. You do not understand the illogic of what you are saying, that it is absolutely correct for the Government of Barbados to take all of its losing corporations off the books, but, in your view, it is equally correct to take failing parts of the private sector and put them on the books.

You criticise me for not being in support of a subsidy to the sugar industry. I will speak from conviction, Mr. Speaker. If he understands the history of the Barbados sugar industry, he will recognise, in the words of a famous historian in Barbados, that the industry has been pronounced dead for many years, but nobody can find the cadaver, the reason being that it has gone through chancery over and over again, and the industry going through chancery, being put on the dock, is one means by which, over a period of time, new capital and new ideas have been brought to bear in the industry. In the same sense that my father cannot go to the Ministry of Finance and ask for a subsidy if his business fails, or, if I may use some hypothetical cases, in the same way that Kenrick Small or Mr. Jordan or Mr. Harvey could not do it, we must not encourage the private sector to believe that there is a solution waiting for them at the Ministry of Finance and Planning when they fail. But you will sell your soul for a fist full of votes.

Mr. Speaker, I started by referring to the fact that there is almost a biblical character about the things that divide this party and I must go back to the Book of Matthew: "But enter ye at the straight gate, for wide is the gate and broad is the way that leads to destruction; but straight is the gate and narrow is the way which leads on to life." "Beware" he says "of false prophets which come to you in sheep's clothing, but inwardly they are ravening wolves. Ye shall know them by their fruit."

I thank you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. L. S. CRAIG: Mr. Speaker, what more can we ask for?

I beg to move that this sitting be now suspended for half an hour.

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.

7.15 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

The Right Honourable Member for St. John catches the eye.

Rt. Hon. E. W. BARROW: Mr. Speaker, we have come to the final phases of what may be described as an interesting but sometimes very tedious discussion. I have never been a proponent of the idea that the people of Barbados should be treated to the tedium of three days of debate over television, but honourable Members like a certain amount of grandstanding particularly around election time, and if they were in a position to see themselves in the words of the Scottish bard, Bobby Burns: "A wad some power the giftie gie us, To see ourselves as others see us". I am sure they would be the first to persuade their leaders on the other side to limit their discussion on the Budgetary Proposals to about three speeches. However, I am a democrat, and I abide by the majority decision, although the electorate of Barbados themselves surely must miss their entertainment which they pay for, and would prefer to learn about the proposals, hear the counter proposals and perhaps one other speech and go back to their normal entertainment and lawful occasions. Instead of that, with a single television station, they have their entertainment curtailed, and either have to go to their beds early or find a decent book which they could read, instead of being regaled by the harangue and vituperation which emanate from the Members on the other side.

Having made that brief introduction.....

Mr. SPEAKER: I am sure the Right Honourable Member does not mean that.

Rt. Hon. E. W. BARROW: Maybe the word "vituperation" is a bit, you know.....

Mr. SPEAKER: Certainly, because it is a reflection on the Chair, and certainly I would not allow anything of that nature to pass while I am sitting in the Chair.

Rt. Hon. E. W. BARROW: Except for one notable exception which may have escaped you, Sir.

Mr. SPEAKER: I hope to conduct the proceedings of this House in the best Westminster style I can.

Rt. Hon. E. W. BARROW: I hear that we are abandoning the Westminster style, Sir, judging from reports coming from England recently and words made by the Honourable Prime Minister himself.

Mr. SPEAKER: Probably we are better than they are now.

Rt. Hon. E. W. BARROW: Anyhow, Sir, I would like to withdraw any reflection. Maybe the word "prolific" would find acceptance with the Members on the other side, because the patron saint on the other side now rejoices in a name which is not far distant from the father of Alexander the Great – Philip of Macedonia. However, Sir, the point I am making is that it is not good for young people who are trying to be educated and receive a certain amount of edification to be treated to the kind of conduct that we unfortunately witness every Tuesday in here, which Your Honour tries to restrain but which, certainly on a broader basis, is not doing the best for our children.

I should like to deal with the honourable Member who prides himself on having advised the Government of Jamaica to its ruination, from which it has not recovered up to now, and who pontificates on elementary economics. I do not believe that because I was probably the first Barbadian to be educated at the London School of Economics, the University of the West Indies is inferior to the tuition which the former Governor of the Central Bank and I, and some other notable people, like Sir Arthur Lewis, received at the earliest economics institution in the British Commonwealth, but it is probably because of the difference in our exposure. I think that the West Indies university has turned out some good lawyers and some good economists. But at the same time, I think that even those honourable Members on this side who were not exposed to the discipline would immediately detect the fallacies which the honourable Member adopted for purely political reasons, abandoning the disciplines which must have been inculcated in him during his brief sojourn at that institution.

I want to sum up the whole thing in a nutshell. The arguments which have been advanced by the honourable Member amount to this: (1) the proposals made on this side are absurd; (2) they are impossible of implementation. These may not be the actual words which the Member for St. Peter (Mr. O. S. Arthur) may have used, but this is what he is saying. And summing up the speeches, when they related to the Budget, made by his colleagues on the other side – most of them, of course, had nothing to do with the Budget at all – tended to attack the Member for St. Michael South Central and were directed towards saying that what we are proposing is impossible, to use the words of the honourable Member, "they were opportunistic," that is, that we are only taking an opportunity now an election is coming to put forward proposals which would not be implemented.

My answer to all that is simple. I would not sit down here, or stand up here – having been Minister of Finance for 15 years – whatever they might think, I have all my speeches as Minister of Finance here in this volume, all of them, from 1962 until 1976 – and allow my colleagues to put forward proposals at a time like this which I knew would be impossible of implementation. I do not have to go back and remind the honourable Members when we said in 1961 that we were going to introduce free secondary education in January, 1962 we were told it was impossible. When we said we were going to introduce a School Meals Service, we did it, and at no time did we say it would be a free School Meals Service, because I stuck out for the payment of a small fee by the children of 10 cents, when the meal cost $1.60 in those days, so that they would appreciate it better. So do not let us talk about free School Meals – a hot meal service, which the former Premier of Barbados said was only for people in cold countries. But coming down to the straight, as those of the racing fraternity would understand, when they saw they were getting near to the finishing point, they said they would punch holes in the saucepans and sell them to a gentleman now who has gone to the Great Beyond, so I can call his name, Sir, Mr. Victor Chase, who was a dealer in scrap iron. That has been the attitude, traditionally, of the Members on that side.

This document which I hold here is the manifesto of the Democratic Labour Party written by myself and the former Minister of Education, Mr. James Cameron Tudor, and Mr. Ronald Mapp in 1951, this document, long before any of these neophytes, latter day saints, appeared on the political scene.

Mr. SPEAKER: I believe "neophyte" is unparliamentary.

Rt. Hon. E. W. BARROW: No, Sir. Very, very, very delicate language!

Mr. SPEAKER: Very much unparliamentary.

Rt. Hon. E. W. BARROW: Oh no, Sir. I will give you an opportunity to check it. A neophyte is like a proselyte at the gate, but before you become a proselyte. And a proselyte does not mean a prostitute.

Mr. SPEAKER: That is why it is unparliamentary.

Rt. Hon. E. W. BARROW: No, Sir. Neophyte, as I understand it, is a novitiate or something like that. It comes from the days when they used to have affairs in ancient Greece in Rome, and the people who were being initiated into the intricacies of the dance were described as something like neophytes. But I bow to whatever interpretation Your Honour may find in May's Parliamentary Procedure. I do not think you would find it there, Sir. You would have to get.....

Mr. SPEAKER: Do proceed.

Rt. Hon. E. W. BARROW: .....a lexicon. Liddon and Scott is a good book, Sir.
7.55 p.m.

As I was saying, Sir, long before any of these proselytes had begun, or even dreamed about – some of them had not even caught their breath – I wrote that. I am proud that I wrote it, and the reason why I am in the Democratic Labour Party now is that five years after I spent three days in St. John compiling this document – "Labour Marches On" – the title is mine, the sub-title is mine – "Barbados Leads In Progress" Why don't you all adopt this for your model for the next election? But you would have to give me credit for it. The logo and everything in mine. That is 35 years ago, and the reason why we formed the Democratic Labour Party was because we could not get our leaders at that time to implement one single proposal that we had included in this document, and I said that I was not going back to the people with all these broken promises. Now they are saying that the Democratic Labour Party did nothing for the people.

In 1961 there were people working in the banks – and by people you know what I mean – of Barbados. There were approximately three banks in Barbados. Now banks are closing down overnight. We lost one in St. John at Four Cross Roads, we lost one at the Six Cross Roads, and I understand one at the crossroads not far removed from these precincts is liable to close in a very short time. In this booming economy, the Bank of America has gone, City Bank has gone, the First National Bank of Chicago is gone, and the Chase Manhattan is looking for a purchaser! In this booming economy, and all of those banks came to Barbados during the Democratic Labour Party regime!

But let us return to our sheep – that is a translation from, I do not know who it was – and the particular sheep I am referring to is the Member for St. Peter. Because if you reduce the argument of the Member for St. Peter, whose figures I do not accept, because they are scurrilous figures, the Member for St. Peter is saying that the whole economy of Barbados would collapse if we abolish income tax in Barbados. That is the argument of the Member for St. Peter. Now Grenada, which has no economy at all, has abolished income tax in order to build up its economy, and the Government of Antigua discovered that they could only move forward if they abolished income tax.

I should like to tell you right now that by my primary instincts I have always resisted the idea of abolishing income tax until I could see some alternative which did not transfer the burden of running the country from the pockets of the rich to the backs of the poor. We did examine, like we examine everything – when a political party is out in the wilderness it has time to think and to think furiously and to think seriously – every possible economic device that will get the country rolling again, including the abolition of income tax, and because of the way in which the public financiers have been hammered during the past few years, it is not profitable for us to abolish income tax at this time. I am sure that the Prime Minister himself, uninitiated as he is in the Ministry of Finance, would still seriously have investigated that possibility, whether it was urged on him by his colleagues or not. There are people in this society who believe that you can abolish income tax now. I do not share that view. But I think that, eventually, with everything that is happening around us here in Barbados, we may have to think seriously about it again, but the time is not right. So what we have done is to investigate in a realistic kind of way, what we could do to ease the burden of over-taxation under which the people of Barbados are currently labouring.

I am not going to take up the honourable Member on figures, but I want to take up the Prime Minister on this. During his Budget delivery, he spoke about the gross assessable income and he was going to remove taxation from all of those people with a gross assessable income of $10 000 and under. Am I correct? I do not want to misquote him. I read it, and he did use the expression "gross assessable income". So when I said that the Minister of Finance was uninitiated, he is new to the job – and people think that I have been too lenient on him – when he is posing as an expert, backed up by the Member for St. Peter, you must be expert and precise. I sent over yesterday and I got income tax returns, including 1985 and 1986 returns, which now will have to be reprinted going back to 1982. Nowhere on those tax returns does the expression "gross assessable income" appear.

What we had proposed last, both the Member for St. Michael South Central and I – the honourable Member for Christ Church West can look but he is not going to find it, it does not appear – is that with a total taxable income of $12 000, you should be free of tax. When we tried to work out the calculations we discovered that in order to arrive at a total taxable income of $12 000 and under, it would be necessary to file a return. Because in order to arrive at a taxable income you have

to bring in Tables B, C, D and take out all of the deductions from total assessable income to arrive at the taxable income. That is the reason why we moved down to $15 000. It is as simple as that. For the information of the now incumbent temporary of the Ministry of Finance, the expression is "total assessable income," which is carried forward from Table B and brought to the front page, and then after making all your deductions and allowances, you arrive at your taxable income. We proposed taxable income, but after further discussion we decided it would be putting a burden on people to file tax returns, and that is why we have gone to $15 000 and up. I just want to make that explanation.

The Members on the other side have boasted how they have removed 55 000 people from the tax roll. Far from removing 55 000 people from the tax roll, they have added about 40 000 or 50 000 to the tax roll. I will explain to you. No matter what you call it, a levy is tax on income. Anybody who worked for under $200 a month did not even file a return. But every single person in this country who is working for $10 a week is now the subject of direct taxation, personal income tax, because those levies, which we are going to transfer into the Consolidated Fund to show what they really are, when you speak about wolves in sheep's clothing and Matthew and all of them, whether it is Matthew or John, are taxes and income tax.

Asides.

Rt. Hon. E. W. BARROW: I want to get that straight. You are taxing people now who in the days of the wooly conservatives never had to pay any tax before, nor tax on their incomes, and you are calling it two levies – Transport Levy and the other kind of levy.

One other thing I want to get out of the way before I proceed on another aspect is this foolishness about what are you doing for old people. I do not want to go back to the $1.20 in 1961 and how three weeks before the election it was increased to $1.85 by a gentleman called Sir Mencea Theodore Cox shortly before the election. Those were the days when public workers were told they were going to get a penny increase, $11.13 average wage. I do not go back to all of that. The total Government revenue was $24.5 million or $24.6 million in 1961. But it did not come out of my pocket or out of yours, it came out of the people of Barbados. Everything therefore had to be related to the revenue which the Government was getting at the time, and what we did was to relate, after we introduced the National Insurance Scheme in Barbados – and I even heard somebody here during the past two days claiming that the Labour Party introduced it – well, in their extravagance they will even distort history – he is so new to the game that he did not even know that we had introduced National Insurance – we made a direct linkage between the minimum National Insurance pension and the non-contributory old age pension, and nobody had to contribute either to the National Insurance Fund or to Government revenue, apart from general taxation towards the support given to non-contributory old age pensions. So whenever the minimum contributory National Insurance pension move up, the non-contributory move up as well, and has been moving up ever since, as witnessed when the Minister of Finance made his speech; he showed that there has to be a direct relationship between the two.

8.05 p.m.

It is not anything about he DLP wishing to keep the downtrodden old age pensions down and what you all have done, how great you are. It is a direct relationship, it is an automatic linkage, and the reason for it is this, that we were told by the actuaries, we were told by our civil servants and we were told by those of us who do not get a rush of blood to the head at election time that it is not really realistic to give non-contributory people more than people who had been working and contributing.

I will tell you why the jump occurred. The National Insurance Scheme prevails, the higher the benefits which accrue to people who are entitled to it. Now people at the end, say, of the first three years would get a lump sum grant, and after five years they would begin to draw a pension, but it would be relatively small because it will be roughly 33 1/3 of their maximum pension. That is what it would be, so naturally the contributory pensioners were getting a low pension, but as the scheme grew as time passed, the minimum National Insurance pension then became a little more realistic. And so it will continue, and I hope that we preserve that. Maybe as funds become available, we can lessen the discrepancy; instead of having a $10 margin, we could lessen the discrepancy to something like $5, but it has been calculated that, in the fullness of time, the non-contributory pensions may disappear altogether. It is as simple as that.

I now want to come back to the honourable Member for St. Peter, because he produced his figures with the air of someone who had been toiling all night, and from what he produced, it is clear that he caught nothing. But he had been toiling and he gave the idea of being dedicated to arriving at something which was realistic, but as I said before, if he is saying that a Government cannot make these concessions to people out of whom the Barbados Labour Party extracted $6 billion in additional taxation ..... I remember well about four or five years ago the honourable Member for St. Thomas, now called to his ancestors or wherever they are called to, when I told him that he had extracted three billion three hundred and eighty thousand dollars in additional taxation over and above what the people of Barbados would have paid if the DLP level of taxation had remained. He rose to his feet and said that the honourable Member for St. John as usual, was a bit off the mark, it was not three billion

three hundred and eighty thousand, it was three billion seven hundred and ninety something thousand. That is on the record, so anybody who wants to correct me on the $6 billion can correct me on $6 billion.

The point is that if you go back to 1961, you can take the level of taxation when you did not have employment levy, when you did not have all these imposts such as transport levy, health levy and all the other things, and then the other taxes, particularly the stamp duty, which we still have people in Barbados believing has something to do with stamps, and it is another form of indirect taxation on everything that you do, everything that you eat, you breathe. Stamp duty on everything! It reminds me of a restaurant that I used to see in Russell Square during the war. They had broccoli and a lot of foolishness that I could not eat – I love broccoli now – brussel sprouts and broccoli, no meat, you know, veg, and two mash, and then they end up chips with everything. The Government of the Barbados Labour Party has been like that, with stamp duty with everything, with veg., two mash. Bus fare, everything, whatever you think, stamp duty with everything, chips with everything. I am being serious. You have the level of taxation, this is what I am saying, imposts, and in addition to that concessions which had been given to school children have been taken away from them, like the $5 for school books, like the subsidised bus fares for school children. In addition to collecting more money you removed all these things.

A lot of us would like to abolish income tax. The point I am coming back to is this. How come the economy of Antigua, which is more vulnerable than the economy of Barbados, because they do not even have sugar – some people say they do not even have arithmetic up there, but they do not even have sugar – Grenada which only has spices and mangoes and nutmeg and things like that, about three hotels – some of them not functioning at all – abolish income tax and we hear that the economies are growing? It is a question between the Minister of Finance and the Shadow Minister of Finance of degree. He has made concessions, but all that has happened and really irritated the Members on the other side, Mr. Speaker, is that the Member for St. Michael South Central has gone better than the Minister of Finance. That is all it is. I should like to ask the honourable Member for St. Peter what is the cut off point. If you say that his proposals are unrealistic, if your Minister had introduced those proposals, would they have been unrealistic?

I want to give you some figures now. We have spent about – I cannot say nine months, that is the period of gestation – about seven and a half months, because they are not premature figures, we have spent about seven and a half months with computers, calculators and some of our banking advisers trying to work out the impact effect of the proposals which the Shadow Minister made, and we came to the conclusion that with the amount of spending which will be generated in the economy, and the other feedbacks into the economy, the total revenue loss to the Government is not $90 million but $35 million.

8.15 p.m.

Now where are we going to get it from? This is a unique occasion in the annals of this Parliament, because we have been frequently told by the people on the other side, 'But you have not told us what to do,' and I have frequently told them that it is not our job to tell them what to do. Well, on this side, we are a bit disenchanted with their saying all the time that we did not tell them what to do. But we are not really telling them what to do, I want to get this straight, we are telling the people of Barbados what we intend to do. That is a different thing altogether.

There was no point in our telling them last year, because the honourable Member was not going to call an election last year. That would really be telling them what to do, and then they would tap the wind out of us and try and come better than we had actually proposed, but we are now telling the people of Barbados what we intend to do. That is a different thing altogether. So when we come out with these proposals, it is because we have sat down for a period of about seven and a half months and analysed everything, and I will tell you where we are going to get the money from. There will be no harm in that, because you will not be in danger of implementing it anyhow, so I can afford to tell you.

There are certain unjustifiable expenditures in this economy which cannot be supported, which are non-economic. We have already declared that we are going to divest ourselves of certain activities which may have been justifiable, which were justifiable, such as the Hilton Hotel, at the time when they were established because we were treading the economic pump at that time. There are other areas where we could safely divest ourselves of responsibility to them: The Hotel Investment Corporation or whatever it is called, which has contaminated the Hilton portfolio by mixing it up with Heywoods Development Project. The cement plant, which instead of costing $45 million, cost over $200 million, and we are subsidizing Puerto Rican cement at about $6 a bag when people in Barbados have to pay between $10 and $11 a bag, and the honourable Member for St. Peter should know this, that the Arawak Cement Plant has gone outside of its jurisdiction and dictated to the 91 truckers who used to haul cement all over the island that they would no longer haul cement, that people who buy from the Arawak Cement Plant have to have their cement hauled by two truckers. I would have expected the honourable Member for St. Peter to make a noise about that because one of the contractors worked against him in St. Peter and worked for us, but I have to look at the equity of the whole situation.

Asides.

Rt. Hon. E. W. BARROW: You know who he is. He came from Road View. The honourable Member knows who he is. But how is he representing the people? Ninety-one truckers put out of work, and they are charging the Barbadian consumer twice as much as they charge c.i.f. the people in Puerto Rico! The people in Puerto Rico could afford to close down their plant at Catana, and if you do not watch out carefully, the people in Port-of-Spain – well, just outside – will have to close down their plant, because it would be cheaper for them to buy from Arawak, than the Barbadians can get cement. We are subsidizing them overseas.

Caribbean Airways. We were wrongly criticized for establishing a service between London and Barbados. The reason why we established that was because British Airways was over-charging our migrants who wanted to come home to see their families. I got in touch with Freddie Laker and got him to establish a service, and it did not cost Barbados one penny.

We had a famous bus owner here in Barbados who used to tell his conductors, "you keep the ups, and give me the downs." I told Freddie Laker, 'you can have the ups and the downs, but do not come to me for any subsidy.' That is how we ran Caribbean Airways. But then this enlightened Government decided that Freddie Laker was making too much money, so they relieved him of the burden and took it over and are now leasing from Ghana Airways.

Asides.

Rt. Hon. E. W. BARROW: If it is aviation, I must know what I am talking about. They leased it from Ghana Airways and owe Ghana Airways right now over $3 million.

(Aside: Hon. H. B. St. JOHN: How can you say that? It is not true!)

Rt. Hon. E. W. BARROW: You did? I am glad to hear that you paid it. Give us some figures. You do not have to beat into your time by giving me the figures. But we owed Ghana Airways at one time, not in the distant past. I do not know if the Honourable Minister of Finance has paid up or what he has done.

Since you took over Aero Services, you believed Mr. Stewart Roberts wanted a clean balance sheet and you relieved Mr. Stewart Roberts of having that on his books, over $3 million. The other shareholders, like the Barbados Light Aeroplane Club, including the President of the Senate and other people who had shares, the Barbados Government did not give them one penny. I had no shares. I was only President of the Club.

Asides.

Rt. Hon. E. W. BARROW: Well, if I had one share, I am going to ask the Government for it.

Transport Board – $26 million. Where are we going to get the money from? Twenty-six million dollars to the Transport Board so far this year. I do not mean this financial year, I mean 1985.

The other statutory boards are like slush funds because we never know what they are doing. We must have very strick control over all the statutory bodies. I do not want to hear that you have set up an office. I want to hear that they are responsible to Parliament, because I have had some very rude answers from these statutory bodies that they can do as they like, that they are not responsible to Parliament, that they can exercise the power of virement which a ministerial department cannot exercise. All statutory boards, therefore, must come under Government supervision and under the scrutiny of parliamentary control.

Defence and Security – reduction in costs! A wastage on over-runs on capital projects! A change in the ostentatious style of Government. I do not want to be personal, so do not let me go down there about the ostentatious style. I will come to something on that later on.

There is an amount of $22 million in the Estimates under the heading "Equity in Commercial Ventures." This amount of money is substantially for financing losses. I would say that if we take a firm grip on the economy and these statutory bodies, we may end up with a surplus.

I am not worried, because, contrary to what the honourable Member for St. Peter may think, in 1976, apart from the inflation rate being down to 2%, I was very concerned that the $23 million that we got from the sugar industry, because of the excess profits which were made, were untouched when we went out of office in 1976.

In addition to that, the honourable Member mentioned that they went to the International Monetary Fund or that we would not go to the International Monetary Fund. We did not have to go to the IMF, because between September and December 1976, there was an inordinate increase in motor vehicles, which are the most expensive item of imports in this country, in extension of a promise made to certain people who were advising the Barbados Labour Party, and some of them were even rewarded with knighthoods. Then we had the $20 million loan negotiated with the Government of Trinidad and Tobago, which had money at that time, and that loan was drawn down in January of 1977. Then we

had the oil facility with Venezuela of $46 million, which the Minister of Finance said he did not know anything about, but when he found out about it he was quick to hop down there and get that $46 million. And still they went to the IMF! And the foreign exchange reserves of the Government of Barbados in June 1976 were over $62 million.
8.25 p.m.

I noticed another trend in the argument of the Minister. One of the best speeches I heard in here, Mr. Speaker, was from the honourable Member for St. Philip South. He made a good speech this year, but I think it was last year when he said the people in Barbados did not want to hear anything about GDP and all of that, because you are only confusing them. They want to know when they are going to get a job. Similarly, these economists, when they want to confuse people, they start speaking about percentages of GDP.

Now GDP means the gross domestic product. It means the aggregate of the value of all the goods and services produced in Barbados over a given period of time, because there has to be a time frame when you are referring to these things. So to speak of your deficit in terms of GDP means absolutely nothing, because GDP cannot pay the deficit. The deficit has to come out of taxation, and no matter what the people up in Washington tell you about GDP and so many days or so many weeks of food imports, all those are nonsensical terms when you are dealing with the real world. They mean absolutely nothing.

The other point that the honourable Member got mixed up with, like the uninitiated, was his annual recurrent deficits mixed up with balance of payments. It really pained me, and pained the people.

Asides.

Rt. Hon. E. W. BARROW: Do you want me to go into detail? I thought he would know better. He may have made a slip. He got balance of payments and deficits mixed up. You have a deficit on current account. The former Minister of Finance started amalgamating the deficit on current account with his capital expenditure. Now this is a bad practice. As a natter of fact, there was an article in one of the international magazines just last week – I cannot remember which one it was – explaining that Reaganomics had confused the whole issue by mixing up their deficits on current account with their capital expenditure and emerging with $200 billion or something like that. We all agree, on both sides, that future generations ought to pay for your capital investment, but when you mix up your current deficit with your balance of payments and your capital expenditure, you are going to run into trouble and confuse everybody. You are not confusing me. I have been doing that job for 15 years, so I just want to tell you that you are not confusing me, because I know where we are going. You may not know where you are going.

I wish to turn, Sir, to a document which has been made a document of the House, and that is.....

Mr. SPEAKER: That document is causing me some problems. It was made a document of the House and now it does not appear to be in the House.

Rt. Hon. E. W. BARROW: I do not know why it does not appear to be in the House or why it should disappear. You have to ask the Clerks, Sir.

I will just quote some figures here. Contrary to what the Minister of Finance and Prime Minister said in his Budget review, the document, which I understand the Ministry of Finance does not want to be circulated – that is my information .....

(*Aside:* Hon. H. B. St. JOHN: I never said that.)

Rt. Hon. E. W. BARROW: Does not want to be circulated yet. I will amend that and add the word "yet". Then it is all right to quote it? You have no objection, absolutely no objection?

It states at page 3:

> "Substantial foreign borrowing was required to maintain an adequate level of foreign exchange reserves."

And then on the same page:

> "Output in manufacturing fell sharply in 1985 as the collapse of the international market for semiconductors forced a cut-back in the local electronic components industry."

Again on the same page:

> "Although Government revenues were higher, the fiscal position deteriorated. Substantial increases in public sector wages and salaries swelled current expenditure. Moreover, capital spending picked up, pushing the overall deficit well above the 1984 level."

A bit further down it says:

> "A sharp fall in net private capital inflows and heavy debt service payments weakened the capital account considerably."

I want to pause here. They say there is nothing wrong in having a national debt of $1.4 billion. Let us leave aside that when the national debt was $200 million they ranted and raved, not in your presence as Speaker, but in and out of the House against the debt burden on the people of Barbados and you had to sell the sheep, the cow, the goat, the man servant, the maid servant and the

stranger within the gate and the motor car. That is what they were saying in 1976.

When I went to Cuba to discuss the debt position of the developing countries, I was severely criticised. When the Prime Minister took eight people, including the honourable Member for St. Andrew (Hon. L. B. Brathwaite) to Communist China on a joy trip, the honourable Member came back and said that they were going to buy milk products from Barbados. Poor little Barbados cannot get enough milk for 240 000 people, but we are going to export to a country with a population conservatively estimated at one billion people, and the honourable Member for St. Andrew said that was an advantage of their visit to China.

(Aside: Hon. L. B. BRATHWAITE: I never said so. I went twice.)

Rt. Hon. E. W. BARROW: You went twice? That makes you a double communist!

The point, Sir, is that we have not sold one carton of milk from the Pine Hill Dairy to Red China, and I am sure that, under the chairmanship of the candidate for St. Michael South Central, you would not even get as far as Ceylon if you try to sell one.

The point I am trying to make is this: that when you have this tremendous debt – I went there to discuss the debt problem – it is a very serious problem. The interest payments of the developing countries in this region amount to over – I am speaking subject to correction – $3 billion, something fantastic. I would like to be corrected on that, but Brazil alone has interest payments of $81 billion, which they can never pay. It was being mooted at that time that we forget about paying, but we have to pay back in Barbados, because we have never developed a reputation for repudiating the money that we have borrowed. Unfortunately, the succeeding Government has to pick up the debt burden and find the money out of current revenue, as postulated here in the Central Bank report, that the capital account of the Government can be weakened, because they say,

> "A sharp fall in net private capital inflows and heavy debt service payments weakened the capital account considerably. Government borrowed on both the Tokyo and London markets to sustain the balance of payments, securing an $86 million increase in foreign exchange reserves."

So what we have been doing in Barbados is borrowing money for balance of payments purposes and not for development in the country at all. Purely for balance of payments purposes! Primarily for balance of payments purposes! 8.35 p.m.

(Aside: Hon. H. B. St. JOHN: Nonsense!)

(Aside: Mr. H. A. BLACKMAN: That is true.)

Rt. Hon. E. W. BARROW: They always like to publish the statistics on their foreign exchange reserves like the morning after they have brought in some money, but by 3.00 o'clock in the afternoon the money has gone back out. In the money market in the United Kingdom, that used to be called window dressing. There were five big joint stock banks in the United Kingdom, I do not have to enumerate them – Barclays, London Provincial, Midlands, Lloyds and Westminster – and what they used to do is that they had a van – the banking union had stipulated that they had to have a certain amount of cash every week – so the van used to drive around from one bank to the other, Monday to Barclays, Tuesday to Midlands, Wednesday to Westminster and so on, and if that had in £20 million they would add on the £20 million of their cash in hand – and many would call at short notice – and then the van would drive off. The Government of Barbados has been doing the same thing.

Now, Sir, my time is running out. I have a short explanation to make, and it concerns a very strange outburst by the honourable Member for St. James North (Hon. L. S. Craig). I could not understand it at all. Then I was informed afterwards that an article had appeared in the newspaper which went under the heading, "Letter from Errol Barrow." I said that I only wrote one article in the past few years, and that article was published when I was in Manila, and it had something to do with the dangers of drugs. I am sure that the honourable Member for St. James North would not object to the tenor of that article because I was speaking against the prevalence of the use of drugs among children. They said, "No, this article appeared just day before yesterday." And then I discovered that the *Advocate* had published an article, which I knew nothing about, which made reference to the honourable Member for St. James North. It was not a misreport, but the point is I was not responsible for that article. It merely said that I had asked the Prime Minister to give me a job description of what the honourable Member for St. James North was supposed to be doing, and he really ought to thank me for having asked that question, because he received a portfolio about two or three weeks afterwards. But instead of that, in typical fashion, he decided to attack me, unjustifiably.

I wish to ask the Prime Minister this about his Budget. We know about our budget. Is this a Budget for all the people of Barbados? Because there has been no repudiation of the statement or statements which have been made by the honourable Member for St. James North. You will find, Sir, that in the Debates of the House of Assembly for Tuesday, 11th July, 1978, the honourable Member said these things – I am not reading from the debate, I am reading from an extract, but the

Debates are there, Sir – my time is limited but I will make this a document of the House:

> "Now, the Prime Minister has the power to dismiss me from the Cabinet; but I am going to make a bold statement here today. We have been accused of victimising workers in this country. We have been accused of interfering with the Civil Service. I do not know if I have a Ministry to run how I can interfere with my Ministry. That is my Ministry. I give the directions in there. That is my Ministry and what I say in my Ministry is law. I am the boss in there".....
> ..... "Now let me tell you this. Anything with DLP, if you breathe, you cannot eat as far as I am concerned. It is as simple as that. This is war. If your name is Douglas Leopold Phillips .....
> ..... "by accident .... you miss and approach me and I see it just in your face; no dice. This is the ball game which we on this side must play now."

This is the part where a lot of television viewers may be a little confused, that every time the honourable Member made as aside to me, I said, 'Heil Hitler.' It is that he is the patron saint of that side, according to what the honourable Member said:

> "The Prime Minister and the Leader of the House say in here that you cannot do that,"

that you must:

> "let everybody eat. I know this too good, Hitler would never feed the Americans to fight him; Hitler would feed the Germans, Hitler would feed the Germans to fight the Americans and this will be the ball game or the Prime Minister can take his instrument. It is as simple as that."

I do not want to go any further but I want to know, is this a Budget for the Americans? Is this a budget for all the people in Barbados? Is it Budget only for the Labour Party supporters? I do not want to use any derogatory expression. Heil Hitler!

(Aside: Hon. L. S. CRAIG: I won by 1 064 votes after.)

Rt. Hon. E. W. BARROW: This is the philosophy now which is being promulgated in Barbados. The honourable Member can only come in here and rant and rave and curse outside. But as far as I am concerned, our budget is for the whole country.

Applause.

Rt. Hon. E. W. BARROW: I just want to correct the honourable Member, who is trying to shout me down even now. Hitler fed the Americans because, according to the Geneva Convention, he had to feed them, and the American soldiers were better fed than the German soldiers. I can tell you that because I visited Stalag Group 3 and Stalag 8B. I visited Belgium and I saw what Hitler did to 6 million people. If that is the kind of philosophy that you want in Barbados, well, I do not want to live in this country. I would prefer to go and live in Germany, which would be safer than living in this country with you, if anything unfortunate happened to the Prime Minister and you decided to accept, because you appear to be the logical successor, God help Barbados if that day ever comes!

Loud Applause.

(Noise from the Public Gallery.)

Mr. SPEAKER: The honourable Member for Christ Church East Central.

Hon. H. B. St. JOHN: I refuse, Mr. Speaker, to rise in this Honourable House and be interrupted. The Marshals of this House have their job to do. Let it be done!

(Aside: I agree with that.)

Hon. H. B. St. JOHN: I refuse, Mr. Speaker, to rise in this Honourable House and be interrupted.

(Some of the people in the Public Gallery left.)

Hon. H. B. St. JOHN: Mr. Speaker, Sir, ...

Mr. SPEAKER: The honourable Member may now proceed.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, the Right Honourable Leader of the Opposition concluded this debate and as usual demonstrated to the whole of Barbados his well known capacity, and I shall delineate them as we go through this debate.

It is important from the outset that we look at the statements made by Members on the other side in the light of their known propensity to speak the truth or not to speak the truth. I will deal first with the Right Honourable Leader of the Opposition. He tells us that he has a long history of not misleading Parliament or the public of Barbados. He said that in 1961 he went to this country and he presented a programme, and that, just as he presented that programme on that occasion, so too on this occasion he was vouching for the veracity of the statements made on his side in respect to the effect of their draft budget. The Introduction of the Democratic Labour Party's manifesto for 1961 says:

> "Two key industries will be established immediately, a flour mill and a cement plant."

The Democratic Labour Party was the Government Party of this country for 15 years, and at no time during those

15 years were those promises fulfilled. I say, Sir, that any promise made by the Democratic Labour Party under the leadership of the Leader of the Opposition must be judged in the light of his historical performance.

Applause.

(Aside: Hon. A. TRUSS: More credibility.)

Hon. H. B. St. JOHN: We go too, Sir, to another promise on the other page. Couched in the usual language it said:

> "Discussions have already commenced with one of the biggest thermo plastic companies in the USA with reference to the establishment of a factory to produce plastic shoes which can be sold at six shillings a pair."

Up to today the Democratic Labour Party has not been able, after 15 years, to fulfil that promise.
8.45 p.m.

Applause.

Hon. H. B. St. JOHN: I think, Sir, that it is necessary to do what I am doing, because there is a larger number of people today who do not know the honourable Member's reputation for veracity. Having regard to the fact that I have been able to quote verbatim from a document of which the honourable Member is proud, I leave it to them to judge the honourable Member's and his party's veracity.

I now deal with the honourable Member for St. Michael South Central (Dr. R. C. Haynes). I think that the Leader of the Opposition is mistaken when he looks on this side and talks of Hitler or Goebbels. The honourable Member for St. Michael South Central is on record in this Parliament and elsewhere as saying that what is important in politics is not truth, but impressions. In short, the electorate and Parliament and others are there to be fooled by words, by promises which do not have to be true, but once they are made and they give a good impression, that is the most important thing.

The proposals that have been constructed as the draft budget of the Democratic Labour Party, and which is being presented to the electorate of Barbados, has been conceived in that mould. We have access, Sir, to computers, and we have access to information. When I, as Minister of Finance, presented the Budgetary Proposals to give this House and the public of Barbados, as I usually do, a very clear explanation of everything that I said, we costed the impact of the promises that we made in respect of income tax concessions. We said that they would cost somewhere in the vicinity of $11 million net, and we used the word "net" because we know that the effect of increasing purchasing power in a country can have the effect of stimulating economic activity, thereby leading to some residual increase in revenue. The cost of increasing the first band of 10% from $5 000 to $6 000, a mere $1 000 increase, amounted, according to the experts in the Ministry of Finance, with access to all of the actual tax returns on a computer, to $4 million.

Sir, as part of my public duty to the public of Barbados, I have got a costing of the proposals as set out by the Shadow Minister of Finance. It is noticeable that the honourable Member for St. Michael North (Mr. P. M. Greaves) said in his speech that the effect of their proposals would only be a 25% addition on the cost of our proposals. That is what he said. The Government's costing .....

Mr. P. M. GREAVES: On a point of elucidation. Mr. Speaker, that is not what I said. I related principally what I said to the income tax portion of a segment of the Budget – nothing else. I did not deal with corporation tax nor any of the other allowances mentioned. I dealt solely with income tax and nothing else.

Hon. H. B. St. JOHN: Mr. Speaker .....

Asides.

Hon. H. B. St. JOHN: I was just obeying the Speaker.

Mr. Speaker, the honourable Member said that the cost of the proposals for income tax amounted to 25% more than the Government's cost. Our estimate of the cost, Sir, far exceeds that. The honourable Member for St. Peter (Mr. O. S. Arthur), who need not be worried about these innuendoes and the indirect insults which were hurled at him this afternoon – he needs not worry about that, it is one of the habits of the Honourable Leader of the Opposition. You are in good company when that occurs. When you speak to matters which you are more expert on than the honourable Member, his only reply is in the fashion in which he replied to you – the honourable Member has already outlined the cost of the income tax proposals, and those figures have been arrived at as a result of a very careful analysis commissioned by the Government this morning from the Data Processing Unit in the Ministry of Finance.

It is easy today for the Democratic Labour Party to say that there is no big thing in the abolition of income tax in Barbados because Antigua has abolished it with an economy inferior to Barbados, or that Grenada has done the same thing. I do not want the Government of Barbados ever to be in a position of some of these Governments. The Government of Barbados has an excellent reputation for meeting all of its financial obligations, whether it be the CDB or to any banking institution. They have an excellent reputation for conducting their affairs without being the recipient of a tremendous amount of gifts from other countries in the world, particularly the United States of America. If you wish a fair comparison as

to the performance of these Governments, you should have given an analysis of what proportion of their revenue, first of all, is derived from gifts from other countries. You should also give a comparison of how much of their debt is actually in arrears. Those are two material things. Because if the honourable Member for St. Michael South says that he will give up revenue by way of tax concessions, either you must look for an alternative source of revenue or you reduce the services which you are going to deliver to the people. So, Sir, I am glad that we have been able, by the quality and content of our speeches, to force the Democratic Labour Party, as has just been expressed by the Leader of the Opposition, into the position of having publicly to acknowledge that at the present moment income tax cannot be abolished in Barbados.
8.55 p.m.

Now, Sir, the second point, which I think is exceedingly important, and to which no reply has been received during the course of all the contributions of honourable Members on the other side, is the difficulty of increasing greatly purchasing power in a small open economy like Barbados and its impact upon the balance of payments. The honourable Member for St. Peter was very specific in his speech in dealing with this matter, and when he came to the conclusion that the impact of the policies of the Democratic Labour Party will be disaster for Barbados, he came, in my opinion, to the correct conclusion, because it is a well known fact, as he has said, that in these small, open economies, if there is a great increase in purchasing power and it is not channelled correctly, conspicuous consumption would be the most likely fate of the increase in the purchasing power.

Sir, the two Budgets that I have presented to this House have been predicated upon the proposition that there is a need, given the recessionary conditions in the world and its impact on Barbados, for us to stimulate the economy, and that that stimulation must be carefully guided along the path of increasing the productive sectors and increasing savings and investment in Barbados. That is what this budget is all about. I am proud of that fact.

I am also now going to deal with this question of the Government or the Ministry of Finance not wanting to have the Central Bank Report circulated. That is a cheap statement. I am not going to seek to find out how it is that a report that is dated March 27 on the face of it, which has not yet reached Cabinet, got into the hands of the honourable Member for St. Michael South Central. It does not matter to us. The truth of the matter is, this Government led by me has nothing to hide. I am delighted that the honourable Member has access to the information. I am delighted with that fact, because I want this debate to be conducted upon the basis of all of us having access to all the information in relation to the economy of Barbados. It is the public of Barbados who will ultimately be the judge in this matter.

There is no doubt about it, Sir. Nineteen eighty five was a year of growth in Barbados, provisionally estimated at 0.3%. Check and see what was the growth in Guyana, in Trinidad and Tobago, in Jamaica. The report says what it was. The productive sector in Barbados faced two great difficulties, and there are difficulties that will always arise in small countries like ours where, because of the smallness of our population, even with CARICOM, the demand that that population has to purchase the goods we produce is too small to mean, in terms of employment and in terms of the generation of income, what we would like.

Whether the Democratic Labour Party likes it or not, they have not provided today any answer to what the Budget articulates very clearly, namely the problem of lack of demand in small open economies when your principal trading partners have no need any longer, because of circumstances outside of your control, for the products which you export. That is a fundamental problem. The honourable Member for St. Peter repeated the problem in his presentation. Both the honourable Member, the Leader of the Opposition, the last speaker, and the honourable Member for St. Michael South Central, who spoke after me, had full opportunity to explain to the public of Barbados how would the Democratic Labour Party solve the problem of the protection in Trinidad and Tobago, the lack of purchasing power in Guyana, the lack of purchasing power in Jamaica and the lack of demand that was in existence last year, particularly in the second and third quarters for electronic products and for summer tourism. What is your answer? You had full opportunity to say it. Either you believe that it was a valid point, in which case you would have said that it was a valid point and provide your solution to the problem, or you would have said that it was a meaningless point and no solution was needed.

I am very happy to say, Sir, that we have studied this matter very carefully. We have studied it in relation to agriculture, we have studied it in relation to industry and we have studied it in relation to tourism, and our view is that, as a Government, in the context of Barbados we have a lead role to play in holding the hands of our industrialists, of our tourist operators and of our agriculturalists and guide them in a period of uncertainty into new markets and provide incentives for them to get into those markets. That is another basis upon which this Budget has been constructed.

That is indisputably relevant to the great divide between the honourable Members on the other side and us. As long ago as 1982, I believe we had a debate in here when we came in here for the price support for the sugar

industry. The principal spokesman for the other side on this Bill, at page 1946, had this to say when we were dealing with the first tranche of money for the sugar industry:

> "I am fundamentally opposed to this Bill in many areas."

When I said that truth is unimportant and the only thing that is important is impression, the honourable Member by this speech was only confirming his previous statement. He was opposed to giving help to the sugar industry in its hour of need. He became a convert after, because he felt that it was good politics and the election was getting near.

(*Aside*: Hon. A. TRUSS: Cheap politics!)

9.05 p.m.

Hon. H. B. St. JOHN: That is not cheap politics. That is politics according to the honourable Member for St. Michael South Central!

Sir, I am now going to read the vulgar abuse heaped upon the people. He said:

> "Many of these loans made to finance plantations, firstly, have been used to keep race horses. They have been used 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 concessional rates rather than paying the high interest rates prevailing in Bridgetown."

Sir, what I am trying to say, and I want to get it across, is that the central themes of the Budgets of the Barbados Labour Party since 1982 have been to provide help for the restructuring of the economy of Barbados to lift it over the period of recession and chart a new course for it to be able to compete in the last part of this century and into the 21st Century. Last year, as I said in my speech, because of the containment measures taken by my predecessor, because he sailed the ship of state in such a manner that it was able to survive the storm of recession, I felt confident enough to start unleashing the purchasing power, but channelling that purchasing power in such a way that it would promote investment, marketing, and things of that kind.

I now come, Sir, to the corporation tax proposals. It is easy for someone to get up here and say that they will change the rate of corporation tax from 45% to 35% and 15%. One of the good things about what has occurred in Barbados and the rest of the Caribbean over the last ten years is that there is a fair element now of sophistication in the understanding of financial matters. It is no longer any mystery. When the honourable Member came here in the 1950s, graduating from LSC in Industrial Relations, he was able to pass off as an economist. In the land of the blind, the one-eyed man was king! He had a passing reference with some exposure to economics!

Today, when you talk about nominal rates of corporation tax, that is not important. What is important are the allowances which the tax law permits you before you become eligible to pay the tax. The submission on this side is very clear, that we have tailored our proposals for the reform of corporation tax consistently over the last ten years to ensure that our corporation tax will be better than his 35%. If you are a fiscal incentive company, you pay no corporation tax. If you are a company that, to date, is not a fiscal incentive company, but you are a manufacturing company and you concentrate in the area of economic activity which is in need of inducement and incentives, last year's Budget gives you a rebate up 80% of the corporation tax and 80% of 45% – the honourable Member can work it out – is less than the honourable Member's proposals.

Those are the two of the areas. We have other areas, but I think it is important that we have a sophisticated analysis of this, so that I have dealt with two. A fiscal incentive company carrying out manufacturing activity, it pays nothing for ten years. After ten years, it will now be able to go on to the rebating allowances, which were expanded from dollar one last year right up to a possible rebate of 18%. If you are an insurance company, a savings institution, there is a special rate of tax of 20%. If you are a credit union, which this Government has great pride in having developed during our ten years, there is a special rate of tax. If you are a company that is engaged in house building, building five or more houses a year, again you pay 20% tax. So it is not a question so much of the rate of tax. It is a question of the allowances that you have given.

So there are two ways of attacking tax reform. You either try to fool the people by saying that you are going to reduce the rate, or you do what we have done – do a sophisticated analysis of the areas of the economy which needed encouragement and tailor the allowances to ensure that the relief in the purchasing power is tailored in investment in that area. That is our philosophy.

I make no apology for saying that I do not believe that, in the context of Barbados, today we should release, by way of corporation tax benefits, money for people to be indulging in the retail and distributive trades. I do not believe that that is correct, because, in my opinion, at the present moment we have an excess of retailing in Barbados. So all of the incentives that we have tailored and designed have been designed to encourage manufacturing our services.

Sir, there is another significant thing about this Budget. The honourable Member talks about a new role for the Barbados Development Bank. This Budget specifi-

cally adverted to the fact that we were going to create a special window, so to speak, to channel loans, as much as $500 000, specifically for manufacturing with a high export potential, and for eligible services, and I said that I would have, before we finalize the law, consultation with all interested parties. Again, Sir, we were tailoring our reform of the corporation tax to ensure that the breaks went to people who were indulging in an activity which would generate foreign exchange as opposed to the expenditure of foreign exchange, because we took seriously the points which have always been made, that the unleashing of purchasing power in this country will leak off into imports and have an impact on the balance of trade. So that is the philosophy behind our Budget, and when the honourable Member says that they are doing better in the grant of corporation tax incentives than we are, it is my submission that the strictures that have been applied to their methodology by the honourable Member for St. Peter are correctly applied.
9.15 p.m.

I also want to point out something, Sir, because there is another new area in this respect that should be drawn to the attention of the public. Last year we started along the road of a special regime of tax reduction for know-how companies. We said that royalties last year would receive a rebate of 50 per cent of the corporation tax. Again, our 50 per cent rebate is better than the honourable Member's proposals. This year we extended that, and we said that it would apply to construction companies earning foreign income, and again we said that there were companies which could provide subsidiary services to manufacturers and which had told us that they would like to get part of the rebate provisions because they are providing a service, whether a factory, whether marketing or design, and they said that they would like to provide these services and they wanted the inducement too. So this year's Budget has that in. So again I must emphasise that when the honourable Member says that he is granting incentives, we have already done it.

This newly-found endearment with the private sector on the part of the honourable Member is something that always amazes me. It is not representative of the views of the Democratic Labour Party. The honourable Member for St. Michael West (Mr. B. M. Taitt) in here said that he would continue the policies that he followed when the Democratic Labour Party was in power. It was in control between 1971 and 1976. Price control and protectionism was at its highest without reference to the consumer.

Aside.

Hon. H. B. St. JOHN: No. I am going to use neutral words. The public knows exactly what occurred, particularly the Leader of Opposition. He knows, and his view of the performance of the honourable Member is very much evidenced by the fact that the honourable Member for St. Michael North is now in control of that portfolio. How does the Democratic Labour Party square that position of the honourable Member for St. Michael West with the position articulated in here by the honourable Member for St. Michael South Central, that, in relation to oil, the Democratic Labour Party will not factor in one iota of a percentage to help the National Oil Company? In short, what the honourable Member for St. Michael South Central is saying is that if you cannot compete with the imported price of crude, there shall be no protection for you. That is diametrically opposed to the views espoused by the honourable Member for St. Michael West and evidenced by the Pine Hill Dairy, the agricultural programme and a number of other industries. You cannot fool the public all the time. Your inconsistency is evident in your speeches today; you have to make up your minds. Honourable Members on the other side have to make up their minds as to what is their philosophy, and it is our duty to point out these things.

Sir, I must deal with the question of energy. I set out very clearly what the Government's position was, and I must here, as a matter of fact, contradict and say that it is untrue if anyone says that the price of oil fell by 50 per cent in December. I heard the honourable Member for St. Michael South (Mr. L. E. Sandiford) say that, that the price fell by 50 per cent in December and this is April and Government has not done anything about it.

Mr. L. E. SANDIFORD: Mr. Speaker, on a point of elucidation, if the honourable Member would give way ...

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

Mr. L. E. SANDIFORD: On a point of elucidation. I never said that it fell to 50 per cent in December. I said that since December the price of crude fell by 50 per cent or over 50 per cent; since December, not in December.

Hon. H. B. St. JOHN: You are not going to push me off my stride. The point of the matter is that the Democratic Labour Party signed an agreement, and we as a responsible Government feel it is necessary, consistent with the over-all national interest, to carry out our policy in accordance with the terms of the agreement, and the pricing of oil in Barbados is always in arrears of the world market, because the agreement says that this month's pricing must be in relation to the average of the previous month. In March the figures came to hand for the first time which indicated that both the local crude and the purchases of reformate from Trinidad and Tobago had gone down in February, and that is when the Government converted the surcharge into

consumption tax. So that in March when the billings would go out and reflect the February purchases, the bonanza, the difference between the crude price paid at Mobil, would not go into the coffers of Mobil but would go into the coffers of the Government, and I said at that time that the Government by Budget time would have sufficient information to come with a definitive position.

Mr. Speaker, this Government has nothing to hide, nothing to fear, nothing to be ashamed of when it proclaims as its policy that it will not, given the importance of oil in the economy, pass on all of the benefits of a price reduction in oil to the consumers when the Government has to pay for services, supplies and wages at the same level as were determined when prices were higher. We say that a fair plan has to be dealt with.

The honourable Member's proposals would cost some $11 million additional, so the topping up is coming. That cost is $11.8 million. The honourable Member is an expert on energy. He did not tell the public when he spoke how much his proposals would cost in respect of his specific energy reductions. Can he be believed in those circumstances?

Sir, I also want to reiterate the point that the public of Barbados, through fuel oil reductions, are getting the benefits of the reduced oil prices in the feedstock prices of the fuel oil for electricity. My understanding is that the Public Utilities Board monitors very carefully the bills that are sent out and that the Electric Company has to justify, whenever called upon to do so, the amount that is charged in the bill for fuel. I know the honourable Member has a hatred for the Public Utilities Board. That hatred is born of his failure to be able to convince them that the preposterous proposition that he puts forward on utility rate regulations should be accepted, so that he ignores the rule of the Public Utilities Board in ensuring that the consumers' interest in Barbados is protected.

I want to say further that I am conscious of the fact that it is important that our inputs of manufacturing and our inputs of cost in Barbados should be carefully monitored with a view to ensuring that we remain competitive. That is why the small fuel tax that we had on fuel oil has been reduced by 50%. I can tell the public this: in January, 1985, 13.0073 cents per kilowatt hour was the fuel charge; in March, 1985, 11.2912 was the fuel charge; in March, 1986 that fuel charge was 8.2007 cents, and in April 6.9478. In short, a significant reduction in the cost of a major component of an electricity bill has been allowed to flow through direct to the consumer in respect of fuel oil.

9.25 p.m.

That is our philosophy. We are not going to allow people to indulge in wasteful consumption of using gasolene. We prefer to allow people, and encourage them, to save energy. Now that is a very important point. When they charge us with wickedness and deprivation of the community of their legitimate rights, we are able to answer them with the facts. The public will have the choice. If that is our policy, which has been endorsed by the recent meetings, as I said, of the energy experts in St. Lucia, which has been followed consistently by Governments in Europe and in other parts of the world, I cannot see how we can be legitimately accused of being greedy and out to deprive the public of their legitimate rights.

Sir, one other area, this question of divestment. It is popular, as Mrs. Thatcher has done, to fool the public that you are containing your public expenditure programme by divesting yourself of state assets that have been built up over the years in order to contain your public sector borrowing requirement. There is always the question: what happens to you when you have sold all of your assets and you have contained your public sector borrowing requirement and you are in a worse situation in respect of unemployment and things of that kind? We have a unit that we set up last year, headed by a person of excellent banking experience and qualifications. We have done an evaluation of each and every statutory corporation of a commercial nature in Barbados, and we have given them targets and deadlines and dates to achieve those targets, with a view to containing their expenditures within their revenues.

I am glad that today the honourable Member says that the Transport Board is in need of a subsidy of $6 million. At least he recognizes that there should be a Transport Board, (1), and (2), that it should have a subsidy. If there is one thing that this Government in the face of the greatest opposition has tried to do, it is to put the Transport Board on a good footing. Programmes have been introduced for, firstly, re-equipping the Transport Board and for, secondly, improving the physical facilities under which the buses operate. Just check what is happening at Fairchild Street, what is happening at Speightstown, what has happened at Mangrove.

It is not easy to reorganize an institution, particularly a Government institution which has been in existence for such a long period of time and in which considerations solely of efficiency and financial prudence does not always apply. The Democratic Labour Party in 15 years were not able to grapple with the problems of the Transport Board. They were not able to grapple with the problems of the Transport Board in that period of time, if not the bus stand would not have been in that condition, and there would have been a new headquarters. We would not have come and found that, through political connections, you bought some 50 or 60 Seddon buses which turned out to be white elephants.

(*Aside:* Hon. L. S. CRAIG: Hear, hear!)

Hon. H. B. St. JOHN: Now the honourable Member for St. Michael West Central (Hon. V. L. Johnson) was man enough to tackle these problems. I think we can be proud of the results so far. We have reached the stage where a new bus stand, new buses and modern collections are being put in place. Tokens are now being used in Barbados. Programmes for computerization, managerial experience – all of those things are being brought to bear on the Transport Board.

I love to hear about Caribbean Airways. The Right Honourable Member for St. John in here today said that Caribbean Airways was making money under Freddie Laker, and since we put our hands on it, it has not been making any money.

Aside.

Hon. H. B. St. JOHN: You said that. When Freddie Laker came to the Government of Barbados and told them that he was in a vice grip through Mr. Sharp and that it looked as though the big boys were conspiring against him and we asked for the accounts, we could not get the accounts. When he collapsed, he did not have the decency to tell us that he was going to collapse. He collapsed on us. At that time I was abroad. The honourable Member for St. Michael North East (Mr. L. L. Sisnett) and the former Prime Minister telephoned me and told me that he had collapsed, and we decided that, having regard to the fact that the Right Honourable Member for St. John had put the name of the Government of Barbados on an agreement, we could not allow the name of Barbados to sink in the aviation world and we had to stand by the company.

Applause.

(*Aside:* Hon. L. S. CRAIG: Hear, hear!)

Hon. H. B. St. JOHN: We took that responsibility, we took that decision, and I am proud of the decision that we took. I am not the kind of man that is going to renege and agreement when a nation's name is at stake. So that, Sir, ...

Asides.

Mr. SPEAKER: Please, please.

Hon. H. B. St. JOHN: .... the honourable Member should not say that Caribbean Airways was making money when we took it over.

But I am going to go further, because the Government's policy in relation to Caribbean Airways is well known. Caribbean Airways is an instrument to bring people to Barbados from areas where there is no other service, and which areas are important to the tourist industry development in Barbados. The sum of $8 million in the context of a $600 million industry is a mere bagatelle to this Government.

Applause.

Hon. H. B. St. JOHN: Sir, I want to make it clear. I am a bit hobbled in this debate tonight because of a very important fact, Sir. It is known that the Government of Barbados from 1982 has said, repeatedly, that it is its view that the only proper way for the Eastern Caribbean, from Antigua down to Trinidad and Tobago, to operate their air services is for us to have a single company, equipped, manned and run along commercial lines, and that there should be a pooling of our rights and a common approach in negotiation with third countries for route rights and fare structure. That was my position; it still is. In 1982, I, therefore, went to Trinidad and Tobago, and I expounded this viewpoint. I canvassed each and every Government in the Eastern Caribbean on this viewpoint. I have consistently maintained this viewpoint. But, as I said at the Ministers of Transportation Meeting recently, the time has come when the Government of Barbados has decided that if we cannot get partners within the Caribbean, we will get partners outside of the Caribbean. That is my position. I am saying no more, because I was told tonight that very soon I will have the pleasure of having the Prime Minister of Trinidad and Tobago here in Barbados, and we will be discussing these matters.
9.35 p.m.

Hon. H. B. St. JOHN: That's right.

So that is the position and I tell the public that the Government feels now that the European currencies have gained strength vis-a-vis the U.S. dollar now is the time for this fundamental decision to be taken. Accordingly, for over three months the Board of Directors of Caribbean Airways have been instructed to invite proposals from airlines, including BWIA, for joint venture arrangements. I have gone further. I have commissioned a study by Air Lingus, through Caribbean Tourism and Research Centre, on the economic viability of an Eastern Caribbean airline on a joint venture between Caribbean Airways and BWIA. In short, I am arming myself with all of the information that is necessary to make a decision. The time is right. So, therefore, again you are too late. Again, you are too late!

Sir, what else can I say, Sir? I believe Sir that this election will be a lot to do with credibility. I do not believe that the public, having regard to the record of the Democratic Labour Party, and having regard to the fact that ten years have passed since the honourable Member has had any acquaintance with any sustained work, particularly work of the magnitude that is necessary today, would entrust this country in the hands of the

Democratic Labour Party. When they were in power, did they know of the proposals that they have to put forward now? The honourable Member said "no". He said they did not have time to think.

Asides

Hon. H. B. St. JOHN: Well, if the burden of office has that impact upon your head that you cannot think, you are unfit for office. Because when you are in office, you have to think!

Applause

Hon. H. B. St. JOHN: Sir, we have performed. I already admitted that the Government has not last year been able to demonstrate the growth that we would have liked, but I say this: let us look at the year April to March and let us see what has happened. There is no doubt about it, that this year's tourist season, which is now complete as far as winter is concerned, virtually was a superior tourist season to last year. There is no doubt about it, that this year's cruise ship business was superior – I have the figures here – 63 000 as opposed to 50 000 last year. There is no doubt that the infrastructural development for the expansion of the cruise ship business is in place already and will be opened on May 6, the 25th or 26th anniversary of the great investment of the Barbados Labour Party, the Deep Water Harbour.

Applause.

Hon. H. B. St. JOHN: There is no doubt about it, that the decision has been taken that new areas in the United States of America have to be explored, with help from the Government – in Texas, Newark, and other areas.

So that in tourism, what the honourable Member says is going to be the linch-pin for the advancement of the economy. Let us not forget that when we came into power, you had a measly 220 000. We have 360-odd thousand. In addition to that, Sir, we also have agriculture. This year's sugar crop is better than last year's. We have no problem. We have been criticised over here for the impact of rain on non-sugar agriculture last year, such is the unreasonable nature of the honourable Member.

So that when we take all of these matters into account, I say, Sir, that the people of Barbados will be able to decide very clearly between a Government that is credible, by its performance.....

Mr. SPEAKER: Time.

Hon. H. B. St. JOHN: .....and a Government that has been known in the past to make promises only to break them. They will not give them an opportunity to demonstrate once again their capacity for not speaking the truth to the public in writing or in promises.

I beg to move that this Resolution do now pass.

Loud Applause.

The question that the Resolution do now pass was put and resolved in the affirmative with the House dividing as follows:

Ayes: Hon. H. B. St. JOHN, Hon. L. S. CRAIG, Hon. L. R. TULL, Hon. L. B. BRATHWAITE, Hon. Dr. R. L. CHELTENHAM, Hon. A. TRUSS, Hon. D. A. C. SIMMONS, Hon. DeL. O. BRADSHAW, Mr. O. S. ARTHUR, Hon. H. deB. FORDE, Mr. L. L. SISNETT and Mr. J. G. ODLE – 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. L. A. WEEKES, Mr. M. A. KING and Mr. H. BLACKMAN – 10.

9.45 p.m.

Mr. SPEAKER: That brings us to the end of this televised broadcast and the end of the budgetary debate.

Pause.

Mr. SPEAKER: I regret that I am forced to remove part of my regalia. The absence of the air conditioning unit is driving me mad.

Hon. L. S. CRAIG: Sir, I share that view. You have been using alcolado all day and I myself have been very, very hot because of the air conditioning unit, which I am told has not been working for the past three weeks.

GOVERNMENT NOTICES

Hon. L. S. CRAIG: Sir, I have at this point in time to give notice of a Supplementary Notice Paper which came down some time during the day. It is a Bill to amend the Exempt Insurance Act of 1983 and also to give notice of a Bill to amend the Companies Act, 1982.

FIRST READINGS OF BILLS

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

A Bill to amend the Exempt Insurance Act, 1983;

A Bill to amend the Companies Act, 1982.

ADJOURNMENT

Hon. L. S. CRAIG (St. James North): Sir, this brings us to the end of this evening's sitting; today's sitting, as a matter of fact, Sir. I know, Mr. Speaker, you yourself would be particularly interested in having a couple days' rest, and the Clerks of Parliament, the Hansard Reporters, the Press, the entire staff of Parliament, and most of all, the Royal Barbados Police Force, and surely to CBC for the outstanding work which they have done.

The debate was well debated with no quarters given, none asked. I believe that it is not necessary for me to say that the country is going to decide on this Budget and on the performance of the Government, and those who may have watched the televised version of it and listened to the debates, I am quite sure, Mr. Speaker, would surely have given the nod to this side for its debating skills. You have had the political input, you have had the economic input, we have had the dragging down of Barbados in the eyes of the entire country and there have been personal attacks made upon me in particular, which, of course, is just like water on a duck's back, because I have stood the test of time for 20 years, and I am now going to new pastures which look a bit green for the time being. I do not like to foreshadow who may return in here or who may not return in here, because of any particular misfortune, but I have a sneaky suspicion that when the roll is called I believe a certain honourable Member may not see that roll. All Members may not see that roll.

This is a great party made up of proud people whose integrity is unchallenged, its leadership is highly respected, and its integrity is the highest in this country, and I am prepared to stand by the side of the Prime Minister of Barbados come what may, even if I have to give my life, my blood and my sweat.

I have been subjected, Mr. Speaker, no doubt to countless public meetings, abuse of my family on public platforms and all of these things. I have been subjected, and I believe you too, Mr. Speaker, on more than one occasion to the snores and the dozes, the loud snoring and the touching up of the Leader of the Opposition for the purpose of keeping him from falling asleep, and just as this speech is driving them from their chairs, so am I confident that the sportmakers you see there, the Sanford of public life in this country, as he wabbles his way through there like a broken neck duck, will no longer see the lights of in here.

It is my pleasure, Sir, to move that this House do now stand adjourned until April 15, 1986 at 12 o'clock noon.

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

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

9.55 p.m.

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The Drawback of Duties on Sale of Goods to Tourists (Amendment) Regulations, 1986.

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Hon. DeL. O. BRADSHAW 3723

The Shops (Amendment) Order, 1986.

Hon. L. R. TULL 3723

The Annual Report of the Barbados Export Promotion Corporation as at 31st March, 1985.

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A Bill to amend the National Assistance Act.

A Bill to amend the Customs Act.

Resolution to note the Government's accomplishment during the year 1985 and to give full support to its efforts to stimulate the economy, provide greater benefits to the less well-off in the community and to create opportunities for investment and for diversification in the economy.

A Bill to amend the Exempt Insurance Act, 1983.

A Bill to amend the Companies Act, 1982.

FIRST READINGS OF BILLS

Hon. L. S. CRAIG 3723, 3869

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A Bill to amend the Customs Act.

A Bill to amend the Exempt Insurance Act, 1983.

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BRADSHAW, Hon. DeL. O. (St. Michael South East)
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