

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION OF 1986 vi

HOUSE OF ASSEMBLY

Tuesday, August 2, 1988

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

PRESENT

His Honour L. A. WEEKES, J P., (Speaker)

His Honour J. J. PAYNE, (Deputy Speaker)

Hon. L. E. SANDIFORD, B.A., MA. (Econ.), J.P.,
(Prime Minister and Minister of Finance and Economic Affairs)

Hon. H. deB. FORDE, Q.C., MA., LL.B. (Leader of the Opposition)

Hon. B. M. TAUT, BA., (Hons.), MJA., LL.B.,
(Hons.), (Minister of Health)

Hon. P. M. GREAVES, Q.C., BA., (Deputy Prime Minister and Minister of International Transport, Telecommunications and Immigration and Leader of the House)

Hon. E. E. GREAVES, BA., Ed.M., (Minister of Trade, Industry and Commerce)

Hon. Dr. D. G. BLACKMAN, BA., MA., (Minister of Transport and Works)

Hon. M. A. KING, Q.C., LL.B., (Attorney General and Minister of Legal Affairs)

Hon. W. O. FRANKLIN, A.I.C., MJA.S., 3P.,
(Minister of Agriculture, Food and Fisheries)

Hon. N. K. SIMMONS, (Minister of Employment, Labour Relations and Community Development)

Mr. D. A. C. SIMMONS, Q.C., LLJM.,

Mr. O. S. ARTHUR, MJSc., (Econ.)

Mrs. M. BARKER-WELCH. (Parliamentary Secretary, Ministry of Employment, Labour Relations and Community Development)

Hon. C. V. WALKER, (Minister of Education and Culture)

Mr. L. L. BRATHWAITE, J.P.

Mr E. BOURNE

Dr. E. A. SIMMONS, M.D.

Hon. W. W. HALL, (Minister of Tourism and Sports)

Mr. C. A. NEBLETT, B.A., (Acting Minister of Housing and Lands)

Mr. C. L. TROTMAN, MA.

Mr. R. L. MORRIS, B.A., Cert. Ed.

Mr. P. J.M. MILLER

Mr. R. P. BYER, LL.B., L.E.C.

Mr. D. J. H. THOMPSON, LL.B.

Prayers were led by Rev. Father Ivan Harewood-

Mr. SPEAKER: The House is in session. MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, July 26, 1988.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of the proceedings of this Honourable Chamber for the meeting that was held on Tuesday, July 26, 1988 be taken as read and approved.

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

Mr. SPEAKER: If there are no corrections or observations, let those Minutes stand confirmed.

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I am to announce that I am in receipt of:

Accounts and Statements for the month of April, 1988 as prepared by the Accountant-General.

PAPERS

Hon. L. E. SANDIFORD: Mr. Speaker, I am commanded to lay the following:

The Annual Report and Financial Statements of the Barbados National Bank for the period 1st January to 31st December, 1987.

The Income Tax (Amendment) Regulations, 1988.

FIRST READINGS OF BILLS

On separate motions of Hon. P. M. GREAVES, seconded by Hon. B. M. TAITT, the following Bills were read a first time:

A Bill to amend the Transport Levy Act. A

Bill to amend the Income Tax Act.

A Bill to provide for the imposition of a surcharge on incomes and for related matters.

STATEMENTS BY MINISTERS

350TH ANNIVERSARY OF PARLIAMENT

Hon. P. M. GREAVES: Mr. Speaker, this is a very brief statement.

The first Parliament of Barbados was convened in 1639 and 1989 will be 350 years since this historic event took place.

It is proposed that the occasion be appropriately celebrated and to this end the Cabinet has appointed a Committee comprising the following persons to plan the celebrations:—

The Hon. P. M. Greaves, Deputy Prime Minister and Leader of the House of Assembly - Chairman.

Senator the Hon. Sir James Tudor, KCMG, Minister of Foreign Affairs, and Leader of the Senate.

The Hon. B. M. Taitt, M.P., Minister of Health.

Senator the Hon. L. V. H. Lewis, Minister of State for the Civil Service.

His Honour the President of the Senate Sir Frank Walcott, K.A.

His Honour the Speaker of the House of Assembly Mr. Lawson Weekes.

Senator Billie Miller, nominee of the Leader of the Opposition.

The Committee has co-opted Sir Frank Blackman, ' K.C.V.O., K.A., O.B.E., and Mr. George Brancker, Clerk of Parliament, to assist it with its work.

The Secretary to the Committee is the Cabinet Secretary.

ORDERS OF THE DAY

Hon. P. M. GREAVES: Mr. Speaker, before I move the suspension of a number of Standing Orders, I would like to offer apologies to some honourable Members who did not receive their papers at the usual time.

My understanding is that there were some " problems, yesterday being a holiday, as well as some other problems, I am informed by the Clerk.

I do offer my apologies to those Members who did not receive their Papers.

MOTION RE SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES (St. Michael North): Sir, I should like to move the suspension of Standing Orders 6, 16, 18, 20, 42(5), 43 and 44, Sir, for the remainder of the day's sitting.

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

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, speaking on the suspension of the Standing Orders, the Honourable Leader of the House has offered his apologies for the Papers having been received late.

I did not get my Papers until 8.35 this morning, the honourable Member for St. Thomas (Mr. D. A. C. Simmons) got his after that, and the honourable Member for St. Peter (Mr. O. S. Arthur) got his Papers yesterday. None of us, however, received copies of the matters which are going to be considered by the House today until we walked through the House.

Sir, the House's business cannot be done on this basis. It is totally unsatisfactory, for whatever cause, that honourable Members should be asked to have to consider the three matters of Government business now, and my knowledge of what those matters are came from a brief note in the newspaper. They are matters of great substance. One is a new measure, not merely an amending measure, although it arises out of the Budget, and, obviously, two of them concern very substantial bits of legislation which will need to be considered.

In the circumstances, Sir, I am respectfully suggesting to the Leader of the House that this session should not continue. We would find it very difficult, indeed, to participate in the session, if we are going to be presented with Bills as we walk into the House and asked to do the people's business in those circumstances.

Hon. E. E. GREAVES (St. Lucy): Mr. Speaker, I think that this side is in sympathy with the position stated by the Opposition, but I want to make my posi-

tion very clear, that I also just got my papers as I walked in here. They were here, and I think that there seems to be some problem at the level of Parliament and the delivery of these matters. And I think it is a matter which ought to be ventilated. It is not anything which is specifically directed at the Opposition, because Members on the Government side also have that problem.

Hon. P. M. GREAVES: Mr. Speaker, I did state, Sir that there was this problem, which I was informed of after coming to the House.

I had not received my papers, but I thought that that was an oversight. And after I came here, as a matter of fact, shortly before the House began, I was informed by the Clerk about the non-delivery of papers in the usual way, and the papers were left on the desk for collection.

I, too, have sympathy with what the Honourable Leader of the Opposition has had to say. But that has been the experience of everybody. I thought that a few of us had been treated in that way and had not been able to get our Papers, but it seems as though the Member for St. Peter (Mr. O. S. Arthur) is the only one who got his before today's sitting. He is the one that cannot complain.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Sir, I am quite prepared, and I do now, move the suspension.....

Aside-

Hon. P. M. GREAVES: It seems as though, Sir, the Private Members are not quite ready, Sir. 12.30 p.m.

I move the suspension of the sitting until Friday, August 5, 1988 at 10 o'clock, Sir, in the morning.

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

The question that the House do now suspend until Friday, August 5, 1988 at 10 a.m. was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly. 1232 p.jn.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, the motion was that the several Standing Orders be suspended. The motion has not yet been put to the House, and I beg to

move that Standing Orders Nos. 6,16,18,20,42(5), 43 and, 44 be suspended for the remainder of the day's sitting.

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

The question that the several Standing Orders be suspended for the rest of the sitting was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

SURCHARGE ON INCOMES ACT, 1988

Order No. 3 was called - To move the second reading of a Bill to provide for the imposition of a surcharge on incomes and for related matters.

Hon. L. E. SANDIFORD (St. Michael South): Mr. Speaker, this particular measure follows from the Financial Statement and Budgetary Proposals 1988, and the principle of it has already been approved by this Chamber. The details are set out quite clearly in the measure. There has been quite a bit of discussion on this particular matter before, and I therefore beg to move that this be now read a second time.

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

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, the Opposition is still concerned that the imposition of the surcharge is bearing heavily on people who earn money in this country and have to pay taxes.

We have a fundamental problem with the imposition of the surcharge, and that one of the reasons for its introduction was that the Government needed to close the deficit in its finances. The deficit, we were told, was \$48 million or thereabout. On Government's own figures, the imposition of new consumption taxes, or increased rates of consumption tax, would have yielded \$71 million, more than enough in itself to cover the deficit of \$48 million, with something on top. Yet, Government has found it necessary to raise an additional \$40 million approximately in the hope that it will get a total tax yield from all sources of \$110 million. We find that that is burdensome to the public of Barbados. There is no justification, on Government's own accounting, for the extraction of such a magnitude of taxation from the people of Barbados.

At the same time, we were told that the economy was headed for the rocks. On May 1, after the imposition of these taxes on April 28, the Prime Minister, himself, in an address at Queen's Park at the Workers Union May Day function, led the country to believe that there was some pressing necessity for this large — I use his words — stimulation of the revenue. But shortly thereafter, he is

reported to have assured the Japanese, from whom we were seeking to borrow up to \$160 million, that the economy was in good shape, and in fact that there had been some growth in the first quarter. In the light of those contradictory statements, as we see it, Sir, the imposition of a surcharge has been rendered particularly unfair and burdensome on taxpayers. It is having the effect not only of reducing the amount of money which people have at their disposal, but now that it has had a chance to bite, it is having a dampening effect on the ability of young people, particularly with other commitments to adequately finance their individual private budgets.

One has to remember that, in addition to the surcharge, there are increased bus fares. If we are not travelling by the bus, there have been increased costs associated with travel by car in terms of the increase in the gasoline prices. So the disposable income of many taxpayers in this country has been adversely affected, and they are now feeling the effects of this surcharge.

We said it was unnecessary, Sir, having regard to what was required to finance the deficit, and we are still of that view. If we are right, therefore, that the Government has taken far more than it needed to finance the deficit, and that it has adversely affected the disposable income of a vast number of people in this country, particularly those on fixed incomes, the Government must give some explanation for the additional taxation that was taken from the people of the country in the Budget of 1988.

We have not had a satisfactory explanation. In the absence, therefore, of a satisfactory explanation, we must be free to speculate that one of the reasons for this massive dose of taxation, of which the surcharge is a contributory factor, is that Government is seeking to put by and stow away some money with a view to effecting reasonable wage settlements with the public sector. 10.10. ajn.

Government has not explicitly told the country that that is the collateral purpose behind the imposition of this massive dose of taxation, and they have a responsibility and a duty — there is nothing wrong with it — to let the country know fully that one of the items on the Government's hidden agenda, if I may use the language of a Minister in the Other Place, is that Government wishes to have in reserve enough money to enable it to make a reasonable wage settlement with the public sector. If that is so, I do not think that anybody will be too severe in their criticism, but one is left to speculate as to whether that is, indeed, an item on the hidden agenda, because in the Budget Speech the Prime Minister indicated that it may well be necessary for him to come later in this fiscal year to raise additional funds to settle the public sector.

So the country is confused. The country is confused because the Government has taken almost three times as

much as is needed to close the deficit. It has taken \$71 million by way of indirect taxes arising from the consumption tax, and now, on top of that, you have the surcharge and a further \$40 million to be extracted. We have not been given any satisfactory reason for this double dose, triple dose, of taxation.

I know the Prime Minister, from my long years of, I would say, friendship with him, as one who strongly supports the parliamentary democracy that we have in Barbados, one who has, I believe from my long years of friendship and association, believed in and advocated openness and frankness in public affairs. Indeed, I would say that in the budget presentation out of which this surcharge sprung, he was full of candour at that time about how he saw the economy and why it was necessary for him to take the tough measures that he was obliged to take. I respect that, Sir, but I still say that having been frank as to the situation that had confronted the country as at May 28 this year, his presentation then, and since, 'has fallen short, because he has not adequately explained to the country why he' has had to tax as heavily as he has, given a deficit of \$48 million.

I really believe that he owes it to the public of Barbados to let us know if, in truth, he is putting by something to settle with the public sector and to obviate the necessity of having to come back later on to raise additional funds to settle the debt, or if he is putting by some of this excessive revenue to finance a capital programme, which the country would wish to see from the Democratic Labour Party Government, because they have come with nothing new. I do not refer to the arch, or the reduction of the bridge to a one way.

Asides.

Mr. D. A. C. SIMMONS: CARIFESTA was 1981; this is seven years later.

I know that the Government says that it is working on a development plan. I have seen some of them, and what I have seen I do not believe, but we will deal with that at the appropriate time, because the capital development programme of the Democratic Labour Party, if one were to examine the manifesto of the Democratic Labour Party, was, in fact, a capital development programme for one year and not five. I want to show why it is a one-year document.

At pages 20 and 21, the manifesto sets out a programme, as we have become accustomed, for five years, and these are some of the things that the Government promised to do in five years: Provide landing facilities for fishermen at Skeete's Bay, St. Philip, plans for which had been drafted and left in the Ministry of Agriculture and Fisheries for many years, Cultural and sports facilities at Valery, Collymore Rock, and at Crab Hill, St. Lucy. A

playing field and pavilion at Blades Hill, St. Philip, as well as at Merricks, St. Philip. They already have a playing field at St. Philip, at Merricks. I opened that. In five years, the Government promised, in effect, two playing fields, one at Blades Hill and one at Merricks, and a pavilion. Nobody can blame them if they do not do any^N more, it is all here. This is what they voted for, and they are disappointed now because they feel they have been tricked. A community centre at Church Village, St. Philip. Everything is St. Philip. Perhaps the Minister of Agriculture must have written this capital development section himself. Rental units and service lots at Church Village and Gibson Land, St. Philip again. As they would say, fairer things growing in St. Philip North. Harbour facilities at Speightstown. That has gone.

When you look through it, Sir, there is nothing in the capital development programme that can sustain a Government for five years. This capital development programme was not designed nationally. I am not going to spend too long on it, because I am dealing with the surcharge. 10.20 am,

Mr. SPEAKER: I am sure the honourable Member recognises that there is no development programme before the House.

Mr. D. A. C. SIMMONS: Yes, Sir. But what I was...

Mr. SPEAKER: And certainly I would expect, even if you made reference to that, that there would not be that detail.

Mr. D. A. C. SIMMONS: I would not dwell on it, Sir, but I was making the point that perhaps the reason why a surcharge was necessary to yield as much money as it has been projected to yield was so that Government would have an accumulation of funds which it could then use with a view to financing a capital development programme. Because we must not forget that one of the reasons the Prime Minister gave in the Budget this year for the imposition of the massive dose of taxation was that he needed to have money to carry on to capital account. And I was only speculating, hypothesising if you like, as to the reason for the extra \$40 million. I am not even quarrelling about the \$71 million which was coming from consumption taxes — that would, as I said, more than have covered the \$48 million deficit — but why an additional \$40 million? We have not heard how Government proposes to use these extra funds once it has closed the deficit, and I think we have a duty to call on the Prime Minister to let us know how it is proposed to be used.

We have had a chance to go through the Bill. My findings would be related to particular aspects of it. We are thoroughly opposed to the principle of this Bill, for

the reasons that I stated, and we believe that it will contribute to a contraction in the economy. It would certainly not be an incentive to increased employment opportunities, as I think has become clear. We said at the time that a number of projects which were going to start would not start so long as there had been an increase in corporation taxes and the imposition of surcharge. And we have seen statements, I think as recently as this week, that a number of projects are being put on hold and there is no[^]the momentum that was anticipated within the private sector, because the private sector is waiting to see the impact of surcharge and corporation tax on its own profitability.

The honourable Member for St. Peter (Mr. O. S. Arthur), earlier this year dealt, from his special vantage point as an economist who has practised in the Government sector, with the likely effect of these measures which are being implemented today by legislation. I do not wish to trespass on his preserve or to repeat what he has said, because he is well able, especially now that we have had the imposition of the surcharge for four months, to speak from empirical evidence.

I am obliged to you, Sir, for having entertained this contribution on this Bill, Sir.

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, this is one of a trilogy of measures in which the Government is seeking to implement its Budget Proposals. You would recall, Mr. Speaker, that those proposals were castigated from both sides of the House. Indeed, I believe this particular measure was one of the measures, if not the principal measure, which brought forth, from the Government side, the label of the Budget as "an abortion" and "a breach of the social contract between the people and the Democratic Labour Party."

This measure, as the honourable Member for St. Thomas (Mr. D. A. C. Simmons) has just said, has already begun to bite heavily into the incomes of both persons and companies, and to have a dampening effect on investment in the country. The view has been expressed both in this House and the Upper House that it would have had that effect, and I think it can be said today that it has had that effect.

In addition, Sir, there are various features of the measure, when one looks at the implementation of the measure, that, in my view, are obnoxious. There is what is called a special allowance, and that is the \$15 000 ceiling which exists under the changes made in 1986 to the Income Tax Act. That is kept in this Act. However, the surcharge is charged on all incomes above this figure, and the first part of the particular Bill that I find to be obnoxious, in addition to the principle of the Bill, is the provision in Clause 4(4) that:

"In calculating the surcharge payable by an individual losses are not to be taken into account;"

Under the Income Tax Act, Sir, by virtue of Section 23, in calculating assessable income, losses from one source are taken into account. Section 4(4) of this Bill seems to me to imply that a person is going to be taxed on gross income insofar as the person is not allowed to take into account any loss which has been suffered.

I find that provision obnoxious. It is contrary to the principles that are followed in almost every jurisdiction. I think there is only one jurisdiction that I know of where a tax in which losses were not allowed was imposed, and that was in St. Vincent some time ago, and that led to the downfall of the Cato Government. My understanding of the section, I believe, is correct. If you are going to be taxed without being allowed to take into account the loss that you have suffered, then you are being taxed on a loss.

Sir, under sub-section 4(5) there is a limitation on travelling and entertainment allowance. Even if you can prove that you have incurred travelling expenses in excess of \$600 - that is now considered income - you are going to be taxed on that excess. 10.30 a.m.

There is also the provision here, Sir, that where your income exceeds \$15000, you pay tax on that income. So your tax is deducted. But you are then going to be surcharged on the income without being given any allowance for the tax which has been paid. That seems to constitute to me, Sir, in some respects, a tax upon a tax, and that is the bold implication of this Bill when it is spelled out in detail in the House.

Those are features, in my view, that one would not have wanted to see in this Bill. There is no deductibility being allowed in calculating your assessable income on the Income Tax Act for the amount paid by way of surcharge and, therefore, I would say that in addition to the principle of the Bill, the actual manner in which the Bill is set out contains some draconian taxing features. These features will not be acceptable to us on this side. The honourable Member has already indicated that. We will therefore be voting against this measure.

The Government still has time to change those features within this House in Committee, if it is so minded. I do not consider them to be healthy taxing provisions. They are regressive in nature, content, and in effect. I will counsel the Government again that it seems to me that in rethinking this measure, particularly since

taxing statutes are very strictly construed, the language should be not only clear, but I think the intent should be equally clear. I believe that those criticisms which I have made of this Bill before Parliament are very justified, given regard to the manner in which the provisions are set out.

It is true that the Bill has a life Until March 31, 1989. That is in keeping with the statement made by the Minister of Finance when he introduced this measure. But although it is a measure that exists for one fiscal year, it is my view that it is still obnoxious in intent, and without repeating the words of the honourable Member for St. Thomas, it appears, in the context of statements which have been made on occasions by the Minister of Finance, both subsequent to the Budget, that it is a totally unnecessary measure.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, the word "surcharge" has now easily passed into the popular prose and poetry of Barbados, and as it has passed into particularly the poetry of Barbados, there can be no doubt that there is a general hostility on the part of the people in this country to the notion of an imposition of a surcharge. I also want to say to the House, before going into some of the technical aspects of this Bill, that even within the Democratic Labour Party, they know that this is a bad piece of fiscal legislation. And that is so, Sir, not only because of the technical features of the Bill, some of which has been explained by my colleague, the honourable Member for Christ Church West (Hon. H. deB. Forde), but because of what this Bill suggests that the Democratic Labour Party stands for. Perhaps that is where today I, most of all, want to pitch my discussion.

Politicians in this country enjoy a reputation that they cannot be trusted. There is a general cynicism in this country, Mr. Speaker, that politicians say one thing, even though they know they mean to do something else, that they promise things, knowing that those promises very often are not based in serious thought nor analysis, and that those promises are merely hot air, never to be carried through nor never meant to be honoured in the exact fashion in which they are stated.

In discussing this matter, Mr. Speaker, I have, first of all, to remind the Democratic Labour Party that two short years ago, the Democratic Labour Party was telling the people of Barbados that the problem of Barbados was that of overtaxation, that they had a Government which believed in an approach to financial management whereby they would allow taxation to rise to meet expenses as a matter of policy, and that they would bring a better path to a new way where the element of overtaxation that was inherent in Barbados

Asides.

Mr. O. S. ARTHUR: I will not be distracted by you.

Certain remarks made at this stage by the honourable Member for St. Peter (Mr. O. S. Arthur) were ordered to be expunged from the record by Mr. SPEAKER.

Mr. O. S. ARTHUR: The point I was making, Sir, is that it was put abroad by the Democratic Labour Party that this country was suffering from over-taxation, and that a permanent — let us remember that — cut in the level of taxation in this country was necessary. That was put as an economic philosophy; not as an economic policy, a philosophy. So it becomes difficult for us on this side, who were made victims of the charge that we were the overtaxers of Barbados, to come today to support a measure which not only seeks to increase taxation, but to increase it by ways that are strange, draconian, and obnoxious.

We have to set this surcharge;* Mr. Speaker, in the context of what has happened subsequent to the Democratic Labour Party charging us with over-taxation. Because let us remember, Sir, that in the 1987 financial year, the Democratic Labour Party did, in fact, introduce measures affecting the level of income taxes in this country, although they were not at pains to explain exactly what they were doing. Let us not forget, Mr. Speaker, that the provision that the arcount paid as levies could be treated as a deduction against the income tax was withdrawn. So even immediately after the Democratic Labour Party had charged us with over-taxation and had put in place a system to reduce taxes, they began immediately to take away the concessions they granted. 10.40 a.m.

In a sense, Mr. Speaker, what we are really dealing with here is a Government which wants to have the benefit of behaving as if its original measures were too generous, but also have the benefit of not wanting to say so explicitly, and that is why there is so much dissent and confusion in the Democratic Labour Party. Because what this measure is really saying to us is that, after two years, the Democratic Labour Party is now prepared, by way of action, to take back some of what it gave away in 1986. It is therefore wanting to behave as if its original measures were too generous, but it does not have the courage, except for a few souls, to say so, and for that broad reason, Mr. Speaker, we cannot on this side support this measure.

The Leader of the Opposition has given the three technical reasons why the Opposition cannot support this measure as well, that it is a tax on a tax, it amounts to a tax on losses, and it amounts to a tax on people's expenses. But, the honourable Member for Christ Church

West, in dealing with it being a tax on a tax, ignored to mention an additional manner in which it qualifies as an obnoxious piece of legislation in that respect. Let us deal with it now.

People in this country paid levies off the top of their incomes. Prior to the Democratic Labour Party coming into power in this country, those levies were refundable, so persons who were paying the levies at least got back part of the levies. The Democratic Labour Party changed that. They increased levies and also made them non-refundable, so a person does not get that part of his income which is called a levy, and there is no provision now where he can claim it against the income tax that he pays.

This piece of legislation now imposes a surcharge on a person's income, but it does not take into account that there is that part of his income at the top which the person does not at all see, because it goes off as a levy into the Treasury and it cannot be refunded to him. So, in a sense, this legislation is charging the person a tax on the levy without recognising that the person does not at all see that income that is regarded as a levy, and he cannot claim it back as he could have in the past. In that respect, Sir, it is a tax on a tax, and if the Democratic Labour Party wants to commit itself to taxing people's taxes, then their way is not ours. That is a philosophy that we find obnoxious.

Mr. Speaker, if the Government was concerned with taking some of the sting out of this particular measure, at least it would have built into this legislation some definition of assessable income, such that the levy, which is not now refundable, could be treated as a deduction before the surcharge becomes applicable. That is the only just thing that can possibly be done in the circumstances, particularly since it was this Government which went all the way in making the levy non-refundable.

I find that that particularly is the most distressing part of this piece of legislation, that it is setting up now in Barbados a situation where people are beginning to lose faith, because they feel that politicians are taking them for a ride and that politicians are prepared to do some of the most disgusting things merely to seek and gain power. It seems to me that this is an action of an uncaring and inhumane Government, and the Opposition wants to see this measure removed as soon as possible.

Let me in that respect say that when the employment levy was introduced by the Democratic Labour Party into this House, some Members on the other side said that although they were philosophically opposed to the employment levy, they could find it possible to support it in good faith, because they were told, and were convinced, that it was only a temporary measure. The employment levy was imposed in the Budget of April

1987 — this is now August 1988 - and I remember well the Member for Christ Church East Central (Mr. R. L. Morris) saying that although he was philosophically opposed to levies, he could find it within him to support it, because it was a temporary measure. This particular piece of legislation, which we find draconian and obnoxious, is now being passed off to the public as something which is supposed to be temporary. We would like to see it removed immediately, and let the Government know that this is such a tremendous burden on the people of this country that this Opposition will not rest until it is removed.

Sir, as I close this presentation, I will not go into matters that I raised in the Budget as regards some of the technical aspects of it. I only regret that the Prime Minister, who is a creature of this Parliament, found it desirable to respond to some of the points that I raised in good faith regarding the structure of his statement, not by way of an explicit statement in this House, but by a statement in the Press through CIS, as if CIS and the Press can properly take the place of this Parliament. You must remember, Sir, that when a Minister of Finance and Planning makes a statement in this House on a fiscal matter in a Budget Debate, it becomes law, the taxes imposed become collectible under the Provisional Collection of Taxes Act, and if there is any lack of clarity, or if there is any confusion in the manner in which the proposed measure is being articulated, I think that it could only be proper that the clarity brought to bear on the matter should be clarity brought to bear in this House. I really found it very upsetting that specific questions were asked and clarification sought in good faith, but that the clarifications were not given on the floor of this House, as they should have been given, but by way of a GIS statement in the *Nation* and the *Advocate* newspapers. Once we set up institutions like the GIS as surrogates for Parliament, we weaken this Parliament and diminish the office of the Ministries in the particular concern.

This Opposition, as you would sense, cannot find it within it to support this measure. It is a contradiction, policy-wise, where the Democratic Labour Party is concerned. It introduces elements of taxation that are inhumane — and we are not speaking here in broad general terms — there are elements of this piece of legislation which genuinely impose a tax on a tax, impose a tax on expenses and impose a tax on losses. There is no standard at all in the world which can qualify such a system of taxation as being a proper system of taxation, and we oppose it on those specific grounds. More to the point, Sir, we have seen the Democratic Labour Party in action, we do not know what "temporary" means when the Democratic Labour Party uses the word, and we want to see this particular measure removed immediately, and if not immediately, as soon as is humanly possible.

I am obliged to you, Sir.
10.50 a.m.

Mr. R. L. MORRIS (Christ Church East Central): Mr. Speaker, there has been a lot of debate in this country on the surcharge. I think it is centred more on Government's fiscal policy in 1988 in relation to the policy of 1986. It seems to me that as we watched, developments in this country over the last two years in relation to the policy that was established in 1986, we have had the opportunity to look at the implementation of various measures, and as all good Governments will do, there is always the necessity to re-examine policies in terms of actual pragmatic situations as they develop.

I am aware that the question of taxation is always a very ticklish one, especially when one has to make contributions from one's income to Government, and therefore the surcharge has come in for that kind of difficulty. It is a matter that the Opposition can use in a very emotional way, because the populace will feel that they are being taxed, so it is the sort of thing that can be discussed outside of the context of what is really necessary for the country.

The whole question about the overall level of taxation in this country is a ticklish point. When the Democratic Labour Party says that we are an overtaxed country and we have to reduce that level of taxation overall, that is a policy position of the Administration which has, of course, to be implemented gradually. One has to look at the context of revenues as against expenditures. One cannot move into this kind of situation and remove taxation in a very abrupt manner, but one can at first try to change the incidence of taxation, in that what I think this Government has shown, and shown very dramatically, is that it can move taxation away from direct taxation on persons into indirect taxation. I think that anybody will agree that we have been extremely successful in doing that.

If you look at the levels of direct taxation as they compare, for instance, to Government revenues, personal income tax, for instance, in Barbados in 1983 accounted for about 21.4 per cent of Government revenues. In 1987, this accounted for some 7.1 per cent of Government revenues. That is a tremendous drop. On the other hand, we have seen a concomitant increase in indirect taxation as it relates to Government revenues. In 1983, indirect taxation accounted for some 46.8 per cent of Government revenues, and by 1987, it went to 61.4 per cent.

I think that is a radical change in terms of Government's taxation policy in a first effort to remove direct taxation on persons, corporations and businesses so as to give them the release from the pressures which they

suffered before. In doing that, of course what you have done is to distribute the burden more widely on the mass of people in the country.

I have heard the Shadow Minister of Finance speak on the distribution of indirect taxation on the mass of people as a burden on the workers of this country, but I think that when one discusses a matter like this, we have to look at the relative situation. It used to be the case in the 1930s and 1940s, when you shifted from direct taxation to indirect taxation, that the burden would fall on the masses when they paid for their goods and services. But let us understand that we are talking about 1988. The entire structure of the economy has changed. The whole structure of wage earners and salary earners has changed, so when you shift to indirect taxation, you are not necessarily burdening what can be considered the workers, and I believe that by talking of workers here, the Shadow Minister of Finance is usually talking about the people at the lower end of the income earning bracket. I do not think it is the same kind of imposition.

Basically, incomes and salaries have risen in Barbados because of the policies of the Barbados Workers Union — in fact, the trade unions — as well as the policies of progressive Governments. There has been a shift in distribution of incomes, so when indirect taxation is levied, I do not think it has the same burdensome element on the mass of the people of this country.

As I see it, what has happened, basically, is that the surcharge was introduced as a temporary measure to bring back direct taxation to a position that is more dependable, because we know the difficulties of collecting revenue through indirect taxation. You only have to look, for instance, at the statement we have showing net customs and excise receipts for the 12-month period ended 31st March, 1988, to realise that while one can introduce the legislation in relation to consumption taxes, *et cetera*, there is always the problem of collecting that revenue. When you have a surcharge, it is much easier to collect the revenue that is necessary, and I therefore see the surcharge as a measure that, for Government policy purposes, and for the implementation of policies, is for collecting that money that is necessary. It is easier controlled, I am not talking about whether it is a good measure or a bad measure. I think it is a measure that Government can consider reliable in terms of collecting the revenue that it considers to be important. Let us be very clear in Barbados when we are talking about fiscal policies as they relate to revenue.

The honourable Member for St. Thomas (Mr. D. A. C. Simmons) said on purpose that Government would collect more than was necessary to cover the fiscal deficit. I think he would accept that it was quite correct and in order to cover that deficit. There is no

question about that at all. If you do not cover the deficit, you do not go to the Japanese and ask for a loan. If you do not cover the deficit, you know that your international creditworthiness is in problems.

Let us assume that Government decides that it would collect more revenue than necessary, and let us assume that that purpose is to defray the cost of Public Service salaries. I do not know if he feels that that is a particular difficulty either from the point of view of administration and thinking ahead to do what is necessary, or in terms of the morality of the measure by saying, 'I am going to collect so much money, but not necessarily itemising what it is going to be collected for.' We know that Administrations, including the past Barbados Labour Party Administration, have from time to time come and collected far more revenue than appeared to be necessary at the particular time without necessarily telling this House or the country specific reasons as to why they were collecting that revenue, and I would say that if what is considered by the Opposition to be extra or excess revenue is being collected for the purpose of paying Public Service salaries, I think that is all in the national interest and for the good of the country.

The Government does not have a lot of discretion in terms of its expenditure, and anybody who looks at the statistics coming from our various economic departments of the Central Bank of Barbados - page 5 of the Economic Review June 1988, I have to use what is available to me — will see that they show that, in fact, what has been happening, is that a number of fixed expenditure areas have been growing. For instance, wages and salaries have been growing steadily as a portion of Government's current expenditure. I believe that the figures here account merely for the Civil Service sector of wages and salaries and does not really take into account things like the statutory corporations, but they show, for instance, that in 1985—86, wages and salaries accounted for 45.2 per cent of current expenditure; 1986-87, some 49 per cent; 1987-88, again 49 per cent. The other area that has been increasing dramatically is interest payments: 11 per cent in 1985-86, 13 per cent 1986-87, 14 per cent 1987-88.

These impose certain difficulties on a Government. In terms of wages and salaries, one has to recognise that the composition of public sector salaries is also changing, because where before you did not have the number of persons graduating from the University of the West Indies, to be absorbed into the public sector, you now have them in some numbers. That must lead, automatically, to an increase in the overall rate of Government's wages and salaries, because you are recruiting people now not at the clerical level, but there is a certain amount of recruitment at a level of persons who have degrees, so when you absorb these people in the public sector, since they are not easily absorbed in the private sector,

let us understand that very clearly - the graduates from the University of the West Indies do not walk into jobs in the private sector in this country, and it is expected that they will be absorbed in the public sector - it is going to increase the level of Government expenditure. ll.OOajn.

It will not be expected that you have done your Linguistics and will then go and sell some grapes in Swan Street, because our country would cry shame on that. We would expect that the Government would take that person at a secondary school or find some employment for them. But when you are taking in these people at graduate level, if a lot of your recruitment is going to be at graduate level, overall, because you have to multiply graduate salary by 12 months in a year by a number of graduates coming out, you are talking about a massive increase in Government's wages and salaries, and that is a component that must be taken care of.

I do not represent those persons who believe that because graduate students represent a cost to the public sector, we should cut down on our arrangements for people to go to university. I say that the more graduates we get from university, the better it is for our country. It is an investment. I just want to see more graduates coming out in areas like economics, marketing, finance, and engineering. I want us to follow the route of those countries which will pay for that education as an investment, because, in turn, although the public sector salaries would be going up, the returns to the country would be better, because we would be able to give better advice, and so on.

If Government is going to tax the country through a surcharge in order to pay salaries to public servants, I am for that. And if the Opposition is against it, I want them to say so very clearly in Parliament. I support the surcharge, if revenue from the surcharge will be used to pay increases in wages and salaries in the public sector. Let us understand that very clearly.

(*Aside:* Hon. H. deB. FORDE: And if it is not, you support the surcharge?)

Mr. R. L. MORRIS: And if it is not, then I will have to know what it is being used for. No problem! If it is going to pay the interest payments that the Barbados Labour Party landed on us, no problem either!

Aside.

Mr. R. L. MORRIS: Not if it is going to pay for the interest payments that you all landed on us, making us pay \$269 million last year in repayment for debt. We have not been as aggressive as we should be towards the Barbados Labour Party for their policies that landed us making debt payments now No. 2 in our expenditure

after education. After education, it is paying for debt, and I do not even want to go into the quality of debt — the road and the Central Bank building that you landed on the people of Barbados, which has not helped to increase the quality of life of the people on the whole. The Central Bank building has not increased the quality of life of Barbadians in any way at all, so do not let me go into that. If it is for that, I will support it too! If it is for transfer payments, I would support it too!

I hear the Opposition, and some people on this side of the Chamber, too, talking about Government expenditures. What expenditures? What control does Government have, basically, on most of their expenditures? Those who are talking about the increase in Government expenditures are the ones who really want to send out about 5 000 people from the public sector! Those are the ones! Do not let them hide behind words. If you are talking about control of expenditures in this country today, you are talking about rationalisation of the public sector employment. I challenge any one of you to say otherwise!

(*Aside:* Hon. E. E. GREAVES: Do not use pretty words like, "rationalisation". Say, send home people.)

Mr. O. S. ARTHUR: On a point of order, Sir: It is very important that Members do not mislead the House.

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

Mr. O. S. ARTHUR: On a point of order, Sir.

The word will go forward that the surcharge is being raised in part to pay interest on loans for the building of the Central Bank building. It was specifically said during the course of this debate

Mr. SPEAKER: That is no point of order.

Mr. O. S. ARTHUR: that the Barbados Labour Party borrowed money to build a Central Bank building....

Mr. SPEAKER: That is no point of order.

Mr. O. S. ARTHUR: I am making the point, Sir, that there is no part of Government's interest paid out of Government's central revenues that has to do with the payment of debt.

Mr. SPEAKER: I am not entertaining a second speech.

(*Aside:* He does not understand it, Sir.)

Mr. R. L. MORRIS: You came in from outside, so you did not really get the gist of what I was saying. But

your intention really was to stop me from speaking. No problem, I will pick up from where I was.

I was making the point, Sir before I was - and I think he knows the Rules of the House better than that, so I have to say he was deliberate - deliberately cut off by the Member for St. Peter, that those persons who are talking basically about cuts in expenditure at this time are talking really about job cuts. My friend, the Member for St. Peter, said in this House that it is very difficult to cut Government expenditures. He said, do not talk about paper and stationery, and so on, it would not really matter.

We also have to understand that Barbadians expect a certain level of goods and services in this country, and when you take the Administration of a country with a 24:3 victory, the level of expectation will rise. You do not get that level of expectation, and then you come saying you are cutting expenditures, because one of the reasons why the mass of the people voted against the Barbados Labour Party is that they were not delivering goods and services. The people expect that the goods and services which they want will be provided by Government and by the private sector, as far as possible.

I understand the policy position that we will have to cut wastage in the public sector as much as possible. That is something that will have to be a medium-term policy. You cannot do it overnight. But when you try to institute a new Ministry to deal with it, you hear that this is some sort of octopus Ministry, super Ministry, and the Minister gets all sorts of complaints and criticisms. It is because, basically, while the Barbados Labour Party knows that we are doing the right thing, they are using political points. They do not really believe any of what they are saying. And if they really believe it, it is because it is hurting them, which means it is doing well for the Democratic Labour Party.

I have no problem, Sir, in terms of Government's intention to raise revenue to provide goods and services, and part of those services are the payment of the workers, those 22 000 workers in the Public Service, without whom this country cannot move forward. If that is Government's intention, I do not see why the Opposition would feel that that is wrong policy. I have not heard them suggest another policy that could be used.

Aside.

Mr. R. L. MORRIS: That is not your job - I know you would say that. I challenge you to see how brilliant you are. You cannot really suggest another policy.

Mr. Speaker, I think that an objective analysis of where our country is at the present time shows that there

are some extremely good points in our economic development, and that there are areas that we have to watch very, very closely. The surcharge, as I said, tries to bring back some balance in terms of the collection of direct taxation, but I think that we, as a country, have to be looking very carefully at our whole area of trade. That is the area that certainly agitates my attention most. I believe that there is need for a national effort to make sure that our agencies which relate to trade are set in high gear, because I think that the chronic problems which we picked up from the last Administration still have to be answered. There will certainly be a transition period, during which we would have to try to get certain mechanisms in place, but in the area of trade, I think there is some work that we have to do.

Contrary to what others are saying from the Opposition desk, I have not heard any public outcry about the surcharge. Let them tell me where this public outcry has been. The people have been paying the surcharge.

Aside.

Mr. R. L. MORRIS: They have to pay it? There are a lot of things that you have to do that you will still protest about.

(Aside: On Gutterperk and on Tell It Like It is.)

Mr. R. L. MORRIS: BLP yardfowls are set up to do that. Let us understand that very clearly.

Tell me where the public outcry is about the surcharge. You see, it is easy to get away with these libels, because nobody will challenge you. You can get away with these libels with the masses of the people. But after the surcharge was introduced, the people in Barbados accepted it, because they are satisfied with what the Government is doing. They believe strongly that this Administration will take the particular steps, if necessary, at the particular time, to make sure that the country progresses and delivers the goods and services that are necessary for the welfare of the masses of the people of Barbados.

I thank you, Mr. Speaker.

Hon. M. A. KING (Christ Church West Central): Mr. Speaker, I really had no intention of speaking on this measure, but the Honourable Leader of the Opposition, in rehashing some of the issues in the Budget Speech, has raised a number of critical points in relation to this particular Bill. He charges that it creates a tax on tax, that it creates a tax on losses, and a tax on expenses. I understand that, in summary, these are the points which he makes. 11.10a.m.

Let me say at the outset, Mr. Speaker, that I am not one who favours taxation by way of levies. I have always said that. When I was in Opposition, I always made that point about taxation by levies, and I look forward to the day when we will move away from that form of taxation.

Let me also say that, I suppose like most of us, we do not like taxation by way of surcharge either. But we recognise the circumstances in which it is done, and we give it support in the context in which it was stated.

You will note, Mr. Speaker, that in respect of this Bill, this surcharge on income, the Prime Minister and Minister of Finance stated in his Budget Speech that he was proposing to use this measure for a period of one year. At the end of the Bill, Clause 16, it states very specifically:

"This Act shall be deemed to have come into operation on the 1st day of May, 1988 and subject to subsection (2), shall cease to have effect on the 31st day of March, 1989."

So right here and now we are institutionalising our promise, given statutory effect, to the commitment that this Bill cease to have effect from March 31, 1989, and will no longer be in effect after that date. That differs somewhat, Mr. Speaker, I believe, from statements in previous times. I believe you had said that the employment levy you introduced would have been temporary as well.

Mr. D. A. C. SIMMONS: On a point of order, Sir: It is not in the record. It was not the Barbados Labour Party we are talking about. We are talking about the former Minister of Finance, the honourable Member for St. Michael South Central (Dr. R. C. Haynes), in April, 1987.

Hon. M. A. KING: I am not dealing with what they are talking about. I am addressing the position from our own perspective.

Let us deal then with some of the specific points which the Honourable Leader of the Opposition has made. He said that the Bill enforces a tax on tax. I will just draw the attention of the House, Mr. Speaker, to the Employment Levy Act of 1978, which was passed by the Barbados Labour Party Administration, clause 10 of which is couched in this language:

"An amount paid by a company by way of an employment levy under this Act shall not be deducted in calculating the assessable income of such company for the purposes of this Act."

The whole point is you say that the employment levy shall not be deducted in calculating the assessable

income. Those are the words. It is refundable once you reached the goals, you say so. But what about those situations where, according to you, the goals are not reached? Then it is not deductible in calculating the assessable income of those companies, and those companies who do not reach the goals are probably the ones who would more need to have the benefit of the calculation.

The terms of the section about which the Honourable Leader of the Opposition has complained are drawn in exactly the same terms as the Employment Levy Act of 1978. The principle is the same.

Asides.

Hon. M. A. KING: You are saying levies are not deductible. That is the point which....

(Aside: Mr. D. A. C. SIMMONS: It used to be.)

Hon. M. A. KING: Not under the Employment Levy Act, and certainly the transport levy and the health levy were not deductible either. The transport levy and health levy were

Mr. D. A. C. SIMMONS: On a point of order, Sir: The Transport Levy, Health Levy, and I believe, the Training Levy were all deductible. In that column on your Income Tax where you have to show your NIS contributions, they were deductible. Deductible is different from refundable.

Asides.

Hon. M. A. KING: Mr. Speaker, the levies were not deductible in calculating assessable income. That is the statement which I have made. •

(Aside: Hon. B. M. TAITT: Sims knows that.)

Asides.

Hon. M. A. KING: No, no. We are dealing with assessable income. The levies are not deductible in calculating assessable income. That is the statement I made.

Asides.

Hon. M. A. KING: Why did you make the point then? You made the point you know. Mr. Speaker, I am only responding to a point made by the Opposition that the levies are

Mr. O. S. ARTHUR: On a point of elucidation. The point I made, and the point I wish the honourable Member to take, is that the amount of tax that one will

pay obviously depends on one's taxable income, which can be effected by the amount of allowances that you are given.

I have always said, that by removing the provision for the levies to be treated as a deduction, the provision of 1987 Budget put people in a different taxable income band, thereby causing them to pay additional income. That is the point I am making.

Hon. M. A. KING: I am responding to the charge which has been made by the Leader of the Opposition against this Government this morning, that this Bill imposes a tax on tax.

(*Aside:* Hon. H. deB. FORDE: And it does!)

Hon. M. A. KING: I am saying it does not because

(*Aside:* Hon. B. M. TAITT: Show them! Explain.)

Hon. M. A. KING: Mr. Speaker, when the honourable Member was spelling out the position, he was saying that by not allowing levies to be taken into account in arriving at assessable income

Asides.

Hon. M. A. KING: That is what you said.

Hon. H. deB. FORDE: On a point of order, Sir: The honourable Member was obviously not listening. The honourable Member for St. Peter spoke on the position of the levies. The honourable Member must understand that I said that the first \$15 000 was a special allowance. After that, one suffers income tax on the balance of income, and one suffers tax on that balance of income as well by way of surcharge. So it constitutes, in my opinion, a tax upon a tax. That is what I said. 11.20a.m.

Hon. M. A. KING: Mr. Speaker, let me go back to the argument I am making and just forget what they are saying. The point I am making is that the levies — transport levy, health levy, employment levy — were never taken into account in arriving at assessable income. Is that a correct statement or is it not? That is the point you were making.

Let us take the other charge which the honourable Member made, that the Surcharge on Incomes Bill before us now imposes a tax on losses. I believe I am right, Mr. Speaker, in saying that the losses to which reference is being made would not affect the average P.A.Y.E. taxpayer, unless he was involved in some other business. The point I am making is that the average Barbadian, the average wage earner — that is who I am talking about —

who is paying income tax is not going to be affected by this measure. The wage earner who is going to be affected is the wage earner who is going to be involved and engaged in business other than his principal wage-earning business.

Asides.

Mr. SPEAKER: I recognise that the honourable Member is having difficulty in continuing his speech on a smooth line. I am sure it is the interruptions. Satisfy the interruptions.

Hon. M. A. KING: Mr. Speaker, I have no difficulty with the members of the Opposition.

Asides.

Hon. M. A. KING: They are too confused to understand what I am saying, Sir, and they probably wilfully do not want to understand, because it knocks the wind out of the argument that they are trying to confuse the public of Barbados with.

The essential point I am concerned with, and which the majority of the taxpayers of Barbados will be concerned with, is that this does not affect the average wage earner in this country. What the measure is designed to do is, to some extent, prevent persons who are engaged in sideline businesses, those other than their principal wage-earning business, from being able to write off losses from their sideline businesses against their income earning operations in order to avoid taxation in that regard on their incomes. The average wage earner is not going to be affected by that charge.

Mr. D. A. C. SIMMONS: On a point of order, Sir, if he can just explain.

Hon. M. A. KING: I do not have to explain.

Mr. SPEAKER: I did not consider that a point of order.

Mr. D. A. C. SIMMONS: Is he saying that the agricultural losses of a small farmer in St. Thomas cannot be set off — that is what I want to know.

Hon. M. A. KING: Mr. Speaker, I have been in here too long to jump at foolishness like that.

Mr. SPEAKER: But it is not a point of order.

Hon. M. A. KING: Of course it is not. I will disregard that for what it is worth, a purely political point.

The third point the Honourable Leader of the Opposition made is that this Bill taxes expenses. Tell me

again, Mr. Speaker, who is going to be affected by that. The persons who are going to be affected by that measure are the high income earners in this community.

I can understand the Honourable Leader of the Opposition making a special plea in relation to the very high income earners in this country, because the levels of allowances which are being allowed by the Inland Revenue Department now in relation to travelling and entertainment are still reasonable allowances in that regard, and I believe that where it can be shown with justification that expenses in excess of that are allowable, that that may be so. But the point I am making is that the plea in this regard is a special interest plea by the Honourable Leader of the Opposition for the very high income earners in this community, that this will not affect the masses of people in this country who are paying income tax. So the concerns which the members of the Opposition are raising at this time in relation to this Bill are special interest concerns largely related to those who earn excessively high incomes, or who earn incomes on the side of regular business.

Thank you, Mr. Speaker.

Hon. L. E. SANDIFORD: Mr. Speaker, I just wish to reply briefly to this particular debate. I would like to thank the Member for St. Thomas (Mr. D. A. C. Simmons) for referring to our friendship down through the years. I have a particular view of friendship, and I have some lines from an adage which I quote from time to time as a favourite phrase of mine, but I will not quote it on this particular occasion.

At a personal level, I have no problems or quarrels with any Member of this House, and I could not, the way you preside in this Chamber, have them with anyone on either side of the House at a personal level. But sometimes, Sir, when we come to the discussion of public affairs, it has been said that memories tend to be short.

I would like to give an assurance to this Chamber, and to the people of Barbados, that this Government, the Democratic Labour Party Government, as its name implies, is a democratic organisation, and we believe in parliamentary democracy. That means that there must be a free flow of information both inside of the Chamber and outside of the Chamber. I do not know what strange kind of logic would urge the Member for St. Peter (Mr. O. S. Arthur) to try to tell me where I should make statements relating to matters of public concern. It depends on the circumstances, the timing and my own preferences. When he occupies this chair, if ever he does, he can choose the time and the place where he responds. But one thing is sure, if he or any other Member makes comments which are in need of clarification or criticism, I will choose the time and the place where those responses would be made.

The Member for St. Thomas, who spoke early in the debate, wanted to know if there was some kind of money being put aside to meet salaries revision. He said that this was not clear.

Mr. Speaker, I really do not know, if it is not clear, how I can make it more clear. I said quite clearly, when I presented the Financial Statement and Budgetary Proposals on April 28, 1988, that I had not taken into account in those measures the negotiations which were taking place. I did not wish to prejudge what the outcome of those would be, and therefore, I had made no provision for salary increases, and I said that when the outcome of those negotiations became known, I would return to this Honourable Chamber with such measures as may be necessary. 11.30a.m.

You see, Mr. Speaker, they daily mistake my word. I said it quite openly. If you want to come with another argument, come with another argument. But you are accusing me of not making it clear, and I am pointing out again that I made the position and the premises on which the Financial Statement and Budgetary Proposals were predicated quite clear.

If all of the confusion about the money that was raised has laid some foundation that more money than was necessary was raised, that is their judgment. As Minister of Finance I have to make the judgment, and I assessed the situation and determined the level of taxation that had to be imposed to get the economy of this country on a firm foundation, given the prevailing circumstances.

I make statements, Mr. Speaker, from time to time, and I seek to make responsible statements on all occasions. If I assess the economy of this country and I determine that if certain trends in the public finances persist, the economy would head for the rocks, then that is it as I see it. And I would say honestly that if certain trends persisted in the economy without correction, the economy obviously would be headed for the rocks, just as the economies in a number of countries have been heading for the rocks. Some have taken corrective action, others have not taken corrective action.

In this particular instance, there was a yawning gap between Government revenue and Government expenditure, the deficit, and I sought to correct that particular deficit by taking step which would bring in the necessary revenue, and I said we would seek to control the expenditure, that is as far as the public finances are concerned, and I said, and I meant, and I have no problem in any repetition of it, that if that situation were allowed to continue, we would have ended up in a serious situation in this country, not only in relation to our internal position, but also the impact that would have on our foreign and external position.

For the first time in the debate on public finances in this country, there has been some talk about the total amount of taxes raised, rather than the net position as far as gains and losses to the Treasury would be concerned. All along, we have always, in discussing the fiscal position, looked at the amount of revenues to be earned, the amount that would be paid out and the balance or the net position. But suddenly I hear all talk about over \$100 million being raised, and that is overtaxation.

The fact is that revenue position was based on the following estimates of revenue. The revenue gains were \$110.6 million, according to the Estimates, made up of consumption taxes, some \$71 million; consumption tax on petroleum products, \$12 million; tax on aviation fuel, \$0.6 million; surcharge on personal incomes, \$15 million; surcharges on corporate profits, \$10 million; and changes in the method of dealing with carrying forward losses, \$2 million, adding up to \$110.6 million. We also estimated revenue losses of \$55 million; removal of stamp duty on CARICOM imports amounting to \$20 million of that figure, and removal of stamp duty on extra-regional raw material and packaging materials, \$35 million. Therefore, when we take the revenue gains and the revenue losses, there was a net revenue gain of \$55.6 million, some \$48 million or so earmarked for closing the deficit and \$10 million towards the capital development programme of this country.

There is \$55.6 million as revenue gains, and I am hearing all kinds of talk about cynicism about politicians, as though this is something that has just started. Politicians, from the very beginning, if you go back to the original pollsters, have always been suspect. It is the one profession in which those who hold public office are always under scrutiny and suspicion. You are under suspicion in St. Peter, you in St. Thomas, and the Leader of the Opposition in Christ Church West and St. John, and inside the party itself.

We talk about cynicism. This is an occupational hazard of those of us who are in political life, because once you assume the mantle of political leadership at the constituency level or at the governmental level, people say all manner of things about you, and they harbour all kinds of dark suspicions about you. If you wish to fan that and to suggest that the Prime Minister and Minister of Finance has now brought on, because that would be the innuendo in the statement, some special dimension to the cynicism in politics in this country, and seek to besmirch the efforts that people are genuinely making in this country to get the economy on a sound footing, and also to ensure that the people of this country can maintain the standard of living and consolidate the gains that we have made down through the years, I think we are certainly heading for the rocks as far as public discussion of public affairs are concerned.

Then he said that memories are short. I heard all kinds of statements this morning during this debate about the draconian measures introducing the surcharge. Draconian, lack of principle and other pejorative and condemnatory words and phrases have been used. "Obnoxious" was the favourite word of the Leader of the Opposition. I heard the honourable Member for St. Thomas refer to the honourable Member for St. Peter as an economist practising in the area of public finances in this country. I know he has worked in the Ministry of Finance. 11.40 a.m.

(Aside: He occupied a seat.)

Hon. L. E. SANDIFORD: No, no. He was a conscientious public officer.

Laughter.

(Aside: Hon. P. M. GREAVES: Whatever was done then was done by him.)

Hon. L. E. SANDIFORD: I am not sure when he left the Ministry of Finance. I did not remember to research that particular point. Was it 1984, or 1985?

Asides.

Hon. L. E. SANDIFORD: Mr. Speaker, I believe the Member for St. Peter was in the Ministry of Finance in 1982. Nobody wishes to remember those dark years. If you hear the kinds of statements emanating from Opposition sources, you would believe that when they held the reins of Government in this country, all was smooth and plain sailing, and now you have a Government that is not aware, and is unacquainted with the mechanics of public finances in this country. You know what I am coming with.

Asides.

Hon. L. E. SANDIFORD: I have not said half of the things which I can say. I am a very controlled person. But when I hear words like, "obnoxious", "lack of principle" and the other terms directed particularly at myself as Minister of Finance, and the Government of this country, I have to respond to them.

Where is the "lack of principle?" Where is the "obnoxious" element? I never heard the Leader of the Opposition, never heard the Member for St. Thomas, and never, above all, heard the Member for St. Peter refer to the surcharge that was imposed on corporation tax in this country in 1982 in the Financial Statement and

Budgetary Proposals by the Minister of Finance of the day of the Barbados Labour Party Government. They introduced a surcharge on corporation tax in this country. At that time, I never heard not one word — not one word! — about being "obnoxious" or "lack of principle." So where are we going in public debate in this country?

Aside.

Hon. L. E. SANDIFORD: The party over there introduced a surcharge on corporation tax, and never was a word said about being "obnoxious".

Aside.

Hon. L. E. SANDIFORD: I do not think the Leader of the Opposition was in the Cabinet at that particular time.

(*Aside:* Hon. P. M. GREAVES: Where was he then?)

Hon. L. E. SANDIFORD: He was on the back bench.

(*Aside:* Hon. P. M. GREAVES: He was free to criticise then.)

Hon. L. E. SANDIFORD: Sir, I am referring to the debate of Wednesday, March 31, 1982, the Financial Statement and Budgetary Proposals presented by the Rt. Hon. J. M. G. M. Adams.

Asides.

Mr. SPEAKER: Order, please.

Hon. L. E. SANDIFORD: It is page 1352, and I am quoting under the section which carries the caption, "Corporation Tax". This is what the Minister of Finance said on that occasion:

"There will be no increase in Corporation Tax proper, but I propose a temporary surcharge, in the first instance for income year 1982, of a 3 per cent tax on profits over and above the 45 per cent ordinary rate. The tax will be removed as soon as circumstances permit."

Asides.

Hon. L. E. SANDIFORD: Now the Member for St. Peter wants to get up! He does not know what temporary means. He was one of the officials in the Ministry of Finance at that time, and I believe that he was one of the architects

(*Aside:* Shame, shame!)

Hon. L. E. SANDIFORD: He made a contribution to the work of this particular matter.

Asides. Mr. SPEAKER:

Order, please.

Hon. L. E. SANDIFORD: They are talking about integrity. They are talking about public affairs. This is what we have to understand about public affairs in this country. And that is why we have to question, when the statements are being made, what is the motivation for that statement.

Corporation Tax at 45 per cent and a three per cent surcharge imposed on that, "a temporary". And in here he gets up and says he does not know what "temporary" means!

Aside.

Hon. L. E. SANDIFORD: He knows what temporary means. He does not know what a surcharge is!

Asides.

Hon. L. E. SANDIFORD: The word has been brought into the language of the country.

(*Aside:* Poetry.)

Hon. L. E. SANDIFORD: He said poetry? I do not mind claiming to be a poet. I was with the Member for St. Thomas in China, and he knows that I can compose a poem.

Asides.

Hon. L. E. SANDIFORD: Maybe not a calypso, but I can compose a poem.

(*Aside:* And read it!)

Hon. L. E. SANDIFORD: Yes, and read it. That is right.

Laughter.

Hon. L. E. SANDIFORD: Sir, we have to understand this. They do not know what temporary means. I said quite clearly that the measure, the surcharge, would come to an end on March 31, 1989. I said quite clearly when it was imposed from May 1, I believe, that it goes to the end of the current financial year. He still does not know what temporary means. I said that if we had to deal with that particular matter, I would have to come back to this Honourable Chamber with specific proposals in that particular regard. I said so!

Asides.

Hon. L. E. SANDIFORD: There is no hiding behind any words or anything like that. I come out quite openly and say what the position is, and, for me, what temporary meant. He did not know what temporary meant when it was introduced in 1982.

Asides.

Hon. L. E. SANDIFORD: In order to enhance the very status, position and power of Parliament, particularly the House of Assembly, I have started a trend whereby these particular provisions have to be renewed year by year so that Parliament itself, the House of Assembly, as the place in which the people of the country have their say, where the representatives sit, will judge that particular matter. I said that quite clearly.

So we have the position that they introduced a temporary thing.

Asides.

Hon. L. E. SANDIFORD: So temporary meant two years! You knew when it was removed!

Laughter.

Hon. L. E. SANDIFORD: Temporary meant two years. I was waiting for you to come up with the date!

Asides.

Hon. L. E. SANDIFORD: You knew about it, but still get up in here and say you do not know what temporary means.

Laughter.

Asides.

Mr. SPEAKER: Order, please.

Mr. D. A. C. SIMMONS: On a point of order, Mr. Speaker.

Mr. SPEAKER: I need to resume order in this place. What point of order have you risen on? What rule are you quoting? 11.50a.m.

Mr. D. A. C. SIMMONS: The Prime Minister.....

Mr. SPEAKER: That is not a rule in the book.

Mr. D. A. C. SIMMONS: Page 1352 or 1392, Sir.

Mr. SPEAKER: What rule are you quoting?

Mr. D. A. C. SIMMONS: Did he go on to say.....

Mr. SPEAKER: What rule has he broken?

Certain remarks made at this stage by the honourable Member for St. Thomas (Mr. D. A. C. Simmons) were ordered to be expunged from the Record by Mr. SPEAKER.

Hon. L. E. SANDIFORD: Mr. Speaker, I believe that I have made the points that I wish to make. The proposals as far as the surcharge are concerned have been clearly spelled out, and I do not think there is anything more that I need to add to this particular measure. But do not mistake my control for lack of appreciation of the nuances of debate, or of the content of measures that have been passed in this House, certainly from the time that I have been in here and beyond. I believe, Sir, that the points raised have been cleared up and have found to be without foundation.

The question that the Bill be read a second time was put and resolved in the affirmative, the House dividing as follows:

Ayes: Hon. P. M. GREAVES, Hon. L. E. SANDIFORD, Hon. M. A. KING, Hon. E. E. GREAVES, Hon. W. O. FRANKLIN, Hon. N. K. SIMMONS, Hon. W. W. HALL, Hon. C. V. WALKER, Mr. C. A. NEBLETT, Mr. L. L. BRATHWAITE, Mr. C. L. TROTMAN, Hon. B. M. TAITT, Mr. R. L. MORRIS and Mr. D. J. H. THOMPSON - 14.

Noes: Hon. H. deB. FORDE, Mr. D. A. C. SIMMONS and Mr. O. S. ARTHUR - 3.

On the motion of Hon. P. M. ORE A VES, seconded by Hon. E. E. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 - 3 inclusive were called and passed.

Clause 4 was called.

Hon. L. E. SANDIFORD: Mr. Chairman, I beg to move that Clause 4 stand part.

Mr. D. A. C. SIMMONS: Mr. Chairman, Sir, in relation to clause 4 on page 2 of the Bill, sub-clause 4 at the bottom dealing with the calculation, the Honourable Prime Minister has not dealt with the Opposition's specific query about that. The Attorney-General did purport to deal with subsection 4, but he has not answered one query of the Opposition, expressed, by way of example, as to whether a small

farmer with a couple of acres, in whatever agricultural field, who makes losses will now be disentitled from setting off those losses against this liability to tax. Nothing the Attorney-General has said convinces the Opposition that there is still not a tax on a loss under this said clause, and that it will not bear harshly on those taxpayers who have sideline businesses, if I can use the language of the Attorney-General, in which they make losses, and to that extent, we are still satisfied that this is obnoxious.

What is confusing the members of the Government when we refer to losses is that it has traditionally been assumed that people who claim the benefit of losses in their tax planning are the big companies and so on who carry forward losses. The Prime Minister dealt with that and that sort of person in the Budget, when I think he reduced the period from seven years. But as worded, we still believe that sub-clause 4 will operate against the little man who is a taxpayer but has a sideline business. 12.00 noon.

The second point I want to make about Clause 4 is that even though in 1982 a surcharge was imposed, it was imposed on the corporate sector, as the Prime Minister read from the debate. It was never imposed on individual human beings. This section says in subsection (2) "The surcharge payable by an individual shall be calculated on his income for the period 1st May, 1988 to 31st March, 1989....." In sub-clause (3) it says "The surcharge payable by a company shall be calculated on its taxable income.."

I now understand the two divergences of policy. I did not understand it before, because I did not remember that there was a surcharge introduced in 1982. Now that it has been pointed out, it was on companies, and it was by way of an increased imposition of three per cent on the 45 per cent rate of corporation tax. What we have been saying all along, and I think the Members on the other side will recall that in this whole debate today no mention was made of it, is that no stress was laid on the aspect of corporation tax.

Mr. CHAIRMAN: If I may interrupt the honourable Member, you will agree with me that at this stage we should really be dealing with the technical aspects of the Bill and not with the general principles. I have allowed the latitude.

Mr. D. A. C. SIMMONS: I am not going to take advantage of your latitude at all, Sir. I just wanted to make that point, because it came up *ex improvisé* after we had spoken.

Hon. B. M. TAITT (St. Michael West): I would just like to make this point in relation to what the honourable Member has just said, because talking about the interpre-

tation of the clause, I really did not understand the point that was being made.

If a small farmer has a farm, and at the end of his day he has bought and sold ackees, and he has a loss of ** income — in other words, he spent more cultivating the ackees than he received - a surcharge cannot be put on that aspect of his operations, because- that is a loss.,

As you know, there are a number of people who work in professions, in various other things, and they own race horses, for example, and they use the race horses as a methodology for incurring losses. So I understand this is for dealing with their total income.

If you have race horses, that is income, that is agriculture. I am trying to explain the point. Therefore, when the surcharge is being dealt with on his other income, the losses incurred in agriculture cannot be taken into account. That is what this means. That is all that it *
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could mean. That is all it is intended to mean.

In other words, in my income tax returns if I have a farm and the farm is losing money, the losses in that farm apply to the income I get from a Government office, and it is deductible. What they are saying is that whatever it is I get here cannot take account of those • ^ losses for surcharge purposes. That is all. I think the honourable Member understands that now.

Hon. H. deB. FORDE: When you are construing section 4, you have to do so in the context of the definition of income defined in section 2 of this Bill before Parliament. Income has been defined as income from all sources, and therefore if you are dealing with whatever ** activity the particular taxpayer is carrying on, whether that taxpayer carries on the activity solely as a baker a lawyer, a doctor, whatever you like, what you are saying is that if he is carrying on activities that generate income for the purposes of taxation under the Surcharge Act, all of his income activities are involved.

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The honourable Member knows that under the existing Income Tax Act, you are entitled to aggregate your income, and therefore you can also take into account in aggregating your income your losses, and any other income. That is so.

Aside.

Hon. H. deB. FORDE: The honourable Member must know that at all levels of Barbadian society, there are persons who carry on more than one activity in earning income. You may get somebody in the Civil Service, for instance, who also has a four or five acre plot of land which he is cultivating, as has happened, because you have encouraged the four acre lots at Sanford and - ***

elsewhere. He may be carrying Black Belly sheep, he may be cultivating flowers or whatever, but he may suffer a loss, and what you are saying is that you cannot take this into account in relation to his net income activities, although he may well be using his Pay As You Earn income to finance the operation on which he has suffered a loss in the interest not only of himself, but of economic activity in the country. You are saying under subsection (4) that those losses cannot be taken into account for the purposes of the surcharge. The point I am making is that normally what happens is you allow losses to be taken into account for tax purposes, particularly if you define income in the manner you have done under section 2.

The honourable Member for Christ Church West Central, the Attorney-General, got up and talked all round the issue and said the point is not valid and it only applies to a certain category of person. That is his defence on this point. It is not a defence at all, because the level of activity is not restricted to people that are in the 50 per cent income tax bracket, the level of activity applies to all sorts of persons. The honourable Member knows that there is a lot of private initiative that you will find at other levels, because particularly those persons are trying to improve themselves, and this is the whole point we are making. 12.10p.m.

Hon. B. M. TAITT: Sir, the honourable Member just said something which, if you are not keen, will mislead. The definition of income in this is no different from the definition in the Income Tax Act. Anyone listening to him would believe that there is a new and different definition of income. It says, if you pardon me reading it, Sir, income means income from all sources calculated in accordance with the Income Tax Act, so there is no magic about how it is defined here. It is defined here in exactly the same way it is defined there.

What the Minister has done is taken a deliberate position. He is saying that the house I have, which I lose money on every year, will not be taken into account when they take off the seven per cent from my salary, full stop. It is a simple matter. All of us on the front bench will pay the seven per cent on whatever the salary is, so we can calculate until tomorrow morning — at the end of the day if we get \$80 000 a year or whatever it is, seven per cent is coming off.

The little income that does not get reported will not have seven per cent coming off that, so if you know anybody who does not report income, he would not have to worry about the seven per cent. It is the income earners, the ones who get salaries, who are going to pay the seven per cent. It is not a magical thing. Everybody knows, nobody likes it, but it is there.

This business, therefore, of the surcharge has to be defined exactly how it is defined. We are saying for one year that in order to do whatever, the exercise of the prerogative of the Minister of Finance, who is raising revenue, is 'I want seven per cent surcharge on this.' Why are we trying to make a mountain out of this mole-hill?

On the interpretation, I think the honourable Member for St. Thomas is now, or ought to be, satisfied that what he thought was a problem is not a problem. In any event, the Commissioner of Inland Revenue is going to interpret this most generously in his own favour. The Income Tax Commissioner has never been wrong about these matters.

The revenue is going to benefit the country, and we are going to pay the little seven per cent surcharge and be grateful that it ends in 1989, unlike under the Barbados Labour Party, when it went on beyond a year.

Hon. L. E. SANDIFORD: Mr. Chairman, I do not know if we need to go on on this. I think the Leader of the Opposition is quite right — income, as he defines it, is the definition of income from all sources. The losses to which he made reference are taken care of under the ordinary income tax provisions.

For this particular regime of the surcharge, there is a special allowance of \$15 000, \$15 000 is given in lieu of whatever it is. Whether you are a small farmer or a big farmer, we are saying that the first \$15 000, for the purpose of the surcharge, is not taken into account. That is the answer to this particular point.

You are given \$15 000 as a special allowance, and this is in the same clause 4(6), which reads, "No surcharge is payable under this Act by an individual whose annual income in an income year does not exceed \$15000." You total your emoluments, then the special allowance of \$15 000 is deducted, and it is then that the rates, either five per cent or seven per cent, become applicable.

The question that clause 4 stand part, was put and resolved in the affirmative without division.

Clauses 5-12 inclusive were called and passed.

Clause 13 was called.

Hon. L. E. SANDIFORD: Mr. Chairman, I beg to move that Clause 13 stand part.

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

Hon. H. deB. FORDE: Mr. Chairman, the Prime Minister, in replying in the second reading speech, made

the point that a surcharge was introduced on companies in the Budget of 1982. That measure was implemented by the Income Tax (Amendment) Act, 1983-21. The categories of exemptions were wider than the categories of exemptions under section 13 of this Act. The categories of exemptions, for instance, included companies engaged in agricultural business, and that was by subsection (d) of 1983-21. I am suggesting, therefore, that there is a case here for widening the categories of exemption under this Act.

If you look at the nature of the exemptions given then, you will see they included an approved lender within the meaning of the Mortgage Insurance Act, to stimulate the building industry, agricultural business, certain companies that had been granted fiscal incentives under the Fiscal Incentives Act, and certain other non-resident companies that derived income that was subject to tax under the then section 46(14)(a) and section 46A of the Income Tax Act. Those exemptions were all with a view to stimulating certain sectors of the economy, and at the same time looking at those sectors that were earning very valuable foreign exchange. I suggest that, in these circumstances, the Government should look at this section and the category of exemptions that ought to be exempted, including exporters. This does not look at that, it lays it willy-nilly across the board.

The 'question that clause 13 stand part was put and resolved in the affirmative without division. 12.20 pjn.

Clauses 14-16 were called and passed.

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

On separate motions of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, the Bill was read a third time and was passed.

INCOME TAX (AMENDMENT) ACT, 1988

Order No. 2 was called — To move the second reading of a Bill to amend the Income Tax Act, Cap. 73.

Hon. L. E. SANDIFORD (St. Michael South): Mr. Speaker, this is another measure to give effect to the proposals made in the Financial Statement and Budgetary Proposals, and, again, the intent of this Bill that is before us is firmly within the framework of those proposals.

The Bill seeks to amend Cap. 73 in relation to the Tourism Development Fund. It seeks to amend Section

23 of Cap. 73 in respect of losses brought forward. It seeks to repeal certain sections and to introduce replacements, also in Cap. 73, as they relate to co-operative societies in order to provide benefits for savers under that particular regime. It seeks to implement the provisions in respect of maintenance, repairs and improvements of houses. Those basically, Sir, are the provisions of this particular measure.

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

Hon. E. E. GREAVES: I beg to second that, Sir.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, I am sure that the Minister of Finance will again argue the case that financial stringency requires him to make some of the changes that are being contemplated by this legislation. My regret, Sir, is that during the course of the last two years, when I was at pains to point out to Government that its fiscal policy of 1986, supported by the Prime Minister, was leading the economy to the rocks, I was hailed as a prophet of doom and gloom in this country. But I have lived long enough to hear the Minister of Finance and the Prime Minister of Barbados come to this House of Assembly and say that if he did not take corrective measures, the economy would be heading to the rocks.

Perhaps, Mr. Speaker, that is why sometimes I speak in the manner in which I speak in this House. Because it is wonderful for the other side to criticise me for things that might have been done by a previous Prime Minister...

Laughter.

Mr. O. S. ARTHUR: and you can do that, if it pleases you, but you will never see any record that will say that Arthur ever recommended a surcharge on corporations. If you want to criticise me for that, you are free to do that. I, Sir, stand on what I say and what I do. And that is exactly what I want you to criticise me on — my utterances.

I make the point that I have lived now to hear a Prime Minister of this country say that the economy was headed for the rocks. And what we are here discussing, and what we were discussing in the Budget Debates, are precisely a set of measures, Sir, to try to rescue the economy from the position in which the Democratic Labour Party said it could never find itself as a result of its measures of May, 1986.

I made a simple statement today, which I would like to repeat, that what I find sad about the whole thing is that the Democratic Labour Party wants to have the benefit of behaving now as if its measures were to generous

in the first instance, but they are not men enough to come out and say that directly. You would hear, therefore, Sir, guarded talk about how the economy was heading for the rocks, but not one would come out and say, be man enough to say, that the measures were too generous in the first instance. Because, if you would remember, Sir, the essential difference between ourselves and them on tax relief was not whether there should be tax relief or not, but whether it could have been afforded. So do not mind the Prime Minister coming now to play to the ranks and lift the spirit of his troops, Sir, by the method of his comments on the statements that I made, particularly in relation to the surcharge. What he has to deal with is the fact that he has been put to the necessity now of having to institute measures which he would have opposed in 1982. That is what he must think about.

I would have covered this piece of legislation that the House is now dealing with in the Budget Debate, but I would like to touch on it again. The part of this legislation which I would find most objectionable is that part which introduces an element, in my view, of financial severity on those persons who would have recorded losses recently, are now catching their feet, but now find themselves in a position where they are not now entitled to a tax concession that was in existence when they made the initial investment decision. That is my concern, Sir, which I was specific to address in my Budget Debate.

The provision that we are going to reduce the amount of loss that a person can use in reducing his tax liability does not affect the companies in Barbados which make profits. And to all intents and purposes, the large companies in Barbados have been making profits, even during the recessions. These are not the people in Barbados who will be affected by this particular provision.

The Members on the other side can get up and say that it was my party which was responsible for other companies making losses, and they will say that. The reality of the Barbadian situation is that there have been companies which have made losses in the recent past. But their shield and safety net was that if they made a loss in the initial stages of their operation, as most companies, irregardless as to which Government is in power, they stood to benefit from the ability to write off against their future profits the full amount of the losses incurred. We are now taking away that from people in Barbados who really benefit from it, who really need that particular concession. 12.30p.m.

What I am really putting to the Government is that the amount of money involved is not large from the point of view of the national economy. It is, I think, \$2 • million. The amount of revenue that is supposed to be

gained by the reduction in the number of years as well as the reduction in the amount that one can use to reduce one's tax levy is \$2 million. I am therefore to suppose that perhaps half of that \$1 million is the amount that can be attributed to the reduction in the amount that one can use to reduce one's tax levy. It is not large in national terms, but to the individual entrepreneur it can make all the difference. We are now an economy in which the Government is spending almost a billion dollars. I am putting to the Government that, having regard to what we know about the Barbadian business community and who will carry the brunt of this particular measure, it is something that the Government can do without.

The Government does not like, obviously, to hear this point, but people take decisions within the context of an existing set of perimeters. A man makes an investment knowing that, for most businesses, you might experience hard times to begin with, but he was in a position when he took that decision that if you made a loss, he could carry it forward and reduce the tax liability by the full amount of the loss.

We are changing the rules of the game in midstream. It is not going to hurt the big companies in this country, it is going to predominantly hurt the smaller people in Barbados, and to my mind, the gains to the national Treasury do not outweigh the severity that this particular measure can impose upon a particular class of Barbadian enterprise, and for that reason, Mr. Speaker, I would have the gravest difficulty in supporting that part of this particular legislation as intended.

Hon. E. E. GREAVES (St. Lucy): Mr. Speaker, I rise not to respond to the point made by the honourable Member for St. Peter (Mr. O. S. Arthur), except to say that it is heartening to hear him admit that there are companies which had been recording losses and could possibly be now finding their feet, to use his words, and may very well be affected by this. One would have thought, listening to the Opposition, that all the companies in Barbados were going under.

My intervention has to do with the aspect of this legislation which has to do with co-operative societies and the provisions which are made in this amendment to the Income Tax Act to give further stimulus to the growth and development of the co-operative societies in Barbados. You will recall, Sir, that this measure — members of credit unions being able to have their contributions up to \$3 600 deducted as an allowance — only apply to contributions to credit unions. Our view has always been that this should have wider application, that it should apply to co-operative societies in its widest sense, and this point was taken by the Government, and provision was therefore made in the Budget, and now we are seeking to get legislative approval for this, that a member contributing to a co-operative society could have the deductions made.

It is my view, Sir, that in the same way the credit - union movement has grown — and one of the stimuli that led to that growth was the provision for deductions for contributions — this will be seen in the future when this provision is extended to co-operative societies in their widest application, because these various societies are really starving for finance and for the kind of developmental encouragement which the credit unions have had. I speak of consumer co-operatives, transport co-ops, farmers co-ops, fishing co-ops, retail co-ops, you name it. The whole area is now open for the kind of stimulative growth that the credit union sector has had. Indeed, I think it would provide an additional incentive for persons whose major interest at the moment is in the area of credit unions and have money invested in credit unions, to have some of those funds, even from the point of view of credit, going into this particular area. This has to be seen as a most fundamental contribution towards the development of the co-operative movement in this country.

There are some other proposals which will be coming in the course of time. When the time comes, hopefully not in the not too distant future, we will be making the announcements in them. I am satisfied that this particular measure is one which has been well thought out, and which will give the kind of stimulus to the propulsion of the co-operative movement, in its widest sense, into a dynamic economic force in this society, because I am satisfied that the opportunity exists in this country for that kind of growth and development.

Mr. D. A. C. SIMMONS (St. Thomas): I hope, Sir, that next year this time I do not have to begin a speech on one of these Budget measures as I intend to begin now. When the former Minister of Finance, the Member for St. Michael South Central (Dr. R. C. Haynes), brought his package, I remember warning then that there would have been great difficulty occasioned to the Income *Tax authorities in determining what is a legitimate claim for repairs or improvements, and you could end up with a lot of litigation over just those two words. I was brushed aside! Dire foolishness! Do not mind you!

Just as we hear about the losses today, next year we will hear something else. But I am glad that the words of the Opposition have been taken to heart. No doubt the reality of the situation within the past year has made it clear that there was the difficulty in interpretation that we warned of, and the Prime Minister has had the good sense to tell us about it in the Budget and now to implement it. So whether you pay for repaks, maintenance or improvements, you are limited to a percentage.

It is important that Members on that side recognise the times when we are making strictly political points, when we are making a little fun, and the times when we are serious and warning the Government in a serious way to look at submissions from this side. I am glad that the Prime Minister and Minister of Finance has responded in this way by paying attention to what we said last year, and what, obviously, the Inland Revenue Department has told him has been a problem in the determination as to whether claims were legitimately made for improvements, repairs or maintenance. 12.40 p.m.

Sir, on the general principle of the BUI, this is one of those measures that has come out of the Budget, a Budget that was necessarily harsh, because there was a kind of inability on the Government's part to control expenditure at the same time as the Government's finances were suffering — I am not dealing with the economy, I am dealing with Government's finances — a kind of haemorrhage from a lack of revenue. But all that was predicted. The country did not listen and the DIP as a Government did not listen, and I found it a little bit strange today to hear the honourable Member for Christ Church East Central (Mr. R. L. Morris), even though some of what he said two weeks ago was characterised as the ultimate in amoral idiocy, to repeat today that there was a problem with the implementation of the fiscal package.

The first order of business in the DLP manifesto never hinted that the whole package could not be introduced all at once as one package for a full income year. When the commentators for the DLP were writing, — again the Prime Minister has listened to my call in the Budget in asking him to send them home — when two of those chairmen were writing every other day in the paper prior to the 1986 elections in support of the fiscal package, not one of them warned about the methodology of implementing the fiscal package. It was the first order of business.

This Member for St. Peter, when he had a chance on July 22, I think it was, of 1986, told the whole country and the then Minister of Finance that he was stepping too fast and that the consequences for the Government's finances, the balance of payments and the foreign reserves were such that they could be in jeopardy. A well-known supporter of the Government in the Other Place also characterised the package as too much too soon. But all of those who were warning the Government at the time were dismissed as fools, did not know what they are saying, prophets of doom and gloom, and so on. When they were not accusing the honourable Member for St. Peter of telling lies on them and saying he was a Rasta, they were saying that he mashed up the economy of Jamaica.

Aside.

Mr. D. A. C. SIMMONS: Cammie Tudor said that in the 1984 by-election. Tom, what? Are you telling lies on dead people now?

Certain remarks made at this stage by the honourable Member for St. Thomas (Mr. D. A. C. Simmons), were ordered by Mr. SPEAKER to be expunged from the Record.

Mr. SPEAKER: The honourable Member should try to refrain from getting into so many personalities, as has been coming out.

Hon. B. M. TAITT: Sir, on a point of order: I do not wish to interrupt the honourable Member, but I think the honourable Member is inadvertently misleading the House. The Rastafari is a serious movement, and I do not think we should be making jokes about it. When the honourable Member suggests that it was pejorative to call another honourable Member a Rasta, I think he is casting the wrong aspersion across the board. If the honourable Member's religion was mistaken, then he can say so, but he cannot just use this term to apply it across the board to all the people who follow this particular persuasion, as though there is something wrong about it. I do not accept that, Sir.

Mr. SPEAKER: I certainly would not accept that it is part of the Resolution, and I would prefer it not to be taken into this debate.

Mr. D. A. C. SIMMONS: I am grateful for the sanctimonious intervention by the Honourable Minister of Health, because when he was down at Ashton Hall making fun at the honourable Member for St. Peter talking about him as a Rasta, he was not thinking as he is today. He was not using it as a term of endearment, but in a pejorative sense, Sir.

Mr. SPEAKER: That has nothing also to do with the debate.

Mr. D. A. C. SIMMONS: I do not want to go on with that angle.

Mr. SPEAKER: I prefer you not to.

Mr. D. A. C. SIMMONS: All I was submitting to the House is that when serious points were being made about the difficulties that could face Barbados from the implementation of the fiscal measures of the DLP all as one package, all kinds of abuse was heaped on those who were careful to warn the country of the possibilities of doing that. But now, only today, we are hearing Members seeking to find cover in an allegation that it was the method of implementation.

The Government has not come face to face with the public yet and said, 'You know the truth about all of this? Our policies in 1986 really have not worked as we anticipated that they would have worked. They have caused a great drain on the public finances. We could not send home people, so we had to maintain levels of employment, but we were not receiving sufficient revenues to keep the level of expenditure at an acceptable level, so we have seen the error of our ways.' They could never do it, they will never have the courage to do that, so we have to say it for them.

Aside.

12.50p.m.

Mr. D. A. C. SIMMONS: I never said so. Didn't you hear what I said just now? Do you mean you want to send home people? Sir, you know that is the last thing I would do.

The Honourable Minister of Labour presided over the sending home of two van drivers from the cave on tl. Sunday before Kadooment, the senior driver and the other man Joshua. For what? Not a reason! Go and get him and let him come and deny it. They are members of the Barbados Workers Union, and somebody called Mr. Richards is representing them. Their dues have been paid, they were taken out of their money, but they have not reached the Barbados Workers Union yet. It has been going on for years.

Asides.

Mr. D. A. C. SIMMONS: Never, Sir! Not true, Sir! I do not know anything about dues from the National Housing Corporation. What I know about, as I have said in here relating to housing already, is that where Government departments were asked to deduct monies to be paid to the Housing Corporation by way of rent, very often they were dilatory in getting the monies transferred.

In relation to the cave, when they take out the man's money, it should be paid to the BWU. Anyhow, Sir, do not let us deal with that. I am not involved in it, Sir. It has been referred to me, but I am not working for anybody.

Asides.

Mr. D. A. C. SIMMONS: Why don't you come in 'court and let me get at you? Put in an affidavit and let me get at you!

Mr. SPEAKER: Is the honourable Member addressing the Chair?

Mr. D. A. C. SIMMONS: Somebody over there is talking about accounts, Sir.

Mr. SPEAKER: I do not see how it appears on the Order Paper.

Mr. D. A. C. SIMMONS: I do not know. Ask them not to talk about that.

Hon. B. M. TAITT: On a point of order: The honourable Member knows that in this Chamber, when we are addressing the Chair, there is a certain method and manner. I, and I am sure honourable Members, do not like how he is addressing the Chair when he says 'don't do this,' 'tell them'. I am sure he does not mean it that way.

Mr. D. A. C. SIMMONS: I said, 'tell them'. I am not apologising for the way I have expressed myself.

Mr. SPEAKER: The Chair is capable of interpreting when you are out of step.

Mr. D. A. C. SIMMONS: Thank you, Sir.

Mr. Speaker, we support the proposal in clause 6 about the co-operatives concerning the Tourism Investment Fund, because these are worthy in themselves, apart from their being extensions of what the Barbados Labour Party had started, the whole business of the expansion of the credit union movement and co-operatives. Everybody knows that we started as the Barbados Labour Party Government to make sure that those organisations thrived.

I wonder if the Prime Minister has any information about the level of contributions that the Tourism Investment Corporation can expect to get this year from the private sector. I do not believe, according to a Press report last week, or a couple of weeks ago, that all the companies are refusing to contribute. I believe that the companies have pledged to continue their contributions.

I want to make a point, Sir, which arises in a tangential way from the Budget. The Prime Minister did have something to say about the Turf Club in his Budgetary Proposals, and I do not think we were able to develop any argument at all during the whole Budget Debate on the business of the Turf Club, and I want to make a point in relation to the Tourism Development Fund.

I wrote a development plan for the Turf Club, either in December last year or January this year, as part of a group of members of the Turf Club who were not satisfied with the way the club was functioning, and one of the things that.....

Asides.

Mr. D. A. C. SIMMONS: There was a group of concerned people in racing who were not happy with the way that the Turf Club was operating, and we formed a little splinter group to start the committee into action.

One of the things we did was to come up with a development plan, because right now the future of racing in Barbados is threatened. I do not know if next year this time there will be racing, because they are operating on a very narrow perspective, and letters have gone out to members from the committee asking them to come up with ideas to save racing. The President, Senator Phillips, has sent a letter under his hand.

It is a serious situation, and racing cannot be allowed to collapse, because there are several consequences for employment in the country, and I am not talking about small employment — I am talking about 3 000 people directly and indirectly employed. The Government is not closing down the Turf Club. I am not suggesting that. I am looking at how the Government can Help to make sure that those jobs are preserved.

Let me just mention an idea, Sir. I have said, and I repeat, that when, you look at the management of the Turf Club, it is all voluntary. Nobody gets any money out of being a committee member. There are one or two paid employees, but the management of the Turf Club is all part-time people, who in their own full-time businesses have been very successful businessmen, whose businesses over the last 30 years have changed. I came into racing in 1952, and I have been familiar with the Turf Club ever since then, and the one business that has not changed in the over 30 years I have been going to racing is the Turf Club, physically and in terms of its management. And you think that there are people — I do not want to call names — who run successful businesses in Barbados comprising the management of that club and nothing has changed. The old stands that you see there have been there from before I was going. The lavatories and so on are still in a terrible state. Whatever you talk about — nothing has changed. 1.00 p.m.

(Aside: They painted the jockey room.)

Mr. D. A. C. SIMMONS: They painted the jockey room, that is right. But that is a small building. They did something to the jockey room and they built a stewards room a few years ago. Those are pure, minor, cosmetic developments.

The Turf Club attracts tourists to the Garrison. *
Barbados got a lot of mileage from the promotion of the Cockspur Race in Canada. I believe the Minister of Tourism had a copy of the tape that was specially done. He promised to let me see it, but he has not let me see it yet. There were a number of benefits that the country got as a result of the Cockspur Race. It has been written up in the *Pacemaker Magazine*, which is sent all over the *• world, and Barbados gets good publicity.

The Turf Club has a problem with its finances because of the take which Government currently gets, the tax take on betting, and so on. I know that Government will find it very hard to ease the tax burden, because the Government would be penalising itself. The Government needs money also, and I do not want to be unreasonable to Government. Government got a good part of tax when *Let's Go To the Races* was a novelty and it was doing well. It is not any longer doing well, and the level of revenue that Government can get, therefore, from *Let's Go To The Races* dropped, and it is affecting the club's finances.

I think that in order to get people to come to racing on a regular basis, one of the first things that has to be done is a total redevelopment of the facilities at the Garrison, if Government is going to permit racing to continue at the Garrison.

Aside.

Mr. D. A. C. SIMMONS: Yes, the Honourable Member for St. Michael North East (Mr. L. L. Brathwaite) is a racing fan, too, a hard one.

If Government is going to allow racing to continue at the Garrison for, let us say, seven, ten years, we have to perhaps block off the road at the top of Bush Hill and cut down one or two of those trees and build a new stand, right from where the present one is going back to Bush Hill, that gives comfortable, congenial and commodious accommodation to racing fans. People would be happy to leave home on a Saturday afternoon and go and watch racing if they were going to accommodation that was reasonable. The honourable Member for St. Lucy (Hon. E. E. Greaves) has been there on Cockspur Day, and he knows that there is a lot of fun and a lot of* excitement and so on, but it is cramped, and you can hardly see. Even if you go up by the committee members, you cannot see.

Aside.

Mr. D. A. C. SIMMONS: Yes, he went one time.

You need proper accommodation. Tourists would be happy to come to a track where there was a proper stand, with adequate facilities, catering this, that and the other at not very substantial costs.

I wonder if it is possible for Government to contribute towards the development of racing at the Turf Club by earmarking over a period of years, an amount of money from this Tourism Development Fund, or whatever the companies are contributing to.

Aside.

Mr. D. A. C. SIMMONS: The Tourism Development Corporation?

I am saying that racing is an ancillary sport to tourism, and if the companies in Bridgetown are contributing, let us say, \$3 million towards the promotion and development of tourism, and that is going to the Tourism Development Corporation, I believe.....

Aside.

Mr. D. A. C. SIMMONS: And Government has no say in that?

Aside.

Mr. D. A. C. SIMMONS: Oh? Well, I am completely misled.

Hon. L. E. SANDIFORD: There are some concessions that have been given to the private sector if they make contributions towards this Tourism Investment Fund, which is a privately managed fund. I believe the Government has an observer or someone on it. It would be for that body to determine what happens. It is not the Tourism Investment Corporation. That is a statutory body, and they are two different things.

I am not a Turfite in the same way that the Member for St. Thomas is, but I listen. I go and park my car in my constituency, and I would go somewhere up by the Caribbean Examinations Council, in that general area, and watch the proceedings from time to time. I am not like the Member for St. Michael West Central (Hon. W. W. Hall) either.

I listen carefully, and I did say in my Financial Statement and Budgetary Proposals that we would give, as a Government, assistance to the Turf Club under the existing legislation. We are still of that view. I know that my Ministry is in contact with officials of the Turf Club in that particular context. We were awaiting some firm proposals. I do not know if it came out of the development plan. I have never had the benefit of that development plan to see what it is. I would be willing to welcome a copy of it to examine it.

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Mr. D. A. C. SIMMONS: Sir, I am grateful for the Prime Minister's intervention and clarification.

This Government then does not have any direct, say with the management and operation of this private fund.

Aside.

Mr. D. A. C. SIMMONS: Sorry. It does not control it. You have an observer or somebody.

I wonder if Government can use its moral suasion to get across to this private sector body that funds used for tourist promotion do not necessarily all have to be spent on overseas promotion trying to get people to come to Barbados, but could be used in a long-term way — part of them, I am not saying all — I would say some \$60 000 a year for the next three, four years - towards a capital development fund for the Turf Club. In other words, allocate a part each year and say that it will go towards the Turf Club to help them redevelop the structures there and make them more pleasing, and so on.

I do not want to be misquoted. Having had the clarification from the Prime Minister, what I am now saying is that from the private fund into which monies are placed by companies for tourist promotion, part of those funds should be used towards a capital development programme for racing in order to help to rehabilitate and re-establish the Turf Club and cause it to expand. Because there are tremendous benefits that the country is getting, as I indicated earlier, by way of exposure, publicity and promotion through races like the Cockspur Race and the other international events that we have from time to time.

I am much obliged.

Hon. H. deB. FORDE: Mr. Speaker, Sir, before you put

Mr. SPEAKER: The honourable

Aside.

Mr. SPEAKER: I saw the honourable Member for Christ Church East Central

Mr. R. L. MORRIS: Mr. Speaker, the provision whereby corporation taxes were reduced in this country led to a situation in which private businesses were able to record good profits in the last two years. There is a publication, *Performances*, put out recently by an extremely reputable company, Arthur Young. The information given by Arthur Young about the performance of a number of these companies is very useful to illustrate the success of our measures of 1986. I have heard allusion to the performance in terms of profits by

members of the Opposition from time to time. Barbados Shipping and Trading for instance had profits before tax, of an additional \$6 million in net income in 1987 over 1986, an increase of some 41 per cent. Cave Shepherd had approximately an increase of \$1.2 million, this is again in addition to the profits that they made the year before, an increase of some 24 per cent. Goddard Enterprises Limited an increase of \$1 million -over the 1986 level of profits, an increase of some 11 per cent. You can go through the various areas; whether it is general trading, manufacturing and production, or the public utilities, all of the companies have done extremely well. 1.10 p.m.

Our policy was to stimulate profits in this country, with the intention that the profits would be used for investment purposes and for the stimulation of employment in this country. I am one who believes strongly that time must be taken for these things to be done. The figures are now coming out crystal clear that these companies have been making good profits, and if you look at another area of the same report, you will see that the profits have been going out in forms of dividends. The rate of return on dividends, and so on, has been extremely good in this country.

I do not believe that jobs are created overnight. But I believe that when jobs are to be created, the country has to get the impression that the various procedures necessary are being put in place. I am happy that some private enterprises have been indicating very clearly that they intend to invest in our country so as to provide jobs. But I believe that we need a very clear indication from the private sector that they intend to continue following this particular line.

I, for one, as a citizen of this country, am not happy to hear the private sector talking of waiting and seeing. They have received the benefits of the policy. They will continue to receive the benefits, because those matters that have been put in place have not been changed to the effect that they will not continue to make profits. I am talking perhaps of the level of profits they will make. Once the volume of trading in this country, the volume of economic activity, continues as it is, they will continue to make heavy profits. So I really do not like to believe that a group of private sector persons would be dealing with the Government of this country and the people of this country in a kind of threatening way — let us see how we will behave, depending on what your public policy is, in that kind of way, I find that objectionable.

I believe that the policy of the Democratic Labour Party in terms of employment generation for the last two years has been a very successful policy, partly because of some of the investments, for instance, in the tourism investment sector. I believe that the numbers of jobs created and the fact that the total labour force employed now has gone over the 100 000 mark is another indication. I believe that we have been able to hold the level of unemployment fairly steady since we came into office.

What bothers me particularly, Mr. Speaker, is the report which I found on my desk today. It is a report on the Registration Office of the Supreme Court Registry for 1986, and I refer to Table 5 on page 12. The unemployment problem has always been a cause of bother to me, and I just want to go through this report, because what it seems to indicate to me is a very serious thing. I want to go into certain areas as it relates to employment, investment, and so on.

Mr. Speaker, there are figures which indicate that from 1965 - 1976, the decrease in the population as a result of migration was 417 persons. From 1976 - 1979, for some reason or other, the figures were no longer reported. There was an increase by migration in this country of 24 228 people. I want to look at what that implies in this country. From the time the Barbados Labour Party came into office, according to these figures, in 1977 there were arrivals of 419 346 persons and departures of 410 107 persons, a net increase of 9 239 persons. In 1978, there were arrivals of 468 770 persons and a departure of 462 652 persons, a net increase of 6 118 persons. In 1979, the arrivals were 551 042 persons, the departures were 542 169, a net increase of 8 873. If you total these three years, 24 228 people remained in Barbados. For some reason or other, there are no figures for departures between 1980 and 1983. The figures go up to 1979, two years before an election in this country. I am just calling on the present Administration, Mr. Speaker, to analyse what happened that net migration increases in this country were of that magnitude between 1977 and 1979. I would like an analysis of where the ones that remained came from, because it is my point that they were here for two fundamental purposes. One was political, these are some of the persons who came in here to vote, and secondly, if you look at the swell in the unemployment figures after that time, you will understand why there was such a big problem in terms of unemployment in this country.

Asides.

Mr. R. L. MORRIS: You deal with these figures. You can challenge the figures if you want to. These are the figures that are coming from a reputable source. Twenty-four thousand persons remained in the space of just about three years under your Administration, a net increase by migration, but in the long period from 1965 to when we left office, there was a decrease of 417. I consider this to be

very, very serious, because we are now faced with an unemployment problem, and I always maintained that it was part of the policy of the Barbados Labour Party, and it was not just directly economic policy. It was a policy that they brought in for some devious reason.

Each one of us in our constituencies knows the amount of non-Barbadians we have to contend with in terms of finding employment for them. Let me make it very clear. I am not against the people of the Caribbean. I am a strong Caribbean person, a regionalist and even a federalist, but I believe that a lot of the problems created here in Barbados in terms of employment was by an indiscriminate policy by the Barbados Labour Party to bring too many people here to this country. Look at this increase, 24 000 people in three years, according to these statistics! Do not talk about the 4 000 school leavers who are coming out every year! When you allow this kind of migration figures to build up on you, it leads to very serious problems in terms of creating jobs.

Aside.

Mr. R. L. MORRIS: You can do a comparative study, but you do not want to compare them with after 1976 at all. You can add them if you want to. In 1976, there was a plus of 1 173, in 1977 it was 9 239; in 1978, 6 118; in 1979, 8 873; and after that they are not reported any more. I am asking the relevant authority to get the information and report it to the country. We need to know how many people are coming in here, and at what levels, when we have a problem of unemployment to deal with in this particular country, because the impression that must be given very forcibly for the people out there is that part of the heavy unemployment we are faced with is because of the policies of the Barbados Labour Party in taking in too many people in this country at a time when the locals could not get jobs. It was not in an attempt to help other people in the Caribbean, it was to bring them in as flying voters. That is why you see this increase here just coming up to the 1981 elections, a very devious policy on their part. While we are struggling in an attempt to reduce unemployment, it is against this kind of background that there were hurts inflicted on this community by the Barbados Labour Party through their immigration policies.

Thank you, Mr. Speaker.

Hon. W. W. HALL: Mr. Speaker, I did not intend to get involved in the debate, but since

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that the sitting be suspended until 2.25 p.m. today.

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

The question that the sitting be suspended until 2.25 p.m. was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 1.25p.m.

ON RESUMPTION Mr.

SPEAKER: The sitting is resumed.

GOVERNMENT BUSINESS (RESUMED)

INCOME TAX (AMENDMENT) ACT,
1988 (Cont'd)

Hon. W. W. HALL (St. Michael West Central): Mr. Speaker, I really had no intention of getting involved in the debate, but since the BTIC was mentioned, and the tourist industry, and also racing, I thought it best that I should, for a few minutes, help to keep Members up to debate with the latest information.

First of all, I think we must recognise that racing is not really the sport of kings, but it is in Barbados an industry employing some 1 200 people. I dare say that if racing died today, by extension some 1 200 people would be out of jobs, and, therefore, we have to look at it very carefully.

I also feel that to understand what the situation is, one has to look at it historically. By coincidence, today we have an article in the *Nation* newspaper saying that racing is just plodding on and giving reasons why right now it is in a very serious financial state. One has to remember that the Barbados Turf Club was formed in 1905, but it was not a members' club, it was formed by a group of interested people, and 15 of them formed the committee and ran the club.

I had my first stint at racing as a very young boy, somewhere in the early 1940s, and I can remember horses like Buccaneer, Examiner and Television. That goes back to 1943-44, so when I speak about racing, I must declare an interest. I am not like those people in Barbados who have only come into racing in the last ten years and know everything about it.

Racing went into a very serious slump in 1965, so much so that the Turf Club was declared bankrupt, and it was only due to the initiative of the late Prime Minister, Mr. Errol Walton Barrow, that the Turf Club was saved. This is not the first time they have been in trouble. In 1965, the Democratic Labour Party wrote off \$300 000 in taxes, and the only condition was that the Turf Club should become a members' club. They became a members' club in 1965 with 60 members. I must say, Sir, I have no particular quarrel with them now, because I know the quota is now 150 and any Barbadian can become a member, regardless of his

colour, class or creed. He only has to be a person of good character.

The problem the Member for St. Thomas (Mr. D. A. C. Simmons) alluded to, the physical accommodation, is perhaps the problem that you cannot have more members. That is what I feel, because if you look at it up there, they are more or less thickly packed, and I do not believe that they have the accommodation.

I will probably talk about his suggestions later on, Sir, but I have no real quarrel at this stage. I had a quarrel when * I was a little boy astride of the rails and looking up there, knowing fully well that I could not become a member. I do not really see that as a problem now, because we have looked at it very seriously since then.

We have three main areas, Sir, and I would say that taxation policies in 1984 crippled the industry. There is no doubt in my mind about that. In 1984, the taxation policies ** crippled the industry, so much so that the Barbados Turf Club at that time had gross sales of about \$4 million and was paying \$1.5 million in taxes. Today, with gross sales of about \$1.2 million, they are paying about \$900 000 in taxes. So from those figures alone you can see. Many people who had good jobs selling the *Let's Go to the Races* tickets are virtually unemployed now, and that was purely a case of ^ taxation policies. Even the ex-member of the Senate and the foremost race horse owner in Barbados has said that in the report, that the taxation policy of 1984 virtually killed it off. 2.30 p.m.

The other thing, Sir, is the obsolete equipment. One only has to go to the Garrison on race days to find out that even to get an ordinary pari mutuel ticket you have ** problems. Instead of having a winning place and a forecast situation, you need to encourage people to come to races where they can go and get their tickets easily and also have interesting encounters. In other words, Sir, in racing nowadays the most important thing is for people to pay a little and win a lot. That is why Vernons Pools are so successful, because the average poor man can put \$2.00 and ^ win a lot. It is no point, putting \$10 on Bentom, because you will only get back your \$10. If he falls and breaks his leg, you will lose your money, and even if he wins, you are not getting any more.

What I am saying, Sir, is that you need to have things like a prospectus in which you are more or less forecasting ,# the first, second and third places. You need to have interesting things like doubles, whereby you can go from one race into another. You need to have a series of races whereby you can forecast the winners of all six races in a day. Unless you do that, you will never capture the imagination of the average punter, and certainly, Sir, you will never capture the attention of the tourists who come here and are accustomed in their homeland to a better deal. ** That is a fact.

The third problem is the management problem. This is more or less occasioned by the fact that because they do not have the capital, they cannot employ top-class personnel. That should be simple. Since my great friend, the late Radcliffe Hewitt, died last year, the Barbados Turf Club has not had a secretary. Since Mrs. Briggs left ten years ago, the Barbados Turf Club has not had a track and paddock manager. Indeed, if they had one is of little consequence. I am talking about good people, people who had a lot of expertise. If you have not got a secretary and you have not got a track and paddock manager, it is obvious that you will have problems.

Those are the three main areas, taxation which crippled them in 1984, obsolete equipment, and now management problems, because they do not have the money to employ the people with great knowledge.

As regards physical accommodation, it is amazing what great money you have to pay just for the pleasure, or supposed pleasure, of going to the races. For the last ten years, I have rented a box - I have to call it a box, it rather resembles a cow shed - at the Garrison, for the princely sum of \$1 000 a year. It is because of these problems that you find that the Turf Club has found itself in a lot of trouble. They really do need about \$4 million to get themselves off the ground. The article is correct.

I think the honourable Member for St. Thomas alluded to the Tourism Development Corporation. As you know, Sir, in 1986 when the Democratic Labour Party reduced the corporation tax, the businessmen in Bridgetown decided that they would pay a percentage of their profits to the development of the tourist industry. We have no control over how they spend the money. It is true to say that in their small committee we have a representative of the Tourist Board, and, indeed, a representative of the Ministry, but we cannot tell them how to spend the money. They spend the money if they are approached, with a marketing thrust programme in the United States of America or indeed in Europe. They have even given money to things like bringing golfing personalities to Barbados, but we, the Government, have no control over that. I think the Prime Minister alluded to that. So to say that we can get them to give some money to racing is not on at all, because we cannot tell them what to do.

Sir, the prize money for racing this year is a mere \$1.2 million. Since you have 320 horses in training and it costs you on an average of \$10 000 to keep a horse for a year in Barbados, it goes without saying that the horse owners in Barbados have to more or less put up some \$3.2 million to keep racing going, and as they are getting back \$1.2 million, they are actually subsidising the industry to the tune of \$2 million per year. That is the problem. So unless you have a cohesive force going in the Turf Club, unless those successful businessmen, to whom the honourable

Member for St. Thomas referred, get together, you will find that they will always be in a bit of a problem.

Right now the house is divided, and because the house is divided, it cannot stand. It is not on rock, it is built on sand, and therefore they have to get themselves together and stop being split down the middle, so that they can come together with a comprehensive plan to Government. They cannot expect to come to Government when they are split and torn down the middle fighting against each other. They cannot expect Government to take them very seriously.

Of course, I know the Prime Minister is going to take them rather seriously. He said so in his Budget. He did not elaborate, but he need not have done so, because he needs some more information. The Prime Minister has not claimed to be an expert in racing. When he needs advice on racing, he will come to me who is no neophyte, I can assure you.

I feel, Sir, that what we need to do is to sit down with them and let them put their case to us, and let us see exactly what we can do, because, as I said before, there are some 1 200 people in Barbados getting their living from racing. Can you imagine that as of now we have not had one race day in Barbados since the end of March? It is now four months since jockeys, grooms and trainers have made a living, and this sort of thing must stop. We must look at it very seriously so that these people can make a living like anybody else.

Because of these problems, it is not really an easy matter for us to think that Government can just give money like that. We have to sit down and discuss it with them and find out exactly where they are going. It is true that some of the most successful businessmen in Barbados are on the committee at the Garrison, and one wonders if they are so successful in Bridgetown why it is that, as they move two miles south to the Garrison, nothing happens. It is all in disarray. They need to come with a comprehensive plan to the Government and let the Prime Minister and Minister of Finance look at it very seriously, and any help which the Government can give which will mean that 1 200 people will retain their jobs, I am sure the Prime Minister will look at.

There are also some people at the Garrison who are living in Eiffel towers, who are big, successful businessmen, but do not put a cent to own a pigeon, far less a race horse. We must understand that they have to put their money where their mouths are if they are going to look at the development of racing.

One other thing, Sir, racing in the Caribbean at a regional level is a very good thing. We have been able to go to Trinidad, which has now opened up its classics. For many years, Trinidadians could come here as they liked and run in all our classics, but because of the monotonous

regularity with which Barbadians, in the Forties, Fifties and indeed the Sixties, plundered the Trinidadians, they banned us. They have rescinded that now.

I am saying, Sir, that, regionally, the racing industry has taken a good turn, it has taken a turn for the better, because we are now able to go to Trinidad, we are able to go to Jamaica, and they are able to come to us on a year-round basis, and that speaks volumes for racing in the Caribbean. This is something that never really happened, and it would be a good thing if we would look very seriously at the situation at the Turf Club and encourage them to put their own house in order, so that when they come to Government, they will come as a united force and we can seriously look at the perils they are in and systematically tackle the task of getting racing on its feet again. 2.40 p.m.

It is not a one way street. It is not a case of the Turf Club coming to the Government with their arms in the air and saying, 'Help us.' They must sit down and also decide that they are also going to do what they should do. And if they do that, Sir, I think that the Government would have very little difficulty in looking at the plight of racing in Barbados and indeed, by extension, the Caribbean.

Thank you, Sir.

Hon. H. deB. FORDE (Christ Church West): Mr. Speaker, I will try not to repeat the arguments of honourable Members who have spoken on this side. As has been stated, there are some provisions of this Bill which, obviously, we will not vote for. I will name the sections so that there can be no misunderstanding of the Opposition's position, if the House is not divided on the second reading. Section 3 is one such section, and it deals with the fact that in calculating assessable income, any amount paid as a surcharge is not deductible.

The next section that we find again unacceptable is section 5, that is the one which deals with losses. Formerly, it was possible to write off losses over a period of seven years. The loss period is being reduced to five. And formerly you could write off the whole of your accumulated losses. Now under the new sub-section 3, only 50 per cent of those losses can be written off.

The honourable Member for St. Peter (Mr. O. S. Arthur) has made it clear what is the effect flowing from such a reversal of policy in relation to loss position of companies, some of whom, of course, would not necessarily, as the honourable Member for, I think St. Lucy (Hon. E. E. Greaves), or Christ Church East Central (Mr. R. L. Morris), feels, be companies that have failed. They would also be companies that had been setting up have an initial period of themselves being properly established, in the initial years, they do not generate enough profit to be

taxable, and they carry forward their losses and are able to recoup those losses over a period of time. That was an acceptable manner of dealing with losses in the Income Tax Act. I believe ever since the Act was brought into Barbados, was passed in Parliament back in 1920s, I believe it was, that has been the provision followed in the Act. For the first time, the degree of losses, the percentage of losses which can be written off is now being changed.

We find it difficult as well, Sir, to accept the full implications of the new section 37, which is section 6 of this Act. The honourable Member for St. Thomas (Mr. D. A. C. Simmons) has spoken about the improvement of that section, to the extent that that section clarifies that repairs and improvements carried out to a house are now deductible, although not the whole extent of them. I am going to come back to that point.

There are a number of cases where we have had to argue with the Income Tax Commissioner as to whether a particular change made to a dwelling house constitutes an improvement or a repair, and sometimes the line has varied in the cases with the judges. The Income Tax Commissioner would bring you one particular case and say, this looks on the facts to be nearer to what we are saying, and you will bring one and say, this looks to be nearer. In fact, the line sometimes really depends on who is trying the particular case.

Obviously, what this section seeks to do is to allow you, whether it is an improvement or a repair to a window or a new window, whatever it is, to permit you to deduct expenditure on it. However, within the gloved fist, there is another ball to be bowled - the Minister of Finance has retained to himself the right to prescribe the amount that is deductible.

I say that that is a reverse of the Democratic Labour Party's policy. I think that when the Minister spoke in debate earlier this year, he went through to find out what were the reversals. That is one of them, Sir. On page 4 of the DLP manifesto, it was made quite clear that, "The full cost of house repairs in any year will be allowed as a deductible expense." The Government has obviously decided that some people have used the provision, and therefore they are unhappy about it, and they are reversing themselves in the policy.

The Government is learning. It is learning gradually, Sir.

Aside.

Hon. H. deB. FORDE: There is a lot of experience on both sides of the House.

(Aside: Hon. B. M. TAITT: Hear, Hear!)

Hon. H. deB. FORDE: I hope you will never shut your mind to learning, and never be too big, if you have to learn something new and it is to the advantage, to do it. When I say you are learning, you are learning.

I make that point to come on to the honourable Member for Christ Church East Central (Mr. R. L. Morris). I was amazed to hear him get in here now and say that the private sector has not really pulled its weight as he would have expected it to pull its weight.

Mr. R. L. MORRIS: On a point of order, Mr. Speaker: That is a misrepresentation of what I said. I never stated in here that the private sector has not pulled its weight.

Hon. H. deB. FORDE: The honourable Member has stated on several occasions that I have heard him, ...

Laughter.

Hon. H. deB. FORDE:..... both in here and outside of here, that he does not believe that the private sector has pulled its weight to create jobs within the time frame they have made all of the concessions to it. I am not surprised. If the honourable Member had been listening in the 1986 debate in this House

You want another point of order, take another one.

Mr. R. L. MORRIS: Just to clarify, Sir. None of us has control over reports in the Press, and correcting whatever we see in the Press every time is a tedious exercise, even if they would make the corrections.

I have always made the point that the private sector has the responsibility of creating jobs, especially because of the concessions that have been made to it. I have also made the point that it is a matter that takes some time, and I have always quoted the amount of income that has been returned to them, and I have asked them to use their responsibility and social conscience to use that for investment purposes, clearly talking in terms of the medium term and the long term.

However, it is reported, that is the kind of point that I have been making. I will continue to make that point in here or outside. I think the Honourable Leader of the Opposition is quoting what he thought he saw and what he read in the newspaper. I just wanted to clarify for him what my position has been.

Hon. H. deB. FORDE: I listened to the honourable Member's clarification. He has been most careful not to deny that he is not satisfied at the rate at which they have created jobs. Once again, we say you will learn. The honourable Member only needs to read what we have said - it is in the debates of this House - in 1986, and on several other occasions. And the reason we said at that time that

one had to be careful when you brought measures was because of the sensitivity of the area as to how much revenue you had and retained in your hands in order for the public sector to give the lead. The former honourable Member for Christ Church East Central, Mr. Bernard St. John, was very positive and definite on this point. He was then the Minister of Finance. But a lot of people took a turn in what he was saying for short-term political reasons, without understanding the statesmanship that inspired his statements, actions, and policies. Therefore, Sir, they will learn. They will learn. 2.50 p.m.

I want to come, finally, to the honourable Member using the occasion of this Resolution to bring in some statistics from the most recent report of the Registrar on the Registration Office, and to argue from these statistics that part of the problem in Barbados is that the Government now has to cater to an influx of people and to provide jobs for them, and that this influx came in between the years 1977, I think he said, and 1979, and he went on to argue and to attribute to the Barbados Labour Party the motive of bringing people into Barbados for the purpose of voting in the 1981 elections.

Sir, the honourable Member started by saying that between the years 1965 and 1976 there was a net decrease. What the honourable Member must state, as I remember, is that elections were held in September 1976. The honourable Member must realise that in 1973, using these figures - not that I accept that these figures reflect net migration, but I am going to use them for his purpose - there were 2 995 net; in 1974, 3 822; 1975, 1 005; and 1976, 1 173. Those figures come to about 8 895 persons. On his logic, we should get up and argue that 8 895 people were brought into Barbados in order to influence the elections of September 1976. If that is the honourable Member's conclusion, we will have to argue this, because they were in power, in charge of the immigration, and in charge of the elections, and we would have had an absolute non-argument. I am surprised that a person of the intellectual ability, skill and capability of the honourable Member really resorts to an argument of this nature at this time, when I believe the honourable Member knows better.

Mr. R. L. MORRIS: Mr. Speaker, my primary point was that the increase in population was due to an excess of arrivals over departures, and it established that between 1977 and 1979 - I cannot speak to after 1979, because the figures do not exist here - the increase was over 24 000. I speculated as to whether they were brought in for political purposes or not. I call on the Leader of the Opposition to account for the fact that, according to these figures, 24 000 more persons came in than left in that particular period.

I will admit that even 8 000 came in while the Democratic Labour Party was the Government. The fact they did not come in for the same purposes might be

reflected in the fact that we did not win the elections in 1976.

They came in. That was natural. They did not come in as a plan, but they learnt from the fact that you could bring them in in order to develop a plan afterwards.

Thank you, Sir.

Hon. H. deB. FORDE: I do not mind how many occasions the honourable Member gets up on points of order to try to make a speech, Sir, about learning. We learnt from somebody's actions to do something else that they were seeking to do, and did successfully. That really is the argument he is making.

I want to be serious about these figures, though, Sir, because the honourable Member cannot be serious about a figure that shows an arrival of 567.5 thousand. He would have expected to get accurate figures of arrivals.

(*Aside:* Mr. R. L. MORRIS: Mr. Speaker, that has to be 567 500. It is not .5 of a person.)

Hon. H. deB. FORDE: The honourable Member obviously is not in a position to say what it is. Everytime he is going to get up, he is going to prove the point I want to say about these statistics. Because the first thing is that the honourable Member must find out the source of the statistics and, secondly, the manner in which these statistics are kept. The honourable Member must also find out the date on which the figure is cut off.

Barbados is a tourist country and it is obvious that these figures have in a certain number of tourists coming in and going out of Barbados.

(*Aside:* It does not matter.)

Hon. H. deB. FORDE: It matters, because the honourable Member will have to show me where in * the statistics there is any pointing to who is the true immigrant or migrant into Barbados. The honourable Member cannot say that. To merely take arrivals and departures at any end of the year and cut off and say that those who are left are all immigrants, is not a way of finding on a demographic basis, according to all of the demographic principles that I understand who is the true immigrant into a particular country. The honourable Member must know that, because he has done statistics as part of his courses at the university.

I am going to go on the statistics and give him the argument. In 1974, the census-adjusted population showed that Barbados had 251 272, the very year that there is a net increase shown under Migration Increase of 3 882. In 1975, the census-adjusted figure remained at 258 813, the very year that there is 1 005 migration. In 1976, the population is 258 131, the very year there is 1 173 increase. In 1977, not

an election year, there is 269 737, showing a migration increase of 9 239. But the next year, in 1978, there is an overall population of 252 644, a drop of over 17 000 shown, with a migration increase of 6 180.

Asides.

Hon. H. deB. FORDE: It does not matter. The statistics are produced by the same Statistical Department and the same method that is being used now was used then. And if the honourable Member was arguing fairly, he would not make those comments. ^

This morning the Prime Minister talked about integrity, fairness, and all of those things, not that we expect fairness from the other side. According to the other side, the Barbados Labour Party has never existed, never did anything right, did everything wrong in this country. It has no history. Nobody ever achieved anything. That is their view. Objective analysts know differently, and know ** the tremendous contribution which we made.

But I want to make another point. In 1979, 254 274 and 8 873 - now Sir, the honourable Member looks at it in terms of employment. In the year 1979 was the lowest rate of employment that Barbados has ever had for a long time. The honourable Member must know that. So what is he ^ trying to say?

Sir, we have to be careful in the Caribbean that, in making political points in the manner in which we are seeing the honourable Member make them in this House, we do not play into the hands of those persons who use statistics in exactly the same manner of the honourable Member, like Enoch Powell in London has used statistics in * exactly the same manner in order to get against the black West Indians, including Bajans, who are up there.

Mr. R. L. MORRIS: Mr. Speaker, I do not accept any responsibility for the compilation of these statistics. That must be the responsibility of the Barbados Labour Party. These statistics were produced under them. If the methodology is incorrect, they must take responsibility for that. I am only interpreting the statistics.

They must take responsibility for the methodology, and all the time they were in office, as I said, the information is only partly complete down to 1979, and then it is incomplete since 1979. For whatever reason, the report goes from 1979 - 1986 and we no longer have any statistics *** about departures.

I have a public responsibility to find out why we cannot get this information, and if it is inaccurate, I would like that correction. Whoever signed this document and submitted it to me as a Member of Parliament has a responsibility to correct the errors in here. **
3.00 p.m.

Hon. H. deB. FORDE: The documents have been signed in the same way right through the years, if you would go back and look at the Registration Department. There is a difference between the honourable Member quarrelling about the methodology and drawing conclusions. If the honourable Member has problems with the methodology, he should say so and let us all ask that the methodology being used between the Statistical Department and the Registry be improved, and that the true figures be shown, and that we find some way of finding out what happens to be a real migration increase or decrease as the case may be.

Mr. R. L. MORRIS: Mr. Speaker, the Leader of the Opposition wants me to say things which he might be loath to say. I never complained about the methodology. He raised the question of methodology. If you have to speak to certain people about the methodology, do not be afraid, come out and say it. Do not use my words to cover for yourself.

Hon. H. deB. FORDE: I have no problem, Sir. The honourable Member has problems with his own arguments, and as he sees that his arguments are exposed for what they are, the honourable Member will take every point of order, even if the latitude of an explanation is given, which is really what the honourable Member wanted to get up on.

The honourable Member knows that Enoch Powell did a similar thing against the West Indians in London, and we have to be very careful, in our quest to score points on each other, that we do not play into the hands of the racists in other countries. We have to be most careful about this.

Mr. R. L. MORRIS: Mr. Speaker, these statistics do not have any colour. These statistics say so many people came in and so many went out. Any racism is a figment of the Honourable Leader of the Opposition's imagination. Not a figment, he is creating it! But I want it to be very very clear, these are colourless statistics. As a matter of fact, I would like to be informed of the composition of the excess persons who stayed here.

Hon. H. deB. FORDE: Statistics never have any colour in England nor anywhere, Sir, but Powell was able to use statistics in a way against people. The point is that the honourable Member was making it appear in this House as though we were encouraging people deliberately to come into Barbados to be present for an election - it is not true, and the honourable Member knows it is not true - and that those persons are responsible for the high level of unemployment. That is what the honourable Member was saying, the same arguments that I have heard, witnessed, listened to and read in the Press used in arguments against West Indians in England.

I am a strong Caribbean man, and I am not going to be shaken ever from being a Caribbean man. We may take a

long time to achieve a Caribbean identity, but we have to be very careful.

The honourable Member knows that when cane burning was at its highest, back in 1973, the Democratic Labour Party permitted people to come into Barbados for the purpose of cutting canes. Some of them are probably not in his constituency, but there are constituencies in which some of them have intermarried with Barbadians, some of them have remained.

The Barbados Labour Party made no dice about its policy, it was stated clearly in the by-election in the City. Indeed, in the 1976 manifesto it is said very clearly that those persons who had been here for a period of time would be given a period of amnesty, and they were given it. My constituency has some of the people who had come here prior to 1976. Wherever they are and they come to me, I make sure that I assist them with getting immigrant status, if possible, and regularising themselves. In the City, there were some, as well as in other constituencies throughout Barbados. There is a large number of them in St. George, and the honourable Member knows that, so do not let us, all of a sudden, get up and believe that people were imported.

Those persons who have come into Barbados, and some of them came in without complying fully with the immigration laws, were given an opportunity to regularise their status. Some of them have still not regularised their status up to now, and I hope that in respect of those who have not done so, the Government will understand that there are various conventions to which Barbados is a party, and we will honour them and show a humanitarian approach, and we will not get into the short-sighted view that we are going to close doors on people who may have come in here. I hope I will never see that happen.

Mr. R. L. MORRIS: Mr. Speaker, I am ashamed at the distortions, that the Leader of the Opposition will take what is a reading of statistics, produced by a Government Department, and try in a malicious way

Mr. SPEAKER: I am sure the honourable Member will withdraw that.

Mr. R. L. MORRIS: I withdraw that, Sir..... to intimate that anybody has any personal animus against any migrant to this country.

First of all, Sir, in 1975 the Democratic Labour Party offered amnesty to those persons who came in here to work with the crop and did not leave. But if you look at the out-turn figures in the period from 1965 - 1976, we were obviously successful in getting people to come here and to leave when they were supposed to. All I am asking for is an explanation as to why after 1976 there was such a massive increase in the excess of those who came as against those who left.

That is no argument against people from other territories. I have not even identified them. The figures do not speak to what territories they are from. There is no argument against other persons than Barbadians, and it is wicked on the part of the Leader of the Opposition to try to take what is normal debate in this Assembly

Mr. SPEAKER: I am sure the honourable Member does not refer to the honourable Member for Christ Church West as being wicked.

Mr. R. L. MORRIS: No, not at all, Sir.

Mr. SPEAKER: It has to be very clear in my mind that you are not referring.....

Mr. R. L. MORRIS:.....to follow arguments that might not be in consonance with your own character, Sir.

I would not at all attempt to imply that my colleague, the Leader of the Opposition, is a wicked person, but I cannot understand how he would try to give the impression that we on this side are against people from the other territories coming here to make a living. 3.10p.m.

I am asking for an explanation of these statistics, and my question still stands. I still want an explanation as to why after 1979 we do not have statistics.

If this practice continues in our Administration, there is something wrong with that too, and I am calling on the present Administration to make sure that these statistics are complete, that we know the number of arrivals and we know the number of departures.

I am not getting into a debate on statistics and the methodology of compilation, but I believe the Honourable Leader of the Opposition knows that arguments about bringing in the name of Enoch Powell in those things is entirely inappropriate.

Mr. SPEAKER: I want to warn honourable Members that Standing Orders refer to points of order as being brief. I think we tend to make speeches on occasion, and I wish Members to confine themselves.

Hon. H. deB. FORDE: The attribution of motives started with the honourable Member, and the Barbados Labour Party, which I have the honour in this House to represent, and to be the leader of, was attacked on the basis of motive, and therefore I am going to reply in relation to that, whenever the honourable Member raises the point. If the honourable Member had got up and merely said that he wants to know why there is an omission of these years, then, of course, the proper thing is for the Minister concerned at the moment to do an enquiry and find out why

there was. If he wants to know why the figures are like that, and whether they are true figures, I have no problem with that.

I contend that they are not true figures of migration. They do not appear to me to be, and they appear to me unbalanced. I say as well that it does not appear to me, looking at these and relating them to Central Bank statistics, on various tourist figures, to be a proper relation, and therefore you cannot draw conclusions from them. They probably, to that extent, are not useful. That goes for all the figures from 1965 and onwards.

I go a little bit further and say, however, that I am not sure that this is the function of the Registration Department. I am sure the Registration Department does not keep any figures itself for arrivals and departures. It has no duty and responsibility to so do. It has probably taken these figures from somewhere, and some clerk, in his enthusiasm, as has been done traditionally, has locked these together, as the honourable Member would know when they were locked together formally in the blue books of Barbados.

The honourable Member is a scholar of history, very interested in our history, and he would have looked at the blue books and would have seen this information. For his benefit, I have just found some old editions of the blue books, and if he needs them, I will make them available to him from my library.

Asides.

Hon. H. deB. FORDE: The honourable Member has from 1937 onwards. I probably have some before 1937. If he wants, I will make them available. Like myself, he has an interest in these things, and he collects historical records of Barbados, which is very good.

But it would be quite unfair to interpret this in the way he has for the purpose of debate, and that is the only reason I have replied. If the honourable Member had got up and said that he had seen these and they had come as a surprise to him, it would be different. I make bold to say, Sir, that it is not true, no matter how often it is repeated, by the Democratic Labour Party, that people were brought in here to vote in any election in Barbados at all. It is not true! It has never been true, and it is not true now, and even if you repeat ten thousand times it is not true, I do not believe it at all. The honourable Member knows that, and I would ** suggest that the problem of unemployment has not got anything whatsoever to do with the figures that have appeared in the report, which was laid in the House recently by the honourable Member for Christ Church West Central (Hon. M. A. King).

*The question that the Bill be now read a second time, ** was put and resolved in the affirmative without division.*

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. E. E. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1, 2 and 3 were called and passed. Clause 4 was called.

Hon. L. E. SANDIFORD: Mr. Chairman, I beg to move that clause 4 stand part.

In so doing, I wish to state, in response to the wide ranging discussion on this matter, especially in relation to the Barbados Turf Club, that in addition to what I have already said, the Barbados Turf Club has recently submitted proposals for consideration in relation to the importation of betting equipment, and they are seeking some relief in relation to duties payable on that equipment. They are also seeking a reduction in taxes on race day betting - I believe that now stands at ten per cent - they are also seeking a reduction in the level of taxes on proceeds from the sale of their lottery, *Let's Go to the Races*, I think it is called.

We are now giving consideration to those matters, and as the Minister of Sports has indicated, I will consult with him on these matters, just as when he was a hopeful cricketer, he used to come to watch me playing cricket at Harrison College.

Hon. P. M. GREAVES: I beg to second that.

The question that clause 4 stand part was put and resolved in the affirmative without division.

Clauses 5-8 inclusive were called and passed.

On motion of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, Mr. CHAIRMAN reported the passing of one Bill in Committee without amendment, and Mr. SPEAKER resumed the Chair and reported accordingly. 3.20 p.m.

On separate motions of Hon. L. E. SANDIFORD, seconded by Hon. P. M. GREAVES, the Bill was read a third time and was passed.

TRANSPORT LEVY (AMENDMENT) ACT, 1988

Order No. 1 was called - To move the second reading of a Bill to amend the Transport Levy Act, Cap. 92A.

Hon. L. E. SANDIFORD (St. Michael South): Mr. Speaker, I do not think that this particular Bill should detain us for any length of time. This, again, is one in a series of measures related to the implementation of the Financial Statement and Budgetary Proposals. It is in fulfilment of the promise made that all levies will be paid into the Consolidated Fund.

There is an amendment of section 2 of Cap. 92A, and that deals with the definition of the fund. Certain sections are to be repealed and replaced.

There is a replacement of section 6 of Cap. 92A, which makes provision for the Director of National Insurance to pay into the Consolidated Fund monies received by him after May 31, 1988. The Bill also makes provision for the board to continue in being until the end of the current financial year. The reason for this is to ensure that any monies remaining in the fund may be distributed in accordance with the legislation.

As I indicated, Sir, this is a direct implementation of one of the proposals. There can be no argument here about any departure from the manifesto promises.

The Leader of the Opposition did make a point about some change in relation to repairs and improvements. That was a straight trade off between repairs and improvements. It was not any departure. This is a straight implementation of the proposals.

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

Hon. P. M. GREAVES: I beg to second that, Sir.

Hon. C. V. WALKER (St. George North): Mr. Speaker, I do not intend to delay the House for any long period. The Transport Levy being put into the Consolidated Fund is, indeed, as was mentioned by the Prime Minister, a commitment made in the manifesto and in the Budgetary Proposals.

I have every reason to believe that we will continue to see the various projects which emanate from the fund continue. One only has to look at St. Michael. We hear from time to time comments made about certain things being done, and I would like to compliment the members of - they normally do not get any compliments - MTW for the work that they are doing in my constituency.

We hear also that something was a plan that was left there by the Barbados Labour Party. But what is not normally said is that it was a plan which started back in 1975, and that includes what we now come to know as a polyclinic. I am referring, Mr. Speaker, to the project at the Glebe in St. George.

I have found it very interesting to stop on the site and discuss matters with the people who are working there, in the interest of the people who are around there, and they have been able to make certain modifications and adjustments with no additional cost to the taxpayers of this country.

Applause.

Hon. C. V. WALKER: Indeed, they have been so co-operative that when equipment has been sitting idle, they have been able to use it on the part of the project which relates to the sports Council, and now *half* that work is done, which means a saving to the Government of Barbados. I compliment that team. I am sure that we will be able to continue the project, and carry on through the country. It is an indication of the work being done by them out of the Consolidated Fund.

Thank you, Sir.

Applause

The question that this Bill be now read a second time was put and was resolved in the affirmative without division.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. B. M. TAITT, Mr. SPEAKER, left the Chair and the House went into Committee on the Bill, Mr. R. P. BYER in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1-5 inclusive were called and passed.

On the motion of Hon. L. E. SANDIFORD, seconded by Hon. B. M. TAITT, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. L. E. SANDIFORD, seconded by Hon. B. M. TAITT, the Bill was read a third time and was passed. 3.30 p.m.

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I think that at this point it would be convenient for me to announce that I am in receipt of:

Accounts and Statements for the month of April prepared by the Accountant General.

ADJOURNMENT

Hon. P. M. GREAVES (St. Michael North): Mr. Speaker, I am about to move a long adjournment of this Chamber. We have gone into the time when we would normally have had our summer recess. We have had a number of meetings during the year and the traditional time for us having a break has come.

Before I move the adjournment of the House, I think that I should make a short statement relating to last Tuesday's premature suspension of the sitting. I think that courtesy of the House demands that some brief statement should be made.

I have asked the Clerk to respond to some queries in writing so I can explain to the House why Members did not receive their papers on time last Tuesday. Meanwhile, my understanding is that one of the officers of the House took some of the papers, and this was the reason Members did not receive their papers on time. From my own investigation, preliminary as it still is, my understanding is that the papers were retrieved from the Cabinet Office and from the Printery roughly about the same time that they are normally received by the officers of the House of Assembly, but because of this problem, Members were not able to get their papers on time.

I did apologise to the House last time for the matter, over which I had no control. But I think, Sir, someone had to say something about it, and I did. I am now making this statement to the honourable Members. I believe that in due course we will have a fuller statement to make to the House.

I move the adjournment of the House until Tuesday, October 18, 1988 at 12 o'clock noon, Sir.

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

The question that the House do now adjourn until October 18, 1988 was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly. 3.35 p.m.

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