
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986 – 91

HOUSE OF ASSEMBLY

Tuesday, August 5, 1986.

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m. o'clock on Tuesday, August 5, 1986.

PRESENT

His Honour L. A. Weekes, (Speaker)
His Honour J. J. Payne, (Deputy Speaker)
Hon. L. E. Sandiford, B.A., M.A. (Econ.), J.P.,
(Deputy Prime Minister, Minister of Education and
Culture and Leader of the House)
Hon. H. deB. Forde, Q.C., M.A., LL.B., (Leader of
the Opposition)
Hon. P. M. Greaves, B.A., (Minister of Transport,
Works and Telecommunications)
Hon. B. M. Taitt, B.A. (Hons.), M.A., LL.B. (Hons.),
(Minister of Tourism and Industry)
Hon. E. E. Greaves, B.A., Ed.M., (Minister of Trade
and Commerce)
Hon. Dr. R. C. Haynes, M.B., Ch.B., F.R.C.P.
(Edin.), (Minister of Finance)
Mr. D. A. C. SIMMONS, Q.C., LL.M.
Mr. O. S. Arthur, M.Sc., (Econ.)
Mrs. M. Barker-Welch, (Parliamentary Secretary,
Ministry of Employment, Labour Relations and
Community Development)
Mr. C. V. Walker, (Parliamentary Secretary, Ministry
of Education and Culture)
Mr. E. Bourne
Dr. E. A. Simmons
Hon. W. W. Hall, (Minister of Employment, Labour
Relations and Community Development)
Mr. C. A. Neblett, B.A., A.C.M.A.
Mr. R. L. Morris, B.A., Cert. Ed.
Mr. P. J. M. Miller
and
Mr. R. P. Byer, LL.B., L.E.C., (Chairman of
Committees)

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, July 22, 1986.

Hon. L. E. SANDIFORD: Sir, with respect to the Minutes of July 22, I think there is an inaccuracy in the Minutes, and I refer to page 2 of the Minutes, the middle of the page under the caption:

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

The Standing Orders which were actually suspended included Standing Order 37 and not 30(2), and I am therefore moving that Standing Order 30(2) in the Minutes be deleted and 37 inserted therefor.

Hon. B. M. TAITT: I beg to second that, Sir.

Hon. L. E. SANDIFORD: I am also moving, Sir, that the Minutes, as amended, be taken as read and be confirmed.

Hon. B. M. TAITT: I beg to second that, Sir.

The question that the Minutes, as amended, be taken as read and be confirmed, was put and resolved in the affirmative without division.

GOVERNMENT NOTICES

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that this particular item be postponed.

Hon. B. M. TAITT: I beg to second that, Sir.

The question that the particular item be postponed was put and resolved in the affirmative without division.

ORAL REPLIES TO QUESTIONS

Hon. L. E. SANDIFORD: Sir, I think we will deal with these at another sitting of the House. There are some replies ready, but I do not think we will proceed with them at this stage.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

Hon. B. M. TAITT: I beg to second that, Sir.

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

Hon. L. E. SANDIFORD: Perhaps at this stage, Sir, I think I should inform you and the House that we propose to deal with Private Members' Business, the continuation of the Resolution by the honourable Member for St. Peter (Mr. O. S. Arthur), and that will be the first item which I will move that this House consider.

I also take this opportunity, Sir, to inform you and the House that there are three Resolutions which we wish to deal with today, to give notice of and to deal with in all of their stages. They affect the Public Service of this island profoundly and we will be seeking permission of the House to deal with those matters in all of their stages later in today's sitting.

PRIVATE MEMBERS' BUSINESS

Hon. L. E. SANDIFORD: Sir, I beg to move that Private Members' Business be taken.

Hon. B. M. TAITT: I beg to second that, Sir.

The question that Private Members' Business be taken, was put and resolved in the affirmative without division.

RESOLUTION EXPRESSING DISAPPROVAL OF GOVERNMENT'S FINANCIAL STATEMENT AND BUDGETARY PROPOSALS

Mr. SPEAKER: Order No. 1. The honourable Member for St. Michael South East, not for broadcast.

Dr. E. A. SIMMONS: Mr. Speaker, I want to make some observations in the light of statements made by the honourable Member for St. Peter, (Mr. O. S. Arthur), the Shadow Minister of Finance. In his statements he made some very cogent comments. One is that he said that he expected the economy of Barbados to collapse within 18 months. I think it is a very serious statement, one that we ought to pay attention to.

In addition to that, there was an article appearing in the newspapers the week before in which the honourable Member for Christ Church West and the Leader of the Opposition (Hon. H. deB. Forde) made statements to the effect that the supporters of their party should infiltrate various sections of this community. I am quite sure that the Leader of the Opposition, being an erudite scholar, would be aware of the implications of the word, "infiltrate."

Therefore, one has to take, very carefully, the two statements made by the members of the Opposition. If we were to follow the pronouncements in the daily newspaper and we were to see the comments made and the more than ample coverage being given to the Opposition, I think we in this country have to be very aware of what is going on. Indeed, if we were to allow things to continue the way they are going, we might well, if we are not aware of what is happening, see the collapse of the economy, because in a country like Barbados, where the economy is fragile, everyone has to put his hands to the plough in order to make sure that things go well.

I think it is now history that the two parties have given their sides of the fiscal proposals and that the people of Barbados have, in no uncertain terms, decided which one they want to work. There is no doubt that the proposals put forward by the Minister of Finance and the representative for St. Michael South Central (Hon. Dr. R. C. Haynes) have been a people-oriented Budget and that the Proposals therein were those by which the people stood to benefit. However, we must be very careful that we, as the Government of this country, make sure that there are no weak links in the chain.

If we were to look at the economy of other Caribbean countries, we would notice that the most successful country in the Caribbean has been Antigua, in which there has been abolition of Income Tax and a decrease in corporation taxes. Therefore, we on this side should have no great fear about the fiscal proposals presented in Parliament by the honourable Member for St. Michael South Central being workable proposals. However, we have to be very careful, as I said before, that all factions of this society put their hands to the plough to make sure that the proposals work.

Mr. Speaker, in our proposals you will notice that money has been put back into the pockets of primarily the working class people. But there are those who feel, especially those on the other side, that the working people do not know how to spend money. This was amply put forward in their Budget, when they said that they would only reduce the price of gas by five cents per litre, I think it was, and the reason given was that the people would waste the gas. I want to draw to the attention of this House the fact that we have had many projects in this country, projects such as the highway, the Industrial Access Road, where most of the money did not accrue to the people of this country, but to big business people overseas, and one can only assume that in a project like the Industrial Access Highway, which cost \$70 million, and which was supposed to employ only 450 people, only the people at top knew how to spend money.

12.30 p.m.

We in this party do not share those views, but there are a few things that we have to look at. We have to look at the wastage of the money that has taken place in this country. Only in the weekend newspapers there was an article which said that the Defence Force would be opening a new hospital, with 125 beds, at Paragon. This would be the second hospital to be opened by the Defence Force, and one has to ask, why in a small country like Barbados, with a Defence Force with some 1500 men, all able-bodied — and I want to draw to your attention that the Defence personnel are always supposed to be the fittest in any country and, therefore, the ones who are least likely to be hospitalized — is it necessary to build two hospitals, one at the Garrison, at St. Anne's Fort, and a second at Paragon to accommodate the Defence Force?

Mr. Speaker, while all of that was going on, we saw the closure of the St. Joseph Hospital, a hospital which would have accrued to the benefit of the people of Barbados, and we were told that the Government was advised not to buy the hospital because it would be unprofitable. I want, Mr. Speaker, to refer to a summary, Appendix 4, of a report done for the Government of this country, which dealt with the utilisation of the hospital. The paper is Appendix H — "Utilisation of The St. Joseph's Hospital Complex", and I am quoting from page IV of that document, paragraph 4 and it says:.....

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, Sir, on a point of order: I trust that the honourable Member will make the document he is quoting from a document of this House so that we all can read it.

Dr. E. A. SIMMONS: Yes, Mr. Speaker, I will make this a document of the House, as I will make the other papers that I have documents of the House. I quote paragraph 4:

"Following earlier deliberations, the Planning and Priorities Committee of the Barbados Government has referred the issue of the future use of St. Joseph's Hospital to the joint national PAHO team currently conducting prefeasibility studies of geriatric and psychiatric services.

"THE TEAM UNANIMOUSLY RECOMMENDS THAT GOVERNMENT SHOULD ACQUIRE THE ST. JOSEPH HOSPITAL SITE, AND USE IT FOR THEIR ACCOMMODATION OF SELECTED CATEGORIES OF LONG STAY PATIENTS.

"The present owners are offering for sale 22 acres of land, on which stand the St. Joseph Hospital, the Villa Maria (the Convent), an old plantation house, and various out-buildings. All the buildings and equipment have been maintained to a high standard, with the exception of the Plantation House. In its present configuration as an acute general hospital, St. Joseph has 108 beds, with generous supporting medical service departments and domestic services."

And on page 2 of this document in the second paragraph, it says this:

"The asking price is U.S. \$5 million without equipment. Negotiations could certainly bring down this amount considerably, perhaps in the neighbourhood of U.S. \$3.7 million inclusive."

I take that "inclusive" to mean, Mr. Speaker, the medical equipment, et cetera.

One has to ask, why is it that we find in Barbados two hospitals being built for the Defence Force and the people of Barbados, a population of 250 000, are told that between U.S. \$3.7 million and U.S. \$5 million is too much to pay for a hospital on 22 acres of land? But this typifies, Mr. Speaker, the kind of way in which money in this country has been spent under the last Administration.

I want next, Mr. Speaker, to draw attention to another phenomenon developing in this country. While we have borrowed over \$100 million for the construction of new roads, we have found that the maintenance of the roads that we have got in Barbados have gone to pieces. In developing countries, one has got to be very careful to maintain and repair the things they have and not to go out and borrow money to build new things when the old ones need repairing. For example, Mr. Speaker, while we have been borrowing some \$70 million for new road projects, we have a horrible situation in Barbados, and I am going to turn for a minute to the constituency which I represent. In Haggatt Hall, in the Plum Tree Road, Salters Tenantry Road, Monroe Road and in the Wildey

area, Meadow Road, there is a series of wells and roads which are in bad repair, and none of these wells work. The Government has spent hundreds of thousands yearly in order to maintain wells, but we find the situation in the Haggatt Hall and the Meadow Road areas where there is not a single functioning well. I have taken the opportunity over the last three weeks to tour these areas along with personnel of the Ministry of Transport and Works, and they have been shocked to find out the condition of the wells in these areas. All these areas are very prone to flooding, so that, at the minimum fall, the people's lives and properties are in danger.

But what is even more significant is this, that most of these wells are either half full or full with water. So that now they have become the sites of breeding for mosquitoes, thereby creating a serious health hazard. Those of us who have been wondering why the mosquito population of Barbados is spreading so rapidly, maybe we need to look at the wells in the surrounding area to find that, for the last four or five years, most of these wells, despite the amount of money that the taxpayers of Barbados have been paying to maintain these wells, are no longer functioning wells but are merely holes which are sites for the breeding of mosquitoes.

Mr. Speaker, I want to turn next to another very serious aspect, because, as I said before there has been a call for the infiltration of certain organizations. The honourable Member for St. John and the Prime Minister of this country in this Chamber has had to make certain comments about Government servants and he has been taken to task by the news media, and I want to highlight what I consider a very serious event, again taking place in the constituency of St. Michael South East.
12.40 p.m.

On June 13, this year the Barbados Water Authority sent out some 73 letters to residents of Edgecliff, Prime Plantation Road, Hill Top and the Hill Top area, and in these letters the residents were threatened with the disconnection of their water. I had several conversations with the Manager of the Water Authority, and when I met with him a couple weeks ago, I pointed out to him that when these houses were built in 1956 after the hurricane, it was a condition of their rent that the water rate was included in their rent. The National Housing Corporation and the Water Authority were fully aware of the fact that the people's water rate was built into their rent. When I confronted the Manager of the Water Authority with that information, he read from a file, in which it was stated that some time in 1983 the National Housing Corporation had written the Water Authority to inform them that they would no longer pay the water rates for the 73 houses in this area. I then found out that at no time were the residents in these 73 houses notified of the change in the payment of their water. Yet, Mr. Speaker, letters were sent, and I want to quote the two

letters written by the Government authorities. The first is from the Barbados Water Authority:

BARBADOS WATER AUTHORITY

GOVERNMENT OF BARBADOS

Pine, St. Michael, Barbados.

Our Ref: 080

Your Ref:

Tel: 427-3990

Date: 1986-06-13

Dear Madam,

I write to give notice that according to our records no water rates are being paid in respect of this property at which you reside.

It would be appreciated if, as a matter of urgency, you made formal application to this office for a water supply service to this property.

The Barbados Water Authority wishes to inform that we cannot guarantee the maintenance of water supply services to these premises after the end of the current month, unless you enter into a contract with us for the supply of water and agree to the payment of the associated rates.

Yours faithfully,

C. C. Clarke,
for General Manager,
Barbados Water Authority.

This letter was sent out on June 13, some two weeks after the last general election. I want to remind you again, Mr. Speaker, that the residents of these homes were all told and were of the full knowledge that the water rates were part of their rents.

Again, on July 2, the National Housing Corporation to the same 73 houses sent out this letter, and the letter is:

NATIONAL HOUSING CORPORATION

**"THE GARDEN"
COUNTRY ROAD,
BRIDGETOWN,
BARBADOS, W. I.**

1986-07-02

Dear Sir/Madam,

It has been drawn to the attention of the National Housing Corporation that no water

rates are being paid in respect of the unit tenanted to you.

You are therefore requested to visit the Barbados Water Authority, Pinelands, St. Michael as soon as possible to enter into a contract for the supply of water and arrange for payment of rates so as to avoid disconnection.

Please take along some means of identification. Your co-operation in the matter is greatly appreciated.

Yours faithfully,

Joyce O. Graham (Miss)
for General Manager,
National Housing Corporation.

Mr. SPEAKER: Will the honourable Member state if these are some of the documents you intend to make documents of the House?

Dr. E. A. SIMMONS: Mr. Speaker, these I will make documents of the House.

The point I am making, Mr. Speaker, is this, that the National Housing Corporation and the Water Authority were fully mindful of the fact that the water rates were part of the rents of these tenants, yet, although a decision was made some time in 1983 that the National Housing Corporation would no longer pay the water rates, which meant, incidentally, that there was a *de facto* increase in the rents, because the water rates would have been deducted and the residents never knew anything about it, between 1983 and May 28, the residents of these areas were never notified that the National Housing Corporation would not pay their water rates. But on June 12, the Water Authority, and on July 2, the National Housing Corporation, without notifying the residents of these areas that the National Housing Corporation would no longer pay their rates, sent letters threatening the residents of these 73 properties.

Mr. Speaker, I think this is a very serious situation, because I am aware of the fact, as well, that around 1983 there were business places in this country which owed Water Authority, some \$20 000, some \$30 000 in water rates and no action was taken against these people. There was always a stay, and I think quite rightly, because it was considered that if you disconnected the water of these properties several people would be put out of employment. My point is that if we take into consideration the fact that we must protect workers because they

are employed in businesses, we must also protect our poor people. Furthermore, I think that the National Housing Corporation and the Water Authority cannot on their own decide that the people must pay increased water rates without notifying and consulting with the people in those areas.

I want to say that the people in those areas share what we call "community lines", and that, in some areas, if one person were to turn off his tap, some five people down the road would not be able to get water. If the Water Authority has made decisions to turn off those people's water and threatened them, then the Water Authority was duty bound as well to give those people individual pipelines and water.

These were the kinds of decisions that were made by that Government. And, while that was happening, we saw a residence renovated for the Prime Minister to the tune of some two or three million dollars, we saw a Central Bank being built for over \$80 million and we saw some \$100 million being borrowed to build highways. These massive sums of borrowing could only help people who we would consider the elite, and therefore, Mr. Speaker, the Budget of the Democratic Labour Party has been, and the people of this country so perceive it to be, a Budget of the masses, a Budget that put money back into the pockets of the people. If we were to look, for example, at the concessions given to taxi drivers, if we were to look at the abolition of the T.V. licences, if we were to look at the Christmas grants again given to Government workers, we would understand why the people of Barbados voted the way they did.

12.50 p.m.

But there is something else, Mr. Speaker, that is even more important, and something that the Government has to take very seriously. We are aware of the fact, for example, that there has been a massive spending of money, and the Opposition spokesman for Finance has got to take some responsibility for this. The National Assistance Board has been granted some \$2 million, and we know that that \$2 million was granted for this fiscal year, yet we heard the present Minister of Community Development and Employment say that the \$2 million which was voted for the entire year was spent in the two months before the elections. They like to talk about the Democratic Labour Party, our party, wastes money, but I want to ask: how do you explain that the Opposition member for Finance, the honourable Member for St. Peter, would allow during his time the total sum of \$2 million, which was allocated for the year, to be spent in a single two months? There are situations in which money appropriated to the polyclinics has been spent in other ways. I guess the Minister of Health will deal with that at another date.

Mr. Speaker, the point that I am making here is this, that we are aware of the fact that it will mean that

all sectors of this country will need to put their hands together to make sure that the economy and the fiscal proposals put forward by the Minister of Finance work. We have to be very careful that there may be members of the community who may be infiltrated, and some of these members may be Government servants, and the Government of this country will have to be very careful that the proposals that are put forward by the present Government are not thwarted by some of the people who have infiltrated the Government and will try to make sure that the programme does not work.

Mr. Speaker, I will close by saying that we in this country have got the overwhelming confidence of the people of this country. They have spoken in no uncertain terms, and we as a political party and as the Government of the day have got to take all steps to ensure that a workable programme must work. If we do not do that, and if we allow the infiltration to go too far, the prophetic words of the Opposition spokesman on Finance may indeed come true. I call on all sectors of this community to put hands to the plough and make sure that the fiscal proposals of the present Government do succeed.

I thank you, Mr. Speaker.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, I refuse to be led astray by the comments of the last honourable Member who spoke, the honourable Member for St. Michael South East (Dr. E. A. Simmons). It was a speech that was an attempt to air constituency grievances. It appeared to have been still suffering from platformitis, and was a little different from what one expects in a contribution on a budgetary matter. It was the right mix of comments made in response to statements by Opposition members. We were given references to Antigua, we were told of projects, of hospitals being built by the Defence Force, the acquisition of the St. Joseph Hospital, maintenance of roads, wells, mosquitoes, the National Housing Corporation, letters from the Water and Sewage Authority, taxis, minibuses and so on. We had a wide-ranging speech. It did not address the Resolution.

I will congratulate the honourable Member on his first speech, as the Honourable Leader of the House is advising me to do now, Sir, and previously *sotto voce*. It was the speech of a neophyte, true, and it was a speech that, I think, bears some similarity to a calypso of two years ago. It was all over the place like Poonka. I am not calling the honourable Member Poonka, not at all. I would not do that.

The Resolution before the House and the matter which this House must address is the nature of the Budgetary Proposals of the Honourable Minister of Finance and the social and economic consequences of these proposals. As far as the Opposition sees the

proposals, it is our view that there can be economic difficulties as a consequence of the proposals that were introduced.

I want to start first, Sir, by looking at the economic theory that informed the Budgetary Proposals. I accept what the honourable Member for St. Michael South East said, that the general public of Barbados massively endorsed the proposals of the Honourable Minister of Finance. I have no quarrel with that. The proposals appeared in the manifesto this year to have been new, but in fact, they were introduced by the Minister, when he was the Opposition spokesman on Finance, on May 8 last year, and the only difference was that he spoke in terms of \$12 000 taxable income then, whereas he is talking about \$15 000 now. But virtually all the proposals that were highlighted.....

(*Aside*: You talked about back-raising.)

Mr. D. A. C. SIMMONS: I did not say that. I addressed the Budget when I was down in the Other Place.

The proposals that were highlighted this year, by the Press and the public alike, were, in fact a rehash of proposals that were put up last year, and seemed to have caught most people, not me though, unawares. What is the economic rationale for these proposals? These proposals seem to me to have been rooted in what is now popularly called supply-side economics, an economic theory that was promulgated in the early Eighties by Professor Arthur Laffer and David Stockman and his gang.

Aside

Mr. D. A. C. SIMMONS: I was reading about this since last year.
1.00 p.m.

Mr. SPEAKER: Please address the Chair.

Mr. D. A. C. SIMMONS: Yes, Sir. It is an economic and fiscal.....

Aside

Mr. SPEAKER: I should also like to say that honourable Members, when speaking, must be heard in silence.

Mr. D. A. C. SIMMONS: I am obliged, Sir, for your admonition of those two very senior and honourable Members for their bad behaviour, Sir.

Laughter

Mr. D. A. C. SIMMONS: Sir, the supply-side theory of economics holds that there should be massive tax cuts and drastic reductions in the scope and function of Government. It was put up to the President of America chiefly by a man called David Stockman.

I am not able to make this a document of the House, Sir — it is the only copy I have. I can lend anybody who wants to read it: "The Triumph of Politics. Why the Reagan Revolution Failed" by David Stockman. I will quote what the proponent of this theory of supply-side economics said, Sir. He said, referring to President Reagan:

"He had emerged in July triumphant, having enacted a generous tax cut for all Americans. Only three months later, he had to admit that the triumph had been an illusion....."

"Even worse, it had not been his fault. He had been misled by a crew of overzealous — and ultimately incompetent — advisers. The original budget plan I had devised for him had been fatally flawed.".....

"The President could run, but he couldn't hide..."

"Reagan had one....option: To retreat and give back part of the huge tax cut we couldn't afford."

"But he wouldn't..... His obstinacy was destined to keep America's economy hostage to the errors of his advisers for a long, long time."

That appears on a blurb on the back of the book.

That quotation, Sir, highlights, as I say, the essence of the supply-side theory and the consequences for the American economy, a closed economy, as distinct from the Barbadian economy, an open economy, very fragile, as the honourable Member for St. Michael South East said in his speech. Recognizing the fragility of our economy, we are fearful that to embark upon the implementation of an economic programme which has failed in the richest country in the world, could put the Barbadian economy under severe pressure and strain, and it is our function, Sir, to warn Government, as we see it, of the potential danger. One of the consequences of the Reagan policies is, of course, the high deficit in the US economy today of something like \$2 000 billion. Of course, Barbados could never reach there, but that is a consequence, a high deficit. Our submission, Sir, is, given the failure of the policy in the US and having regard to the fragility of the Barbados economy, the consequences for Barbados could be severe. But we must not be misunderstood, Sir, because more money in the hands of the people is always a boom, a benefit and a joy to the recipients, because each one of us will want more money in our pocket. But

what we are warning about is the extent of the tax reform. We do not quarrel with tax reform. We were the first party.....

(*Aside:* Hon. B. M. TAITT: Careful.)

Mr. D. A. C. SIMMONS:.....that started tax reform in this country. In 1976, before we got into office, Sir, a person working for as little as \$25 a week was paying tax on it, and by the time.....

Aside.

Mr. D. A. C. SIMMONS:.....well, you must not challenge me, because I will give you the facts..... By the time the present Government assumed office on May 29, some 55 000 people had been exempt from the payment of tax by the Barbados Labour Party.

(*Aside:* Hon. B. M. TAITT: Indirect tax bracket.)

Mr. D. A. C. SIMMONS: Why does he not behave and stop telling me about indirect tax bracket?

In 1975, when he was a Minister, the honourable Member for St. Michael West (Hon. B. M. Taitt).....

(*Aside:* Hon. B. M. TAITT: He is going to get wild now.)

Mr. D. A. C. SIMMONS: No, Sir, I am not going to get wild. I am going to remind him that the Laws of Barbados 1975 contain one separate volume about that size of consumption taxes introduced by his Government when they were last in power and when he was Minister responsible for Trade. So do not talk about consumption taxes. You all introduced them first.

Sir, the real question about the Budgetary Proposals and for the economy of Barbados is not whether they have been implemented, that is a fact, but, can the proposals work without detriment to the country as a whole? That is the essence of the Resolution that was moved from this side. We see the Proposals of the honourable Member as offering nothing substantial to the reduction of unemployment. He is expecting the private sector to give a lead. It is our view, Sir — and this is a philosophical difference between the two parties — that the public sector must lead in the creation of employment. That is why the capital projects that were attacked today by the honourable Member for St. Michael South East were implemented, with a view to reducing unemployment at the same time as they were introduced with a view to the enhancement of the physical landscape of Barbados and

the modernization of our systems, be they banking systems or highway systems. We feel, fundamentally, that one of the reasons for having a strong capital works programme is to provide for and keep employment at a reasonable level in the public sector.

This new Government has said that it is prepared to reduce capital expenditure by \$40 million.

Aside.

Mr. D. A. C. SIMMONS: This year.

In 1982, the Debates of this House would show that the Honourable Minister of Finance, when he was then in Opposition, had advised the collapse of the capital projects that were in our programme in that period. I do not think he will disagree with that. It has been put to him before in this House. So that we see nothing in the Budget, the proposals made on July 15, to increase employment in the public sector.

As I say, he is hoping that the private sector, with increased profits from additional sales and turnover, will channel some of that increased money into the creation of job opportunities. I believe that given the present economic circumstances of the world, not only Barbados, that hope will take some time before realization. I am not saying that it will never happen, but I believe that private businesses all over the world and in Barbados will need some time to utilize the level of profits that will accrue from an excess of disposable income, and will do things internal to the business first rather than creating employment. Certainly, similar policies which were introduced in England by Mrs. Thatcher have not had an effect of reducing unemployment, because there are 3¼ million still unemployed in England.

1.10 p.m.

Secondly, Sir, we find nothing in the Budgetary Proposals that stem primarily from the breast of the Democratic Labour Party to make Barbados more competitive in the world today. Unemployment is a problem. Our lack of competitiveness is a problem, and we do not find anything in the Budgetary Proposals that will render Barbados more competitive — other than the proposals which have been retained out of the Budget of the last Prime Minister, Mr. St. John. I do not find anything in the Budget to help with the balance of payments pressures. This has been a continuing problem ever since the oil crisis in 1973. I am not going to allude to anything that may be coming down today, any three Resolutions that may be coming today, because I do not know what they are yet, Sir. Similarly, we do not see anything in the proposals that gives us any confidence that the proposals will ensure an adequate maintenance of foreign reserves at an acceptable level. I am going to deal with them in detail. Also, Sir, the Budgetary Proposals, in

my submission, do not contain any strategy for developing and maximizing exports or export-led industries. Anything that there is, is retained from what was done by the previous Government. But the DLP Manifesto of 1986 itself did not contain any strategy for the encouragement, promotion, and development of exports. Nothing — some talk about — what was it now? — manufacturing and miniature or some rubbish like that, Sir. I do not understand what that is. Finally, Sir, the Budget does not address the problems of inter-regional trade. That perhaps is not a matter strictly for budgetary strategy, but I mention it.

Let us analyse the problems, Sir, and examine the problems that Barbados has in the light of that summary I gave, and how the Budget does not address or addresses them. First of all, unemployment. I dealt with that, Sir, because the Minister is hoping for an increase in private sector activity and private sector leads to the creation of employment. What he will find is that from about October there will be some slight expansion in the private sector of job creation, of a temporary nature. That happens every year. You will get that, Sir.

The Government, we feel, Sir, should have taken the lead in creating employment. On the other hand, the Government has taken the lead in laying off workers — 321 from Housing, 200 and something from MTW, and God knows how many more. You would not give me the figures. I asked the question — have you got them today? I want the figures. Cutting back in other departments on the time some people could work. I will not say any more. I am waiting for the Government to tell us how many they have laid off.

Asides.

Mr. D. A. C. SIMMONS: Sent home then.

Sir, I believe the honourable Member who introduced the Resolution spoke directly to the question of the balance of payments and foreign reserves, and I want to mention my own views in respect of those. Sir, if the average person today, who was paying, let us say, \$800 in tax when the end of the month came, now finds that after July 15 or next month he has an excess of \$500 in his hands — he is only paying, let us say, \$300 — what is he to do with this windfall? In my submission, he has a number of options. He could put it to a savings account. But we were told only the week before the Budget that saving or investment in bank savings is now highly unattractive because of the excess liquidity in the banking system and the interest rates that are payable on deposits. So the man will hold his money and say that he does not want to put it in the bank because he is only getting 4½%. He will certainly consider that he wishes to buy a new T.V., a fridge, or some consumer durable, and he will spend it that way, or buy a car. Or, thirdly, he will take

this excess money and put it by and say, 'Do not know what could happen? Next year let me take the family on a holiday,' and he could travel.

(*Aside:* Hon. H. A. BLACKMAN: He could buy clothes.)

Mr. D. A. C. SIMMONS: Yes, he could buy clothes. The honourable Member for St. Philip South (Mr. H. A. Blackman) said he could buy clothes and food. The clothes that he can buy, the fabric, according to the honourable Member for St. Philip South is produced in Barbados. He does not even realize that to wear the shirt or the jacket that he has on, the material must come from overseas. You do not make it from about here. So it has a foreign exchange element in it.

(*Aside:* CARICOM)

Mr. D. A. C. SIMMONS: CARICOM? Does CARICOM make ricuna or — what is that he has on? — garberdine?

So that what we are saying, Sir, is that the creation of more disposable income can lead to increased savings which will help Government's domestic borrowing. Yes, the banks are awashed with money, and if you want to raise loans locally, the banks have it, you can borrow Barbados dollars. It could help Government, but it can create a pressure for goods and services which have a foreign exchange element, for example, I said increased travel, or the importation of goods, where the person who is importing has to send the foreign exchange out.

In respect of tourism — I had better introduce it this way — at the same time as you create excess disposal income, in my view you need to have running parallel to that strategy, the strategy to earn foreign exchange. So you have to have heavy tourist traffic into Barbados or heavy exports out of Barbados. I do not see that strategy addressed in the Budget, Sir. As far as tourism is concerned, the Barbados Labour Party in April reduced land tax particularly to help hotels, which were suffering.

Asides.

Mr. D. A. C. SIMMONS: But the reduction of the Land Tax, and the 3% reduction in the Restaurant Sales Tax will not in themselves ensure additional tourist dollars. The Minister of Tourism will have to do the rest. He will have to ask for and get some additional money for tourist promotion. It is not enough to have a Board of 20.

(*Aside:* Twenty-one.)

Mr. D. A. C. SIMMONS: Twenty-one?

Every week now they are gone up by one! Two thousand dollars a meeting for a whole board meeting and you are talking about waste, the Member for St. Michael South East!

Mr. SPEAKER: Two minutes to wind up.

Mr. D. A. C. SIMMONS: Yes, Sir.

A Board of twenty will not suffice, Sir, to deal with the problems of tourism.
1.20 p.m.

Before I wind up, Sir, I want to address two matters quickly. I want the Minister in his reply to tell us where is the reduction in the capital expenditure of \$40 million that has been taken off from the \$190 million which passed into law in April this year. Where has he reduced the \$40 million? He must also tell us whether his first reduction was from \$190 million to \$176 million and whether in those reductions he had reduced Education by \$2.1 million, Health by \$3.2 million and MTW by \$1 million. If he has, then what we always said would have happened is true, that he is starting to cut back on social services. He must tell us where the \$40 million, that he said in his statement is saved by the reduction from \$190 million to \$150 million, has been cut, so that we will know what Ministry or Ministries are hit. If the Minister does not have the information here, I will put down a substantive question at an appropriate time, Sir.

I want him also to tell us whether the scheme to deal with registered retirement plans has been abolished. It is not clear whether that has been affected. What had happened is that in the Budget of this year by the Barbados Labour Party, I think we had allowed subscribers to these retiring plans to claim 15% of assessable income or \$3 000, whichever was less. I want to know if he has abolished that. I have had some enquiries from the insurance industry and I should like the Minister to put me right on it and tell me what is the position.

The honourable Member for St. Michael South East referred to Christmas grants. There has never been a Christmas grant in Barbados. There has been a Christmas loan where the Government would lend you the money. They do not give you, it is not a grant. They would lend you the money for a period of time and you have to pay it back.

Aside.

Mr. D. A. C. SIMMONS: You said "grant". That is to be revived, Sir? I just want the honourable Members to consider that that will be a help to some people, but surely we should be doing more than that and encouraging to an even greater extent the development of credit

unions. The credit union membership at December 1984 was 15 000 with savings of \$20.8 million. Fifteen thousand people could, in theory, as members of credit unions, have gone and borrowed from the credit unions just as they are doing with the Government now.

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

Mr. D. A. C. SIMMONS: I would have thought it would have been better to give some additional incentive to credit unions.

I am obliged to you, Sir.

Mr. SPEAKER: The honourable Member for Christ Church East.

Mr. R. L. MORRIS: Mr. Speaker, as I listened to the debate, particularly from the other side, I could not help thinking of myself as a country man and remembering a time when it was considered that poultry was fairly special in the country and you used to keep your fowls, as they were called at the time, tied out. You would take a cord or rope and you would tie out a fowl, and when you kept that fowl tied out for a very long time and then you cut the cord, the fowl would remain standing the same place, because the fowl had no concept of freedom. I believe what is happening is that the other side has been so accustomed to limiting their mind-scapes, they cannot comprehend reform measures of the type that were introduced by the Minister of Finance into this Chamber, they cannot comprehend that a Government could be so creative to come up with this kind of package.

All that is happening, Mr. Speaker, is that they understand that they have, for the sake of records, to put in their words, because when I listened to the honourable Member for St. Peter (Mr. O. S. Arthur), the Shadow Minister of Finance, he was really endorsing what the Minister of Finance said, but for the records he was also saying, 'but something else could happen.' That is all that happened, Sir. He became the prophet of doom and gloom on this occasion, because he wants to be able down the line, 18 months from now, if something should go wrong in the international economy and we are affected negatively, to be able to say, 'I said so.' But if something goes well, as we expect it will he will find some other excuse to give a reason why these creative measures came off: 'Something was done by their side to help out.' So I have no problem with that, Sir.

I was rather surprised, quite frankly, that the emphasis from his side has always been on arithmetic. It is a matter of counting. If you had done all this in one fiscal year, it would be \$109 million, but you had enough sense not to do it, as though the Minister of Finance is to help him with his self-fulfilling prophecies by doing what

he knows he should not do. So the question of arithmetic, Sir, as addressing these serious problems before us, is really not the sort of thing I expected. Certainly arithmetic is important, but what I think is more important is looking at the philosophy and the basis of what we are doing on this side.

Mr. Speaker, the honourable Member for St. Thomas (Mr. D. A. C. Simmons) states that our side is using supply-side economics. That is one of these things — when you take part of a problem and you do not look at the whole problem, or part of a philosophy and do not look at the whole philosophy, you must come out wrong in the end. You cannot look at economics as practised in the United States of America by the supply-side economists and equate it to what we in this party are doing here. In the first place, anybody who has studied what is happening in America knows that the Reagan Administration, while making tax cuts, was at the same time pillorying the trade unions. We all know that, that he was cutting down on the amount that public servants could get, he was destroying trade unions, in the private sector. pressure was being put in terms of give backs, wage freezes and so on, and he was cutting Social Security measures. That is the entire package of supply-side economics — that and increasing defence spending. You cannot compare that with what this Administration is doing.

One of the weaknesses in this side's perception of what is happening in this Budget is that they are not looking at the role that certain non-governmental organisations must play within this economy, and I will come to that later. I think they must feel a bit stumped, because for the ten years that they were in charge of this Administration they were pushing a regime of wage restraint, keeping money out of the hands of workers in this country, and what has happened, basically, in these tax reform measures is that, far from taking money out of the hands of the workers, the Democratic Labour Party has put money in their hands, because the net impact of the tax reform measures in terms of personal income tax is that workers are better off.

I will say further, Mr. Speaker, that even the \$12 million that the honourable Member for St. Peter said has been taken away from Government and put in the hands of a few shareholders, that statement is misleading, because the point is that even if money goes back into the hands of some companies, I sit down before them, Sir, I negotiate with companies, and when they get their Corporation Tax coming back to them I will negotiate it for the workers. I can promise you that, so you do not fool anybody that all the money that goes back to companies through Corporation Tax will go straight away and will only go to a few — 400 or 600, I do not remember the figure you gave — shareholders in this country. The fact is that you forget the role of non-

governmental organisations and that we help to distribute and re-distribute income in this country. So do not give the impression that, when Government decides that companies are going to get the benefit of some monies staying with them, all the money will stay.

1.30 p.m.

You talk about the failure of supply-side economics in America. I would suggest that one of the problems with supply-side economics in America is that the American animal, that is the human animal, is not necessarily like the Barbadian human animal. When Americans get money, it does not mean that they think immediately of re-investing that money into the economy. There are other ways they can use it, and I would suggest you are in a way drawing wrong parallels with Barbadians in terms of how they would operate.

I heard the honourable Member for St. Thomas giving three options on how working people will use their money, a libel on the people. They would put some in the bank, he says, they will buy T.Vs and fridges or they will take their family on a holiday. Do you want a fourth option? They would put on a piece to their house or they will build a new house, or, as the honourable Member for St. Philip South (Hon. H. A. Blackman) said, they would buy clothes. The clothes that they are going to buy, however, are going to be bush jackets, not the three-piece suits that you all wear in Barbados all the time. They will give an opportunity for the workers at Koves and Jumans and those other places to get some work again. I am not saying they are not going to bring in some of the material, but not the labour. That is the important thing I am talking about. You are talking about generating jobs locally here. So I am suggesting to you that you have to look at the difference between supply-side economics as practised in the United States of America with the reality of what is happening here in Barbados.

Sir, I do not understand what their quarrel with these measures can be, because they boasted about how they were the innovators in tax concessions. They removed so many people from paying taxes. We are just doing the same thing. And if they did it in 1976, when the economy was no more buoyant than it is now, and it did not lead to any lay-offs and destruction in 18 months, why do you want the goodly, sensible people of Barbados to believe that we, who are better managers than you are, will oversee a situation where we introduced similar measures to yours, except on a broader and more creative scale, and all of a sudden this country will be in the path of destruction?

Mr. Speaker, the difference with their side is that they were committed to a very piecemeal and *ad hoc* method of introducing these types of changes, a tax free month coming up to elections and so on. Gimmickry! We are coming up with bold and creative measures, not

that kind of *ad hocism*, not playing games. That is adventurism. We are creative, and we believe in coming with a whole package. You can see what we are doing. And when their side is saying that we are not looking after employment, we are not looking after tourism, all of this they expect in one Budget. Nobody would think that they introduced a Budget shortly before we did ours, as though their Budget could have reduced all the hills in the economy at one time.

Mr. Speaker, there is one area I am very concerned about. It is a concern when the honourable Member for St. Thomas can say that there is a difference in their philosophy, that they believe that the public sector should lead in employment creation. He could not be speaking, Sir, in terms of a Government that destroyed the BMC in terms of employing people in favour of a public company; that destroyed the National Housing Corporation in terms of building houses in this country and gave away all the work to private developers; that is destroying the Ministry of Transport and Works — the Ministry of Transport and Works is not getting any work in this country — they are our members and I am concerned about them — that destroyed the IDC. The IDC does not have any workers now. And they are talking about how they take the lead and that the public leads in employment creation! It is as though they want to rewrite history, but the facts will not bear them out. On the other hand, they are saying that our philosophy is that the private sector will take the lead. No, Sir! We believe in a happy blend.

It is not true to say that they have pushed public sector job creation. Housing, which is extremely important in this country, is a generator of jobs and a spur to the economy. In the last five years of their Administration, what was done in housing? They shifted to what they call sites and services. The net result is that there is a backlog of demand for housing in this country that would take an extremely long time to fill. Sir, I am saying that the initiatives that we have introduced in this Budget will go a long way in terms of inspiring and motivating people again to build houses in this country.

There is another area that I am concerned about, and that is the area of industrialisation. There is some pessimism on the other side about whether the leading sectors of our economy will be stimulated by our Budgetary Proposals. I believe, Sir, that the question of industrialisation is one that will be of concern to both sides, quite frankly. I am concerned about where we will go in terms of industrialisation in the future. I am very concerned. It is not a strictly partisan political point of view, because I believe that industrialisation is crucial, is very important to us, but I could not see how the last Administration could, up to the two Budgets before the election, be saying that they were putting their thrust in terms of the electronic industry. But that is on record.

The former Prime Minister reported in his Budgetary Proposals that a strong emphasis would have been laid on the electronic industry in terms of job creation in Barbados, and I believe, Sir, that is shortsighted. I believe that anybody who is reading information about the electronics industry would know that electronics is becoming very much a sunset area for development, to a large extent. In fact, the whole microchip industry and so on.

I was reading the balance sheets of Intel from 1980 or thereabouts, and they paint a very gloomy tale. You are aware that Intel has several firms all over the world — Manila, Malaya, Latin America, Central America. Barbados just has one small assembly plant here in conjunction with another assembly plant in Puerto Rico, but Intel has all types of different plants, because it has a system of net-working. They benefit from the political stability that we have to offer here and the fact that we have a well-trained and trainable labour force, and they were therefore induced at that time to come down here and set up their assembly plant.

I would like to put in here, Sir, that there is sometimes a mixed blessing in having the Intels, because Intel might bring a lot of jobs, but if you study all the bad safety and health problems associated with such types of companies, sometimes you wonder if you are not going in a fairly different direction when you encourage them on a large scale. I was just also reading some information about Intel in the United States of America where they were using certain chemicals, like TCE, which got into the water supply and contaminated a lot of the water wells in that country, and it is a possibility that you might have Intels operating in a country like Barbados and you might not even discover that they are contaminating the water. That is just by the way. I am saying that it is difficult, seeing the present condition of the electronics industry, just to be going down the road with the expectation that that is an area where we have to be inviting people in the near future.

There is another side of the whole industrial aspect that bothers me. Sir, I have the honour to represent a constituency that has a fairly well-developed industrial area at Newton, one that was established by this Administration, and we have a number of companies there, like BCA, and I had to speak elsewhere about what is happening in these types of companies. I am told by a person whom I do not want to name, because he does not have the opportunity really to rebut what I have to say, that under the last Administration, Sir, there were discussions with some of these companies, that were sub-contracting, that it would not be profitable for them to sub-contract in Barbados if they were going to be unionised, and that they might even have been getting a receptive ear. You come in but you would not unionise because we want the subcontracting to be carried on here. 1.40 p.m.

I remember we had negotiations with Playtex — not electronics, but it is in manufacturing — some time ago and we were about to unionise Playtex. We had more than 50% of them in — and the Manager told us that he had discussions with a certain person who was highly placed in the last Administration, and he advised them, "Man balk the unionisation. You do not have to accept the Barbados Workers' Union." Sir, it seems to me that there was a situation developing in industrial development in this country where we were going out to get investors at all cost, even if it meant that the human and civil rights of workers would have been exploited, and I want to suggest, Sir, that we have to be able to look at the costs and the benefits of bringing in manufacturers into this country. We need the capital, no doubt about that at all. We need the expertise. We need the transfer of technology. We need to bring in people in here.

I should like to see, Sir, in the future that we go for more joint ventures. I am very concerned about this, because where we have a steady labour force, where we have steady manufacturing plants that are of benefit to this country for a long time, it seems to me that they are either domestic in their formation or they are the result of joint ventures. I should like to suggest that we have to look again at the enclave industry, what it means to us, because I think we have a history now of this roll over — every time they use up the benefits, the tax free concessions, they roll out, and they roll out to our neighbours, because they start checking to see what the nominal wages are in one country as against another country, and we have not yet developed a situation in the Caribbean where we sit down and really talk about whether one country should welcome a company that is running away from its obligations elsewhere.

I have this concern, too, that it might be difficult in the short run to see a way forward in terms of industrialization by invitation. I have that difficulty also. That is why, Sir, I believe that when the Minister of Finance in his Budgetary Proposals said that he is calling on Barbadians to look down the road and see what can be done in terms of saving and in terms of investment in this country, I think there is a necessity here for us to see the kinds of businesses that can be established locally where we bring in the raw material — that is going to be important, because we do not produce so many raw materials here — but we will put the labour component into these businesses so that we can get some jobs for Barbadians. That is vitally important.

But this comes, Sir, from a spirit and an attitude. It depends upon the signals that you send to people out there. And if as a Government you send the wrong signals, if you send signals to the commercial moguls in this country that they can bring in whatever they like and sell it, legally or illegally, they can bring in illegal garments and sell them or anything else, you are sending the wrong

signals. And if you send signals that the correct mode of dress in this country on all occasions is a three-piece suit, you are sending the wrong signals. And if you send messages to them, and signals that you are not living in this country unless you are driving a BMW or something like that, you are sending the wrong signals. Or that the only house you can live in is a \$300 000 house in choice spots, you are sending out wrong signals in this country.

And what we have to understand, Sir, is that if you study the Budget, I am not only talking about the economic details of the Budget, because apart from the economic details of the Budget, there is a philosophy coming through. There is a call for Barbadians to put Barbados first, Sir. There is a call for Barbadians to be creative, to bring a different approach. Do not be like the fowl. You have to be like the hummingbird, dodge and move. You cannot tie out a hummingbird. You have to be creative, Sir. That is the philosophy that we want to express not only in this Budget, but you will see, Sir, as you sit down here, that we will be coming again and again with creative measures.....

(Aside: Hear, hear!)

Mr. R. L. MORRIS: because it is based on a strong philosophy, that we have to move together in order to advance this country, Sir.

(Aside: Hear, hear!)

Mr. R. L. MORRIS: That is what I see coming from the Budgetary Proposals, and I would be amazed, Sir, if the three Members on the other side do not give full support.

Aside.

Mr. R. L. MORRIS: We see the Resolution, but that is only for the record, Sir. It can only be for the record, Sir, because I have not heard any substantial criticism of these Budgetary Proposals. The speeches are for the record. You all are aware — I am sure they are aware — that these Budgetary Proposals are the opening of a new dawn for Barbados. It is a different era. The fowl is no longer staked out, the fowl now is flying, Sir. All the workers out there know that. We cannot fool them. Everybody out there knows that. The businessmen know it, too, and I do not believe that they can be closing out themselves to the reality of the future that these Budgetary Proposals can mean to them.

I thank you very much, Mr. Speaker.

Applause.

(Aside: Mr. D. A. C. SIMMONS: Good speech, Bobby.)

Mr. SPEAKER: Are there other Members who want to speak? If no other Member wishes to speak, the honourable Member for St. Peter will wind up.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, in winding up, my first inclination really was to pass over the empty speech of the honourable Member for St. Michael South East (Dr. E. A. Simmons), but there are one or two errors of commission and omission which compel me to respond very quickly to some of his views pertaining to my presentation in the House on July 22.

At no stage in my presentation, Sir, did I, whether by way of statement or implication, suggest that the measures will collapse the Barbados economy. My Resolution stated and my speech in the House would show that I said that the financial measures could seriously undermine the financial position of Government within 18 months and will put our balance of payments in jeopardy. That was the extent of my statement. There is no aspect of my speech in the House on that occasion which threw any reference whatsoever to a collapse of the Barbados economy. And I really believe, Sir, that if the honourable Member for St. Michael South East really wants to speak in debates of this character, he ought to inculcate the habit of accuracy before he commits himself to statements that put what other honourable Members say in an unfortunate light.

Secondly, Mr. Speaker, in so far as he has reflected upon a constituency issue of mine, in what was a constituency speech on his behalf, I really think that I ought to refer to the document which he has made a document of the House, because this document also says, Mr. Speaker, that the Government should not acquire the St. Joseph Hospital and use it, Sir, as an acute hospital, or as a replacement for the present psychiatric or geriatric hospitals. That point has to be stated, because there is a general view abroad that the present Government is interested in buying the St. Joseph Hospital to service the north of this country. This document is saying emphatically, although the honourable Member did not have the courtesy to inform the House, that the document recommends to the Government that the St. Joseph Hospital should not be acquired by Government to be used as an acute hospital or as a replacement for the present Psychiatric or Geriatric Hospitals. It said, Sir, at Clause 4, which the honourable Member did not read to the House:

"The team does not recommend continuing the previous use of St. Joseph as an acute general hospital under either private or public auspices."

So that the notion, Sir, of the St. Joseph Hospital being bought by the DLP to function as a general hospital for the north has been laid to rest by this document, which I am thankful that the honourable Member for St. Michael South East has now made a document of the House.

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, in relation to the contribution by the honourable Member for Christ Church East Central (Mr. R. L. Morris), I would just only want to say, Sir, that the notion that one does not pay attention to numbers in a Budget, that one is only interested in arithmetic, is a piece of economic philosophy which I saw at work.....

1.50 p.m.

Mr. R. L. MORRIS: On a point of order, Mr. Speaker. Sir, I never said that. Mr. Speaker, I was saying that I would have thought.....

Asides

Mr. R. L. MORRIS: A point of elucidation, Sir.

I never said that the honourable Member for St. Peter concentrated only on arithmetic. I was saying that the Budget was such a wide thing, I thought the philosophy of it was more important, but it seemed to me that he was concentrating narrowly on the arithmetic. But I would say there is nothing wrong with the arithmetic, Sir.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, at the core of this debate is not the philosophy of tax reform. The core of the debate, really, is how far can Barbados go at any given point in time in relation to the easing of taxes, and to that extent numbers become important, because we in the Barbados Labour Party also have adopted an approach whereby taxes in this country have been incrementally eased from year to year. Fundamentally, therefore, Sir, once we understand that the issue is not tax reform *per se*, but the amount that a Government can afford to yield in taxes in any given one year, I think the honourable Member's difficulty with my concern over arithmetic will be relieved.

I make that point, Sir, to say this; it is our judgment that we have to adopt a two-eyed stand towards tax reform in Barbados. We have to adopt a two-eyed stand, Sir, because we have, by way of development philosophy in this society, institutionalized certain current expenditures peculiar to a welfare society and we have also institutionalized certain recurrent expenditures which are peculiar to a developing country which believes that Government has a public responsibility to support the private sector. Do not let us forget that point.

The point I want to elaborate on Sir, is that we have in Barbados built up over a period of time a fairly large number of welfare services, to which we attach a

value, and those welfare services, Sir, represent the largest proportion of public expenditures, despite the concern of the Government in relation to matters such as the expenditures on Defence, or whatever the case may be. The largest proportion of public expenditures in this society, Sir, is our expenditures on the welfare society.

But I go further, that successive Governments of Barbados, B and D, have also institutionalized, Sir, certain public expenditure designed to promote and protect the private sector. We have built up at IDC a tradition of spending to put in place a system of factory space and whatever else to help the industrial sector of the society. If we turn to tourism, we have institutionalized public expenditure in support of the private activity as part of a development philosophy. I can speak also in terms, Mr. Speaker, of the way in which we have made public expenditure on the improvement of the general infrastructure of Barbados part of a development philosophy which says that Government must spend in order to widen the opportunities for private productive investment in this land. When once we understand that, Sir, it must necessarily follow that one has to be careful in how much revenue one yields in any one given year, for fear that a sudden and dramatic change in the Government revenues can affect Government's capacity to deliver the social services that we find, on both sides, useful in this society, and also compromise Government's ability to support the private sector by public expenditure.

So, Sir, when we speak in this House of Barbados being a country that is overtaxed, let us discuss overtaxation in relation to something. Are we overtaxed in relation to the responsibilities that Government has accepted from a social as well as an investment point of view? Are we overtaxed in relation to the standards of other countries which have sought to develop social welfare systems as we have in Barbados and whose Governments recognize that Government must support private investment in the same way that we do?

I will refer this point for the consideration of the House, Sir, for those who are interested in arithmetic and numbers, because this House will at some stage become interested in arithmetic and numbers. I lived in a country, Sir, and I must stress this point — where to talk about the size of the deficit at one stage was a sacrilege. Those numbers did not matter. We must be interested in numbers.

Asides.

Mr. O. S. ARTHUR: You all have made it impossible for me to live here, first of all, and do not let me talk about that in this House, you hear!

Laughter.

(*Aside:* Mr. D. A. C. SIMMONS: And they are trying it again.)

Mr. O. S. ARTHUR: Because in 1975.....Do not let me talk about that in the House.

If we are interested in degrees of overtaxation, let us refer, by reference, to our ratio of taxes to income in Barbados relative to other countries which have a similar range of public responsibilities as we have in this country. Do not let us get ourselves tangled up with comparing ourselves to Antigua, where the range of public responsibilities does not extend as far as in Barbados, as we have been advised to do by the honourable Member for St. Michael South East.

(*Aside:* Hon. B. M. TAITT: Or the United States!)

Mr. O. S. ARTHUR: But the United States of America has a higher ratio of tax to total income in the economy than Barbados. That is the point I am trying to make, that we must, therefore, Sir, in deciding on the magnitude of tax reform in any given year in Barbados balance the range of responsibilities that we ask Government to assume relative to the amount of revenues that are required to give effect to those range of responsibilities. And our responsibilities expected of Government are not only national in character; as the honourable Member knows, they extend to all 27 different constituencies, because such is the nature of the social welfare philosophy that guides successive Administrations in this country.

The burden of my argument, Sir, is that when faced in April with the same economic position and the same economic outlook as the Democratic Labour Party, we said from this side that, having regard to the obligations of the Government of Barbados, we could not contemplate how a serious Government in this society could afford to give up what to us at that point and time appeared to be over \$100 million in revenues in any given year without compromising our abilities to run the country. And I am saying to the House, and I have said in my speech before, and I must stress again, Sir, that the manner in which the Minister of Finance has introduced these measures — a staggered approach, a piece this year — merely substantiate the assertion that was made in April of this year, that it would have put Barbados in great peril, compromise our ability to have Barbados with the range of services that we want to have in Barbados, and with a Government supporting the private sector in the same way that we want to do it, by giving up over \$100 million in revenue in a year. That is the issue that I want to keep before this House, because it is the issue that we will have to come back to in April, 1987, if you proceed to go through with these measures. Then you will have to face the eventuality not of giving any for four months or three months, but of giving all for a year.

Secondly, Mr. Speaker, I want to query and ask the Minister of Finance if he would be good enough to tell the House how he really proposes to manage the whole business of bringing the levy into the Consolidated Fund. I did not have the opportunity in my first speech to raise this point, but I want to elaborate it. As I recall it, Sir, there were a number of activities which were financed by the levy, but not included in the Estimates of Expenditure.

2.00 p.m.

Mr. SPEAKER: The honourable Member is on a point of order.

Hon. B. M. TAITT: It is my understanding of the Rules of this House that a Member who is winding up in reply to a debate is not entitled to introduce new matter, because Honourable Speakers have ruled in here already that that would occasion responses from the other side by the introduction of new matter. The Speaker has ruled this in this Honourable Chamber while I have been here. The honourable Member is about to introduce new matter.

Asides

Mr. SPEAKER: Proceed.

Mr. O. S. ARTHUR: Mr. Speaker, the point I was trying to make is this. There are a number of activities which were formerly financed through the Transport Levy, not included in the Estimates. The point I want to develop is whether, for example, the Speightstown Bus Terminal, as well as a large number of tenantry roads in St. Peter, St. George, Christ Church and so on, St. Michael West Central, St. Michael South East, a large number of important small developments in the country financed from the Transport Levy but not included in the Estimates of Expenditure, will be halted. The question, therefore, is if you bring over the levy to help you finance tax provisions that you have made, are you also going to bring over the activities that those funds were being used to support?

The point is that if you bring over the levy and also bring over the expenditures, you have not changed your financial position. If, however, you will bring over the levy but will not bring over the activities, I think the Minister of Finance and Planning has a responsibility to tell the honourable Member for St. Peter, the honourable Member for Christ Church East, the honourable Member for St. George North, the honourable Member for St. Michael West Central what will happen to all those various activities designed to promote Barbados at the local level, financed through the Transport Levy, which are now to be abolished.

In terms of economic strategy, Mr. Speaker, it is a serious issue, because you can only benefit from bringing the levy into the Consolidated Fund if, from a financial point of view, you decide that the activities which the levy used to finance are no longer going to be carried by Government. Otherwise, from a financial point of view, you are making no improvement in your financial position.

Mr. Speaker, on the question of the cuts in capital expenditure, we on this side really would be glad for a fuller elaboration by the present Government on the areas in which those cuts are to be effected. We want also to bring to the Minister of Finance's attention that he might be only involved in shuffling the pack really, that if you cut taxes by \$40 million and cut expenditures by \$40 million, the net effect on the economy is that you take out \$40 million with one hand and put in \$40 million with the other. However, you must recognise that a \$40 million direct expenditure by anybody in the economy has a different impact on the economy than \$40 million in tax cuts. Forty million dollars in direct expenditure will create direct jobs, but with \$40 million in tax cuts, you must expect that what will find its way back into the economy is not \$40 million in expenditures, people will save some, and you have, therefore, in using cuts in capital expenditure as a way of financing tax cuts to stimulate employment, to balance the employment loss by \$40 million capital reduction in relation to the employment generated.....

Asides

Mr. O. S. ARTHUR: No, this is very straightforward.

So that we will need to know where those \$40 million in cuts are coming from, because when we in the Barbados Labour Party constructed that capital programme, it was not a programme designed just to give vent to a large number of large projects. There were also a large number of little projects to improve the quality of life in this country as well as to provide a continuous stream of employment generation in Barbados, and if you are cutting those small projects, some in the Police Force and so on, a large number of other small projects to improve the quality of life, I am suggesting to you that you will be giving up employment with one hand merely to try to boost employment with the other hand, and that, from a purely employment generating point of view, your Budget can be a dud.

Sir, the burden of my difficulty with this approach to tax reform is that it really is in conflict with everything that we know about the function of small economies. I would like to believe, Mr. Speaker, that we could indefinitely support employment generation in Barbados by just increasing domestic spending power. I would like to believe you could do it. If we could do it,

I would support the Minister of Finance printing any amount of money that he wants to, but the reality of Barbados is that the limitations to growth, the limitations to employment generation, are balance of payments limitations.

We romanticise, in a sense, some of our so-called local production. As I pointed out when last I spoke, in Barbados a biscuit is basically imported wheat. The house, the shedroof that you speak of, is imported lumber. So that there has to be strong recognition that one has to be careful of increasing domestic spending power in Barbados at a time when we are facing a fairly grim.....

Aside.

Mr. O. S. ARTHUR:.....this is not theory.....a fairly difficult export environment.

Mr. Speaker, I really have to drive home this point. We can do anything in Barbados we want to do with Government revenues and Government expenditure. That is within our control, we can do anything with that. But the balance of payments constraint on our actions in this society, as in all other small economies, are so tremendous that when once we put ourselves into a position where we induce a balance of payments problem it becomes virtually impossible to put our economies back together again.

Mr. Speaker, the experience in the Caribbean is too rich in relation to societies which have become unworkable because people have not paid enough attention to the management and the protection of the balance of payments. I would like to believe that we could indefinitely sustain a strategy of employment creation in this country based purely upon the increase in domestic spending in Barbados, but my judgement tells me, Sir, my training tells me, and the experience of other countries of commensurate size tell me, that, sooner or later, the piper will have to be paid, and the piper that would have to be paid is respect for our balance of payments.
2.10 p.m.

I really would like the Minister of Finance to reflect on the consideration that at a time when we are facing difficulties in our manufacturing sectors, and this is a reality, when we are facing difficulties in our sugar industry — I am told that the outlook for next year is for 90 000 tonnes — and that we are getting a cut in the price of cotton — I am talking about genuine difficulties that we have — at a time when as the Minister has said our tourism is not growing by any massive rates of increases, from whence will come the foreign exchange earnings to support the increased demand for imports that will arise from increased spending by the Barbadian public? That is what bothers me fundamentally, Sir, because, as I said, the Minister of Finance and Planning can do anything that he wants to do with taxes and with expenditures,

but the balance of payments is a constraint that is beyond his control, beyond our control, and it will eventually and effectively set the limits to how far we can go.

Mr. Speaker, I do believe that the Minister of Finance has started to understand that he is putting himself between a rock and a hard place. If the people get the increased disposable income and they save it and do not spend it, you will not get the indirect taxes which you are hoping to get to help finance the Budget. That is what happens if they save. But, in any event, in a situation of excess liquidity in the system now, there is no tremendous urgency on the part of Government to institute a process of tax reform based upon the conception that Government could at this stage increase savings. In any event, if they save, you do not get back revenue. If they spend it, you can hurt the balance of payments, and I think that, by the sheer size of the adjustment that you are contemplating, you are going to put yourself and Barbados between a rock and a hard place. Either we are going to have a balance of payments problem, induced by increased domestic expenditure, or we are going to have an unsustainable financial position on the part of Government, which will lead to increased taxes at some time in the future.

I must therefore come back to the arithmetic, because if the Minister understands that he cannot make these measures take effect this year for a full year, I think that he has begun also to understand that, come April, 1987, there will have to be revenue-generation measures to put him in a position to finance what he is giving up by way of these adjustments this year. The Minister understands that next year he will be faced with a situation of having to give up at least \$72 million basic in Income Tax adjustments, plus such others as may accrue from the wages agreement and increased income. The Minister understands that next year, if he were to give effect to his Corporation Tax adjustment proposals, he will be speaking about \$18 million in a full year rather than \$12 million as he has now structured it. The Minister understands that, although we want to help tourism, he cannot do more than give it \$1.6 million this year, but next year he will be faced with a Land Tax adjustment of at least \$6 million. And the question that must nag him and must nag us in this House is, if this year we know we cannot do it in a full financial year, what are the underlying trends in the economy that give us the confidence to feel that we will be able to do it within 18 months, at a time when a substantial part of the foreign exchange earning capabilities of Barbados is already going down the drain? These, Mr. Speaker, are the types of considerations that bother me.

Mr. SPEAKER: With two more minutes to conclude.

Mr. O. S. ARTHUR: I, Mr. Speaker, in two minutes must rescue the income distribution aspects of this Budget from the violence that has been committed by the honourable Member for Christ Church East Central (Mr. R. L. Morris). This Budget, when you analyse it from a distribution point of view, is not really designed to help the poorest of the poor, or even the lower middle class in Barbados. The people who will benefit from this type of Budget are people in our income categories. It is the 18 corporate entities which pay the largest proportion of Corporation Tax in Barbados. It is the person, Mr. Speaker, who has a mortgage of more than \$125 000. Those are the people who will stand to benefit most generously from these proposals.

So that, Mr. Speaker, all things considered, and having regard to the comments of the honourable Member for St. Michael South East and the honourable Member for Christ Church East Central, I can think of no compelling reason why I should adjust a word of my Resolution, and I commend it to the House.

I beg that the Resolution do now pass.

Hon. L. E. SANDIFORD: Mr. Speaker, I will be moving shortly that the sitting be suspended for lunch, so the first thing that I will propose to the House is that further consideration of this matter be postponed until after lunch.

Hon. B. M. TAITT: I beg to second that.

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

GOVERNMENT NOTICES

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that this House revert to the item in Order of Business, Government Notices.

Hon. B. M. TAITT: I beg to second that.

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

PAPERS LAID

Hon. E. E. GREAVES: Mr. Speaker, I beg to lay the following:

The Report and Financial Statements of the Public Utilities Board for the year ended 31st December, 1985.

GOVERNMENT NOTICES

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to give notice of the following Resolutions:

A Resolution to approve the compulsory acquisition of land at Bay Street, St. Michael, for the provision of office accommodation for the Government.

A Resolution to grant the sum of \$244 949 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1986-87 Part I - Current, as shown in the Supplementary Estimates, 1986-87, No. 2 which form the Schedule to the Resolution.

A Resolution to approve of the borrowing by the issue of Treasury Bills further sums not exceeding one hundred and seventy-five million dollars and such sums as may be required to pay off at maturity, bills already lawfully issued and outstanding.

A Resolution to approve of the borrowing of the sum of U.S. \$30 000 000 from a Consortium of Banks for which the participating County Natwest Capital Markets Ltd. will act as agent for the purpose of assisting in the continuation of the Government's Capital Development Programme already in progress prior to May 28, 1986 and to assist in meeting foreign debt repayments due in fiscal years 1986/87 and 1987/88.

2.20 p.m.

A Resolution to approve the compulsory acquisition of land at Oxnards, St. James for Housing Development.

Asides

ORAL REPLIES TO QUESTIONS

Hon. P. M. GREAVES: Mr. Speaker, I give notice that Replies to Parliamentary Questions Nos. 1 and 4, both asked by the honourable Member for St. Thomas, are ready.

Hon. L. E. SANDIFORD: Mr. Speaker, a Reply to Parliamentary Question No. 5, asked by the honourable Member for St. Thomas, is also ready.

SUSPENSION

Hon. L. E. SANDIFORD: Sir, I beg to move that this sitting be now suspended until 3.20 p.m. today.

Hon. B. M. TAITT: I beg to second that, Sir.

The question that the sitting be now suspended until 3.20 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.

2.25 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is now resumed. When the suspension was taken, Private Members' Business was suspended. Does the Leader propose to continue?

Hon. L. E. SANDIFORD: Yes, Sir. I beg to move, that the debate on the Private Members' Resolution be now resumed.

PRIVATE MEMBERS' BUSINESS (RESUMED)

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

Hon. Dr. R. C. HAYNES: Mr. Speaker, Sir, we have had perhaps one of the longest debates in the history of Barbados focussing on the fiscal proposals of the Democratic Labour Party Administration. This debate started on April 3 of this year, was discussed in Parliament at length, was discussed by the public, was discussed in the Press, and now once again forms the basis of a Resolution. It is not therefore surprising, Sir, to find that there has been no new addition to the argument. Apart from the two excellent contributions, by the honourable Member for St. Michael South East (Dr. E. A. Simmons) and the honourable Member for Christ Church East Central (Mr. R. L. Morris), there is very little to respond to.

The honourable Member for St. Michael South East raised two very important points which will determine the direction of the Democratic Labour Party's policy in terms of the capital programme of Government in 1987-88. I must thank him for reminding this House that it is important that public expenditure should be diverted from expensive highways to the roads where people live, and that attention should be paid to adequate drainage, not only of those areas but of the entire country.

I wish to assure him that Cabinet has already taken certain decisions in relation to the water rates in Barbados. They will be announced in due course by the Honourable Minister responsible for Transport and Works.

I should also like to assure him that the most unacceptable situation where monies voted for a year's expenditure in relation to the activities of the National Assistance Board have been spent in two months, and overspent in a matter of two months, would be investigated by this Government.

The honourable Member for St. Thomas (Mr. D. A. C. Simmons) sought in his presentation to compare the experience of the United States with our fiscal proposals. The central fact is, Sir, that the problem in the United States has been a failure to control expenditure,

particularly in the area of defence and security. You cannot effect tax cuts and at the same time have increasing public sector expenditures. That is the core of the problem, and that will not be the problem in Barbados.

He also made the point that it is the responsibility of the public sector to lead in the generating of employment. When he made that remark, I noticed that the chief Opposition spokesman for Finance, the honourable Member for St. Peter, was evidently somewhat embarrassed

Laughter.

Hon. Dr. R. C. HAYNES: He knows only too well that the pursuit of that kind of policy position in Barbados over the past five years has been a failure. It has involved this country in increasing indebtedness, and at the end of the day we have more and more unemployment, and more and more debt, including foreign debt, to repay. The fact is, Sir, that an inappropriate mix of capital programmes, which have generated very high deficits over the past five years, is part of the problems facing this country today.

I say that there will be no increase in employment opportunities in Barbados unless there is new meaningful investment of a permanent nature. That is what these proposals are all about, to create an appropriate climate for investment where people are prepared to work, save and invest. I am satisfied that the response from the country as a whole is such that we will see a significant improvement in our unemployment situation over the next 18 months or so.

The honourable Member for Christ Church East Central also raised some very important points. I must congratulate him on identifying programmes of a joint venture nature which might be of tremendous help to this country. I am sure that he has made that point because he recognizes that a new climate has been created in Barbados where the foreign investor would feel much happier, under this Administration, to involve himself in joint ventures with local private sector partners.
3.30 p.m.

The honourable Member for St. Peter (Mr. O. S. Arthur), in his winding up effort makes the same error that he has made in this House again and again. That is, when he is comparing the tax effort of various jurisdictions, he does not look to see what elements of taxation add up to that tax effort. I have heard him make the same error in relation to a comparison between Barbados and Trinidad and Tobago some years ago, failing to recognize that a substantial amount of revenue to the Trinidad Government at that time came from oil, whereas in Barbados it was a different situation.

In addition, Sir, the honourable Member asked what we will be doing with the levy and what will be our attitude towards the liabilities against those levies. I will say to him that we are looking at this matter very carefully at the moment. The legislation will be brought before Parliament and the timing of the transfer of the funds will be determined by the fiscal position. I hope that that answers the question.

The facts are that, in a short period of six weeks, we have managed to introduce our energy programme — in part, so far — and our fiscal policy, both of which they said were bogus and could not be done. The facts are, Sir, that the price of gasoline is down, the price of diesel is down, and the price of fuel oil is down. The cost of electricity is down and the cost of fuel to the cement plant is also down. The cost of transportation, public and private, is also down. In fact, the overall cost of energy to the economy is down.

Sir, they said that we borrowed \$150 million by way of Treasury Bills. This has been shown to be totally false. But what can you expect? Having said that it could not be done, now they will try any way to discredit our proposals. The fact is, Sir, that the Treasury Bill limits of today are exactly the same as they were on March 6, when the then Cabinet took a decision to increase the level of Treasury Bills. The fact, Sir, is that our fiscal programme is in place, and the benefits are apparent to all in this society except the three Members of the Opposition — and this has all been done in the short period of six weeks.

Sir, let us look at the main arguments made by the main spokesman for the Opposition on this matter. He spent a lot of time trying to point out that the proposals will benefit the rich at the expense of the poor. It is a remarkable turnaround, Sir. In an article in the *Nation* Newspaper on April 16, 1986, the same honourable Member, I mean the honourable Member for St. Peter, was suggesting the exact opposite, that there was no benefit to persons with income over \$15 000 a year. Now, he has changed his position. I will say this: he was wrong then and he is wrong now.

The fact is, Sir, that the proposals bring equity into our tax system, and all will benefit, directly or indirectly. Perhaps he should ask himself whether persons earning \$15 000 a year or under are rich people, that is \$289 a week or less. That is the question, because that is the main proposal which we made. How many pensioners in Barbados can be said to be rich? Can concessions to promote the interest of our children, the sick, the elderly, and the disabled be classified as helping the rich? How many people are there in Barbados whose mortgage interest payments are over \$1000 per month? Does the honourable Member know that this is not a new

proposal? Is the honourable Member unaware of the fact that under the past DLP Administration, and for several years under the recent BLP Administration, all mortgage interest was deductible and Barbados did not collapse in 18 months because of that?

How many corporations in Barbados can bear the burden of 45 per cent Corporation Tax, build retained earnings up and expand employment opportunities in this country? I dare say, Sir, that the experience of the past five years has shown that a large number of our corporate citizens might have still been in business today if the tax burden had not been such that they would have been able to build up retained earnings in order to provide for difficult years ahead. We feel, Sir, that in the interest of stability, in the interest of expanding job opportunities and investment opportunities in the private sector of Barbados, the reduction in Corporation Tax is highly desirable and highly justified.

I have no ideological axes to grind in this matter. I am interested in seeing a vibrant private sector and a vibrant public sector in Barbados. I am interested in seeing the overall national wealth of this country increase, and I would not allow myself to be influenced by prejudices of the order that came across so distinctly in the presentation of the honourable Member for St. Peter to bias my judgment in the determination of fiscal policy in this country, either now or at any time in the future.

These proposals of the Democratic Labour Party will have several effects. Firstly, they will give tax relief to all sectors of the community. As I said before, they will restore initiative to work, save and invest. With investment, there will be new opportunities for employment. The economy, particularly the domestic economy, will be revitalized, and employment opportunities will be expanded at several levels.

I just want to give a few examples, Sir. Take the home. Many hundreds of Barbadians who sent home the domestic help over the past five years because they could no longer afford them are in a position today to employ them. I want to urge every householder in Barbados who is the beneficiaries of the new tax concessions in many areas, not only the concessions relating to the employment of household help, personal income tax, but the concessions which will come in 1987 and 1988 relating to a reduction in property taxes, and the many other concessions we have made, including those relating to energy. I urge you all to join with the Government all householders, all people of good-will in this country – to recognize that there are thousands of young people out there who would be glad for a job two or three days a week, maybe a full week, and you now have the opportunity, you have a great opportunity, to participate with this Government in a new and creative environment in order to help generate employment in Barbados.

To the distributive sector, Sir, we have given you the resources because we recognize that you are the most highly developed sector of Barbados. I urge you to recognize that you have now the wherewithal to generate hundreds of jobs in the manufacturing sector, to recognize that by simply responding to our request to become stockers to the manufacturing sector, to buy local wherever possible, you have a great opportunity to open those factories that have been closed for years under the Barbados Labour Party. This is an opportunity which the Democratic Labour Party has given you. We have given you, not out of any sectoral prejudice, not out of any philosophical or ideological prejudices. We have faced the realities and we recognise that you have the resources, that you have the marketing skills and that you have it within your power, augmented by the concessions which we have made, to help this country move forward and help solve the social and economic problems relating to unemployment.

3.40 p.m.

These proposals, Mr. Speaker, also give a tremendous stimulus to housing, a housing sector that has been badly neglected because of absence of mortgage funds or absence of the wherewithal by potential homeowners. Now many of our young couples can qualify for a mortgage, a situation denied them under the previous regime. Many of you now have the resources available to you for home improvements, home repairs, and I hope to see this area of activity.

I indicated on the floor of this House, when I introduced the fiscal proposals, that appropriate instruments will in due course be introduced in order to make sure that there is an adequate flow of funds in this direction. Those measures will be announced in the not too distant future.

In the area of agriculture, we have recognised the role played by the Barbados Agricultural Society and we have made a contribution in that area. We also recognised that, with the increased purchasing power in Barbados, people will be buying more local food. Already I am told by several restaurateurs in Bridgetown who sell almost everything local that over the past week their business has picked up considerably and a few of them have been looking for additional staff. I have been reliably informed that that is the case, and the only thing, as far as I know, that some of them import would be some of their beef, that is the only major import item. All the potatoes, pork, chicken and all that kind of thing is local.

Mr. Speaker, I want to refer to the strictures about our failure in our Budget to address the problems of the productive sector. You know, Sir, when I was spokesman

for the Opposition, it was always very easy when examining a Budget to say what was omitted. It is easy to do it, because one must recognise that within the constraints of time and the resources available to you at any given time, you cannot address all aspects of Government simultaneously. What I have done, Sir, I have retained all the measures in the April 2 Budget that relate to the productive sectors, and for that I have been criticised on the floor of this House. But I recognise that those measures could be useful under certain conditions, and the conditions must be that the local manufacturers and the local hotels must return to profitability. There is no point telling an individual that he can benefit from a marketing allowance abroad when he has not got a cent even to take a trip in an aircraft abroad to promote anything or market anything. Therefore, we recognise that whereas it is important that those measures should remain, we must go a step further in seeking to strengthen the financial integrity of the units here in Barbados, because, it is a simple matter — bankrupt companies cannot take advantage of those incentives offered.

It would be an integral part of our 1987-88 capital programme, when we have got over the difficulties caused by the particular programme embarked on by this Government, to ensure that most of our capital resources are geared towards the production sector housing and so on.

In the hotel industry, Sir, we have made concessions, and the Honourable Minister for Tourism is now embarking on a new marketing strategy. We have reduced hotel property taxes, the electricity rates are down, the overall energy prices in relation to the operations of taxis and other areas of ground transport are down. Wages would have been automatically improved by our personal income tax measures, by increasing the purchasing power of the workers, the rate of inflation is kept low, and I think that we will see a reduced demand for high wages in the immediate future. Similar factors, Sir, will operate in relation to all other areas of production in Barbados.

In relation to our fiscal proposals, Sir, there has been no criticism of a single proposal; in fact, they were welcomed. Most of his speech was concerned with the method of implementation. He said it was damaging to implement them all at once. We phased them in and yet

he criticised us. He accuses Barbadians of having short memories, and he forgets that he said in the past that the proposals would not benefit the rich. He is no longer worried about 1986-87, he is worried about 1987-88. Let me tell you something: we will have enough time to make all the necessary adjustments between now and that time.

We are controlling the losses in the non-strategic commercial ventures and we have taken steps already where it looks as though the losses of the Barbados National Oil Company will now be somewhere in the region of \$5.7 million instead of \$27 million this year. The Prime Minister has taken drastic action in relation to Caribbean Airways and Aero Services, and I believe that he will be receiving a special report today of drastic investigative action. In respect of the cement plant, initiatives have been taken with the Government of Trinidad and Tobago, and we expect to make new initiatives in that area this year. The Minister of Transport is considering ways and means of reducing the losses at the Transport Board.

We are stuck with the capital programme which we got from the Government. We are doing our best to see how it can be modified in the interest of this country. For example, you have a \$90 million road and only \$36 million will be spent on direct construction of the roads that motor cars will drive on and people will walk on; the other \$54 million with matters not directly related to the road construction as such, such as acquisitions and all that kind of thing. We are spending \$30 million on a road for the cement plant and the cement plant is losing \$55.8 million in two years. What is worst with the \$90 million road is that another project, the World Bank Project, is improving many of the roads from the St. Barnabas/Wilkey area. With control of these losses we are quite sure that the expenditure side of Government will be taken care of.

3.50 p.m.

The honourable Member fails to recognise that a fundamental flaw in his argument is to concentrate on tax concessions. The fact is, Sir, that a programme is based around a reduction in energy cost, tax concessions, yes, but also control of expenditure and an innovative monetary policy. This combination would prevent all the catastrophic problems he talks about in relation to our external position.

On the matter of a devaluation, I think the honourable Member knows perfectly well that the Barbados dollar has depreciated considerably with the US dollar. He knows perfectly well that devaluation is a policy decision, and this Government, like the past Government, is committed to a policy where there will be no devaluation of the Barbados dollar. Devaluation is not a

matter that arises automatically out of any group of events. There has got to be a policy in that direction.

We, Sir, will be protecting our balance of payments which have been in the position they are in now because of the fiasco under the Caricom Multilateral Clearing Facility, the misguided capital programme of the past Administration, and the failure, as recommended, to include expenditures on the Central Bank building in the country's overall public spending programme for that period.

Mr. SPEAKER: The honourable Member has only two more minutes.

Hon. Dr. R. C. HAYNES: The net effect is that there has been a severe bunching of foreign debt payments, as I have outlined, and I want to assure this country that the new path which this Government has taken will include a mix of monetary policies which will ensure that Central Bank financing of Government deficit will be kept to a minimum, Government's deficit for 1987-88 will be kept to a minimum, increases in the local assets of the Central Bank will be matched by increases in its local liabilities rather than a reduction in its foreign assets, as happened in 1981, and that the possibility of commercial banks shifting large amounts of securities on to the Central Bank will be obviated.

Mr. Speaker, with those measures, along with the fiscal measures we have taken, I can assure this House and this country that our currency will be secure. The fact is that the honourable Member for St. Peter, if he had followed the usual path of professional integrity, would never have found himself in that position in the first instance, and today he has retreated substantially from what he said two weeks ago. There can be no question, Sir, of any devaluation of the Barbados dollar. In a few days the appropriate monetary policy will be announced.

Thank you, very much.

Applause.

The question that this Resolution do now pass was put and resolved in the negative, the House dividing as follows:

Noes: Hon. L. E. SANDIFORD; Hon. B. M. TAITT; Hon. M. A. KING; Hon. P. M. GREAVES; Hon. Dr. R. C. HAYNES; Hon. E. E. GREAVES; Hon. N. K. SIMMONS; Hon. W. W. HALL; Mr. C. V. WALKER; Mrs. M. BARKER-WELCH; Mr. R. L. MORRIS; Dr. E. A. SIMMONS; Mr. R. P. BYER; Mr. P. J. M. MILLER; Mr. E. BOURNE; Mr. C. A. NEBLETT; Mr. J. J. PAYNE; Mr. L. L. BRATHWAITE — 18.

Ayes: Mr. O. S. ARTHUR; Mr. D. A. C. SIMMONS and Hon. H. deB. FORDE — 3.

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that we now revert to the Order of Business "Replies to Questions" so that notice may be given of a Reply.

Mr. SPEAKER: If there is no objection, leave is granted.

ORAL REPLIES TO QUESTIONS

Hon. P. M. GREAVES: Mr. Speaker, I beg to give notice that Oral Reply to Parliamentary Question No. 6 asked by the honourable Member for St. Thomas, is ready.

ORDERS OF THE DAY

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that you revert to the Orders of the Day and that Government Business be now taken.

Hon. B. M. TAITT: I beg to second that.

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

Hon. L. E. SANDIFORD: Mr. Speaker, I gave notice today that there are a number of Resolutions which we would wish to deal with in all of their stages today, and I am now seeking leave of the House for these Resolutions to be dealt with at this stage.
4.00 p.m.

Hon. H. deB. FORDE: Mr. Speaker, Sir, despite the fact that notice was only given earlier today and that the body of the Resolutions were only made available to us since we have resumed, yet we are prepared to facilitate this mammoth Government of 24 seats, Sir, to show that the power of the 3 is enough to deal with the 24, Sir.....

Laughter.

Hon. H. deB. FORDE:..... even at short notice.

Laughter.

Hon. L. E. SANDIFORD: Mr. Speaker, we are grateful to the Opposition for not putting the matter to the test of the vote to see how the 24 will deal with the 3 and give them short shrift on this particular matter.

But, in true parliamentary tradition, I think that I must express my gratitude to the Leader of the Opposition for his consideration and courtesy in this matter.

GOVERNMENT BUSINESS

Hon. L. E. SANDIFORD: These are money Resolutions.

I beg to move that Order No. 1 be the instant Order of the Day.

Order No. 1 was called – To move that the House resolve itself into Committee of Supply to consider the grant of sums of money for the service of this island.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. M. A. KING, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. R. P. BYER in the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: The House is now in Committee of Supply.

SUPPLEMENTARY ESTIMATES 1986–87 – No. 2

HEAD 15 – CABINET OFFICE – \$244 949

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, the Addendum to this Head is quite clear. The sum of \$25 000 is being sought to provide new furniture for the Conference Room at Government Headquarters and for equipping and furnishing the lunch room in the Cabinet Office. There are a number of chairs in the Cabinet Office which former members of the Cabinet would be well aware of, and they know of the inconvenience.....

(*Aside:* Hon. B. M. TAITT: Hazard.)

Hon. L. E. SANDIFORD:..... and hazard of using those chairs. They have been in use for some 13 years, at least 13 years, and the time is now appropriate for a replacement for those chairs.

I do not think there will be any disagreement over this particular item, and I think that is sufficient information on that particular subhead.

As far as the Contingencies Vote is concerned, the sum of \$100 000 was provided under the item to meet compensation by the Government, as well as other contingencies which might arise in respect of the functioning of the Cabinet Office. A sum of money is being sought to meet a claim for compensation, and supplementary provision of \$60 000 is being sought to deal with the outstanding claims as well as to meet any other claims which may arise. It is very difficult to predict what the claims may be. This is an estimate, and it may be that, if any unusual or untoward claims arise, we may have to

come back to this Honourable Chamber if the amount proves to be insufficient.

Subhead 5, Sir, deals with the Electoral and Boundaries Commission. A sum of \$2 950 was voted to meet the cost of utilities for the offices of the Electoral and Boundaries Commission. That amount is insufficient to meet the charges against the item and therefore a supplement of \$1 397 is required to meet the cost of two additional telephone lines for the proper functioning of that Commission.

A sum of \$536 477 has been provided for the operating expenses of the Electoral and Boundaries Commission.

The expenses in relation to the 1986 General Election have been higher than originally estimated, and I have the following breakdown, if Members would wish that kind of information. There was an estimate, for example, for remuneration of election officers of \$199 010, but the actual expenditure was just somewhat more, \$211 690. I am just giving some examples of the actual expenditure in relation to the estimates. The publication of notices for the election; there was quite a difference here; \$25 000 estimated but the actual expenditure was \$65 172. For polling compartments, \$50 000 was estimated but there was actual expenditure of some \$73 937. In addition to that, the cost of the legal services to the Commission was also in excess of the amount estimated.

Mr. Chairman, those are the main items in this particular supplement. If, of course, there is additional information required by the members of the Opposition and we have it to hand, I will willingly supply that information.

I therefore beg to move that the sum of \$244 949 under Head 15 stand part.

Hon. B. M. TAITT: I beg to second that, Sir, and reserve my right to speak.
4.10 p.m.

Hon. H. deB. FORDE (Christ Church West): Mr. Chairman, I am grateful to the Honourable Minister for giving us some breakdown in relation to the expenditure being incurred under the Electoral and Boundaries Commission. I will be reverting to this item during the course of what can be several interventions, unless, of course, the debate takes a different course to what I anticipate.

I note that the Government now has a lunch room at the Cabinet Office. I believe that this is the first time that a lunch room has been provided for Ministers. Certainly, during the time of the Barbados Labour Party Administration, Ministers ate their lunch in the Cabinet Office around the Cabinet table. This was so not only during the time that I was a Minister of Government, but during the time that my friend, the honourable Member for St. Thomas, was a Minister of Government, right up until May 28.

I believe that the procedure now is to have an additional luncheon office for the Ministers. I wonder whether there is also a kitchenette provided. I wonder what are the procedures in relation to lunch and I want to know what is the cost out of that sum for providing this new office and for furnishing it.

Sir, we are hearing about the new dawn and the new day, so when the new luxuries start, I also want to hear about those. It is not only \$300 houses or, for that matter — what are the special cars? or the special cars. It is luxuries coming in many ways and there are many innovations that one sees. So I want to know this as well.

I would like to throw out a suggestion to the Government, a suggestion which I have given in Estimates Debates on many occasions. I believe that the Head — Contingency should be really broken down and that it is possible for the Ministry of Legal Affairs, and it is really the responsibility of the Minister of Legal Affairs, to deal with the question of satisfying claims against the Attorney General in his capacity as the principal person under the Act responsible for such matters. I suggested, when I was the Minister, that the Government may wish to use this procedure. I think that we have now collected enough hard evidence of the level of claims that occur during the year for the Minister of Legal Affairs to have his own vote for settling claims and for him to reclaim, if you like, against the Ministries under whose portfolios come the subjects that have led to the claim. It is a question of tidying up the form of keeping Estimates. I think if Members followed the debates in the House over the last couple of years, they would have found that this suggestion was made, although, I am afraid, it has not been implemented.

Sir, I wish to talk more, and substantially about the Electoral and Boundaries Commission. The Barbados Labour Party is usually assailed for everything that has gone wrong in the country. The Democratic Labour Party may remain in power for just long enough in the next five years to recognize that all of the ills that occur to a Government do not occur merely because they are a Government. There are some things, however, that people will not credit the Barbados Labour Party for, and soon I may hear that the Electoral and Boundaries Commission

is an idea of the Democratic Labour Party, so I want particularly to record the history of this measure.

There are not many of us around this table who were operating in politics, or the periphery of politics, in 1965. The honourable Member for St. Michael North (Hon. P. M. Greaves), the honourable Member for St. Michael South (Hon. L. E. Sandiford), the Right Honourable Prime Minister (Rt. Hon. E. W. Barrow), who is not in his place, and I were then involved in politics. The honourable Member for St. Thomas (Mr. D. A. C. Simmons) was on the periphery. He was in those days reporting the matters that took place in London at the Constitutional Debate. I regret that I do not see any other honourable Members around this table who were at that time involved in the process of Constitution making, but history will prove, Sir, that at the time of the Under 40s, one of the things that we urged very strongly was the establishment of an independent Electoral and Boundaries Commission in order to conduct and supervise the running of elections in Barbados. It took us some years before we got this implemented.

Far be it from the Opposition to deny supplies to a body such as this to carry out its functions properly. Although the estimate, which would have been based on figures provided by the advisers to Government have been exceeded, I consider that this Committee would be voting for a worthwhile project by subscribing the additional \$158 552 asked for for this Commission.

I believe that the Commission has done outstanding work. It has proved, as a lot of things will be proved in due course, that the foresight of the Barbados Labour Party is worthwhile. I hope to hear the confidence expressed in this Commission that those of us in 1965, 21 years ago, foresaw for it — a long time, Sir. Twenty-one years ago we thought that this was the right course to go. Some honourable Members who are new to politics, and who believe that they have discovered everything new under the sun, may take time to reflect that 21 years ago, the party to which they now subscribe objected to the establishment of an Electoral and Boundaries Commission. It takes time, Sir, it takes a long time. We were not in Government then, but in the time that we came in, and with the numbers that we had, we brought the changes, Sir.

We were told in those days that the changing of boundaries was a matter of the House of Assembly, not even a matter for the Senate, electoral matters, and then a special commission was set up under the chairmanship of the then Speaker, Sir Theodore Brancker and Sir F. G. Holder, Frank G. Holder as one of the members, a former Chief Justice of Guyana. We were told that they were civil servants running the Electoral and Boundaries Office, in whom everybody had confidence — it was then

Mr. Critchlow Matthews, succeeded by Alwyn Howell and succeeded thereafter by Mr. Smith — and that it was not necessary to have any independent body. A lot of the new ideas that I hear being touted around the table as though they are new, like scrutineers, was a suggestion made then as well, and objected to by the Democratic Labour Party. So that when I see the vehemence with which people come into politics, believing that something is new, I reflect and look at the historical development of these ideas, Sir.

I am glad that the Electoral and Boundaries Commission is working out. I do not ever want to hear it said that elections in Barbados are worse than elections in the Philippines or Guyana. I do not ever want to hear it said again. I believe that outside of the partisan political stance which we take, we politicians — not all of us, some of us — particularly at election time, in order to court electoral favour — we have to be conscious in our minds that we do our country no good when we state our case in extremes without emphasizing what really is true and separating it from some of the fears that, on reflection, we may find we are not well founded.
4.20 p.m.

I do not know of an election in Barbados that has rivalled the elections in the Philippines or the elections in Guyana. Each one of us can, in our respective Administrations, point to things that went wrong at election time. I am not here to do that, unless challenged, as, Mr. Chairman, I cannot get up and talk again on new points, and I intend, if I am challenged, to give chapter and verse. But I do not know of one election in Barbados held under the Democratic Labour Party or the Barbados Labour Party that one can liken to an election held in the Philippines or Guyana. I do not know of any. I have known of elections in which, because of administrative and other errors, things have gone wrong, yet not to the extent that in the history of Barbados any of the political parties have seen fit to bring before the courts of Barbados any allegation of electoral fraud. In the time that I have had an interest in politics, I have watched very carefully, and I have got a list of every case involving electoral matters that have come before the courts of Barbados, and in none of them has there been an allegation of electoral fraud.

Around this table are some honourable Members — the honourable Member for Christ Church West Central, the honourable Member for St. Michael North, the honourable Member for St. Thomas and myself — who participated in the case in which a present honourable Member was the petitioner. It is remarkable that although we went through every vote there, from the margin of errors due to irregularities, no one could seriously suggest that there was fraud in that election. In fact, Mr. Chairman, when I began my opening statement to the court I made the point most forcibly, and that the run of electoral cases that have come before the courts of Barbados

are similar to those that you find in Canada, in England, two of the countries in which elections are properly run. In fact, the precedents that we relied on are exclusively almost from these countries. That is why I think, now that the Democratic Labour Party has savoured its victory under the Electoral and Boundaries Commission, which we set up, and has its overwhelming numbers, I am going to ask it to bring some of its members back to a sense, an idea of balance for the good name of Barbados; not to cast and keep casting down and making allegations about a few people, but to look at the true facts and to find out that Barbados in the holding of elections is a model country.

I recall when I was Minister of Foreign Affairs, Mr. Chairman, being asked by the Commonwealth Secretariat and by the United Nations to provide from Barbados people who can go and assist other countries in conducting elections, so high was Barbados' esteem. We provided people for Uganda, we provided people for Zimbabwe and even — well, that was not during my time — the Right Honourable Member and the former honourable Member for the City, Senator Miller, were two of the people invited to witness the Philippines' elections.

Mr. Chairman, if you listen to objectivity, not to partisan political anxiety that comes very near to elections — in the adversary system this is necessary — I think you will find that in the history of elections Barbados has a very high rating, and that goes, without exception, for the elections that I have witnessed in this country since I was interested in politics, probably from about the 50s/60s onwards, certainly since the time that we got adult suffrage. One must recall very quickly that it is only 35 years ago that we got full adult suffrage in this country, but the progress made between then and now in all aspects of governmental affairs has been phenomenal, and I would be doing less than my duty in this House if I not only speak in a historical way, but also claim, rightly, some credit for the great party to which we in the Opposition belong for this type of innovation, which has, in my view, put a new dimension on the standard of elections in Barbados, a standard that we could have set some 21 years ago. It meant a change to the Constitution of Barbados, the Electoral and Boundaries Commission is one of the entrenched provisions — honourable Members may reflect on that — but it is a matter on which we felt strongly in the Sixties, and we saw to it that, when we became the Government of the country, we set about to make the changes in order to implement this provision in full, and we have implemented it. Nobody can take it out of the history books now.

If you want to read history correctly, you can read it correctly. The honourable Member for Christ Church East Central is a historian. He knows that sometimes his version of history may not accord with the version of the

honourable Member for St. Peter — at least his interpretation — because they are speaking from different perspectives, but when they deal with the facts, the facts are there, though they may try to bring different interpretations to those facts.

Mr. CHAIRMAN: The honourable Member has about two minutes to wind up.

Hon. H. deB. FORDE: The honourable and learned Member for Christ Church West Central said that we took too long to implement it. Let us remind the honourable Member that we came to power in 1976 and we had implemented that provision before. He really does not remember the facts, and he should not be misled by the honourable Member for St. Michael West.

Since time has run out, I will revert to that, particularly if the honourable Member for St. Michael West joins in this debate.

Hon. B. M. TAITT (St. Michael West): Mr. Chairman, one of the things about the honourable Member, the Leader of the Opposition, is that, from his years of practice at the Bar, he has learnt how to turn a phrase on his feet and to give those who cannot see exactly what is going on an image which may not in fact accord with the facts, even though he, himself, would not be guilty of a terminological inexactitude. Take, for example, his indication that I am misleading the Honourable and Learned Attorney General. Everyone who knows the honourable gentleman knows that that is impossible. It is the honourable Member, the Leader of the Opposition, who sought in previous times in an election to mislead the learned Attorney General, only to discover that that could not be done.

I am moved by his suggestion that 21 years ago the Barbados Labour Party wanted to have an Electoral and Boundaries Commission, and his attempt therefrom to take the credit for the coming into force of this particular measure. I think that he himself could claim credit on the basis of the historical record for having brought it into force, because he was the Attorney General at the time when the constitutional amendment came before the Honourable House and he joined me two and a half years later in calling on the then Prime Minister to implement a constitutional amendment. As he said, historians have a way of differing in their interpretations, but the facts cannot be changed.

The fact is that two and a half years after this constitutional amendment, which was held to be so fundamental that it was entrenched, two and a half years after it was passed in the House with the assistance of the Democratic Labour Party, because we had a minority and they had a majority and you needed a two-thirds

majority to pass it, and he nor any other human being could get it passed unless we had assisted on that particular occasion.

Aside

4.30 p.m.

Hon. B. M. TAITT: He is telling me that is not true. Let us not have to go for the record. We had to do that so much in the elections, and each time we got the record we were able to prove that we were right.

The fact is that two and a half years after it was passed, he joined me, he from the back-bench on his side and I from the front-bench on our side in the Opposition, in calling on the then Prime Minister to implement this fundamental amendment.

Asides

Hon. B. M. TAITT: We cannot pass it, because the Press in this country will tomorrow, because the learned Leader of the Opposition has spoken, give the impression that he, single-handedly, with the Barbados Labour Party, brought in the amendment to the Electoral and Boundaries Commission and that the Democratic Labour Party was somehow against it. That is not true. When the then Leader of Government, the then Prime Minister, realised what had happened, he decided that, if you pardon the expression, 'Forde could bring the measure to the House, but he cannot make it get proclaimed', and the same honourable Member who just spoke had to join in a call from the back-bench to the Barbados Labour Party Government to implement this constitutional amendment. So let us not start crowing about who is for and who is against it.

The fact is, too, that as the honourable Member rightly pointed out, 99 per cent of the honourable Members around this table were not in or within the periphery of politics at that time, and, therefore, their views on whether you should or should not have an Electoral and Boundaries Commission are the views that count today. Suffice it to say that those views accord with the view that there should be an Electoral and Boundaries Commission and one that should have come immediately.

Indeed, Sir, so interesting is the concept of having brought that to Barbados, that even in the implementation of the Electoral and Boundaries Commission, there was an omission, in that of the last election, under the terms of the amendment, the Boundaries Commission does not even have to report to this Honourable House until a year after the implementation. So they may or may not report.

But let me go on record as saying that we in the Democratic Labour Party are satisfied that the present Electoral and Boundaries Commission has done a good job. We go further and we make bold to say that it is our belief that had there not been an independent body running the elections in Barbados, the result may not have been as clear and as expressive of the people's will as this country has seen. I refuse to be moved in my conviction, notwithstanding the attempt of the honourable Member to cast aspersions on factual information in the guise of patriotism, I refuse to be moved in the evidence that stares us in the face that there has been interference in the electoral process in this country during the regime of the Barbados Labour Party Government.

I will tell you, if you wish to hear, Sir, of some of it. When the then Prime Minister was Minister responsible for Electoral Affairs, in the by-election in St. Michael South Central he sought to interfere and intervene in the place where the votes were being counted. My colleague, the honourable Member for St. Michael South Central (Hon. Dr. R. C. Haynes), and my colleague, the honourable Member for St. George North (Mr. C. V. Walker) can give evidence of it, because we were in the counting house and the Leader of the Opposition was not.

Aside.

Hon. B. M. TAITT: The honourable Member will not wish to question whether there was intervention in the behaviour of the electoral process in the St. Peter by-election on the first occasion, and he must separate two types of interference.

He seeks to suggest that Barbados has a history of holding elections. That is a fact, and no one would disagree. As compared with other countries, Barbados has a high reputation for democratic government. If you are making that point, that is one point that can be made, but that does not negate the point that in countries that have a history of democratic elections, there is evidence of electoral fraud. In the United States itself, in Britain itself, there is a historical record of electoral fraud in various and sundry elections.

The phrase "rotten boroughs" did not come out of a man called Mr. Burroughs in St. Joseph. "Rotten boroughs" is part of the historical development of elections in the United Kingdom where there were attempts at electoral fraud. The very law by which the second by-election in St. Peter was decided, that very case law has arisen out of various processes of electoral fraud in the United Kingdom and other Commonwealth countries.

(*Aside:* Hon. H. deB. FORDE: Irregularities, not fraud.)

Hon. B. M. TAITT: Fraud, not irregularities. The honourable Member wishes me to say "irregularities". I

say fraud. I say, without withdrawing the word "fraud", that the whole book has been written.

They have this way of saying that only three or four people in this country know anything about the law. The truth is, when it comes to electoral law, everybody is out of the starting gates at the same time. Everybody who knows how to read a little bit can learn electoral law, because they come out of the starting gates at the same time. There is no fantastic history of anybody who knows any more about the electoral law than anybody else.

There is a small body of lawyers in this country who practise what I call the 'principle of maximum confusion' and seek to give people the impression that you have to have some inner sense of the Great Beyond to know how to read a law book. That is not true. You have to be able to read; nothing more nor less. You have to have practice in how to interpret, which is a different thing, and that is where you can become confused, and the difference between one who interprets one way and one who interprets another way is a whole new ball game.

Aside.

Hon. B. M. TAITT: We are at the point of law now. You don't get in this.

The point I am making, Sir, is that the electoral law which we have, anyone who was there for the very important exercise in our democracy would have noticed that even their Lordships did not have a great deal of practice in this whole question of electoral law and were happy to be advised in some procedural matters by those who had studied the matter. That is not to say that they in any way lost their right to make the judgment which they did, nor does it mean in any way that anyone can question the judgment. Suffice it to say, however, that all of the precedents would have been based on there having been attempts at infringing the electoral law in one way or another, either at the level of candidate or official, or even public official.

The history of Government and the history of elections in the United States is replete with electoral fraud. The whole concept of gerrymander came out of arrangements in the United States by a Governor to suit himself in a particular election that was coming up. It is well known that the state of Illinois has the best history of electoral fraud that you can find in any one place. I do not think that I can say that more delicately, Sir, except that Mayor Daley if he was here, would be able to say it with more experience and more knowledge, because he could speak categorically and truthfully.

I am saying, Sir, therefore that when we talk about electoral irregularities, there is no need for anyone to try to carry the debate into an attempt at unpatriotic

behaviour. If, as has happened, we are able to demonstrate that there were certain peculiarities, if I have to repeat that there were 18 032 people in Barbados in 1981 who had ID cards who could not find their names on any electoral list in Barbados so far as the final list is concerned..... I wish to state categorically, and I challenge anyone to tell me that I am not correct, that there were 18 032 people with ID cards, and it is impossible for you to have an ID card and not be on the Electoral List, and in that 1981 electoral list, those 18 032 people did not appear.

Mr. CHAIRMAN: The honourable Member has another two minutes to wind up his debate.

Hon. B. M. TAITT: That was electoral intervention by a person or persons unknown. And since the people in the Opposition cannot interfere, one has to assume that other people interfered. We have never cast any aspersions on the integrity of the electoral officials, but we cannot reserve that particular position for other people who have participated in the electoral process. I hope that no one would ever force me in a debate to put in the record information to verify statements that I have made concerning electoral fraud, because I believe that we should let what has gone in the past remain in the past.

Aside.

Hon. B. M. TAITT: If the honourable Member, the Leader of the Opposition, wishes us to have a debate about what has occurred in elections in this country, then we can discuss it in detail. I was not afraid to speak to the then Prime Minister about his electoral performance in the polls when he was alive, and if the honourable Member wishes me, I will speak about his performance now that he is dead, with all due respect to those who are dead.

I hope that we do not get any more unctuous pronouncements about Barbados and its history of elections. The Democratic Labour Party stands by what it has said, because it has been able to demonstrate what it way saying. When the honourable Members around this table who were then candidates made comments from the platform, they produced evidence. It has always been put forth in this country as if we were walking around casting aspersions on people's character. We were speaking facts and we are prepared to continue speaking them.

Thank you, Mr. Chairman.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Chairman, Sir, I did not want to get involve in this debate at all, but they have.....

Aside.

Mr. D. A. C. SIMMONS: Well, Barrow said so last week, and then proceeded to curse everybody. That is what I am going to do now.

(Aside: Who is Barrow?)

Laughter.

Mr. D. A. C. SIMMONS: I did not identify any honourable Member in here.

Aside.

Mr. D. A. C. SIMMONS: I thought that this debate should have remained at the level of principle, that we all agree that the Electoral and Boundaries Commission, which is a recent innovation to Barbados, has, in fact, supervised the last general election, even though we have lost and you have won, to the best of its ability and competence, and in such a way as to ensure that democracy in Barbados continues.

We should all be grateful for the work which the Commission has done. If there are problems with the returning officers, honourable Members know that they can deal with them under the Election Controversies Act. Nobody has sought to do that. But the debate has suddenly taken a degenerative step into accusing whichever party was in power of indulging in electoral fraud. I do not believe that I could sit here and hear the Barbados Labour Party accused of involvement in electoral fraud and the holding of elections that were less than fair, without giving the House, as I had occasion to do previously, the hard and concrete evidence that I myself witnessed when the Democratic Labour Party was in power in the election of 1976, the general election, at a polling station at Trinity.

Laughter.

Mr. D. A. C. SIMMONS: If you want to hear about election fraud, I will tell you now.

Aside

Mr. D. A. C. SIMMONS: I speak for myself, man. You should know better than that.

Laughter.

Mr. D. A. C. SIMMONS: I am not coming in here to be a nice boy and get on like 'nuttin en happen', when I know that things happened. At twenty to one on September 2, 1976, the present representative for St. Philip North, the Honourable Minister of Agriculture....

(Aside: Hon. B. M. TAITT: Who I do not now see in his place.)

Mr. D. A. C. SIMMONS: and his brother....

Aside.

Mr. D. A. C. SIMMONS: I said it in the House. Look in the debates for March this year.

(*Aside:* Hon. B. M. TAITT: Who I do not now see in his place. You have to add that.)

Mr. D. A. C. SIMMONS: Who is not now in his place, Sir. I am not going to say things behind his back, like you all have been wont to say about the dead, Adams.

Laughter.

Mr. D. A. C. SIMMONS: Let him come in here. I have said it before his face and I say it again, Sir.

Hon. B. M. TAITT: On a point of order, Sir: I wish to assure the honourable Member that if the right honourable gentleman Tom Adams comes in here, we would say it in front his face too.

Laughter.

Mr. D. A. C. SIMMONS: You seem to believe that he had some super powers. He gone down and he is going to rise again!

Laughter.

Mr. D. A. C. SIMMONS: Twenty to one, Sir, on September 2, in my presence and that of my election agent, Mr. Gollop, we saw the honourable Member, his brother and.....

Aside.

Mr. D. A. C. SIMMONS: the one with the car, yes — you know, I am not calling any names — and a couple voters with the presiding officer of the station downstairs, writing on the top, writing a ballot paper outside for everybody to see.....

Aside.

Laughter.

Mr. D. A. C. SIMMONS:.....marking the ballot paper in the yard.

Aside.

Laughter.

Mr. D. A. C. SIMMONS: I do not believe that he was so foolish to mark it for me.....

Laughter.

Mr. D. A. C. SIMMONS: because he was with two people called Franklin. They had the ballot papers on the top of a car marked P 586, then a Fiat.

(*Aside:* Hon. E. E. GREAVES: And he still lost?)

Mr. D. A. C. SIMMONS: And he still lost. But I only got home by seven!

Laughter.

Mr. D. A. C. SIMMONS: God knows, Sir, how many times they have been doing that.

Laughter.

Mr. D. A. C. SIMMONS: I was saved by a man called "Rector," who telephoned me and told me what had been going on out there.

Laughter.

Mr. D. A. C. SIMMONS: When I got there, I was just in time.

Laughter.

Mr. D. A. C. SIMMONS: But more than that, the excuse was that the man.....

(*Aside:* Cripple?)

Mr. D. A. C. SIMMONS: No he was no cripple. He was standing up as I am here now, on two sure feet, but they said he could not climb the steps to get into the polling station.

The presiding officer had about four ballots in his hand, and when we challenged him and asked him if he was marking ballot papers out in the yard, he said "Yes." He saw nothing wrong with that. All of that Gollop took down with a view to an affidavit.

Aside.

Mr. D. A. C. SIMMONS: We won and we let it pass, because the presiding officer was related to a candidate.

(*Aside:* You?)

Mr. D. A. C. SIMMONS: No, no.

Aside.

Mr. D. A. C. SIMMONS: He was the godfather of a candidate, Sir, and the candidate begged not to lock

him up. The point is he could not come to the counting house the night, because the people of St. Philip were determined to beat him up and destroy him. The honourable Member for St. Philip South (Hon. H. A. Blackman) knows well about what I am talking, Sir.

Laughter.

Mr. D. A. C. SIMMONS: You see he came in here laughing. He knows about it.

But we should not get into all that, Sir. Obviously, there will be times in the life of any country when functionaries get carried away and will do something that is untoward, or even illegal or fraudulent. But I do not think that these single acts that some of us in every constituency from time to time can point to, some peccadillo, some irregularity — it can cost you your seat, yes, because elections in this country can be close — because of these little things, I do not think we should condemn a whole system and a whole country as being fraudulent. I think we have to be careful the extent to which we allow our emotions and our language to take us down the path of national destruction.

4.50 p.m.

I wanted to give my personal example of what I saw, but I would not say that that incident meant that the whole 1976 general election was fraudulent. I cannot believe that it could have been fraudulent. I do not see how somebody could fix an election to make themselves lose. The Dems were in power in 1976. Can I take that one incident and say that the election was fraudulent, and they still got beaten, whatever it was, 18–6 or something? Similarly, this time, if any Members.....

Asides.

Mr. D. A. C. SIMMONS: Seventeen to seven or whatever in 1976. I forgot.

So that I do not think it is fair, and it is worst, Sir, having accused and condemned the country, to then seek to inveigh against the particular Minister having responsibility for the conduct of elections. I do not believe that in 1976, when I refer to that incident, the Minister was responsible, and there were some in 1971, when we had a change of boundary. Suddenly, a few weeks before election, the boundaries were re-aligned. Orange Hill went into St. Andrew.

Asides.

Mr. D. A. C. SIMMONS: I would not have known that. You would have known that from inside. Part of Parish Land and St. Patrick's and so on were changed.

Asides.

Mr. D. A. C. SIMMONS: You sat down in here when Brereton went to St. John. It did not help me. It rinsed me out. In 1971 there were problems because of sudden boundary changes, which led to the system that was referred to as gerrymandering.

Asides.

Mr. D. A. C. SIMMONS: Do you mean after the election? No, but nobody is saying that they could not have been changed. It is the prerogative of any Government in power to make a boundary change according to population shifts, ostensibly population shifts. The objection was the fact that the changes were introduced suddenly and without enough time, like three or four weeks before election, not months in advance. It was no more than six weeks. The Honourable Minister of Transport and Works would recall that we tried to research earlier this year a number of validating orders that had to be made, but we are not going into that. There was some feeling that the gerrymandering had an adverse effect on certain people's chances during the election. There were consequences of the gerrymandering, where people who lived on either side of a main road found that some on one side voted in one constituency and some, on that same side, had to vote in another constituency. You get these problems.

I am not going to accuse the Democratic Labour Party of 1971 of being fraudulent. I believe the system came in rather hurriedly, and I do not believe that we had the same spread of computer as we have today. We may have had a computer in the Electoral Office in 1971. In fact, I do not think that was even so. I think that we may have had to send the list to Trinidad in 1971.

Asides

Mr. D. A. C. SIMMONS: If we had one, we had one, Sir, but we did not have the same availability of computer then as we have now, or staff, and there could have been mechanical or electrical problems, as well as the human problems, which could have contributed to some of the unhappiness that was resultant from the election of 1971. But I am not going to castigate the Democratic Labour Party as being fraudulent, or say that they introduced a system to Barbados that was second only to Guyana. I am serious, I am not being sarcastic or facetious. I am serious, and I do not think that it behoves anyone, especially the Right Honourable Member for St. John, to go outside of Barbados, as he did — and I will always be at variance with him on this — towards the end of last year, and pillory and hang down his country, and hold this country up to ridicule in the eyes of all the people of the Caribbean. I am sure he regretted what he said then, as he probably regretted what he said on July 22. That is for later on today, Sir, we will cover that later on today.

I am going to support this Resolution. I would just be grateful if the Honourable Leader of the House would tell us about this lunch room at Government Headquarters — I presume it is at Government Headquarters — that we are voting the money for, where is it to be situated in relation to the Cabinet Office, and what kind of equipment they intend to put in in terms of the new furniture and equipment for the conference room? I agree that you want new chairs in that Cabinet Office, because the only person who could have saved you from breaking your back was the former Cabinet Secretary, and he was the only person who could replace the seat, because you know, if you lift them up, you cannot get them back in. The former Cabinet Secretary was very expert and adept at that. You really need some new chairs in there and, this is money well spent, but I want to hear something about the lunch room and the facilities.

Asides.

Mr. D. A. C. SIMMONS: Well, Wes Hall falls down even walking.

Laughter.

Dr. E. A. SIMMONS (St. Michael South East): Mr. Chairman, I just want to make a few brief observations on the statements made by the honourable Member for St. Thomas (Mr. D. A. C. Simmons) and the honourable Member for Christ Church West (Hon. H. deB. Forde) with respect to the electoral list and what happened in Barbados within the last few years.

It is now a matter of history that, a few weeks before the 1981 election, some 35 000 names were added to the electoral list, and in that election the difference between the Democratic Labour Party winning 16 seats as opposed to 10 was a difference of some 470-odd votes. By the time the 1986 election had come around, the electoral list had grown to 190 000. After the enumeration, there were 35 000 people who could not be found on the voters list, and those 35 000 accorded very well with the 35 000 that had been added to the list in 1981. That was the basis for the speculation that occurred in this country.

If I were to be more specific — the Opposition likes to talk about the constituency of St. Michael South East. In that constituency, before the enumeration I brought to the attention of the Returning Officer that there were 1200 voters on the electoral list in 1981 who never resided in the constituency of St. Michael South East. At that time, 1981, the electoral list was 6236. After the enumeration the electoral list fell to 5338 from 7236, which it had swollen to from 1981 — 1986, which meant that there was a difference of some 1700 voters in that constituency. By the time that we went

into the 1986 election, the list had only gone back up to 6300.

In 1981, the then sitting Member won that constituency by 240 votes — a constituency where there was a discrepancy of over 1000 votes. I am making these statements because I want the records of this House to show that there was major concern in this country about the electoral list. I want also to state that we went into the 1986 election with some 22 000 people less than recorded on the original electoral list. I want, for the record of this House, to say that there were, and there still are, people who are registered two and three times in this country — I know that the present Government is taking steps along with the Electoral and Boundaries Commission to produce a more efficient list — and there is reason to believe that there are several people in this country who voted not in one or two polling stations but in several polling stations.

5.00 p.m.

I want to say here that although the Leader of the Opposition claims that the Democratic Labour Party never brought a case before the courts involving electoral fraud, the Barbados Labour Party brought a case before the courts of this country involving electoral fraud. I want to say as well that, as far as I know, there were none brought in Guyana, as we like to talk a lot about Guyana. So just to say that because cases do not come before the courts there is no electoral fraud is not really a logical argument to put forward.

What we in this country must insist is that we have the best and most correct list that is possible. Now everyone knows there will be mistakes, but one cannot explain an error of some 22 000 people on an electoral list that should be only 170 000 people. So on this side I want to set the records of this House straight, because it is factual. The newspapers, especially the *Nation* newspaper, had given the figures in their headlines, and the then Prime Minister in 1981, after the 1981 election, admitted — it was carried in the *Nation* newspaper — that he knew that something was wrong and that people had voted more than once in this country. If you read the *Nation* newspaper following the 1981 election, you will see that the then Prime Minister made that statement. So it is not fair to say that the accusations were only made by the Opposition party. The statements were made also by the leader of the then party in Government.

Mr. Chairman, I just wanted to set those records straight. Thank you.

Hon. E. E. GREAVES (St. Lucy): Mr. Chairman, I just want to make a short contribution on this particular item relating to the Electoral and Boundaries Commission. It is true that the first part of the debate dealt with the legal aspects of this matter, but I believe that those of us

who contested the last elections and who have been in the electoral process for a number of years are particularly concerned about the administration of the electoral process in this country.

I have had some personal experiences with which I was never happy and about which I have complained on a number of occasions, certainly on the floor of this Honourable Chamber in the 1976 – 1981 period, and, of course, in the Upper House in the 1981 – 1986 period. But, in spite of that, one would find that a number of problems are still evident in the system, and I would hope that during this period of Parliament, during this time that the Democratic Labour Party is in power, we will be able to straighten out whatever these difficulties are so that any candidate contesting elections in Barbados would feel happy and secure about the administration of elections in this country. It is a fact, Sir, that there has been tremendous dissatisfaction with the administration.

You will recall, Sir, that when in 1978 there was a by-election in St. Michael South Central – and the Leader of the Opposition would know this very well – just prior to that by-election the then Government changed the system of the monthly registers, and I believe that this is a matter which ought to form part and parcel of the whole consideration relating to electoral lists in this country. I think, to its credit, the Electoral and Boundaries Commission shortly before the last general election started to issue these lists – because the law does not provide for it, as I understand it – which provide an opportunity for candidates to at least get some update as to deletions and additions to the electoral list, and a candidate could, therefore, for his own benefit, take the deletions and additions, and compile, on an ongoing basis, his electoral list. He would not have to wait until the final publication of the list to have a relatively accurate idea as to the number of people who are likely to be on the electoral list, and I would certainly like to see this as a process which the Electoral and Boundaries Commission will continue and one that would become part and parcel of our electoral process once again.

Of course, Sir, this is tied in with the whole question of those persons who occupy the position of Returning Officer in the various constituencies. I think that a number of us have had our difficulties with a number of these returning officers. I happen to know, for example, that the one who is the returning officer in St. Lucy is patently incapable of performing that task. The incompetence was demonstrated on the night of the elections when, under his directions, a count which started at 9 o'clock in the night did not finish until after 3 o'clock in the morning. It was due to pure incompetence on the part of the person who was responsible for the administration of elections in that particular constituency. I think he was too busy canvassing for the Barbados Labour Party candidate to pay any attention to the

electoral process. That was probably one of the problems. I am saying that we have to put in place persons who are capable of administering a system and who are above question in these particular areas, and I would hope, Sir, that the Electoral and Boundaries Commission will get down very quickly to the job of ensuring that those persons who have showed such a biased attitude and approach towards elections will be removed, and persons who are capable and have some integrity are put in charge of these matters. These are very important matters, and those of us who are involved in the whole political process would like to see this particular matter straightened out.

5.10 p.m.

I would think, Sir, that if you have people who are able to understand what their jobs are, certainly they could also do their work in terms of updating the list. I do not think that a returning officer ought to wait until elections to begin scrambling around to be making returns or to see about making returns concerning people who have died and whose names therefore, should have been removed from the list. I think he ought to take his job – after all, he is paid – so seriously that from time to time, maybe on a monthly basis, he should visit the Registrar's office and get the names of persons who have died in particular constituencies and see that those names are taken off the list. The whole question of names of dead persons appearing on the list would be removed if that were done, or at least it would be reduced considerably.

There is also the question of people who have left this country. I think that a returning officer ought to be so on top of his job that he would be carrying out an on-going process in order to determine this kind of thing. But what you find is that everything is allowed to fall back until the eve of elections – and then all sorts of confusion develops.

Sir, I believe that we therefore have to take this seriously, and I should like to think that the Boundaries Commission will pay attention to these particular matters, lay down the kind of guidelines which are necessary to ensure that the officers do their work so as to avoid this kind of confusion, and, of course, ensure that the persons in charge of elections in the various constituencies would be free of the kind of bias that one found during the Administration of the Barbados Labour Party.

Thank you, Sir.

Mr. C. V. WALKER (St. George North): Mr. Chairman, I really did not want to join this debate, but I was asked to do so by the honourable Member for Christ Church West (Hon. H. deB. Forde). He knows only too well that I have had quite a bit to say about elections and the whole process of lists in Barbados, going back to 1969.

I am going to be brief, but I want to clear the air as far as 1978 is concerned, as was mentioned earlier by the honourable Member for St. Michael West (Hon. B. M. Taitt). We have to admit that there have been problems in Barbados at election time with the lists. We also have to admit that we now have an Electoral and Boundaries Commission, and in support of this Resolution one would only hope that, whenever next we have an election, and certainly very soon from now, we will have a proper list on which everyone in the country can rely.

Nineteen hundred and seventy-eight passed, and we indeed had problems in 1981. The honourable Member for St. Michael South East (Dr. E. A. Simmons) and I spoke about this enough over the last few months. In 1981, Mr. Chairman, we had people running up and down this country who could not find a place to vote, and that is why prior to 1986 we were saying that we did not want these things to happen. That is why the honourable Member for St. Michael South East took it upon himself — and the honourable Member for Christ Church West has been making a joke across the table about him and a computer — to learn about the computer because he was interested in seeing that we got a clean list, and I think he should be given credit for that.

The honourable Member for St. Peter knows too well we had a by-election there, and he knows only too well how nervous he was and how worried he was about that list. However, in support of the Resolution, I would say that I hope that we can move to the Boundaries Commission, which has already, I am sure, started some work towards cleaning up the list, so that, whenever we come again, we will have a proper list.

I thank you.

Applause.

Mr. L. L. BRATHWAITE (St. Michael East): Mr. Chairman, my intervention is not going to be a lengthy one, but I think it is incumbent upon me to make a few comments, and I want to deal with the matter relating to the contingency in which the amount of \$98 253.43 had been awarded as damages for injuries. This is symptomatic of the number of potholes, as we used to say within recent years. I am saying that within my knowledge there has been a number of persons in this country who have had injuries and damages as a result of bad maintenance of roads in this country, and I believe, Sir, that it is necessary for me to say a word of warning to the Minister of Transport and Works. I do not know what is the method of inspection used for finding out where these areas are, but certainly I hope, as we have had the assurance both from the Minister of Finance and the Minister of Transport and Works, that those days are gone

because our programme of maintenance of roads will be that much better.

I do not wish to get into the controversy about electoral fraud, although I could lend some evidence to areas of mal-handling of electoral matters in this country. However, in relation to the Electoral and Boundaries Commission, I should like to see some improvement in the matter of furniture for election day exercises, because I continue to be amazed at the effort that people who assist in the conduct of elections have to make under the circumstances in which they have to work. I think that matters like furniture and proper physical accommodation are matters that should be taken very seriously.

There is another matter I should like to refer to in relation to electoral matters, and it is that I would like to see electoral officers selected in such a manner that they can be effective in the constituencies, and that people do not have to travel outside of their constituencies to consult with registering officers who live in other constituencies. If that is to be the case, I think that these officers should have offices within the constituencies, and properly managed.

As I said, my intervention was not going to be very long, because I do not think it is necessary so to be, and, with those few remarks, I should like just to add my support to the Resolution.

Applause.

Hon. Dr. R. C. HAYNES: Mr. Chairman, I will be very brief, but I cannot help but take a little piece off the Honourable Leader of the Opposition, because it is my firm recollection that the honourable Member, in his capacity as Attorney General, in 1978 was responsible for two changes in the Representation of the People Act.

Hon. H. deB. FORDE: On a point of order. I think the honourable Member would by now have learnt who carries Cabinet responsibilities and where they are. He has been two months now a member of the Cabinet and he would know that the responsibility for Electoral Affairs, other than when the honourable Member for St. Michael North (Hon. P. M. Greaves) was in charge of Electoral Affairs, has always been under the Prime Minister's Office, and he must understand that.

Hon. Dr. R. C. HAYNES: Well, I will be even briefer.
5.20 p.m.

It is quite clear to me that the Honourable Leader of the Opposition has just disassociated himself from the legislation brought before Parliament when he was Attorney-General, which did two important bits of injury

to the electoral process. One was the removal of the requirement that a reasonable time should elapse between the closing of the List and election day. The argument at the time was that it gave persons who became 18 years, the opportunity to come on to the List, and that in the past they would have been deprived, because I think the cut off point was about three weeks or so before election day.

But that itself has created another problem, and the other problem is that you will never know what the final list is until a few days before the election. And at that particular point in time, if mistakes occur on the list, there is hardly any opportunity to have them corrected, because the Electoral Office cannot cope with the load at that particular point in time. That was the first bit of injury which was done to the electoral process.

The second one, of course, was the abolition of the regular monthly list. That was done, and the result was that in a certain place on Belmont Road, which is a funeral home, a large number of people were registered before the 1978 by-election at one particular place in Belmont Road.

(Aside: Hon. H. deB. FORDE: And you won.)

Hon. Dr. R. C. HAYNES: So that it was tailor made.....

I won despite that.

Laughter.

Aside.

Hon. Dr. R. C. HAYNES: Those were just two points I wanted to make.

When we hear the Honourable Leader of the Opposition make these sanctimonious statements and seeking an accommodation on a bi-partisan basis on these matters, it is important to remember that his bi-partisan call, now in Opposition, is not supported by the very partisan manner in which he approached the legislative process in respect of electoral matters. However, if he has had a change of heart, if he recognizes that what he did was wrong, or what his party did, and if, as he clearly indicated on the floor of the House when he got up and disassociated himself from that action a little while ago, by pointing out to me that he could not possibly have been responsible for it, since he was not responsible for Electoral Affairs but he was only part of the Government, as Attorney-General I clearly understand the situation, that you recognized that it was wrong, that pressure was brought upon you, and in your capacity as Attorney-General, you may just have been abiding by a Cabinet

decision and you may have been a minority. So I am very pleased to hear that you disagreed with it, that today you feel that the monthly list should be restored, and that that was a wrong decision taken at the time.

Hon. H. deB. FORDE: Mr. Chairman, the honourable Member for St. Michael South Central has never left the Harrison College debating chamber. He, obviously, has not yet learnt to distinguish between a person pointing out to him what is a correct statement of fact from what he might think is an impression and a conclusion drawn from statements of fact.

In the first place, the honourable Member knows that there is such a thing as Cabinet collective responsibility for legislation once it is before the House. Therefore, had the honourable Member been debating fairly, he would have got up and said that a measure came before the House, for which there was Cabinet responsibility, and which the Minister responsible was then the Minister in charge of Electoral Affairs. Then he would not try to score very small debating points, Sir. I used to deal with these matters in the Action Club, the honourable Member for St. Michael South and myself, so we see through these little points, Sir.

Let us get back, however, to the substantial points raised in this debate, Sir. I want to congratulate the honourable Member for St. Michael North East (Mr. L. L. Brathwaite) on a very good maiden speech, in which, I think, Sir, he has made two very vital points, and in the manner in which I expect, Sir, to hear speeches made on this matter. We are long since past the position of the hustings, and, therefore, when I get up and intervene on a matter of such nature, I am not here scoring political points, I am looking at what we should now have as the substance of matters in this House.

I make the statement again, that, as far as I am concerned, the nature of what I call 'irregularities' that have occurred in Barbados are things that are associated mostly with human error, and nothing that I have heard in the debate has changed my mind from that, rather than anybody deliberately setting out, as happened in the Philippines and in Guyana, to have fraudulent elections, and as a matter of policy. It does not matter whether I am speaking about my own party, the Barbados Labour Party, or the Democratic Labour Party. I believe that, ever since adult suffrage, the political parties in this country have gone towards trying to improve the democratic process. I make the point that the party to which I belong, which had the honour of being in the vanguard of the social revolution and the democratic revolution in this country, has always set a very high standard in electoral matters. That is the point that I make, Sir.

I am not saying that, from time to time in the holding of elections, problems do not occur with lists. I

think the honourable Member for St. Michael South East (Dr. E. A. Simmons), when he has been in electoral politics for a long time, will find out that, despite the zeal that one brings when one is newly on the platform, however long he is in here, he cannot get a completely pure list. I will give you the reasons why, Sir.

The honourable Member made the point that he had 1 200 people on the Electoral List who did not reside in St. Michael South East. That is quite possible. In fact, in my area, in every election I have faced, this has been one of the problems with which we have contended. Whether honourable Members believe it or not, there is a tremendous mobility in the Barbadian population, and particularly in an area such as that represented by the honourable Member. The honourable Member will find that by 1991, certainly 10%, if not more, of the people in his constituency would have moved from one polling district to another polling district, and sometimes to a new area completely.

In respect of my constituency — the honourable Member for St. Michael South Central knows this — the honourable Member had a list of people who resided in St. Michael South Central but had moved, beyond the three months period, out of his constituency, a couple of them in mine, and who refused to register, because they had his picture big and bold and said they were going back to vote for the doctor. Basically, they should never have been on South Central list. They could have been challenged. If the candidates against him knew what they were doing, they could have compiled the list, when they got the information, and challenged them off. They were his voters, he knew them. He sent cars to collect them on the day, Sir. I can tell you, you know, Sir. I know them.

Asides.

Hon. H. deB. FORDE: Well, Sir, some of them got challenged off.

Laughter.

Hon. H. deB. FORDE: That is one area, Sir. You will discover that in your area.

In my constituency, they took off the list people who had not gone out of Barbados for five years. The existing law says that you have to be living outside of Barbados for five years before you get off the Register. You would have seen the list published even by the Electoral and Boundaries Commission. We could have challenged a lot of those names being taken off because, logically, those people are entitled to vote. So you just do not add up the numbers. You have to look at the law.

5.30 p.m.

I think that the honourable Member for St. Michael South, whose constituency is nearest to mine, would have found that he would have had on his list as voters some people who resided on the other side of the boundary, as it happened on my list. I found voting in my area, ZC1, people who could logically vote in the area nearest to Paddock Road, UC1, because of the line. That has happened up to this election.

Another instance, Sir: in houses you will find that there are people voting in one polling district and some people voting in the other polling district. Once again, they would tell you at the computer office the reason for this is that the person who is feeding the information to the computer feeds in that the person lives in Worthing View, both sides are Worthing View — the computer picks it up and, instead of putting it in ZD, puts it in ZE. That person goes to the poll and cannot vote — a lot of this occurred in 1981 more so than this time, but it occurred this time as well — and you hear that there is an electoral fraud. In 1981, I took several people down to the central polling station to find out where they were registered, because it affected everybody.

We could easily conclude whenever these sort of things happen that somebody has a bad mind and that they are there trying to set up an electoral fraud to win an election. I do not believe that at all, Sir. I do not believe it. These matters occur and we should try to get the system as perfect as we can. I think that in this respect, one of the suggestions made by the honourable Member for St. Lucy (Hon. E. E. Greaves), is a very vital suggestion. We have to move from the position of part-time registering officers to registering officers who are properly remunerated and who can do the job on a 24-hour basis. That is the sort of suggestion I want to hear made. I think it is a vital suggestion. We have also to answer the fear of both sides of the political spectrum, that the returning officers and registering officers are partisan.

Sir, the honourable Member for St. Michael South Central is a heavy politician more so than a statesman. He goes for the politics of matters. He does not look at how history will judge him 20 years from now. I have to look at that as well, Sir. We must recognize, although he says that I am being sanctimonious, that, consistently in political life, starting from 1965, when I started speaking in politics, I have been urging that electoral matters must be raised above partisan political issues. I have never faltered in that. You can read any speech I have made in this House on these matters. What I am saying here is that there is a strong case, as we did in formulating the Electoral and Boundaries Commission, as we did in various pieces of legislation for which I took responsibility, to try to get the partisan politics out of it.

One of the suggestions of the honourable Member for St. Michael South Central, one that he believes in, is scrutineers. He believes that if both political parties have somebody in at the time of registering, that would guarantee or remove a lot of the criticism. I think he has to be a bit careful about that, because somehow, Barbadians do not like a lot of people running into their houses, and he has to look at the psychological impact.

Asides

Hon. H. deB. FORDE: That is right, especially politicians and political adherents. But the reason he has in his mind is a good reason, which is that he is anxious to ensure that both political parties are satisfied that nothing irregular is going on. So I am going to suggest that in choosing the returning and registering officers, particularly the registering officers, this may well be an area in which the Boundaries Commission should wish to consult with the political parties, at the level at which we have been able to consult on some things. It is not that the persons may not have a political view, but the persons, like some civil servants, are able to operate in a bi-partisan system, keeping their politics to themselves and not allowing their politics to dominate how they carry out their functions. I believe there are a large number of people in Barbados who could do so.

The suggestion for returning officers and registering officers that are properly remunerated and with decent offices, as has been pointed out by the honourable Member for St. Michael North East (Mr. L. L. Brathwaite), is a valuable suggestion. That would improve the electoral system.

What is not going to improve it is our continuing to hammer away to suggest that the former honourable Member for St. Thomas, now passed, who has done so much for Barbados — even if people do not want to recognize it now, they will recognize it in time — was set on a process of rigging elections. I do not believe it, and I have sat close enough to, and often enough with him, to know that that is not so. If one is going to say that this occurred because, Mr. Chairman, Sir, of the change in a monthly list to, I think it is an annual list, that, Sir, is a non point. I have already in the debates of this House, in a former session, adverted to the fact that the recommendation to move from the monthly list did not originate with any politician. It was the recommendation of the Chief Electoral Officer — the files are there — the Government now has the files, it is nothing that we have to hide from them — and the recommendation came down on the basis that sometimes, in fact more often than not, there was not even a single name on the monthly list.

One honourable Member, it could be the honourable Member for St. Michael South East or the Member for North East, made the point that we need to keep with

the people who are coming on to the register. But, Sir, we politicians are also wrong in how we approach politics in some respects. We, too, leave the compilation of our lists for the last month, other than the honourable Member for St. George North (Mr. C. V. Walker), who is so organized, Sir, that he is even able to send birthday cards to everybody whose birthday falls on a particular date — because he is using the computer — even if he does not know them. One lady actually phoned me and congratulated me for sending her a card. She thought that I was misusing the name "Cyril Walker," because she was sure it would be me who would remember her birthday rather than the honourable Member, Sir.

Laughter.

Hon. H. deB. FORDE: I thanked him, Sir. I said that he was just playing a prank, but he knew it was me.

Laughter.

Hon. H. deB. FORDE: I agree that you have, on an ongoing basis, to be able to find a number of people who have moved into your constituency, and after they have been there for three months, you can report their names. You can find a number of people who have moved out of your constituency. In so far as people who have died, most MPs go to the funeral of their own constituents. They can record them and draw them to the attention of their registering officer. But more than that, the law, brought by the honourable Member for St. Michael North, already obligates the Registrar to send that information on. If the information has not gone, it is a breakdown in the administrative system, not the fault of a politician, and this is what I am saying.

Both political parties have now savoured Government and Opposition. We have to think of what standards and what institutions we leave for people in the future. I am all in favour of turning our face against things when they go wrong, but I think that we have to put them in their true perspective. I am not asking anybody to think that I am coming in here just being non-partisan. I still say, and I maintain, that we can improve our system without necessarily casting aspersions for lack of *bona fides* in this country. I still believe, Sir, particularly since I have worked in the system and faced as many elections as anybody else, other than the Right Honourable Member for St. John, who has faced more elections than any of us, and I still say that Barbados is very fortunate in having one of the best electoral systems in any part of the democratic world that I know. It is to the credit of the political parties that this has happened, and despite the fact that we have not got perfection, we do not do ourselves any good — this was my thesis and I end on it — by comparing ourselves with other countries which set out deliberately to frustrate the democratic process. It is on that basis that I rest my case.

Hon. P. M. GREAVES (St. Michael North) Mr. Chairman.....

(*Aside:* Hon. H. deB. FORDE: Are you winding up?)

Hon. P. M. GREAVES: I am not winding up, Sir. I did not introduce the Resolution, and I, therefore, cannot be presumed to be winding up.

I did not really intend to participate in this debate, despite the provocations, if I may say so, but when I hear terms like gerrymandering used in respect of elections that took place in 1971, I will have to consider that to be a provocation, because I happened to be the Minister at that time responsible for elections.
5.40 p.m.

Sir, I listened to the debate and I believe that a number of useful and worthwhile suggestions have come out of this debate. I think it would be a good thing sometimes if public officers who have responsibility for some measures could be present in the Chamber when we deal with matters relating to themselves and their office, and listen to debates that take place, because I believe that they could usefully use some of the advice, proposals and suggestions that come from honourable Members. Of course, not everything that comes out could be used, but I am sure they will know what to use. I would venture to say that not all the useful suggestions will be relayed to the Heads of Departments. It may be that the Heads of Departments do not read the debates that pertain to their office.

I return, Sir, to the point about the gerrymandering. Sir, in 1963, because there is a history to this, the then Government set up a committee, under the chairmanship of the then Speaker, Sir Theodore Brancker, who, incidentally, put in a minority report — the chairman himself put in a minority report — and as a result of that committee the parish boundaries were then subdivided in a way in order to implement the system of single member constituencies that was promised to the country in the 1961 general election. That report went in, Sir, in 1964. When we came in 1971 to implement the recommendations of the Committee, the majority of the Committee, because the minority report put in was not acted upon — that suggested a very simple way of handling the matter; that was to divide each constituency in two — that would have given the same 24 members, but that would have been unfair to places like St. Michael and Christ Church, which had the bulk of the voting population — when it came to 1971 and implementing the suggestions, the proposals, the recommendations of the committee, there was a tremendous shift in the voting population. For instance, when the committee sat in 1963 and 1964, there was no Atlantic Shores. Atlantic Shores was one open expanse of land. I can attest to this because I lived

right on the fringe of it. It was one open expanse of land in 1964, but by 1971 the situation had changed completely. The Right Honourable Prime Minister, of revered memory, was my neighbour; we faced each other. The honourable Member for St. Michael South was virtually a neighbour at one time as well. He might not want to say so, but he was. He lived about 100 yards away; that is true.

It would have been senseless implementing the recommendations of the 1964 Commission in 1971, so we looked at the situation and some lines were redrawn. The whole of Atlantic Shores went to Christ Church East Central, where it still remains, but in Christ Church East Central there was the bulge, the voting population was so great that we had to relieve East Central then of another area, which is a part of St. Patrick's, which is a stronghold of the Barbados Labour Party. Despite the gift of the stronghold in 1971 to Christ Church East Central, the then representative of Christ Church East Central still lost. So it is not a question of gerrymandering. It would have made him stronger, and should have made him stronger, but he still lost his seat. It had absolutely nothing to do with the drawing of lines.

It was recommended by the Brancker Commission, though not by Mr. Brancker himself, that Orange Hill should be placed in St. Andrew, and it was placed in St. Andrew. It was also recommended that another section of St. James should go to St. Andrew, and that section was not placed in St. Andrew, and this is the mistake that honourable Members are always making. The Orange Hill area, where the people now vote in St. Andrew, was the recommendation of the Commission. What was recommended was that another section, Sion Hill, should have gone in as well, but that was not placed in St. Andrew, for good and sufficient reasons.

So much has been said about other matters pertaining to this matter that I do not think that I need respond to these matters. On the question of the monthly lists, I must say this: they were really called supplementary registers, because there was a base register published at the end of January of each year, and thereafter the monthly publications were eventually called supplementary registers. They begun as monthly lists and then went through certain processes, like revision, until they became registers in their own right and were termed "supplementary registers." I believe it was a mistake to have ceased publication of the monthly registers.

I go further and say this, the Chief Registering Officer has said he did not believe that the monthly supplementary registers should have been discontinued. I hear the Honourable Leader of the Opposition saying that, somewhere on a file, he has recommended the discontinuance of it. This is what I heard the then Prime Minister.....

Hon. H. deB. FORDE: On a point of explanation, Sir: I suppose we are bound by the Official Secrets Act and we certainly have to be very careful, even in matters that are really not secrets, but the honourable Member can read the Cabinet Paper for that period of time. He can also read the Minutes. He can also, if he wants to, rely on my word and my conversation with him, because I personally believe in some periodic list. I believe that Dr. Caddle, who was the representative for St. Michael East at the time, at some stage also made the point of periodic lists. I believe in a periodic list at least every three months. But I have had it from the Chief Electoral Officer that he found the monthly lists useless, so I am not telling the honourable Member something that I am dreaming up.

Hon. P. M. GREAVES: Well, I am merely repeating what I heard the Chief Registering Officer say myself, that he did not agree with the discontinuance of it and that he felt the cessation of the publication was a mistake.

Sir, I am not going to go into that now, because, frankly, I think we all hold our views on it, and I believe that everybody probably here believes that there should be something published supplementary to the register that is published in January of each year. I think we should be kept updated, certainly in the last year before elections we should have a monthly list. I believe we should have this monthly list and not just a list two or three months before because I believe it would be useful.
5.50 p.m.

I do agree that there are certain things that still have to be done. I do not expect ever to see a perfect list. I am not looking forward to a perfect list, but I believe that there are things we can do to make the list as clean as possible, and I think those things ought to be done. For instance, if the Registrar cannot get the names of those who are dead across to the Chief Registering Officer, at least he can send even a duplicate copy of a death certificate, or someone who reports the deaths, to wherever they are to be reported, or the police sergeant, if they are reported to the police. Wherever they are to be reported all can be reported at the same time to the Registering Office. I believe it would go a long way.

I support those persons who believe that the time has come for us to have full time and not just part-time registering officers, because part time officers, although they have the time on their hands, probably feel they are not paid enough, and they do very little. We need someone, whom the Chief Registering Officer can have full control of, working on a day-to-day basis on the register in order for us to get the best that we can.

I want to say this virtually in support of what the honourable Member for Christ Church West has said. We have basically probably the best laws I can think of in relation to the conduct of election. These laws were

not really precedents, these are laws that we devised. I do not know of any other laws. When we sat down to devise these laws, we sat down and we worked them out of our own heads, and that is why I believe that we have the kind of laws that we have, laws that we have been able to give to others. That is not to say that they are perfect, and I believe that, from time to time, we can add or subtract in order to get the kind of laws that we ourselves can live with and be proud of eventually.

Hon. L. E. SANDIFORD: Mr. Chairman, I believe we have had a fairly full debate on this particular Head, and I do not think there is very much for me to reply to.

There were some queries relating to the lunch room for the Cabinet. The position is a straightforward one. This is not a case of any luxury or any indulgence of the members of the Cabinet. It is a pretty straightforward matter.

I do not think that I am disclosing any Cabinet secrets by saying that the Cabinet meets on Thursday mornings and that we sit around a table, oval-shaped, much like this table, although not as big as this table. Our meetings are very lengthy at times, certainly they take us well beyond 1 o'clock or 1.30 p.m., and it would be very inconvenient for members to have to rush off from the compound of Government Headquarters to get lunch; so, to facilitate the business, lunch is served in the conference room where the Cabinet meets.

In this Honourable Chamber we break for lunch. We do not have lunch around the table. There are all kinds of documents, files, books and everything cluttered around the table, and it would be most inconvenient and inelegant for us in this Chamber to sit down to have lunch around the same table where we are conferring and where we are deliberating, so we move from this room into the dining room provided in the Chamber. It is no different from the Cabinet. The table is much smaller than this, and we all have our documents, our files, our papers and so on, and we believe that it is more appropriate for us to have a break for lunch and go into a room nearby where we can have lunch.

There is no change in the diet provided or in the cutlery or anything like that. It is the same provision that was made before that is being made now. There is no structural change in anything. We would have to provide some chairs and, I believe, tables in the area. It is the room now occupied by the Cabinet Secretary right next to the small room which you used to go into sometimes up at Government Headquarters. There is a small room next to the security office; that is what we propose using. I do not think there is anything much to that.

I do not wish to add very much to the matters that are under debate here, Sir. I think we have reached the stage in this country, and I share this viewpoint with the

Leader of the Opposition, where electoral matters should, in fact, be above the hurly-burly of politics when we are talking about the machinery under which we conduct our elections, because, let us face it, most of the problems in countries which try to conduct a democratic system have arisen because of charges about fraud, or charges about irregularities, or charges about unfairness in the whole electoral machinery and the electoral process, and when once you cannot get confidence in that system, problems will definitely arise. That is why we have to try in this country to make sure that our system is such that each person who is eligible to vote in this country has the opportunity to exercise that vote without undue influence or any kind of undue pressures being placed upon that individual.

The whole process by which electoral systems, electoral laws and electoral processes have evolved is a very long one. Election offences and controversies, the move to get not only one man one vote, but one man one vote one value, all of these are objectives which have been hammered out on the anvil of practical experience, and perhaps on the anvil of irregularities. So it is a system that we are always trying to perfect and one that we are always trying to correct.

I do not normally shout about these matters, but I believe I am the only person in this Chamber who, in successive elections, has seen a ballot box in my constituency transported from the polling station to the counting station in unauthorised, unofficial transport under the control of my opponent. This happened in 1981, when a ballot box was transported from a polling station off the engineer's pier road, from the Christian Science Reading Room, in a mini-moke under the control of my opponent in that election.

Aside.

Hon. L. E. SANDIFORD: He was not driving the mini-moke. What happened on that occasion? I barely scraped home in that election — and I am very grateful to the police — because, you know, the mini-moke cannot really hold very many people, and this box was transported in this mini-moke, which, all day, had been working for my opponent.
6.00 p.m.

The Police Officer, when the matter was raised before the electoral officials, said he had been given instructions not to let the ballot box out of his sight, and when in the night he saw the ballot box get into the mini-moke, he got into the mini-moke, too. That is what happened on that particular occasion. That was 1981.

But would you believe, Sir, that in 1986 a similar incident occurred, in which the ballot box from the UB 1 Polling Station, on Dalkeith Hill, was transported from there to the Bay Primary Counting Station, this time in a

Suzuki van, which all day had been transporting persons to the booth to vote against me? That is what has been happening.

Now I am not saying that on either occasion, any fraud occurred, but the possibilities are there, and it does not take a very vivid imagination to speculate as to what could happen under those circumstances. So the point I am making here is that an electoral system and the electoral processes are such that we always have to be seeking ways and means of improving them. What we have to make sure is that when valid proposals for the improvement of our systems come up, it does not matter which source they come from, so long as they make for a perfection or an improvement of our system, then it stands to reason that all men of good reason, and women, Sir, should give their support.

There have been some comments that persons would not like to hear the Right Honourable Member for St. John comparing adversely the political system or electoral system in this country with systems in the Philippines and so on, I do not think there is any other Member in this Chamber who has the experience of fighting in elections, participating in elections, as the Right Honourable Member for St. John. He knows this electoral system as no other person in the country knows it. He has had the experience of exposure, of observing the system in the Philippines, and if he finds it necessary, out of his experience, to make comments in order to ensure that electoral irregularities or electoral fraud do not take place in this country, then we have to respect his judgement. I do not believe that, if he makes that kind of comment, he is interested in pulling down this country, because no one has fought as hard to build up this country as he has, and it would not really make sense to be on a different tack altogether. I think, Sir, we might very well be grateful for those comments, which were shots fired across the bow to prevent any kinds of adventurism which might have occurred in those particular circumstances.

The question that the sum of \$244 949 under Head 15 — Cabinet Office — stand part of the Schedule was put and resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, Mr. CHAIRMAN reported the passing of one money Resolution in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. L. E. SANDIFORD seconded by Hon. P. M. GREAVES, the Resolution was read a first time, a second time and agreed to.

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that Order No. 2 be the next Order of the day.

Mr. SPEAKER: Order No. 2.

**BORROWING BY ISSUE OF TREASURY BILLS OF
FURTHER SUMS NOT EXCEEDING
\$175 MILLION**

Order No. 2 was called – To approve the borrowing by the issue of Treasury Bills of further sums not exceeding \$175 million and such sums as may be required to pay off at maturity, bills already lawfully issued and outstanding.

Hon. Dr. R. C. HAYNES (St. Michael South Central). Mr. Speaker, Sir, from time to time it becomes necessary to come to Parliament to increase the limit of Treasury Bills. This was last done two years ago, in 1984, when the additional sum at that time was \$100 million. The limit then became \$425 million.

On March 6 this year, the previous Administration took the decision to increase the limit on the Treasury Bills by \$150 million. The previous Cabinet had agreed to this, and this Resolution seeks to give effect to that process, with the change that we have decided to increase the limit by \$175 million.

It is important, Sir, that it should be understood that we are not borrowing \$175 million. This is the limit on your Treasury Bills. Since the last instance, when it was increased by \$100 million two years ago, that limit of \$425 million was reached in March this year, or almost reached. I think the specific figure was \$424.6 million. Since March of this year, there has been a roll over of Treasury Bills, and a member of the Opposition clearly misunderstood what was going on and assumed that that represented additional borrowings. In point of fact, the Treasury Bills at that time stood at \$424.6 million, as I said, on March 6, and today they are still \$424.6 million. In other words, this is a facility which a Government comes to the House for from time to time, in order that it will have the flexibility to borrow, as necessary, to carry out the normal functions of Government. That is the situation.
6.10 p.m.

I think that, if you look at it, the general trend over the years has been, it looks like a one to two-year cycle when you have to increase your Treasury Bills by \$100 million-plus or thereabouts. This is a routine process seeking from the House permission to give legislative effect to a decision taken by the previous Administration, with a slight modification.

Mr. SPEAKER: The honourable Member for St. Peter.

Asides.

Hon. P. M. GREAVES: Mr. Speaker, I second the motion and reserve my right to speak.

Mr. O. S. ARTHUR: Thank you, Mr. Speaker.

Mr. Speaker, I propose to speak very briefly on this particular Resolution, but I must really make a general statement in relation to the entire borrowing strategy of Government, because that general statement really is going to shadow most of what I have to say in relation to this Resolution as well as the Resolution to come.

I cannot escape, nor do I profess not to understand, the need for an increase in the Treasury Bill limit. The Minister of Finance and Planning is absolutely correct in saying that at March the Treasury Bill limit had virtually been reached, and that, as is the custom in the House, Sir, one had to come back to the House to have that limit exceeded. But, Mr. Speaker, there will come circumstances where actions proposed by the former Administration will be brought before this House and the Minister of Finance and Planning will purport that he is acting because something was agreed to by a former Cabinet, and I think, Mr. Speaker, that it might be a bit improper for it to go forth that one Government is being held to ransom, virtually, in terms of its policy decisions, by the Cabinet decisions of a previous Administration, when there is, in point of fact, a matter of discretion involved. I want to make this general point, Sir, because it will become clear when I have to speak on the other Resolution which has to do with the borrowings.

The point I really want to make in relation to this Treasury Bill matter, Sir, is the outstanding point that, obviously, this present Administration is now seeing the need to think in terms of a Treasury Bill limit that is greater than that which was contemplated by the former Barbados Labour Party Government. I want to make the point, Sir, that the tax adjustments which have been made have, in fact, led to a borrowing requirement for this financial year that is greater than that which would have existed under a Barbados Labour Party Government.....

Asides.

Mr. O. S. ARTHUR: I am putting it to the Minister of Finance and Planning that the tax proposals which have just gone through this House of Assembly have led to a borrowing requirement for this year which is greater than the amount of loans which would have been borrowed by a Barbados Labour Party Government as a result of the fiscal measures which we instituted.

Mr. Speaker, I find it remarkable that the Government is contemplating, I think a capital programme of

\$150 million — I have not yet heard the Minister dispute that he is going to use the \$61 million in project financing that we had identified to carry the capital programme — but we have now had brought to this House, Sir, two Resolutions which are going to increase our commercial debt by an amount of \$117 million. Added to project financing of \$61 million, Sir, we are beginning to speak in terms of total external financing for the year of \$178 million for a capital programme of \$150 million. It becomes immediately obvious, Sir, that the Government is having to borrow, commercially abroad, in order to finance a current account deficit.

If I am to presume that, as has been the case in the past, some net financing will become available by the issue of Treasury Bills — the pattern has been for financing perhaps somewhere as high as \$60 million in net terms available to Government by way of Treasury Bill issues — we could in point of fact be talking, in terms of total borrowing by the Government for the financial year, of the order of \$230 million, Sir, in the context of a reduced capital budget. I am seeking to make the point to the House, Sir, that we cannot have it both ways in this country — it is either we pay for our services in taxes or we pay for our services in borrowing. It does not, therefore, surprise me when the Democratic Labour Party brings before the House of Assembly a Resolution in relation to a Treasury Bill matter, but tells the House that the Barbados Labour Party was proposing to increase the Treasury Bill issue by \$150 million but you now find it necessary to increase it by \$175 million, because your borrowing requirements are that much more correspondingly greater than ours, because rather than raise the taxes to finance your current expenditures, you have reduced your taxes and hence you will have to borrow.

Sir, I trust that when you come to debate the next Resolution you will not be telling the House that the Barbados Labour Party is forcing you to borrow the money abroad. That is within your discretion. We were borrowing the money abroad because we had a capital programme plan of \$190 million. If you have a smaller capital programme, your need for financing should be correspondingly reduced.

The point I want to make, Sir, is that I have no difficulty understanding the need for the adjustment in the Treasury Bill limit. I have no difficulty understanding it. I recognize and acknowledge, however, that this Administration now finds it necessary to have that limit expanded by an amount greater than it would have been under the Barbados Labour Party. I also take cognizance of the fact, Sir, that in the context of a reduced capital programme and in the context of a reduced current programme, because you said that you are cutting your capital programme by \$40 million, even in the face of reduced Government expenditures you are going to have to maintain an increased debt position that is, in some

instances, equal to, and in others greater than, the Barbados Labour Party's. The point I want to make to the House, Sir, is that the tax adjustments are now, even at this stage, proving to be a factor that is leading to a borrowing requirement on your part, in a financial year, that is greater than that which it would have been if the Government was still in the very safe hands of the Barbados Labour Party.

I thank you, Mr. Speaker.
6.20 p.m.

Hon. Dr. R. C. HAYNES: Mr. Speaker, you know sometimes I find it very difficult to follow the honourable Member for St. Peter (Mr. O. S. Arthur). He uses words calculated to confuse the uninitiated.

He started off by saying that he has no difficulty with the increase in the Treasury Bill limit; no difficulty. I was at pains to point out that by whatever level you pass a Resolution to increase it by, if you want to increase it by \$250 million, \$300 million, it does not necessarily follow that you will borrow twenty, forty, sixty million dollars of that amount, or one million. He knows that perfectly well, that the level by which you increase the Treasury Bill limit does not in any way mean that you will be borrowing that particular amount of money in any fiscal year. In point of fact, our experience in the past, because of the constraints of borrowing on the domestic market, has been that you had to control your borrowings by way of Treasury Bills in order to leave enough liquidity in the system, and there are various constraints on Government in using that mechanism to finance any aspect of its developmental programme.

So I would say that — I cannot use the word "dishonest", but it is the kind of point that I want to make — the honourable Member must know that the fact that the limit has been raised by \$175 million rather than \$150 million does not necessarily mean that you are seeking to accommodate another \$25 million in borrowings. It does not necessarily follow. It is as simple as that.

The second point is, the honourable Member said that our tax proposals are already beginning to bite. What are the facts, Sir? The facts are that the proposals were introduced into Parliament on July 15, and it was not until about July 29 or thereabout, July 28, that the first set of weekly earners would have seen the effect of that. Similarly, there are many monthly earners, for example in the Public Service, whose cheques would have been prepared by July 15 and they would not have seen that yet. So you cannot say that any Resolution brought to the House is because we are already seeing that effect. That is quite incorrect.

The third point that he keeps making is that he says that we have project financing to the extent of over \$60 million. My recollection is that it is about \$57 million, but the point is, he knows that there is no guarantee that you will draw down \$57 million within this fiscal year. It all depends on the progress of the projects, and there is often a considerable lag in terms of bringing in the foreign exchange component of the project funds. That is a fact.

We are committed to a reduction in capital expenditure and we are also committed to an extension of that capital programme, wherever possible, over 15 months. There are several constraints, because a lot of the capital programmes are being carried out by private contractors who have entered into contractual arrangements with the previous Administration, the last one I think two days or so before the general election. So, therefore, whilst over the past six weeks we have been trying to identify areas where we can cut back on the capital programme, it is important to recognise that there are constraints by nature of the contractual obligations in relation to those contracts.

I think that the honourable Member must be exposed from time to time when he gets up and makes statements of this kind. He has also conveniently ignored the fact that this Government can do nothing in relation to the foreign debt obligations that have to be met this year. He spent a lot of time today telling us about the problems in relation to our foreign exchange earnings from the productive sector. He knows the problems with manufacturing, tourism and otherwise. He has pointed out that such factors cannot be influenced by alterations in revenue expenditure patterns but can only be influenced by earnings from borrowings. The fact is we cannot alter the debt payment obligations which the previous Administration has entered into this year. We have to meet and pay those debts. We have to meet those obligations.

The capital programme that is in place, we are trying our best to modify in what way we can, subject to the limitations of contractual obligations, and it is in our judgment that the borrowing requirements will be the same as those projected by the previous Administration, externally and internally.

That is our position, Sir.

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

Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that Order No. 3 be the next Order of the day.

Mr. SPEAKER: Order No. 3.

BORROWING OF THE SUM OF U.S. \$30 MILLION FROM A CONSORTIUM OF BANKS

Order No. 3 was called — To move the passing of the Resolution to approve the borrowing of the sum of US \$30 million from a Consortium of Banks.

Hon. Dr. R. C. HAYNES (St. Michael South Central): Mr. Speaker, this Resolution similarly seeks to put in place borrowings which have been negotiated by the previous Administration. As I pointed out a little while ago, this Government took over two months after the beginning of the fiscal year. A capital programme was already in place and going full steam ahead. As a matter of fact, in many areas there have been expenditures far in excess of what one would have anticipated at this particular time of the year. In June and July there were very heavy capital repayments which had to be made, some consequential on the fact that whereas several persons were taken on at the Ministry of Transport and Works before the elections — some 245 people were taken on to do specific jobs for three months — nevertheless much of that work was then given out to private enterprise. So that the Government was faced not only with the wages bill for those three months, but also the bills coming in from the private contractors in the private sector, paying double for the same kind of activity. That is a fact.

6.30 p.m.

As I said before, the nature of Government capital programmes is such that they are very capital intensive, that large sums of money would have to be spent, and it is difficult for us to seek to change the contractual arrangements at this point in time. The Government therefore believes that it is prudent to ensure that there are levels of foreign exchange available to the country in order to meet two commitments: (1) those relating to the capital programme, and (2) those relating to the heavy external debt payments this year, somewhere in the region of \$100 million.

The forecast of the previous Administration was that we would need somewhere in the region of 10 billion Japanese yen or about Bds \$120 million to meet these two objectives. As I indicated last week, the Government, on February 7, started the process of negotiation with a Mr. Setogawa and Mr. Ordonez of Nikko Securities for a private placement of bonds in the amount of 10 billion Japanese yen. As one peruses the file, there was never any doubt that that was the amount of money that would be required. Where there was some difference of opinion was whether it would be wise, in view of the variations in the exchange rate of the yen, to borrow the entire 10 billion Japanese yen or to split it, borrow 5 billion Japanese yen and go to the Eurodollar market for roughly the equivalent, namely US\$30 million.

I think it was a sensible decision, because, as things have turned out, the 5 billion Japanese yen which we

borrowed last year, because of the appreciation of the yen in relation to the US dollar, has meant that we have been incurring significant losses. We have to find a lot more Barbadian dollars in order to service that particular loan. There will be some compensatory factor if the \$5 billion was borrowed now in Japanese yen, because you would get a higher yield of Barbados dollars and, therefore, you would reduce the exposure to exchange risks. I also thought that it was wise to revert to the US dollar market, because our currency is linked to the US dollar and you insulate yourself against the volatility of exchange rates, which has been so much a feature of market conditions in the international arena over the past decade.

Therefore, we felt that taking everything into consideration — the need for the debt repayment, the need to finance the capital programme, the constraints of modifying the major sectors of the capital programme due to contractual obligations, the heavy expenditures in capital which have taken place in the early part of the year, but which will be reflected in Government expenditure, particularly in the months of June and in July, when the bills started rolling in — prudence would indicate that this Government must remain in a position to meet its contractual obligations all around. This is.....

Asides.

Hon. Dr. R. C. HAYNES: It is nothing to do with the balance of payments. It is a question of servicing the debt and it is a question of meeting the capital repayments. You can extrapolate that in whatever direction you want to extrapolate it, because it ends up the same place, in the final analysis.

So that is where we are, and this is the position of the Government, that it is necessary and that it is a result of a situation which we have found and which cannot be altered in a matter of 60 days. We cannot alter the fact that we have to find \$100 million for external debt this year. We cannot alter that in 60 days. I cannot give you any guarantee that I can stop the \$90 million road that is under contract or can stop the \$30 million road in Checker Hall, the two of which alone amount to \$120 million. I cannot give you any guarantee on that. Those are the margins that we have left, even if you were to deduct, and I have carefully deducted the reasonable capital inflows in this particular year, and that is where we are at the moment.

I beg to move that this Resolution do now pass.
6.40 p.m.

Hon. P. M. GREAVES: Mr. Speaker, I second the motion and reserve my right to speak.

Mr. SPEAKER: The honourable Member for St. Peter.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, ...

Aside.

Laughter.

Mr. O. S. ARTHUR: Mr. Speaker, I do not know why the Minister of Finance and Planning is so finnickily about using Treasury Bills as a means of helping finance Government operation.

Aside.

Mr. O. S. ARTHUR: I am discussing this matter, which has to do with borrowing and debt, within the whole context of the borrowing and debt strategy in this country, Sir. The Resolution has to do with the Government borrowing \$30 million, "to help finance" it says, "certain capital works programmes" to meet "foreign debt repayments due" this year and so on and so forth. So that the Government has introduced and made it admissible for us to introduce Government's foreign debt policy and Government's debt management strategy as part of this Resolution we are discussing, Sir.

On that particular point, I do not know why the Minister of Finance is so finnickily about using the Treasury Bills as a way of helping to finance the Budget....

(*Aside:* Hon. B. M. TAITT: You cannot do Treasury Bills now.)

Mr. O. S. ARTHUR: to appear as if to get net financing of \$25 million is a bad thing, in a situation when, as we know, there is excess liquidity in our financial system, and at a time when, Sir, the Treasury Bill discount rate is at the lowest rate in the history of this country. The preferred approach ought to be, in fact, that we should be looking to our domestic financing market this year, in the context of excess liquidity in the banking system and at a time when our Treasury Bill rate is as low as it has ever been in our history, rather than you being so worried of me saying to you that you are having to use the Treasury Bill as an instrument for financial control.

(*Aside:* Hon. B. M. TAITT: Get on.)

Mr. O. S. ARTHUR: So that, from a debt management point of view, Sir, ...

Aside.

(*Aside:* Mr. D. A. C. SIMMONS: Save us, Sir.)

Mr. O. S. ARTHUR : From a debt management point of view, I would really recommend to the Minister of Finance and Planning that he seriously exercise the latitude that the House is giving him now and use the domestic market at a time of excess liquidity and low discount rates to help finance Government operations, rather than look to external financing for your operations. And there is absolutely nothing wrong, as he tried to convey, with my suggesting that he might even carry it as high, in net terms, as \$60 million. The circumstances are right for that.

Mr. Speaker, in relation to the question of external borrowings on a commercial basis, I really want to make the point that the notion that is being put abroad, that we have to borrow to pay our debt, is a notion that only makes sense within the context of the new set of financial proposals that have been recently brought to this House.

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, the charge of debt.....

Mr. SPEAKER: Order. I would now repeat again, when an honourable Member is speaking, he should be heard in silence.

Laughter.

Mr. O. S. ARTHUR: Thank you, Mr. Speaker.

Mr. Speaker, the charge of debts is a current expense by Government, and is treated by all Governments of Barbados as a current expense. In preparing the Estimates which were approved by this House, we treated our debt payment as a current expense, and it was included in our estimated expenditure of \$700 million for the year. We proposed, Sir, to raise an amount in revenues of \$704 million, which would have been sufficient for the Government of this country to meet all of its housekeeping responsibilities, and run the Ministries, current expenditures of \$700 million, revenues of \$704 million.

Asides.

Mr. O. S. ARTHUR: So that we, following these Estimates, Sir, would have been in a position to pay our debts out of Government revenues for the purpose.

(*Aside:* Hon. N. K. SIMMONS: External, too?)

Mr. O. S. ARTHUR: What has happened with this Administration, Mr. Speaker, is that you have cut reven-

ues, something has to give, and what has had to give was the capacity to pay your debt. It becomes politically attractive to you.....

Aside.

Mr. O. S. ARTHUR:.....to be able to say that you now cannot pay your debt and it is the Barbados Labour Party's fault. But I ask the House to go back to these Estimates, Sir, we put Barbados in a position where we could pay our debts from the available revenues that we were going to raise.

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, the notion that the Government of Barbados has to find \$100 million this year in foreign exchange to pay external debt is wrong.

(*Aside:* Rt. Hon. E. W. BARROW: That is not in foreign exchange.)

Mr. O. S. ARTHUR: The Minister of Finance knows that it is wrong.

(*Aside:* Rt. Hon. E. W. BARROW: That is not in foreign exchange.)

Mr. O. S. ARTHUR: Mr. Speaker, the Minister of Finance knows that the central Government does not have to raise \$100 million in foreign exchange, the Barbados dollar equivalent of \$100 million foreign exchange, to pay debt.

(*Aside:* Hon. P. M. GREAVES: How much?)

Mr. O. S. ARTHUR: The central Government external debt service for this financial year is no more than \$34.6 million. If I add in Government guaranteed debt, it comes to \$55 million. It is a disservice, Sir, it is very misleading of the Minister of Finance, to keep making the statement that when you are borrowing this year, you are borrowing over \$100 million to pay the debts incurred by the Barbados Labour Party.

Aside.

Mr. O. S. ARTHUR: Your document, your speech, your Ministerial Statement, alluded to the fact that the debt service to the country as a whole for this year is \$101 million.

Aside.

Mr. O. S. ARTHUR: It is here. We got this done before we left the Ministry of Finance and Planning. We projected our debt to the year 2 000, as you know.

Laughter.

Mr. O. S. ARTHUR: The central Government's debt repayments this year amount to no more than \$34.6 million.

(Aside: How much?)

Mr. O. S. ARTHUR: If I threw in Government guaranteed debt.....

(Aside: Hon. Dr. R. C. HAYNES: US.)

Mr. O. S. ARTHUR: Central Government's debt service this year is US\$17.3 million. I can tell you how the.....

Aside.

Mr. O. S. ARTHUR: US\$17.3. Oh Lord!

Asides.

Mr. SPEAKER: Address the Chair, please.

(Aside: Hon. B. M. TAITT: Look, do we have any debts or not?)

Mr. O. S. ARTHUR: There is no circumstance that should require this Administration to borrow \$100 million this year to service Barbados' central Government debt, or Barbados' public guaranteed debt, even if we throw in the debt that has been guaranteed by people who are in a capacity to pay. And I am saying, Sir, that what simply has happened is that the Minister, by reason of his tax adjustments, is now beginning to find that there is a revenue shortage and that the best way in which he could justify it politically is to try to put it as one of the legacies that he has inherited from the Barbados Labour Party. But I say to the Democratic Labour Party, we made provision in these Estimates to pay our debts from our current revenues and that there was no anticipation, there was no empirical basis whatsoever, for us to have to borrow over \$100 million, as you are now borrowing, for debt service, *per se*.

Mr. Speaker, I must continue to make the point, that, in the context of a situation where you are proposing to have a smaller capital programme than we proposed to have, I find it difficult to understand why your debt requirements are the same and even greater. Our borrowings for this year in relation to the capital programme were predicated on a capital programme, as set out in the Estimates, of \$188 million.

Asides.

Mr. O. S. ARTHUR: You cannot now come and say that you have to borrow the same amount of money as

we were proposing to borrow, when, in point of fact, you are talking about two different capital programmes altogether. If you are reducing your capital programme by \$40 million, then it seems to me that your borrowing requirements must be correspondingly reduced.

So that, Mr. Speaker, these devices by the Democratic Labour Party Government really have absolutely nothing to do with the statement in the Addendum. They have purely to do with the fact, in my submission, that the tax adjustments of the Democratic Labour Party have now put them in a position where they cannot meet all of their current expenses and the easiest place to attach the blame, politically, is the debt position that you have inherited from the Barbados Labour Party.

6.50 p.m.

Mr. Speaker, I really, therefore, must warn the Democratic Labour Party that I will have a difficulty supporting Resolutions which say that a Cabinet sometime in February agreed to X and it also agreed to Y, but you bring to the House X and change Y and want me to agree to both. I cannot just support a Resolution because you say that it was something that was agreed to by a Barbados Labour Party Cabinet in February, because at the same time that the Barbados Labour Party Cabinet was discussing our external debt borrowings for the year, it was also discussing a capital programme that was larger than yours. I, therefore, have nothing but the greatest difficulty in supporting this Resolution, for the reasons which have been stated in the Addendum.

Mr. SPEAKER: The Right Honourable Member for St. John.

Rt. Hon. E. W. BARROW: Mr. Speaker, I should like to compliment the honourable Member for St. Peter (Mr. O. S. Arthur) for having the facility to make the same reply no matter what Resolution is being introduced in this Chamber. He has one standard reply. Anyhow, I do not wish to unnecessarily put down the honourable Member. I am a very simple person and I like to tell my colleagues that, in dealing with matters before the House that concern the general public, we should try to be simple, and I will try to be very, very simple, as simple as I can be, as what the French would call a *pedagogue mangué*, or a frustrated teacher myself.

A country like Barbados, I am fond of telling people, produces what we do not consume and we consume what we do not produce. We consume tin goods, motor cars, a lot of useless objects that people put on their walls, fridges and stoves, shoes that our children wear to school, cloth that is hardly made into clothing anymore in Barbados, since our garment factories have closed down. Even the garment which I am wearing at the moment had to be sent up from Trinidad last week so I

would have something respectable to wear in the Senate Chamber, and there was a time under the last regime of the Democratic Labour Party when a couple of garment factories and small tailors around Bridgetown supplied all the Members of the House of Assembly on both sides with the elegant shirt-jac suits which we then used to wear. As a result of our not producing what we wear, what we consume and even what we eat, we then have to produce our clothes in the sugar cane fields or by the services which we perform for other people outside, and these are our visible and invisible exports. If we want to pay for motor cars, we have to earn foreign currency which is acceptable by the people who produce motor cars, such as the Japanese. The Japanese are not going to accept Barbados dollars for their Toyota motor cars, neither will the West Germans accept Barbados dollars for the Mercedes which I have seen flourishing around the streets and highways of this island at this time.

We are a country in which the citizens enjoy a life-style which far transcends our earning capacity of foreign exchange, and until we are truthful to ourselves and get down to understand this, we are always going to end up in difficulties. Until you get people in Barbados to understand that they have to produce, and not only produce but produce things that people wish to purchase from them, and get the people in the Industrial Development Corporation, Chamber of Commerce and in the Manufacturers Association to understand that we are not doing them a favour by trying to sell them the things which we feel that we want to produce, that we must go out there and design and study our market-place and produce the things which people want to take from us, that is fundamental, until we do that, it will be necessary for us then to confine our consumption to things which we produce here for ourselves.

Every time we buy Mercedes motor cars, we are providing people who tried to destroy us a few years ago, during my lifetime, with a luxurious standard of living. We are succeeding in providing the Japanese with one of the highest living standards in the world, when a short 40 years ago the Japanese were trying to destroy us, too. But we have become so slavishly indoctrinated with the consumption patterns of industrialized societies that we are not prepared to let down our buckets around us.

We are not prepared, for instance, to build our own bedsteads out of wood. Although wood is not an indigenous material, at least we can find some wood in Guyana or St. Lucia or other places. I once flew down to St. Lucia and brought back three chairs, which I paid \$3 a piece for in the market-place in St. Lucia, made out of local wood, with cane-plaited straw in the seats, and everyone who saw these chairs was so enamoured that they were taken away within the space of two weeks, one by one, and I was told by the people that saw the chairs

that I could always bring another three in from St. Lucia, which up to now I have not done.

If one goes to Port-au-Prince in Haiti, you find that a large number of people in that country live outside of a money economy. The per capita income in Haiti is in the vicinity of Bds \$4 per week, and the people in Haiti only manage to survive because of their ingenuity in providing for themselves by the skill of their hands and the sweat of their bodies. If you go into the market-place in Port-au-Prince, you will find in any one day of the week over 2 000 people who are manufacturing furniture, weaving cloth, cooking food, painting, carving objects of art, all with their own hands. No money passes; when a tailor is finished making a jacket or dashiki, or whatever they call it, he then takes it over to somebody else who has just finished making a coal pot, and they exchange, a coal pot for two shirts, and they have survived. Despite the fact that when you apply the criteria of western society they are living below the poverty level, the people of Haiti are surviving by their own ingenuity. Here in Barbados I do not know how we survive at all, or how we are going to survive, unless we get down to being creative in this society.

Let me come back now to the whole question of borrowing to put it in its right perspective. Despite the fact that the sugar industry, which we so much idolize, to the extent that we ask the taxpayer in Barbados to pay for its resuscitation and to extend to the sugar industry life support systems which should have been removed ruthlessly a long time ago so that it should expire in a natural way, is no longer able to provide us from our exports with enough money to pay for the imports that we decide to indulge in..... You will notice, Mr. Speaker, that I did not say the imports that we need. I did not say that at all, because I am satisfied that in the \$185 million of food imports that we are now going in for in Barbados, at least half of that could be eliminated if we encourage our local producers and we put a complete embargo on the importation of things like canned sweet potatoes, canned snails and a lot of nonsense that I see on the shelves of supermarkets. Water at \$5 a bottle, ordinary drinking water at \$5 a bottle. I have a project in St. John now that I am going to bottle the water up there and sell it for \$2 a bottle, because we are importing ordinary drinking water in Barbados at an average price. 7.00 p.m.

Aside.

Rt. Hon. E. W. BARROW: No, I am not speaking about Perrier, I am speaking about plain, ordinary drinking water. We are getting some from Spring Something from Dominica; that is a little cheaper. The Dominican water is a little cheaper. Ordinary drinking water we are importing in Barbados, and I have a good water supply, the head of the spring, in St. John there, that, if we

continue this, I am going to start bottling my own water and put some people in St. John to work. I may sound as if I am making extreme illustrations, but we have to get down to brass tacks. Every time we do that, we are creating a need for foreign exchange.

I do not care what they put in the Resolution. I am sorry I was here. I stayed away hoping that this Resolution would pass when I am not here, but I cannot be deceitful. If you want to pay for a development programme in so far as elements of that programme amount to the importation of steel, cement no longer, and other hardware items, payment for experts from overseas, that is your foreign exchange component, but the other things you need not borrow money for. So in so far as any component of this loan comprises payment for goods and services for the development programme, I do not see that anybody could quarrel with that.

If we were earning, both by our visible exports and by our invisible exports, such as tourism, enough money to pay for these foreign exchange components of a development programme, whether it is ours or theirs, then there would be no need to go to any market. I want to make that clear. The situation in the commercial banks in Barbados is a highly liquid one, therefore, for Ways and Means advances, the correct mechanism to employ is to let people bid for Treasury Bills, and this is one instance in which, the lower the interest rate, the more successful the bid is likely to be. So if, let us say, one of the commercial banks in Bridgetown is taking up this issue of Treasury Bills and they bid 4% and somebody else bids 5%, the one who bids 4% is the one from whom you will take the money, because that is the interest rate you will have to pay them.

Treasury Bills were a device which was introduced by people like the Chancellor of the Exchequer, Hugh Dalton, as a Ways and Means support, rolling over every 90 days. Therefore, it is technically a short term borrowing from the general public in the country over which you have jurisdiction, and it has no external component at all. Treasury Bills are supposed to be issued for a 90 day period, and whoever subscribes to them, or lends the Government, is entitled to have their money back at the end of 90 days.

There used to be a system of Treasury deposit receipts as well. These were even shorter term and they were disbanded. From the 90 day Treasury Bills, you go into your long term credit financing such as Government debentures and matters of that kind.

Now certain times of the year, such as the end of April in each and every financial year, the Government does not really need to go to the Treasury Bill market, because Income Tax receipts, from corporations, companies and individuals, private taxation, come in to assist

the Government with the payment of salaries and carrying out its current expenditure.

There is another period in the year, in October in each and every year, between October and November, when the Government has another influx of funds.

Aside.

Rt. Hon. E. W. BARROW: Corporation Tax comes in then. Land taxes really should be sent out at the end of April, but — I can only try and put a rational explanation on the failure of Government to send out tax bills in April, because that is when they are due — they send them out some time around the end of October and November, because they do not need money as much in April and May in each and every year as they do towards the end of the year when they have large disbursements to make.

In the interim period, the Government depended on the receipts from the sugar industry and payments like what they used to call the — it escapes me, I think it has ceased anyhow — payments that we got from the Canadian Government and so in respect of our exports to tide them over. But this particular period of the year, before October/November, is always a difficult period, and therefore the Government relies for that financing on current expenditure, largely on the issue of Treasury Bills, which is a standard practice in the United Kingdom and most Commonwealth countries. In the United States of America they have a device called Treasury Deposit Receipts (TDRs) and Certificates of Deposit, which are really for a longer period, since the Federal Government does not go in for as much interim financing as we do.

I will come now to the question of external borrowing, having satisfied Members, I am sure, that there is nothing alarming about it. Every time we come for an increase in the authorised issue of Treasury Bills, we have had no difficulty at all. All the Minister of Finance was explaining to the House is that the decision to increase the limit of Treasury Bill borrowing was made as early as March, but 1986 was an election year and a lot of things that should have taken place were deferred, and a lot of other things, like the issuing of contracts and the establishment of certain posts in the Public Service, that should have been deferred were hastily entered into. They left undone those things which they ought to have done and they did those things which they ought not to have done. That is the whole situation.
7.10 p.m.

The Minister of Finance now goes in there and he is alarmed by what he sees, so what do you expect him to do? Come in here and say, 'I want some money to carry out our programme?' We have not initiated any programme yet, absolutely none. The problem is not that

you provided \$105 million or \$110 million for debt service charges in the Estimates, we know that, the problem is that there was no provision in the Estimates for debt repayment. There was provision for debt servicing, but apparently the authorities in the Central Bank did not get down to the problem, which I am sure the honourable Member for St. Peter was aware of, say, two or three years ago, that there was going to be in the next five years a debt repayment problem with the Government of Barbados of the magnitude of \$200 million going up to 1989, going up to \$187 million for debt repayment alone in the \$1.5 billion that was borrowed from 1976, minus \$250 million, and 1986. The debt servicing is \$106 million. I am speaking purely from memory and you can correct me in the Estimates.

If the honourable Member has the table, I will read them out, because, let me tell you, the Minister of Finance has a problem that I do not have. The Minister of Finance is afraid that if people outside know how bad things are in Barbados, they would not lend us any money. That is true, but I am not afraid of that. He would not tell you all half of the truth, and you get up there criticising the Minister of Finance, but I am not under any obligation to conceal the truth. It is \$106 million, and then, starting this year, another \$120 million in debt repayments, and then going up in the next three years to \$180 million. We are going to find ourselves in a situation, before we spend a single penny on the School Meals service or pay the civil servants' salaries, in which the taxes of the people of this island will have to meet debt servicing and debt repayment of the magnitude of \$225 million to \$300 million a year, which is greater than the total budget of Barbados was in 1976.

I want to quote no less an authority than the Governor of the Central Bank. I am not disclosing any confidence. The Governor of the Central Bank, on my way to Guyana from Trinidad, came and sat down next to me — I think I said this before — and he said, "Prime Minister, do you realise that the debt repayment and the debt service for Barbados, starting from this year for the next five years, in each and every year, is greater than the total national debt of Barbados when you left office?"

Aside.

Rt. Hon. E. W. BARROW: Are you telling me the Governor did not tell me so, or you are saying you do not believe it?

(*Aside:* Mr. D. A. C. SIMMONS: He told me he said the foreign debt, not the national debt.)

Rt. Hon. E. W. BARROW: You have to be joking. The foreign debt of Barbados was only \$41 million in 1976. In June 1976, the total local and foreign debt of Barbados was between \$249 million and \$251 million. Go

and look at page 63 of the Report of the Central Bank in any month at all going right back to the last 12 to 24 months. You can ask the Governor of the Central Bank if he did not tell me something that I already knew, that the debt repayment out of our revenue in Barbados for the next five years, in each and every year, is going to be greater than the total national debt, and the implications of that are — let us leave aside what we intend, or what they would like us to give the sugar industry and so on — before you spend a single penny on the School Meals service, or pay the civil servants or to pay pensions or anything else, you have to look for over \$250 million. In 1986, that is this current year, the foreign loan repayment is \$US50.6 million. It is on the table. You have it there in front of you. That is nothing to do with your debt servicing, which is paying interest. Some of the interest we are paying is 17% on some loans. But on no occasion has the Labour Party Government — I do not believe in any "past Administration"; you have to give a dog a good name or a bad name; call it what it is — the Labour Party people would come in and say that they were going to pay 8% on these loans; it was always '3½% above LIBOR'. But go and ask the man that voted for you what LIBOR is and he does not know — the London Interbank Best Offer, and it is called other names as well, and that can go in one month from 12½% to 19% or 23%, so you never know how much interest you have to pay back.

Mr. Speaker, if you are not earning enough money to pay back this US \$50 million, you have a little bank account which you call your foreign exchange reserves, but in these foreign exchange reserves you have \$131 million that the people in Guyana owe you never to "give" back, as we used to say at school. You borrowed five cents from a fellow and he forgets that that day we are playing "never to give back" and you say "never to give back" and that has gone through the eddoes. You do not get it back.

We also have our subscriptions or quota in the IMF and in the World Bank. These are the foreign exchange reserves. You have also to buy back some of your own currency from the International Monetary Fund. You left us with that. We have to repurchase our own money, we have got to do repurchases.

If you have a figure there technically in foreign exchange reserves, it would include foreign exchange in the bank. The Governor of the Central Bank was fond of going to the Irving Trust, so if you had gone to the Irving Trust and he had deposited \$5 million or \$10 million with the Irving Trust, that is part of your foreign exchange reserves. But a lot of that is only money on paper, because the problems about the balance of payments is that it always has to balance, but the day of reckoning comes down at the end of the road. When you

have a balance of payments and you get an unfavourable balance of trade, you bring in your invisible exports and that may put you in a slightly better position, and then you have to draw on your reserves to make your balance of payments balance, because you have to pay people, and you cannot pay them with any Grantleys or Jackman Prescods or anything like that, you have to pay them in hard currency. If you have not worked for this money in your hotel industry, if you have not worked for it in the sugar industry, if you have not worked for it by exports to countries like Trinidad and Tobago, which have dollars to pay you, in your garment manufactures and so on, then you draw down on your reserves and your balance of payments balances for the time being. But when those reserves have gone, as they are likely to go by the end of this year, you are in trouble.

7.20 p.m.

I do not care what they say about a capital programme, because we could abandon all the foreign capital programmes, including the road and so on, and we could have a capital programme and find enough money in this country to pay for what we want. But as long as you are consuming, without any capital programme at all, as long as you continue to consume Japanese motor cars and Mercedes Benz and \$185 million in foodstuffs, all which have to be paid for in foreign exchange, then you have to borrow money, in a currency that people will accept, and you have to pay it back.

But throw all the capital programmes outside the window. We are not concerned about that. We have to keep work floating, but we have enough liquidity. We have over \$1 billion — \$161 000 000 tonight — well, last Friday at 3.00 o'clock — in the banking system of this island that they do not know what to do with; so much so now that when the widow and person who has retired puts their little nest egg in the bank to get 4½% or 5%, the banks want to drop it now below 3%. And they have gone further — they are refusing to take deposits. So there is no shortage of money in this country. But there is a shortage of foreign exchange due to the reckless and ignorant kind of capital expenditure that was indulged in by your people.

Aside.

Rt. Hon. E. W. BARROW: No "previous Administration!" By you all!

Laughter.

Rt. Hon. E. W. BARROW: I am going to use civil language that you and I could understand. You use a lot of terms like how many weeks something or the other you have got in foreign exchange. The man in the street does not understand that. He wants to know why we have to go and borrow money. You have to borrow

money because you are importing too many goods that you should not be importing and you have indulged in capital programmes that call for high consumption of foreign exchange, the people are not taking our money and we have to borrow money that they will accept. It is as simple as that. I do not see that there is any complication. What is the complication?

That is a situation which had been created, I would not even say by inflationary tactics, because inflation has a connotation of a deliberate, sensible policy that can be exercised at a time when the country needs reflation. You deflate an economy when it is overheating. You just do not go into this kind of conspicuous, unbridled consumption and indulge in capital projects which are non-productive and do not in themselves earn you any foreign exchange. The areas are the hotel industry, the shrimp industry that you all bulldozed — these are the things that were earning us foreign exchange — shipping, the sugar industry when it was viable, and manufacturing, but all the factories you closed down at Grazettes.

Aside

(*Aside:* Hon. H. deB. FORDE: Who closed them?)

Rt. Hon. E. W. BARROW: Another 1 800 workers thrown on the labour market because companies that re-exported high technology products are closing their doors. All those are foreign exchange earners, and all of those have been driven out of the country. Some of them may have been pulled out and some may have been driven out, and some have been assisted in going out by the policies which have been carried out by you all.

Mr. SPEAKER: The Right Honourable Member has one more minute to wind up.

Aside.

Rt. Hon. E. W. BARROW: Because you all cursed the people! The honourable Member asked me how could they be responsible for Trinidad and Tobago. The people have pride, and if you curse their emissaries, it means that you do not want to have anything to do with them. It is as simple as that. You asked me what you had to do with Trinidad and Tobago. That is what you had to do with it. I should know!

Loud Applause.

Mr. SPEAKER: The honourable Member for Christ Church West.

Hon. H. deB. FORDE: Mr. Speaker, Sir, it is a pity that the Right Honourable Member spoilt a speech that begun on a really high note, by really trying to simplify, for the benefit of his Minister of Finance, the.....

Laughter.

Hon. H. deB. FORDE: basic rudiments of economics, particularly of debt service management, and the understanding.....

(*Aside:* Hon. P. M. GREAVES: The Member for St. Peter.)

Hon. H. deB. FORDE: of what is the use of Treasury Bills and how you use them, and how you earn foreign exchange and on what you expend it, matters that, I believe, should be simplified in this House. Frankly, I think he held the Chamber's attention in this part of his speech, because sometimes one has to cut out for the public, particularly, the language of the experts and use simple language to explain these things. I want to say that he explained them in a way that everyone, not only in this Chamber but people outside, could understand. But he could not resist, Sir, towards the end, his political points. From his years of experience, obviously, he was not going to sit down without getting a few points for his side. To that extent, I cannot blame him, Sir.

I want to say, Sir, that the honourable Member for St. Peter (Mr. O. S. Arthur) is quite correct when he pointed out to the House that we made provision in the Estimates 1986-87 not only for debt servicing but for debt repayment, and the Charges of Debt are quite clearly set out on pages 25 and 26. They include not only servicing interest, what is called interest payment, but amortization on loans, on local loans, if one were looking at the Treasury Bills, or at the longer term loans, the debentures, plus the National Development Bonds, as well as amortization of that part of principal that would become due during the financial year 1986-87.

The honourable Member must know that in so far as loans are raised under Chapter 105, which is the Special Loans Act, which we are now debating in this Chamber, provision is made for that as well. You will see that successive Governments have always provided sinking fund contributions for some loans. We did it for the Port. The honourable Member knows that. So the honourable Member for St. Peter is quite correct when he says that every year we have provided and treated as a current expenditure the amount that must be paid not only to service debt but to repay principal as they become due. And the figures the honourable Member has given are correct.

He went on to make a point that must be dealt with. If Government's needs are going to be less in this financial year, if you are cutting back capital projects, then the external component of financing your capital project must be less. So that, therefore, you cannot come and say that you are borrowing the same as it was proposed to borrow in February 1986 if your needs are

going to be less — that is very simple — unless the Government is going through with the full capital programme during this year. If it is telling me that it is going to go on with a capital programme of \$180 million and that, therefore, it needs an external component of \$61 million and it has to finance that, I can understand that.

We provided both for debt repayment, debt servicing, and the servicing of the capital projects which we contemplated we would have been able to carry out during this financial year. For Government to continue to come in here for the next couple of months and beat us over the head by telling people that they are committed and therefore cannot go back on the commitment is only, in my view, half of the truth. It is not the full truth at all. That was the onus of our submission in the speech made by the honourable Member for St. Peter in this debate so far.

The total debt repayment, and this includes both amortization and servicing, is Bds. \$110 612 563 for the year. That includes the amounts that become due on Treasury Bills, on National Development Bonds, on borrowing from commercial banks, as well as the foreign component. The foreign component, the foreign commercial bank loans, et cetera, is set out on page 25, and it is something in the region of \$22 656 631.

Aside

Hon. H. deB. FORDE: Yes. It is \$22 million.

(*Aside:* Mr. D. A. C. SIMMONS: It is \$22 600 000.)
7.30 p.m.

Hon. H. deB. FORDE: It is \$22 million not 226 million, and if you look at the figures, I think the honourable Member for St. Peter has been quite definite and has given in round figures the sort of debt servicing which Barbados has taken on for the next few years.

Just as the honourable Member has access to the files now, the debt profile of Barbados was quite clearly set out in February 1985 up to the year 2 000. That debt profile can change, I agree, if Government cuts back on the projects or if Government adds to projects, but you cannot change too much, even if you contend, as the honourable Member is contending, that the Japanese Yens have proved a little bit more expensive than we anticipated at the time, because we are borrowing in yens and repaying in yens whilst our currency is tied to the U.S. dollar. It cannot change that much and, therefore, I cannot let this House continue to go away with the view that the Barbados Labour Party was such an incompetent

lot that we were just borrowing money willy-nilly, doing nothing with it and throwing it away. That is not so at all.

The honourable Members talked in here about the bunching of our projects. We have had that argument out before. The honourable Member must understand, and the country must understand that just as the Right Honourable Prime Minister tells the people in the country that they must understand that they cannot live a life-style that we want to live if it transcends our capacity to earn foreign exchange — I cannot quarrel with that statement — if the country wants development, the country has to understand as well that if it cannot pay for that development out of its current earnings, it has to pay for that development out of borrowings. It is a point we have made repeatedly in this House. I have said before that we cannot finance the Supreme Court and we have not built the Supreme Court because we did not have the foreign exchange component of it and we could not borrow for it. The United Kingdom Government said no and other financial institutions said no. We can borrow, however, for a major highway, particularly if it is linked to the industrial sector. The honourable Member knows that.

Asides.

Hon. H. deB. FORDE: Man, we are discussing at a higher level than you are talking now.

Asides

Hon. H. deB. FORDE: The honourable Member knows whose constituency has had the benefit of the Spring Garden Highway, which the honourable Member almost closed off, were it not for the perspicacity of the police. The honourable Member knows that you can borrow for certain projects and others you cannot borrow for.

We set out a programme, and part of the programme we took over when the honourable Member went out of power in 1976. He had set in trend certain projects. The ones I have heard him speak on at length are the Oistins Project and the airport. The foreign component of those projects was already being arranged. But our Government had a development plan. It is there for everybody to see. We never hide it. Are the honourable Members going to tell me that the expansion of the Queen Elizabeth Hospital was not a project that we should have committed ourselves to? Are the honourable Members going to tell me that the Bridgetown Fishing Harbour is a project we should not have committed ourselves to? Are the honourable Members going to tell me that the World Bank Projects for upgrading the primary schools here and rationalizing school places are projects that we should not have committed ourselves to?

(Aside: St. Matthias!)

Hon. H. deB. FORDE: The honourable Members want me to talk about the St. Matthias School, Mr. Speaker, but I am not going to talk about it tonight.

Let us go to the programmes that you would not have gone into. The polyclinics. Because these are the areas

Aside.

Hon. H. deB. FORDE: Exactly, the Right Honourable Member says that they started the polyclinics. The only regret that I had about that was that the then Minister of Health thought it more important at the time to, instead of building a polyclinic up at Warrens, build a crematorium.

These are projects that we have to tell the public that those of us who are living today cannot take on the full burden of paying for. It is a mistake when we make our children believe that at our death they can get everything they want and they do not have any future responsibilities. We have always said in this House, and the Labour Party has always made the point, that whilst we are building Barbados and improving on it, those who come after us have to carry part of the cost of their inheritance. I think the Prime Minister believes in this as well. I have heard him on this on many occasions.

Aside.

Hon. H. deB. FORDE: The honourable Member for St. Michael West thinks he can throw me off by talking about an old accident.

The Labour Party's position is quite clear. Barbados will have to borrow for certain forms of development, and all of it is not going to be directly related to the productive sector, once you are borrowing judiciously, in such a way that you can cover your charges of debt out of your earnings — I cannot remember what is the recognized percentage of GNP — about 7% or 10% — once you are borrowing within that limit, there is no need for the country to panic, or for foreign bankers, to whom you refer, to get next door, in Japan, and what not, and quarrel.

I have never known the country Barbados, under any Government, whether it has been the Governments that preceded the BLP or those that preceded the DLP, to have ever reneged on our debt position, and so far as the banks and the foreign lenders are concerned, they can rest secured that the country's reputation for honouring its debts stands out in the Third World, and even in the Second World as well. That is a fact.

We have never said to anybody that you must forego your debts for us, we may have said reschedule

debts. The honourable Member for St. Michael South Central knows that part of the planning that was going on in the Ministry of Finance prior to the change of Government related to the rescheduling of debts. The papers are there. He has the same officials that were available to us, both from the Central Bank and from his Ministry, and obviously we were looking at the position where, now that interest rates have fallen, we could possibly borrow at lower rates of interest and reschedule our debts. The honourable Member in this very Resolution has taken into account that fact. He wants to take advantage of the favourable market conditions to build up a reserve to meet future repayments.

When the honourable Member talked in this House about sterilizing money, some Members guffawed. We were trying to borrow money at a reasonable rate. We kept it in the Central Bank and did not use it in the year. Fifty million it was? You are doing exactly this. What are they going to criticize us for? For recognizing that these are the sort of problems that come from development and planning for them properly? That is all the Labour Party did. We may not have been able to explain it to the public, because we assumed the public understood it. But it is a vast difference between being in Opposition and being in Government. When you get into Government, you realize that you have to be much more rational about these matters, sometimes talk to the public and say what is involved. This is how you have to look at the problem.

Sir, I do not want, for one moment at all, to sit down without asking the honourable Member a few questions, though. He has not given us on this Resolution any information about some things. I am not sure that he has negotiated the loan yet, but if he has, I want to know what will be the maturity date of the loan, the interest rates, the commission payable, and whether he is using a broker. None of that information is contained in the Addendum to this Resolution. I want to know how the rate is more favourable than the rate which he is borrowing in Japan, what is the favourable rate he is getting for this, and since he is probably borrowing some of it, he says, to put aside in order to look at the position for fiscal year 1987-88, whether he believes that the market is going to be much worse then, and does he need all the money now, only to put it down where he is not getting an interest rate that is reasonable, because he is borrowing now for 1987-88.

7.40 p.m.

Aside.

Hon. H. deB. FORDE: I want to know. You are going to borrow now. Have you looked at your market conditions down the road? That is the sort of thing I want to know, Sir. Otherwise, he leaves us to come to

the conclusion which the honourable Member for St. Peter says, that he is obviously financing part of his tax cuts and having some foreign exchange standby for this purpose, whatever way you call it, Sir.

No doubt we will hear between now and the next two years a lot of criticisms of the Barbados Labour Party coming from Members of this House. We are still getting over the immediate election.

Aside.

Hon. H. deB. FORDE: The Right Honourable Member tells me we will hear the criticisms for the next five years, Sir. I am not going to let us hear them for all that time, because at some stage the Democratic Labour Party is going to have to say to itself that it is the Government and the programme it is bringing before the House can no longer be our programme, and whenever they bring their programme, they are going to have to tell us how they are going to finance it.

Asides.

Hon. H. deB. FORDE: I want the honourable Members to tell me what are these capital projects that they are financing and what is the capital cost of each of these projects. I want to know that when I sit down. I want to know those projects that they are financing the capital costs of out of this loan. It says they are going to help finance certain capital works programmes already started. What are the particular projects? Which ones? I want to know what is the foreign exchange cost of these projects?

Aside.

Hon. H. deB. FORDE: The honourable Member says we never told them that. Mr. Speaker, I want to know these matters, because I am sure that the Government has this information and the Minister of Finance would have this information within his portfolio.

We hear a lot about the foreign reserves of Barbados and what not, but we have been earning foreign exchange, too, in excess of \$1 billion per year, visible and invisible.

(*Aside:* Rt. Hon. E. W. BARROW: Where that is?).

Hon. H. deB. FORDE: Where is it? Well, you have to expend some of it in the things that you import.

I want to understand from the Right Honourable Prime Minister how is he going to bring in his new lifestyle in people's tastes. Is he going to bring in a lifestyle by a restriction on imports? If so, what are we going to restrict? I want to know that.

Aside.

Hon. H. deB. FORDE: Well, appealing to their good sense, but I want to know what restrictions you intend to bring in order to save foreign exchange.

Sir, I do not want to start a debate on the Multilateral Clearing Facility now. We are going to have to debate that at some stage.

The final point I want to talk about, Sir, is the fall off in foreign exchange earnings coming from a contraction in trade. The view has been advanced by the Right Honourable Member — I do not know whether he is saying this is the sole reason — that one of the reasons why there is a fall off in foreign exchange is because we had a quarrel with Trinidad.

Aside.

Hon. H. deB. FORDE: We cursed them?

Let me put it this way. If honourable Members have had a chance to study Barbados' trade in CARICOM and to study the trade pattern with other Caribbean countries as well, they would find that there was a fall off in trade *vis-a-vis* the other countries, *vis-a-vis* Trinidad, at the same level, if not greater, than Barbados, and that if they are contending that the fall off in Barbados was because of any row, then explain to me what was the reason for the fall off in the other countries. We have to be very serious. The position is that Trinidad has had a contraction in its own trading capacity because of the dramatic fall in oil revenues from \$22 per barrel on an average, and \$27 in its heyday, nowadays to a position of \$10 on the London market, and, therefore, with less revenue, and with the manner in which Trinidad has committed itself to capital works, it found itself cutting back and limiting imports into Trinidad, and no amount of excuses can hide that.

I am telling the Government further: The Government has not made any impact on Trinidad either. The last Heads of Governments Conference, besides being well noted for taking down 200 flying fish, had no other achievement; none whatsoever. The honourable Member must look and see. The Prime Minister knows I am right on this. In terms of words, it sounded quite good, but there has been no positive achievement coming out of the last Heads of Governments Conference in terms of trade.

(Aside: Nassau.)

Hon. H. deB. FORDE: I am talking about the Guyana conference. The honourable Member must know that in the whole Caribbean everybody has access to papers, you know. Do not misunderstand that. The honourable Member knows! Achieve what? Show me

within the next six months the increase in Barbados' trade with Trinidad or anywhere else, or Guyana for that matter.

Aside.

Hon. H. deB. FORDE: The Guyanese, so far, have not yet acquired the capacity to repay. You may try to barter with them, as we were trying to barter with them. Do you know that? We were trying as well to get the Guyanese to sell us their rice, to sell us their wood and we will withhold paying them on foreign exchange. We set the programme in place. The late President of Guyana was one of the people who praised Mr. St. John for the manner in which he went about trying to co-ordinate trading between the two countries.

I do not believe for one moment that we can accept from the House that the trade figures will show that the Barbados Labour Party was responsible for the fall off of trade. What are you going to blame Playtex on? Who were we rowing with? What are you going to blame Intel on? Who were we rowing with? The reality is that foreign conditions were difficult. If the honourable Member is right, every time he attacks Governor Colon and says that Puerto Ricans have no culture, he is going to lose trade in Puerto Rico and in the United States.
7.50 p.m.

Mr. SPEAKER: Let us get to the Resolution.

Hon. H. deB. FORDE: Yes, Sir, I am on the Resolution.

Sir, it is not every abusing. I am talking about the abusing. It is not the abusing that has this effect.

I am interested as a Barbadian in seeing us improve our foreign exchange earnings, and the policy of the Barbados Labour Party has been that we had to shift to export in external markets. We brought in the Export Promotion Corporation, we made more money available to them, we were helping institutions such as the Furniture Trading Company in order to give export incentives.

Part of the programme in the honourable Member's supplementary budget is based on our assistance to the productive sector in the external markets. We put in the services, a correct policy, a policy that this Government is well advised to follow, as it is following, and I believe that the Barbados Labour Party had set out on a programme that recognised our limited capacity to earn foreign exchange earnings whereas we had a need for development financing that had a foreign exchange component. To that extent, our policies cannot be faulted. No matter how much you won, you won 24 — 3, the Barbados Labour Party was following the correct policies in this country and imple-

menting them. I believe, Sir, that if this Government continues to adopt them, we will not solve all of our problems, but we will minimise the difficulties that confront small countries such as ours, Sir.

The honourable Member should by now have had access to the World Bank country reports on Barbados, the IMF reports. We have had access to them as well, and I hope that, therefore, he would get less politics into his speeches and look at the reality of the situation facing our country Barbados. This matter is a little bit too high for the honourable Member for St. Michael West. I am not surprised that every minute he is making statements *sotto voce* to provoke me and to put me off. But we have had a reasonably good debate, Mr. Speaker, on this matter and, I believe that the country and the House will by degrees benefit a bit more from listening not to the politics of it, but to the reality of the economic facts that confront a small developing country with limited resources as we have, and recognise that Governments do not always have the capacity to act in the manner that some of us think we have the capacity to act in.

Hon. Dr. R. C. HAYNES: Mr. Speaker, it is getting late and I shall be very brief. I shall try to respond to one or two questions asked by the Honourable Leader of the Opposition.

First of all, it is incorrect to state that trade between Trinidad and Tobago and other Caribbean countries suffered to the same extent as Barbados, because whereas there is no doubt that there has been a decline in the consumption patterns of Trinidad and Tobago, nevertheless there is evidence, particularly since the bilateral agreement between Jamaica and Trinidad, of a substantial increase in trade between Jamaica and Trinidad, and indeed between many of the other smaller islands and Trinidad.

I think that the Honourable Prime Minister is quite correct when he pointed out that the abuse of the High Commissioner to Trinidad and Tobago was a major factor, and I am quite sure that the initiatives being taken by this Government will lead to some improvement in trade between Barbados and Trinidad.

He wanted to know a bit more about this loan: maturity, seven years from signing; interest, 3 to 6 months LIBOR plus 1.25%; management fees, 0.825% flat; agent, County Natwest Capital Markets Ltd.

On the question of the debt, there seems to be some confusion. Again the figure given by the honourable Member for St. Peter is one which, in my view, is misleading his colleagues, because he cannot mislead this House. He knows quite well that in terms of the national debt of this country, you have debt that is classified as debt against the Consolidated Fund. That is what you will find in there. In addition to that, there is the Central Bank debt, there is the

public guaranteed debt, and a lot of that public guaranteed debt is not only private sector debt, but mostly debt guaranteed to totally-owned subsidiaries of Government, like the IDC, the BDB and so on. So where the discrepancy arises, is that if you look at any Central Bank calculation of the foreign debt payment requirements for this year, you will find that it is \$101 million. You will not find \$101 million in the Estimates, but it makes no difference because the country has to find \$101 million in foreign debt repayments alone, and he knows that to be the case.

He knows that the loan from the IMF will be found in the liabilities of the Central Bank. He knows that the repayment to the IMF has an additional problem for Barbados. It is not only a question of repaying the money but repurchasing domestic currency, and he knows the kind of problems that that is going to cause. He has recorded on the files his position in relation to those repurchases.

Make no mistake about it, the House must not be misled to feel that there is any genuine difference in the positions taken on this side and that side in relation to the level of debt. The fact is that they are isolating that debt which is booked, so to speak, against the Consolidated Fund and ignoring a substantial amount of foreign debt out there, for example, Central Bank debt and various other debts. In point of fact, if you look at the composition of these debt payments for 1986, you will find that the IMF alone is \$24 million. This excludes private sector Government guaranteed debt. Private sector Government guaranteed debt is only US\$2.4 million, Bds\$4.8 million.

So, make no mistake about it, the borrowing requirements of the Government have to take into consideration these overall obligations. When the Central Bank has to pay off the IMF because the Government lodged the IMF borrowings with the Central Bank, nevertheless the Government of Barbados has to find it. The Government of Barbados has to borrow it. So do not come in here and try to confuse this Parliament. I think we will have to deal with the honourable Member for St. Peter on each occasion he tries that tactic. He has already led one of his colleagues to make a serious blunder in relation to Treasury Bills, and this afternoon he has led the Leader of the Opposition to make a serious misjudgment in relation to the foreign debt payment obligations of the country.

Thank you very much.

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

QUESTION TIME

Hon. L. E. SANDIFORD: Mr. Speaker, we are coming to the end of this session, but I crave the indulgence of the House to deal with one more item, that is Question Time, and I now beg to move that Question Time be now taken.

Hon. B. M. TAITT: I beg to second that.

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

QUESTION RE REPAIR OF HIGHWAY FROM JACKSON TO STURGES

Mr. SPEAKER: Parliamentary Question No. 1 stands in the name of the honourable Member for St. Thomas.
8.00 p.m.

Mr. D. A. C. SIMMONS: Question No. 1, Sir.

Hon. P. M. GREAVES (St. Michael North): Mr. Speaker, the Reply to Parliamentary Question No. 1, asked by the honourable Member for St. Thomas, is as follows:

"The road is included in a programme of maintenance and rehabilitation being partly financed by the World Bank. The contract has already been awarded."

Aside.

Mr. SPEAKER: Any supplementaries?

Mr. D. A. C. SIMMONS: Yes, Sir. He has not answered me the date when these repairs and rehabilitation will start, Sir. He says in a contract. I want to know when the works will start.

(Aside: As soon as possible.)

Asides.

Hon. P. M. GREAVES: I can read to you what is on the file. The contract has been awarded to C. O. Williams Construction.

Aside

Hon. P. M. GREAVES: But that was unnecessary. It was so obvious.

No programme has yet been prepared by the contractor but it is expected that work will start during the current financial year.

QUESTION RE ROCK HALL MAIN ROAD

Mr. SPEAKER: No more supplementaries. Question No. 4, in the name of the same honourable Member, Rock Hall Main Road in the parish of St. Thomas.

Mr. D. A. C. SIMMONS: Question No. 4, Sir.

Hon. P. M. GREAVES (St. Michael North): Mr. Speaker, the Reply to Question No. 4, again asked by the honourable Member for St. Thomas, is as follows:

"Yes. The road is narrow. However, there are no immediate plans for carrying out road improvements, since low traffic density does not justify such improvements at this time. The situation will be kept under review."

Mr. D. A. C. SIMMONS: Is the Minister aware, Sir, that there is a bus service that passes through that road all day long, Sir, and is he willing to characterize that as low traffic density?

(Aside: Hon. B. M. TAITT: One bus does not make density.)

Laughter.

Hon. P. M. GREAVES: The Minister is aware that that area has been serviced by a bus for several years now.

QUESTION RE TERMINATION OF SERVICES OF EMPLOYEES OF STATUTORY CORPORATIONS

Mr. SPEAKER: Question No. 5 in the name of the same honourable Member. The termination of services of employees of Statutory Corporations.

Hon. L. E. SANDIFORD: Mr. Speaker, the Reply to Parliamentary Question No. 5 is as follows:

"Yes, Sir.

During the period immediately preceding the General Elections of 1986"

(Aside: Wait.)

Hon. L. E. SANDIFORD: You are asking me to wait? Do you not want the information?

Aside.

(Aside: Hon. B. M. TAITT: Read slowly.)

Laughter.

Hon. L. E. SANDIFORD: The Reply, Sir, is as follows:

"Yes, Sir.

During the period immediately preceding the General Elections of 1986 and as late as May 20, 1986, a number of additional employees were

recruited to the staff of Ministries, Departments and Statutory Boards for ill-defined activities....."

(*Aside: Ill-defined?*)

Hon. L. E. SANDIFORD:

"..... and purposes for which funds had not been appropriated by Parliament."

(*Aside: Hon. B. M. TAITT: Wow!*)

Hon. L. E. SANDIFORD:

"In all cases, appointment was on a casual basis and terminal,....."

(*Aside: Terminable.*)

Hon. L. E. SANDIFORD:

".....being for periods not exceeding three (3) months and in many cases not beyond one week at a time.

"The services of these employees were terminated after May 28 in circumstances where the specified period of their engagement had passed and, more particularly, because no funds were available for their continued employment.

"The more significant instances are as follows:

Ministry of Transport and Works; 245 casual workers, principally on a road weeding programme, had been engaged for a period of three months between December 1985 and April 1986.

Ministry of Education and Culture; 16 casual workers had been engaged on February 16 to debush the premises of primary schools.

National Conservation Commission: 321 casual workers made up of 194 engaged by the Ministry of Tourism on a one week basis on a debushing programme and 127 engaged by the Ministry of Health on a debushing programme ending March 31, 1986."

(*Aside: Hon. B. M. TAITT: Truss and Trottie.*)

Hon. L. E. SANDIFORD:

"Soil Conservation Unit: 11 casual workers engaged on May 20 to assist with the Tent Bay Project."

(*Aside: Hon. B. M. TAITT: Let me hear the supplementaries now!*)

Mr. SPEAKER: Any supplementaries?

(*Aside: Hon. B. M. TAITT: Do you really have the shame to get up and ask questions like that?*)

Rt. Hon. E. W. BARROW: Supplementary Question. I should like to ask the Minister whether the official in the Ministry of Education favour single subjects with plural verbs. I heard the Minister reply that "a number were taken on." Is this going to be the standard usage in Barbados in future?

Loud Laughter.

Mr. SPEAKER: No supplementary.

(*Aside: Rt. Hon. E. W. BARROW: It is the Ministry of Education, so he has to tell us what the standard usage is.*)

Loud Laughter.

(*Aside: Hon. B. M. TAITT: Let me hear you now!*)

Hon. L. E. SANDIFORD: Mr. Speaker, the answer did, in fact, say: "a number of additional employees were recruited", and there does seem to be some grammatical collision here.

Laughter.

Hon. L. E. SANDIFORD: But I hasten, Sir, to indicate that I am only giving this Reply as Leader of the House, not as Minister of Education and Culture.

Laughter.

Hon. L. E. SANDIFORD: According to this file, Sir, the Reply was prepared in a Ministry with the abbreviations of MPS, Ministry of the Public Service, which falls under the Prime Minister's Office.

Loud Laughter.

Loud Applause.

Mr. D. A. C. SIMMONS: Sir, on that note there is no need for a supplementary.
8.10 p.m.

QUESTION RE HOPEWELL TENANTRY

Mr. D. A. C. SIMMONS: Number 6, Sir.

Hon. P. M. GREAVES: Mr. Speaker, the reply to Question No. 6 is as follows: "Yes, Sir."

"Yes, Sir".

"Yes, Sir. The Transport Board is investigating the feasibility of providing a bus service into Hopewell Tenantry, St. Thomas, and if feasible, a service will be provided in due course.

Mr. SPEAKER: That brings us to the end of Question Time.

ADJOURNMENT

Hon. L. E. SANDIFORD: Sir, and that brings us to the end of Government Business today. We have had a long sitting and we have dealt with a number of items, and we are about to adjourn, Sir.

I would like to indicate, Sir, that we are adjourning for about seven weeks for recess. The year has been a very gruelling one for Members and staff of Parliament. We have dealt not only with Estimates, but with the Budget. We have gone through a period of general election, and we have also put in place revolutionary proposals as far as the fiscal arrangements in this country are concerned. I think, Sir, that you, the rest of us and the staff deserve a break at this time.

I move that this House do now adjourn until Tuesday, September 30, 1985 at 12 o'clock noon.

Rt. Hon. E. W. BARROW (St. John): Mr. Speaker, I am seconding the motion.

I should like to ask our Leader of the House if there is any chance, when the House resumes after the summer recess, of our meeting under our traditional vine and fig tree — in other words, in the Chamber of the House of Assembly. It appears to me that the programme for repairs has been going on for an inordinate length of time, and I have not witnessed much activity — not on days in which the House or the Senate is meeting, which we would not normally expect — But even on ordinary days when there is no meeting of either Chamber of Parliament, I cannot describe the environs of the Parliament buildings as being a hive of any kind of activity. As a matter of fact, Sir, the roof to the — I suppose that I will have to call that the North of us — has been exposed for a very long time, and I wonder if

we had a great torrential rain whether we would find any public buildings here when we come back after the summer recess. We probably will be washed away. I hope that whoever is supposed to be responsible for these repairs will appreciate that, while the indulgence granted us by the Other Place is not unappreciated, we would prefer to be sitting in our own surroundings.

Hon. L. E. SANDIFORD: Sir, I think all of us share the concerns of the Right Honourable Prime Minister. We are certainly grateful to the Other Place for permitting us to use these facilities here, and we are hoping that we would be able to revert to our own Chamber sometime in October. I believe that is the latest date I have heard.

I regret that I can give no assurance that when we resume on September 30 that we will be in our Chamber. Perhaps the House should note that the matters relating to the refurbishing of the Parliament buildings is under the control of a sub-committee of the Cabinet, which is chaired by my colleague, the Minister of Transport and Works. But I would like to assure you that we are all very concerned that the repairs should be dealt with as expeditiously as possible. The information we have been given is that in October it is expected that the work in our Chamber would be completed.

Rt. Hon. E. W. BARROW: Just one final question. I wonder if the Minister can assure us that it will be ready before October 1989. In that year we are celebrating our 350th Anniversary as a Parliament, and I would hate for our guests to arrive to be greeted by mortar and wheel barrows all over the precincts of the public buildings. I am not being facetious. The way that things are going now we are going to be very lucky if we get it by October 1989. If you can give me a firm assurance that he is working towards that date, at least we would not be embarrassed as a nation.

Asides.

The question that this House do now adjourn until Tuesday, September 30, 1986, at 12 o'clock noon was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly.
8.20 p.m.

CONTENTS

MINUTES

Confirmation of the Minutes of the meeting of Tuesday, July 22, as amended.	94
--	----

PAPERS LAID

Hon. E. E. GREAVES.	110
--------------------------	-----

The Report and Financial Statements of the Public Utilities Board for the year ended 31st December, 1985.

GOVERNMENT NOTICES

Hon. L. E. SANDIFORD.	110, 111
----------------------------	----------

A Resolution to approve the compulsory acquisition of land at Bay Street, St. Michael for the provision of office accommodation for the Government.

A Resolution to grant the sum of \$244 949 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1986-87 Part I - Current, as shown in the Supplementary Estimates, 1986-87, No. 2, which form the Schedule to the Resolution.

A Resolution to approve of the borrowing by the issue of Treasury Bills further sums not exceeding one hundred and seventy-five million dollars and such sums as may be required to pay off at maturity, bills already lawfully issued and outstanding.

A Resolution to approve of the borrowing of the sum of U.S. \$30 000 000 from a Consortium of Banks for which the participating County Natwest Capital Markets Ltd. will act as agent for the purpose of assisting in the continuation of the Government's Capital Development Programme already in progress prior to May 28, 1986 and to assist in meeting foreign debt repayments due in fiscal years 1986/87 and 1987/88.

A Resolution to approve the compulsory acquisition of land at Oxnards, St. James for Housing Development.

ORAL REPLIES TO QUESTIONS

Hon. P. M. GREAVES.	111, 115
--------------------------	----------

Replies to Parliamentary Questions Nos, 1, 4 and 6.

Hon. L. E. SANDIFORD.	111
----------------------------	-----

Reply to Parliamentary Question No. 5.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS.	95
-------------------------------------	----

PRIVATE MEMBERS BUSINESS

RESOLUTION EXPRESSING DISAPPROVAL OF GOVERNMENTS FINANCIAL STATEMENT AND BUDGETARY PROPOSALS (d.r.)	95
---	----

Dr. E. A. Simmons, 95; Mr. D. A. C. Simmons, 99; Mr. Morris, 103; Mr. Arthur, 106; Dr. Haynes, 111.

GOVERNMENT BUSINESS

SUPPLEMENTARY ESTIMATES 1986-87 No. 2 - \$244 949	116
---	-----

HEAD 15- CABINET OFFICE.	116
-------------------------------	-----

Mr. Sandiford, 116, 131; Mr. Forde, 116, 126, 127, 131; Mr. Taitt, 119; Mr. D. A. C. Simmons, 121; Dr. E. A. Simmons, 124; Mr. E. E. Greaves, 124; Mr. Walker, 125; Mr. Brathwaite, 126; Dr. Haynes, 126; Mr. P. M. Greaves, 130, 131.

BORROWING BY ISSUE OF TREASURY BILLS OF FURTHER SUMS NOT EXCEEDING \$175 MILLION	133
--	-----

Dr. Haynes, 133, 134; Mr. Arthur, 133.

BORROWING OF US\$30 MILLION FROM A CONSORTIUM OF BANKS	135
--	-----

Dr. Haynes, 135, 147; Mr. Arthur, 136; Mr. Barrow, 138; Mr. Forde, 142.

QUESTION TIME

QUESTION NO. 1 BY MR. D. A. C. SIMMONS (ST. THOMAS) OF MINISTER OF TRANSPORT AND WORKS (HON. P. M. GREAVES) RE REPAIR OF HIGHWAY FROM JACKSON TO STURGES.	148
--	-----

Mr. P. M. Greaves, 148; Mr. D. A. C. Simmons, 148.

QUESTION NO. 4 BY MR. D. A. C. SIMMONS
(ST. THOMAS) OF MINISTER OF TRAN-
SPORT AND WORKS (HON. P. M.
GREAVES) RE ROCK HALL MAIN
ROAD. 148

Mr. P. M. Greaves, 148; Mr. D. A. C.
Simmons, 148.

QUESTION NO. 5 BY MR. D. A. C. SIMMONS
(ST. THOMAS) OF PRIME MINISTER RE
TERMINATION OF SERVICES OF EM-
PLOYEES OF STATUTORY CORPORA-
TIONS 148

Mr. Sandiford, 148, 149; Mr. Barrow, 149.

QUESTION NO. 6 BY MR. D. A. C. SIMMONS
(ST. THOMAS) OF THE MINISTER OF
TRANSPORT AND WORKS RE HOPEWELL
TENANTRY 149

Mr. Greaves, 149.

SUSPENSION. 111

ADJOURNMENT 150

Mr. Sandiford, 150; Mr. Barrow, 150.

SPEAKERS IN THIS ISSUE

ARTHUR, O. S. (St. Peter)
BARROW, Rt. Hon. E. W. (St. John)
BRATHWAITE, L. L. (St. Michael North East)
FORDE, Hon. H. deB. (Christ Church West)
GREAVES, Hon. E. E. (St. Lucy)
GREAVES, Hon. P. M. (St. Michael North)
HAYNES, Hon. Dr. R. C. (St. Michael South Central)
MORRIS, R. L. (Christ Church East Central)
SANDIFORD, Hon. L. E. (St. Michael South)
SIMMONS, D. A. C. (St. Thomas)
SIMMONS, Dr. E. A. (St. Michael South East)
TATT, Hon. B. M. (St. Michael West)
WALKER, C. V. (St. George North)
WEEKES, His Hon. L. A. (St. Michael North West)