

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986-91

Tuesday, February 23, 1988

Pursuant to the adjournment, the House of Assembly met at 12.15 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., M.A. (Econ.), J.P., (Prime Minister and Minister of Finance and Economic Affairs)

Hon. H. deB. Forde, Q.C., M.A., LL.B., (Leader of the Opposition)

Hon. B. M. Taitt, B.A., (Hons.), M.A., LL.B., (Hons.), (Minister of Health)

Hon. E. E. Greaves, B.A., Ed.M., (Minister of Trade, Industry and Commerce)

Dr. R. C. Haynes, M.B., Ch.B., F.R.C.P., (Edin.)

Hon. Dr. D. G. Blackman, B.A., M.A., (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., M.I.A.S., JP., (Minister of Agriculture, Food and Fisheries)

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

Hon. H. A. Blackman, B.Sc., (Econ.), (Minister of Housing and Lands)

Mr. D. A. C. Simmons, Q.C., LL.M.

Mr. O. S. Arthur, M.Sc., (Econ.)

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

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

Mr. L. L. Brathwaite, J.P.

Mr. E. Bourne

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

Mr. C. A. Neblett, B.A., (Parliamentary Secretary, Prime Minister's Office)

Mr. C. L. Trotman, M.A

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

Mr. P. J. M. Miller

Mr. R. P. Byer, LL.B., LJE.C.

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

Prayers were led by Rev. Father Ivan Harewood.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, February 16, 1988.

Hon. B. M. TAITT: Mr. Speaker, I beg to move that those Minutes be taken as read and confirmed.

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

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

GOVERNMENT NOTICES

Hon. B. M. TAITT: Mr. Speaker, Sir, I beg to give notice of the following:

A Resolution to approve the borrowing of 30 million Renmibi Yuan (Bds.\$16.5 million) from the Government of the People's Republic of China for the construction of a Gymnasium with a seating capacity of 3 905 persons.

A Resolution to approve the guarantee by the Minister of Finance of the payment of the principal sum of \$10 000 000 to be borrowed by the Barbados National Bank on the issue of Housing Development Bonds and of interest thereon at the rate of 7% per annum.

A Resolution to grant the sum of \$737 126 from the Consolidated Fund and to place it at the disposal of

the Government to supplement the Estimates 1987-88, Part I - Current, as shown in the Supplementary Estimates 1987-88, No. 47, which form the Schedule to the Resolution.

A Resolution to grant the sum of \$407 547 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1987-88, Part I - Current, as shown in the Supplementary Estimates 1987-88, No. 48, which form the Schedule to the Resolution.

A Resolution to grant the sum of \$348 602 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1987-88, Part I - Current, as shown in the Supplementary Estimates 1987-88, No. 49, which form the Schedule to the Resolution.

A Resolution to grant the sum of \$872 823 from the Consolidated Fund and to place it at the disposal of the Government to supplement the Estimates 1987-88, Part II - Capital, as shown in the Supplementary Estimates 1987-88, No. 50, which form the Schedule to the Resolution.

A Bill to amend the Central Bank of Barbados Act.

FIRST READINGS OF BILLS

On separate motion of Hon. B. M. TAITT, seconded by Hon. E. E. GREAVES, the following was read a first time: A Bill to amend the Central Bank of Barbados Act.

STATEMENTS BY MINISTERS

STATEMENT BY PRIME MINISTER RE CARS IN OFFICIAL CAR POOL

Hon. L. E. SANDIFORD: Mr. Speaker, I wish to make the following statement, and this is in response to request for information by the Leader of the Opposition:

"It is the policy of the Government that the use of fully-maintained cars by Ministers and designated senior public officials as obtained prior to 28th May, 1986, should be discontinued. To date, most of the vehicles which had been so provided have either been sold or have been placed into an official car pool.

The cars in the pool are as follows:-

M 50 - Toyota Crown 1986 MP
2 - Mercedes Benz 1984 MP 3 -
Mercedes Benz 1984 MP 484 -
Ford Granada 1986

MP 500 - Toyota Cressida 1986
MP 802 - Toyota Crown 1986
MP 812 - Toyota Crown 1984 X
5490 - Toyota Cressida 1984

Of the cars in the pool, MP 2, M 50 or MP 500 is used by the Prime Minister, who as a condition of service is provided with a fully maintained car. In addition, one of the cars in the pool has been placed at the disposal of the Customs Department to facilitate the work of that department.

The cars in the pool are kept for state, ceremonial, official and other occasions when it may be considered appropriate that transportation should be provided for local or visiting dignitaries and officials.

The vehicles in the car pool are generally kept at Government Headquarters under the control of the Permanent Secretary, Ministry of the Civil Service."

ORAL REPLIES TO QUESTIONS

Hon. B. M. TAITT: Mr. Speaker, Sir, I beg to give notice that the reply to Parliamentary Question No. 80 is ready.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. B. M. TAITT: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of the sitting.

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

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

GOVERNMENT BUSINESS

BILL TO AMEND THE CONSTITUTION OF BARBADOS

Order No. 2 was called - To move the resumption of debate on a motion for the second reading of a Bill to amend the Constitution of Barbados.

Mr. J. J. PAYNE (St. James North): Mr. Speaker, I wish to add some words of support to this Bill.

The Bill seeks to amend the Constitution, and it is very notable that whenever the House is proceeding on debate to amend the Constitution, there seems to be a lot of political debate, and, very often, the parties try to get some political mileage, but on this occasion, we have had no difference.

The present Bill proposes to clarify certain changes which were made to the Constitution in 1981, when the then Attorney-General, now Leader of the Opposition, introduced what is now the Constitution of Barbados (Amendment) Act of 1981. 12.25 p.m.

The 1981 amendment provided for the establishment of the Electoral and Boundaries Commission. I think it is clear to everyone who has heard the speeches from this side that we are not opposing in any way the establishment of an independent body to oversee elections in this country. As a matter of fact, the Democratic Labour Party has got a reputation for being fair when it comes to matters relating to elections, so we have no objection whatsoever, and we are in no way questioning the establishment of an Electoral and Boundaries Commission or any powers which that body should possess as such. What we are saying is that when they passed these changes in 1981, they had certain consequences which were not anticipated at the time.

Mr. Speaker, when the Leader of the Opposition introduced his changes in 1981, he created a confused situation which we are seeking to clarify. As the Honourable Attorney-General pointed out when he introduced the Bill, the amendments which they introduced means, in fact, that the Governor-General, acting on the advice of the Electoral and Boundaries Commission, would be able to change certain pieces of legislation which relate to the holding of elections in this country. We want to be certain that the law is clear on this particular point and that there should be no confusion on this particular matter. Therefore, the amendments which we are proposing are asking a simple question, and the question is this: were the 1981 amendments by the Barbados Labour Party Government intended that Parliament should delegate to the Electoral and Boundaries Commission power to make changes to the law or to implement laws touching the conduct of elections in this island?

There are two significant things that have come out of the debate so far, because even though this change was first introduced in 1981 by the Honourable Leader of the Opposition, and he has had an opportunity to speak on this Bill, he has not in his contribution made it clear, stated specifically, whether they intended to confer such powers on the Electoral and Boundaries Commission. We would like, Mr. Speaker, to be sure that the law is clear, that all Barbadians would understand it when they read it But the

Barbados Labour Party has gone further than that Only yesterday, I saw an article in the *Barbados Advocate* written by one Ezra Alleyne

Mr. SPEAKER: I will only caution the honourable Member that if he is going to make reference to any name in the future, to do so according to the Rules of the House.

Mr. J. J. PAYNE: It was in the *Nation*, in his article "Of Public Interest", where he was trying to give the impression to the readers that the Bill which we are now presenting was one on which the Government was given public pressure and was forced to postpone debate because the people of the country were calling for the opportunity to debate it. I think that if you listened, Mr. Speaker, to all those persons who had a contribution to make on this Bill, if you listen to Gutterperk, if you listen to the man in the street, even if you listen to the Honourable Leader of the Opposition, you will see that all the sentiments which have been expressed in respect of the clarification which we are bringing by this Bill have reflected the voices of the people of Barbados. In that regard, I think the Government should be complimented for the manner in which they have gone about bringing this Bill to this Chamber.

We have given the Opposition ample opportunity to research it, we are prepared to follow a suggestion from the Opposition that the Bill go before a Select Committee, and we have done everything possible to ensure that the Bill is given full ventilation and the views of all the people are thoroughly heard in respect of this amendment. Those kinds of actions should be complimented, because I believe that never before in the history of this country when we were debating the amendments to the Constitution, no party has been as generous as we have been on this occasion to give such opportunity to the Opposition and to the people of

We are not in any way questioning the right to have an Electoral and Boundaries Commission. We are not interfering with any rights of the people by virtue of the introduction of this Bill. We are not seeking in any way, Mr. Speaker, as some may want others to believe, to increase the seats in the House of Assembly. We are merely seeking to clean up confusion which they created in 1981 when they made certain changes to the Constitution. To put it another way, Mr. Speaker, if the Barbados Labour Party Government and the Leader of the Opposition, who introduced the Bill in 1981, had listened to the then Opposition, which is now the Government, there would have been no need for us to be debating this Bill today, because at that particular time there were suggestions from this side. As a fact, the present Prime Minister had made certain proposals at the time to the effect that the public should be given an opportunity to give their views in respect of certain matters which related to the establishment of the Electoral and Boundaries Commission. So they are

not now in any position to give the impression that we are under any public pressure about this BUI. We have the full support not only of the public on it, but the Opposition, and it would be interesting to see how they vote when it comes to that particular point

I think, in effect, Mr. Speaker, that we have to look at it in that perspective, because the Democratic Labour Party on this occasion is putting the country before party. What they did in 1981, Mr. Speaker, was to wait until a few months before the elections, after they had gerrymandered the constituencies, after they had increased the seats in the House of Assembly, after they had done everything which was the responsibility of the Electoral and Boundaries Commission, after they had taken all that action unanimously, then to come to the House and create the Commission in an effort to create the impression that they were bringing a significant change to the electoral system in Barbados.

They also did it under the guise of implementing an electoral promise. They had a whole five years from 1976 to 1981, but they waited until the eve of the elections to make the changes. We are not doing that on this occasion. We are coming up-front, we are being frank, we are being open, and we are giving the opportunity for the Opposition and indeed for all other parties which are interested in debating this matter to do so.

I should like to say that I support the Bill in its entirety. The Leader of the Opposition in his remarks made some suggestions that there were some other matters relating to the 1981 amendments that needed further changes. I believe that when the matter comes before the Committee, we should be able to look at those matters. 12.35p.m.

There is another matter I should comment on before I sit, and this relates to increasing seats in the House of Assembly. I believe, Mr. Speaker, that whenever we are creating a situation which alters the rights of people in this island

Asides.

Mr. SPEAKER: Order, please, order.

Mr. J. J. PAYNE: there should be every opportunity for people to debate those particular matters.

Asides.

Mr. J. J. PAYNE: The honourable Member is talking about bringing Orange Hill back into St. James.

Mr. SPEAKER: I have not heard the Honourable Member.

Asides.

Mr. SPEAKER: I will ask the honourable Member to be silent, please.

Mr. J. J. PAYNE: We have to recognise that any such changes will affect people in the various constituencies. I would like, perhaps when the Honourable Attorney-General gives his response to these various matters, that he give us some kind of indication as to whether or not there are any proposed changes of which he is aware, and the extent to which those kinds of changes are proposed. I believe that when we are making changes of that nature, the public and the various constituents should be informed as early as possible as to any changes that will affect them in the various constituencies and as to whom they will be required to vote for. It is my firm belief that if there will be some proposed changes to constituency boundaries, those matters should come to the House far enough in advance for the people of the country to know the extent to which they will be affected so that they can make adjustments to their individual lives, so that they would not be put out in any way.

With those brief remarks, Mr. Speaker, I give my support to this Bill.

Applause.

Hon. B. M. TAITT (St. Michael West): Mr. Speaker, Sir, the brilliant statement by the honourable Member who has just sat down really place the constitutional amendment in its political perspective, and I do not propose to add any embellishment to that very clear statement.

I wish to allude to the issue of constitutional change itself, which, unfortunately, has been taken in some countries, by some people, including some in Barbados, as something dangerous and dilatorious to the body politic merely by its existence. The mere fact that one suggests that the Constitution should be changed is usually sufficient for a certain category of persons to say, "Let us put the wagons in a circle, for we are about to be attacked and democracy is about to be assailed."

The truth is, Sir, that the Constitution of any country, and certainly the Constitution of Barbados, is, in the final analysis, the major Act of the Parliament, or it ought to be, and it is usually the fundamental law of the country from which all other laws should flow. In the case of Barbados and other former colonies, one of the difficulties which we have is, of course, that having existed from time immemorial as part of the common law system, the transfer,

if you will, to a system of constitutional law based on a single document is fraught with all kinds of suggestions of high intellect when, in truth, it is no more than a particular difficulty brought about by a change of system.

It is not often recognised that, for example, in the United Kingdom, and certainly in New Zealand, in essence, the Constitution is changed practically every day, because for each law that is passed in the United Kingdom Parliament, it could be said, certainly from a technical point of view, that the Constitution is in process of being changed. They not having any particular document which can be identified as the Constitution, it means that, generally speaking, certain rights and privileges in the United Kingdom can be changed, and are changed, with a simple Act passed in the Parliament.

Mr. Speaker, it is the United States Constitution that has tended to lend colour to constitutional expertise, constitutional debate and constitutional niceties. And in that country, Sir, through many years of long practice, the Constitution has now come to be a document that is examined and changed almost weekly, so long as the Supreme Court is in session, for on every Monday afternoon the Supreme Court is called upon to pronounce on some aspect or other, challenged by somebody or other, of the Constitution, because in that country, the people have been taught that to fight for a believed constitutional right is, indeed, the essence of the democratic system within which they operate.

Soon after countries in the developing world that have been former colonies of the United Kingdom started to achieve independence, the question of what kinds of challenges to the Constitutions and how they should be interpreted became such a frightening thought for people, who had up until then gone along depending on minds in London to look after their intellectual welfare, that for a substantial amount of time there was no challenge to any decisions made anywhere, except, perhaps, in India, where there are many instances early, and even more so in later times, of challenges to decisions made under the Constitution and to challenges of the Constitution itself. And so the folklore, if you will, about constitutional change was a little slow in coming to the Caribbean, and the sanctity of the Constitution started to take on much more importance in the minds of some people than the Constitution itself. So mere mortals, even though they be elected by the people, who would dare to offer a suggestion of a better way for what, in essence, is a particular law, were frowned upon, if not greeted with suspicion, at the mere thought that such a Constitution should be changed. 12.45 p.m.

Some 21 years later, Sir, it seems as if the fear is beginning to recede and reason is beginning to come to the

fore. I may be premature, however, Sir, because not each Member of the Opposition has spoken. But I believe, based on what we have heard from the two honourable Members who have spoken, that they are allowing, finally, their training in the law to supersede the expediency of their position in politics.

I think that the heat which was generated in this country over the proposed amendments in 1974, and the heat which emerged over the actual amendments in 1974, was, perhaps, necessary for us to have the kind of catharsis that is necessary in a young country, and for all those who have reason to believe, or who have given themselves reason to believe, that they are pre-eminent in these fields, to exercise their minds and mouths in this very esoteric area of human existence for the Caribbean.

Mr. Speaker, it is to the everlasting credit of common sense that after the Barbados Labour Party became the Government they spent the time in other pursuits and they left the constitutional amendments alone. The opportunity which they took to make such changes as they considered necessary did not always find favour with us on this side, because we, on each occasion, as a matter of principle, quarrelled not with the fact that they were changing the Constitution, but with the methodology which they purported and, in fact, did use. But, Mr. Speaker, what has persevered, survived, except for the odd aberration which appears in the newspaper under the hand of the odd person here and there, is a recognition and an understanding that, in fact, the Constitution is a document which is an appendage to a British law and which, therefore, is susceptible of, desirous and indeed required for change as perceived by those who live it from day to day and from year to year. The only requirement, Sir, is that it be done legally and lawfully, that it be done openly and that it be done in accordance with the provisions in the Constitution itself. And I am one of those persons, fortunately or unfortunately, who have no real difficulty with a change of the Constitution annually if it is going to mean an improvement in the quality of life for the people in Barbados, because that is more important than any nicety which may have attended certain training which all of us get in one form or another.

Mr. Speaker, the amendments which come now to be made interfere in some ways with a long-held belief in Barbados that so long as a person is elected, that person ceases to have any common sense, any intelligence, any learning or any of the attributes which are given to a set of people who, not having faced the polls, have not been contaminated and therefore are as pure and above suspicion as Caesar's wife was supposed to be. The truth is, however, that there are many persons, revered after they are dead, who have managed to maintain their integrity as politicians.

Mr. Speaker, what I am saying is that in setting up the Electoral and Boundaries Commission, the Government of the day, mindful of the position it had taken even pre-Independence, found itself in a position where it had to concede a pre-eminence to the non-elected members of the society as compared with the elected members of the society. It is the sort of mentality which says that unless you entrench the provisions concerning the so-called Service Commissions, somehow, you will be doing an injustice to the rest of the community. It is the kind of mentality which says that, in spite of the fact that the people decide who will be their representative, in what have been described as free and fair elections, those people have to be watched like hawks by this set of non-elected, crystal-clear, puritans who constitute the so-called commissions. The only thing is that most of the major cases in the developing countries that have become classic cases have to do with a misuse of power, or a misuse of authority, by one of the so-called commissions that have been set up.

Nothing I should say here, Sir, should leave anyone with the impression that I am anti-Service Commissions. I believe that there are many matters which can be best discussed and dealt with away from the heat of the adversarial relationships which characterise the political scene. But what I have never been able to reconcile my mind to, and probably never will for as long as I live, is the acceptance that the mere fact of becoming a politician immediately reduces one's capacity for integrity. That is the philosophy behind the foolishness which passes as deep thought which has permeated this society on constitutional change. That is what has allowed all kinds of charlatans to masquerade as experts on constitutional matters in this country. Because instead of enlightening the masses as to the truth of their own power, that is the power of the masses, they wish to reserve for themselves some special capability so that the masses should worship at their shrine and seek permission from them to do the things which follow naturally, to exercise the power that is theirs, the masses.

Mr. Speaker, there is no magic about a constitutional change. There is no magic about an Electoral and Boundaries Commission. It is, in fact, composed of persons recommended by the politicians. All of the commissions comprise persons recommended by the politicians. But to the everlasting credit of the society as a whole, none of the people recommended for any of the commissions over the last 21 years, at least as far as I am aware, has fallen short of the high quality and high standard for which the country as a whole had become renowned before Independence.

Mr. Speaker, some very bad decisions have been made, however, by Service Commissions in the Caribbean from time to time. Indeed, among the most partisan positions you can find in the Caribbean, from time to time,

have been some which emanate from Service Commissions. The law books are replete with examples of bad decisions, made out of spite, by persons who sat in eminence on Service Commissions. And if I do more than to excite the population of Barbados to recognise that inherent in themselves is the capacity to judge good or bad irrespective of the position held by the person who is being judged, then I would have been successful in this debate. ' 12.55 p.m.

I believe, Sir, that the recommendation of the Opposition, that this matter should go to a Select Committee is one which can easily be accepted, and I am very glad to say that the Government, after mature consideration, has agreed to the establishment of such a Select Committee.

But again, Sir, that was the cause of great triumph in the community, as if, for the first time in the history of Parliament, a Government had done something unexpected and good. Mr. Speaker, if you had seen and heard the comments that are made in the public domain about the fact that this Government, chosen by the people with massive majorities in each constituency, had accepted a recommendation, offered in good faith, by the Opposition, if you had read and heard what the people had to say, Sir, you would believe that this Government, or any Government of Barbados - with the possible exception of the one we had just prior to this one - would have been acting strangely to accept a common sense proposal. The fact is that 95 per cent of the important legislation passed in this House of Assembly for the last 50 years was passed by, and with the acclamation of, both sides of the House.

It is nothing unusual for us, on either side of the House, to accept good suggestions when they are made. The Hansard is replete with information about one Member on one side complimenting another Member on the other side. They believe that we are raccoons or something, but, Sir, the truth is that there are a lot of people who do not have the courage to go out and face the population and say, "I wish to be a person in power, I wish to be a person who makes decisions." After the honourable Members on both sides have faced the tape and one wins the Government, they wish to be in the background directing, proposing; they wish to be in church and chapel, too.

Asides.

Mr. SPEAKER: Has the Member concluded his speech?

Hon. B. M. TAITT: I was waiting for

Mr. SPEAKER: I am not hearing asides.

Hon. B. M. TAITT: Mr. Speaker, when we sat in the Select Committee in 1981 discussing the boundaries, the honourable Member for St. Lucy, (Hon. E. E. Greaves) who was then in this House and who with me formed part of the Opposition's membership on the Select Committee, discussed thoroughly the matter of representation in Barbados. We agreed in principle with the rights of individuals, in the one man - one vote concept, to live in constituencies that were as nearly as humanly possible equal in size, that is, size of population.

We carried to that committee a reasoned paper, and to be certain that we would not fall victim of pure political considerations, we wrote the paper and presented it to the Select Committee of Parliament to review the boundaries.

Mr. Speaker, when we went to that committee and presented that paper, I have never as an adult been so embarrassed in my life, because I had been accustomed to a certain level of behaviour up until then. The then Leader of the Government, the then Prime Minister, the late Tom Adams, was on the committee; the then Speaker, the Honourable W. C. B. Hinds, was in the Chair; and when I had finished the presentation, the Prime Minister, Tom Adams, said to the Chairman: "Mr. Chairman, I move that there be 27 constituencies" and one of the other members of his party said: "I beg to second that." The Chairman said: "The question is that there be 27 constituencies." That is how we got 27 constituencies. That is the level of consideration which was given in this country. Mr. Speaker, they did not give us the courtesy of examining what we had presented.

I want to make this point. When we have had debates in this House on matters of constitution, the present Leader of the Opposition, when he was Attorney-General and when he was not, has always been courteous. Now tomorrow they will say that "me and Henry Forde close." I beg your pardon, I withdraw that, Sir, that is what they will say.

Aside.

Hon. B. M. TAITT: Oh, you mean the car magnate, not you.

Mr. Speaker, what I am saying is, we had become accustomed to a certain level. We saw it during this debate. We saw the presentation by one of the finest gentlemen in this business here, the present Attorney-General, we saw the response from the Leader of the Opposition, and we saw other honourable Members all making worthwhile contributions, and it culminated in our acceptance of a worthy proposal from the other side.

The point we are making is that this amendment which now comes to be made is a result of an attitude

which did not brook any interference, any suggestion to the then haughty and high-handed methods engaged by those who occupied the seat of power at the time. Even today, as one reads about how the seats are to be distributed, there is still a residue of the attitude and mentality which existed at that time.

Mr. Speaker, the Democratic Labour Party is consistent. We did not believe that it was necessary to move from 24 to 27 seats. The then Prime Minister said that he would have made it 30 seats, but we did not believe it was necessary to move from 24 to 27. Since we have 24 now, Sir, it would be inopportune for us to maintain that we should move back to 24, because knowing the electorate as I do, the next thing you know all three of them would be gone and it would seem as though we wanted to have a one party state, so I am not even going to suggest that we go back to 24 seats. 1.05 p.m.

Asides.

Hon. B. M. TAITT: The honourable Member says that next time I will be talking from the Opposition. What I will say is that I have never had the privilege of sitting on that side. I have always been over here, so unless you plan to change the Government and put it back over there, this is my side. I am staying on this side for as long as I am in here, so I do not know. I have always been on this side, so if you plan to put the Government over there, that is all right, but you will have to move the Speaker further down.

Sir, I am not going to get into discussing whether we should have 24 seats. The fact is that we have 27, but it will be a travesty on the good sense of the people of this country if we increase the number of seats in this country beyond the present 27.

Asides.

Hon. B. M. TAITT: The honourable Member is saying that he does not think I should comment on how many seats I believe we should have before they have reported.

Mr. Speaker, I feel so strongly about what I am saying that I do not wish it to be taken out of context, so I will not even continue down that line if the honourable Member feels that, if I say that we should only have 27 seats, I would, somehow, be crossing the border in relation to the electoral boundaries.

Let me rephrase it. What I am prepared to say is that no matter what the Boundaries Commission recommends, so long as I am a Member of Parliament, I will not be able to vote for anything that calls for more than 27 seats.

Hon. H. deB. FORDE: On a matter of elucidation: The Member must take the point. No matter how strongly the Government may feel about what are the number of the seats, Parliament has, at present as the Bill stands, concurred on the. Boundaries Commission a statutory duty to review the boundaries.

I do not think that it is in keeping with proper parliamentary tradition for a Government to say before the Commission has even carried out their duty, that no matter if they bring the 27, the Government will not be supporting them. I do not think that that is proper.

Hon. B. M. TAITT: Mr. Speaker, I will take the honourable Member's point. Let me take his point, because I do not wish what I have been saying to be diverted into a massive issue over the small point that the honourable Member has made. I am going to take his point for the ease of argument

Let me say that what is required, and what was required when we had no Boundaries Commission, what was required when we were on the Select Committee, was that we examined the country, and this country had, as of today, no more than 253 000 people.

Barbados is one of the few places where, a census 10 years later, showed that we had less people than the census before. When we were out in North America telling people that we had a quarter of a million people, it seems as though we only had 238 000, and every time they do a census, we barely make 250 000. In fact, in the last census, 1980, it was only 248 000.

I have in the Ministry, at the moment, a clock that was given from the United Nations agency that is concerned with family life, Sir, which counts the number of births in Barbados every day. It records the number of births in the world, and it says that we are up to 253 000. Since I have not spoken to any honourable Member since last night, I do not know if there has been additions to the population, but I think it is 253 000.

Sir, the point is that 27 divided into that number add up to the number that we need, and all that we need to do, then is to have a shift as necessary. If it is necessary for Brereton to go back into St. Philip, or Orange Hill

Mr. SPEAKER: I will ask the honourable Member to wind up since his time has expired.

Hon. B. M. TAITT: If it is necessary for certain adjustments to be made, those adjustments will be made.

Mr. Speaker, let me end by saying that I am glad that I have been party to this debate to acknowledge and witness

the movement, the change from near hysteria every time you hear the words "constitutional change", to a point when it seems that the Opposition is saying to the Government you might not have gone far enough. That, Sir, is a salutary hue for me, and I am, therefore, able to say that this Government will agree to a Select Committee. Indeed, Sir, I am able to propose that the Committee comprise the following persons.

Asides.

Hon. B. M. TAITT: After the second reading is completed, Sir, we will be pleased to announce the members of the Select Committee. We expect the Select Committee to meet as expeditiously as possible and for us to have these matters completed as early as possible.

Asides.

Hon. B. M. TAITT: Mr. Speaker, that is a constitutional matter that he is signalling which has nothing to do with the Bill but which is of equal fundamental import, 155 to 3 as opposed to 24 to 3.

Thank you very much, Sir.

Hon. M. A. KING: Mr. Speaker, there are a couple of points which I would like to make on the winding up of this Bill. I was going to say that I am not too clear in my mind what the Opposition's position is, but I believe that I am fairly clear in my mind what the Opposition's position is on this, it is just that the statement of their position has been couched in a little ambivalence, for obvious reasons. I believe they acknowledge that the existing provisions which we are dealing with, Sections 42 and, perhaps, 41, need to be amended. I think that is accepted, but they are a little reluctant to say categorically that we are agreed 100 per cent that Section 42 needs to be changed, although I think that, basically and fundamentally, that that is their position as well.

Their proposals, as I understand them, are that any regulations made in relation to electoral matters by any authority or person other than Parliament, ought to be subject to control by Parliament, and if I understand the statement of the honourable Member for Christ Church West (Hon. H. deB. Forde), clearly he is suggesting that that control may be by way of affirmative resolution or it may be by the adoption of the procedure which presently exists in the Constitution itself for the revision and change of boundaries, the provisions in Section 41B. Either of these methods would clearly ensure parliamentary control, but the honourable Member for Christ Church West goes on to say that the draft Bill which is now before us seems to

leave intact the powers of the Electoral and Boundaries Commission to make regulations on electoral matters.
1.15p.m.

It seems to me, from an analysis of what the Opposition has said - and this point, was made by the honourable Member for St. Michael West (Hon. B. M. Taitt) who has just sat down - that the proposals they are making go far beyond what we in fact have contemplated; their proposals are more far-reaching than the ones contained in the present Bill. I make that point to say that in relation to the Press comment on this matter, and we are talking about the public perception of constitutional change, the Press said that the Opposition was cautious on the move to amend the Constitution. Their far-reaching proposals, proposals that go further than ours, they say, are cautious, and in relation to the Government's position, which was not as far-reaching, the Press comment is that this is a Bill to curb the powers of the Governor-General.

Hon. H. deB. FORDE: If the honourable Member would give way, let me elucidate for him since he seems to have some difficulty on this point: The point I was making is that the Bill as drafted by the Government does not cure the mischief of which the Honourable Attorney-General complains, and that, therefore, if he seeks to cure that mischief, he would have to draft the Bill differently. That is all that part of my statement says.

Hon. M. A. KING: Mr. Speaker, the point I was making is that I was not sure what the Opposition's position was, it is a little ambivalent. Is my learned friend accepting categorically that the provision needs to be changed? Why do you not say so?

Asides.

Hon. M. A. KING: You are talking about a mischief that has to be cured. Do you admit that there is a mischief which needs to be cured? You must be taken to admit that, because you go on to suggest that the way to do it is by requiring affirmative resolution of Parliament or the other technique used in relation to the change of boundaries. In other words, you are saying use a technique to ensure parliamentary control. The only point I am making for the purpose of the argument is that that is more far-reaching than we have suggested.

We are saying that the mischief needed to be cured as well, but we did not go that far in the Bill, and I am not disagreeing with you on that point. The only point I make is that it highlights the very emotive way the Press can deal with the same set of facts, where both sides adopt the same position. The Press throws out an emotive argument in relation to one to create a certain state of mind in the public

consciousness, because they know that any time you talk about amending the Constitution and curbing the powers of somebody else which is not Parliament, especially the Governor-General - Bill to curb the powers of the Governor-General - this has to disturb the public mind and consciousness. In relation to the same matter about which the Opposition is *ad idem* with us, and would perhaps go further in curbing the powers of the Governor-General - and that has been specific, the Opposition would go further in curbing the powers of the Governor-General, because they say whatever regulations are made must be subject to affirmative resolution in Parliament - in other words, restoring parliamentary power in a more effective way than we have been suggesting - you do not hear the Press saying that the Opposition wants to curb the Governor-General's powers more effectively than the Government would have done. But what do you expect?

Aside.

Hon. M. A. KING: The Opposition would not commit themselves. Clearly, you want the best of both worlds. It cannot happen. You have to state what your position is. All I am saying is that by reading and understanding what you have said, you must clearly be taken to be agreeing with the amendment and suggesting even going further.

The Press owes the country a responsibility, I think, to analyse issues.

Aside.

Hon. M. A. KING: I am not cursing the Press. I am saying they owe the country a responsibility to discuss issues dispassionately and not to mislead the public, as in the case recently where the Press reported on a statement made by the Honourable Member for St. Michael South, the Prime Minister, in relation to travel on buses.

Aside.

Hon. M. A. KING: That is not irrelevant.

In relation to travel on the buses, the Press could report that the Prime Minister said that free rides are out for people. The headline, a dramatic emotive statement, "Free rides out"! But when you read the article, you see a different picture altogether. The Honourable Member for St. Michael North (Hon. P. M. Greaves) was very seriously misreported as well in relation to the statements he made in this House last Tuesday on the constitutional debate.

What one has to understand, Mr. Speaker, is that in these constitutional matters the powers of the Governor-General are not absolute powers. Section 42 talks about the Governor-General, acting on the advice of the Commission,

shall make regulations in relation to a number of things. This does not mean that the Governor-General has any power by himself to make regulations in relation to electoral matters. It says he acts on the advice of the Commission, so • in practice what happens is that the Commission would draw up regulations and present them to the Governor-General for his signature.

When one looks at Section 32 of the Constitution in relation to the exercise of the Governor-General's functions, it tells you:

"The Governor-General shall act in accordance with the advice of the Cabinet or Minister acting under the general authority of the Cabinet in the exercise of his functions other than -

(a) any function which is expressed (in whatever terms) to be exercisable by him on or in accordance with the recommendations or advice or with the concurrence of, or after consultation with, any person or authority...." 1.25 p.m.

And at Subsection 3 it says:

"Where the Governor-General is directed to exercise any function on the recommendation of any person or authority, he shall exercise that function in accordance with that recommendation."

So the Governor-General is required to exercise his function in accordance with the recommendation of the Electoral and Boundaries Commission. It is not an absolute power which he has to make regulations and that there is some attempt so to speak to circumvent that power.

The important issue which ought to be analysed, and which should be considered, is the extent to which Parliament, as the elected representatives for the people of this country, should delegate its powers, and whether we admit that we are responsible persons, charged with the responsibility of managing the affairs of the country, or whether we feel that, as the honourable Member for St. Michael West said, once we are elected to Parliament, we are no longer responsible, and we have to delegate that responsibility to others who are not in any way answerable or accountable to the people.

What that kind of argument, of course, does is to ignore the fact that we live in a relatively small society and that in small societies like ours, there is a lot of communication among everybody. Everybody has a political position and everybody's political position tends to be known. What is also ignored is that even with the setting up of the Electoral and Boundaries Commission, that

Commission is set up against a political background, because three members of that Commission are appointed on the advice of the Government and two members on the advice of the Leader of the Opposition, and it is chaired by a chairman who is appointed on the advice of the Government.

The point I am making, passing beyond that, is that it is so unlikely that any Government or any Opposition would appoint members to a commission who may not be perceived, in some way, as having some sympathetic consideration to their one particular position. It would be counter to everything we know about ourselves that a Government of Barbados is going to appoint somebody to an Electoral and Boundaries Commission which it does not have confidence in. So what we are, in essence, saying is that it is alright if we exercise political power indirectly rather than directly. The form seems to matter more than the substance. If you want to fool yourselves with that sort of approach to politics, I suppose you are entitled to that kind of analysis, but I am saying that in political reality - and this is the point which is being accepted on both sides of this House, I suggest, Mr. Speaker - Parliament needs to have control in areas as important as electoral and boundaries matters. If the Opposition is reneging from that, they have a public responsibility to say so in no uncertain terms. I am saying that, in accordance with what has been said and presented in here, their position clearly is that there needs to be parliamentary control in areas so vital as this.

The honourable Member for Christ Church West, of course, adopts his usual cautious position by saying so long as it does not interfere with the old concept of fairness at an election, fair and free elections. That is the principle which we on this side accept and articulate, so we do not have any differences in that regard.

What I am satisfied about is that a debate of this kind clearly has not created the kind of unnecessary political polarization on an issue which is not a political issue, because there is really no politics in this kind of amendment which is before this House.

Aside.

Hon. M. A. KING: I have not seen this morning's headline, I do not even know what it says, but there is no politics in the debate. I do not think the Press, perhaps, clearly understand what the issues are, but there are clearly no political issues.

We welcome the opportunity in a Select Committee to go into the matter in more detail and work out a form of language which will address the problem which clearly exists as it stands. This is how constitutional amendments should be done, because, let us face it, this constitution of

Barbados is a living document. It is not a sterile set of words. It is here to serve the people of Barbados, not for us here alone at this time. And let us admit, we are not always going to be in Government, they are not always going to be in Government. Governments will come and go, and Constitutions have to be designed to meet the best interest of the people who they are intended to serve.

We welcome the opportunity to hammer these clauses out in an atmosphere removed from the heat and glare of political competition. Let us hope and expect, Mr. Speaker, that out of that will come a set of norms which will ensure that all that we want to preserve in relation to the cleanness and fairness of elections in Barbados is preserved and adequately maintained.

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

SELECT COMMITTEE

Hon. B. M. TAITT: Mr. Speaker, Sir, I beg to move that this Bill be now sent to a Select Committee of this Honourable House, which would be composed of His Honour the Chairman of Committees in the Chair, the honourable Member for St. Michael North, the Leader of the House, the honourable Member for St. Michael West, the honourable Member for Christ Church West Central, the honourable Member for St. John, the honourable Member for Michael Central, the honourable Member for Christ Church West and the honourable Member for St. Thomas.

The terms of reference are: "To consider and report on a Bill to amend the Constitution."

Mr. SPEAKER: Under Standing Order 40, do you require any additional powers, other than those within the Standing Orders?

I think my own recollection was that it was indicated that you want to invite people and receive written and oral submissions and so on. That is not provided for in the Standing Orders. It means that you would have to add it to the terms of reference, if you so desire. 1.35p.m.

Hon. B. M. TAITT: Mr. Speaker, I believe that, out of an abundance of caution, we ought to give the Select Committee additional power to invite and receive memoranda from such members of the public as may be interested or as may be selected by the Committee, and that the Committee report to this Honourable House.

Mr. SPEAKER: Since I would be the person to suggest the date on which the Select Committee should meet, before we decide on what date it should conclude, or what time we should be reporting, I would want to discuss this with the Leader of the Opposition and the Leader of the House in an effort to find the commencing date, since I may not want to enforce a date at this particular point. So if we know what the date is, we can probably look at the time when the Committee should report.

Asides.

Hon. H. deB. FORDE: Mr. Speaker, Order 62 (5) covers the time of reporting. It says:

"A Select Committee to which a bill has been committed shall report to the House not later than three months after the committal of the bill, provided that any period during which the House is in recess shall not be counted for this purpose."

Hon. B. M. TAITT: Mr. Speaker, we do not have any difficulty with that. We are just trying to determine whether, in view of the fact that this matter has had a fairly thorough examination, we wanted to come within the three months. But the three months fall within the Standing Order, because it says "not later than", and we think we can leave the Committee to follow the Standing Orders. It can report in three weeks if it wishes to, if its work is concluded by then.

The question that this Bill be now sent to a Select Committee was put and resolved in the affirmative without division.

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

COMMITTEE OF SUPPLY

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

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

SUPPLEMENTARY ESTIMATES 1987-88,
NO. 46-\$212 836

HEAD 10 -GOVERNOR-GENERAL - \$3 323

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, in moving that Head 10 Governor General stand part, I wish to indicate that the sum being requested is \$3 323 consequential upon the deletion of Z39 in the salary structure, which resulted from an agreement with the National Union of Public Workers.

The amount of money required to pay the staff at the Governor-General's establishment is therefore insufficient to meet their commitments until the end of the financial year and, therefore, this sum of money is being requested.

I beg to move that the sum of \$3 323 for Head 10 stand part.

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

The question that Head 10 stand part was put and resolved in the affirmative without division.

HEAD 11 - JUDICIARY - \$549

Hon. L. E. SANDIFORD (St. Michael South): Under Head 11, Sir, the amount of money provided is insufficient to meet commitments until the end of this current financial year. A supplement of \$549 is required to pay for utilities, in particular to pay for an increase in the phone rates which has been retroactive to April 1986.

I beg to move that the sum of \$549 for Head 11 stand part.

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

The question that Head 11 stand part was put and resolved in the affirmative without division.

HEAD 13 - PRIME MINISTER'S OFFICE -
\$30892

Hon. L. E. SANDIFORD (St. Michael South): Mr. Chairman, under Head 13, a number of the items do not contain sufficient funds to meet the commitments until the end of this financial year and this Committee is being requested to supplement Head 13.

In respect of Object, Subhead 1, a sum of \$11 000 is needed under Other Personal Emoluments, and this is to pay allowances for staff as approved. A sum of \$800 is required under Object No. 3 for National Insurance Contributions, a sum of \$50 for Object No. 5 to meet the

Transport Levy requirements; for Supplies and Materials, the sum of \$500; and for the Maintenance of Property, some \$4 220. These all relate to existing services and, therefore, the Committee is being asked to approve those .* sums.

As far as the Prime Minister's Official Residence is concerned, Subhead 2, a sum of \$2 700 is required here to meet the purchase of leather desk pads which are used during Cabinet meetings at Ilaro Court and other official meetings which take place at that particular location. Cabinet meets occasionally, once a month at least, at Ilaro *** Court and that particular sum is required. 1.45p.m.

Aside.

Hon. L. E. SANDIFORD: I do not know, I hear the member for St. Peter (Mr. O. S. Arthur). You did not hear *. him?

Mr. CHAIRMAN: No, I did not hear a thing.

Hon. L. E. SANDIFORD: You did not hear him, because the sounds do not come that way, they come this way, but I heard him from his seat say, "A good shot". But I have to make these things abundantly clear. ""

Aside.

Hon. L. E. SANDIFORD: That is right. I agree with the Member for St. Thomas (Mr. D. A. C. Simmons). It is the official residence of the Prime Minister and the residence is to be used at the discretion of the Prime * Minister. The only requirement is if the Prime Minister occupies the residence, no allowance is payable to the Prime Minister during such time as he occupies the residence. That is the law as approved by Parliament.

I am really surprised that certain kinds of comments and discussions can take place - not in here, Sir, because I do not think any member on that side nor on this side would ** dare to raise any such frivolous points -it may be that certain cohorts and adjunct personnel on that side may choose to come very close to defamatory statements, but I was simply waiting to see how close they would get, and I would consult with the Leader of the Opposition. He has always given me good advice as far as the law is concerned in his private capacity, and he is in private practice now. -*

I would like to make it absolutely clear that the Prime Minister is entitled to hold any kind of function at Ilaro Court, public or private, as he so determines, but out of an abundance of caution - because I have been in politics in this country for a very long time, more than two decades, and I know the kinds of comments, in the absence of ^

matters of substance, which an Opposition that may be searching around for issues and cannot find them.....

Aside.

Hon. L. E. SANDIFORD: I do not mean the three Members in here, this is the Opposition outside of Parliament.

Aside.

Hon. L. E. SANDIFORD: When I say inside here, I mean on those benches there, because they may be sitting elsewhere.

(Aside: In the gallery.)

Hon. L. E. SANDIFORD: I am too old a hand to refer to the gallery.

Out of an abundance of caution I wrote to the appropriate Accounting Officer in the Public Service and I indicated that no allowances should be paid to me during the period December 26, 1987 to January 3, 1988. I did that, not because it was necessary, but as I said, *ex abundante cautela*. I quote Latin phrases, too.

Aside.

Hon. L. E. SANDIFORD: Yes. Genitive. That is right. Only a few persons in here can claim the distinction in Latin.

Aside.

Hon. L. E. SANDIFORD: Yes, you got one distinction. You got two, I got three!

Mr. CHAIRMAN: Gentlemen, where are we going?

Applause.

Hon. L. E. SANDIFORD: Let me pass on. I wrote and told him that no allowances should be paid to me during that period, lest someone would say I was in Ilaro Court and using public funds, or drawing allowances for that particular period. I would hope that in terms of the public comments that we would make, that we would try to get these matters sorted out very clearly.

I have the correspondence and everything is quite above board, and they should really apologise, those who have said these things, for the kind of innuendoes and the slurs that they have been casting not only upon the Prime Minister, but the office of Prime Minister. They like to write about the office of the Prime Minister.

I hope that the Members over there - now I am addressing you directly - would direct them, because you have the influence and control over them fraternally. I mean they belong to the same organisation, I am not talking about any consanguinity.

If there are big enough, they could come out and say that this was an error, just as I expect that the *Nation* newspaper will come out and make an apology for a grossly misleading headline and opening two paragraphs in a publication yesterday, on their back page. They have not done it yet.

The last time that I drew attention to a journalistic indiscretion in which they spoke about booing, which never occurred.....

Aside.

Hon. L. E. SANDIFORD: It can occur to any person, but I pointed out it did not happen and they said they were going to stick with their reporter. On this occasion, the record is there plain and evident, and I hope that in the interest of maintaining high standards of journalism, they would correct the massive error that occurred in that paper.

(Aside: Hon. E. E. GREAVES: And apologise.)

Hon. L. E. SANDIFORD: I am not going to ask anybody to apologise for anything, that is a question of good manners.

Asides.

Hon. L. E. SANDIFORD: That is not the *Nation* doing that, they are carrying a release. The newspaper has not come out and said anything about it, they are carrying a release. Those who have shares - I am sorry, they do not manage the newspapers - I say no more on that particular issue. I do not hope to hear any of the kinds of comments on these matters that have been passing for political comment. 1.55p.m.

These comments apply to those who write in their right and those who are *locum tenens*, those who are standing in for others. I think you know that I do not speak with any hatred and there is no venom really, but I must point out the situation as it is.

Under Subhead 8, \$3 803 is required for the Government Information Service to pay for utilities, and a sum of \$7 839 for maintenance of property as far as the Government Information Service is concerned.

Mr. Chairman, I beg to move that those sums for Head 13 stand part.

Mr. L. L. BRATHWAITE (St. Michael North East): Mr. Chairman, very briefly, Sir, I would like to make a contribution under Object No. 10, Subhead 8, Government Information Service.

I am not very clear that the Government Information Service is serving the people of this country in a way that they deserve to be served. It may not be anything that is designed, but, certainly, it is a shortcoming that I think we need to look at, especially in view of the type of coverage that is meted out to the people of this country by the printed and electronic media.

I do not think that we have as unbiased coverage what is happening in this country that is of tremendous interest to the people of this country. Therefore, Sir, I am only looking at the Government Information Service as a medium through which the people of the country can expect and can get unbiased coverage of matters which are of interest to the people of the country.

It is all right, Sir, for us to have the odd matter that is under the caption "Government Information Service" when they think that there is a need to clarify something. But I think that the Government Information Service should be equipped and should find responsibility in bringing to the notice of the people the unbiased facts as they occur.

I thought that I should make mention of this, because I think the people of this country deserve a lot better than is trotted out to them by the newspapers and the electronic media of this country. If, as a Government agency, the Government Information Service can provide this facility and this service for the people of this country, I, Sir, for one, should be very happy.

Thank you, Sir.

The question that Head 13 stand part was put and resolved in the affirmative without division.

HEAD 15 - CABINET OFFICE - \$170 116

Hon. L. E. SANDIFORD: Mr. Chairman, these are requests for sums to carry on existing services and I beg to move that Head 15 stand part.

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

The question that Head 15 stand part was put and resolved in the affirmative without division.

HEAD 16 - MINISTRY OF THE PUBLIC SERVICE-\$7956

Hon. L. E. SANDIFORD: Mr. Chairman, two sums are being requested here, \$4 066 and \$3 890 under Head 16 and I beg to move that those sums for Head 16 stand part.

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

The question that Head 16 stand part was put and resolved in the affirmative without division.

On motion of Hon. B. M. TAUT, Mr. CHAIRMAN reported the passing of one Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

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

SUSPENSION OF SITTING

Hon. B. M. TAITT: Mr. Speaker, I beg to move that the House be now suspended for one hour for lunch.

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

The question that the House be suspended until 3.05 p.m. for lunch was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly. 2.05 p.m.

ON RESUMPTION Mr.

SPEAKER: This sitting is resumed.

When the suspension was taken, the House was in Committee of Supply.

QUESTION TIME

Hon. B. M. TAITT: Mr. Speaker, I beg to move that Question Time be now taken.

Hon. M. A. KING: I beg to second that.

The question that Question Time be taken was put and resolved in the affirmative without division.

Mr. SPEAKER: Question No. 80 stands in the name of the honourable Member for St. Pcier.

QUESTION RE ST. JOSEPH HOSPITAL

Mr. O. S. ARTHUR: Mr. Speaker, the question No. 80.

To ask the Minister of Health. Will the Minister please state: (1) the amount of money Government has agreed to pay for the St. Joseph Hospital, (2) the use to which Government intends to put the said facilities, and (3) if Government intends to use the facilities as an acute general hospital, the projected capital cost which will be incurred in remodelling and equipping the hospital, and the projected cost of running the hospital in each of the first three years of operation?

Hon. B. M. TAITT: Mr. Speaker, the reply to Parliamentary Question No. 80, asked by the honourable Member for St. Peter, is as follows:

- " 1. Six million dollars.
2. The St. Joseph Hospital is being purchased in pursuance of the Government's clear policy to enhance the quality, quantity and type of patient care available to residents and visitors to Barbados, including especially the people of the northern parishes of St. Peter, St. Lucy, St. James and St. Andrew who were dealt a serious blow when the previous Barbados Labour Party Government allowed the hospital to be closed.
3. Planning for the re-opening of the hospital has not yet been finalised so it is impossible and premature at this time to supply the detailed information on the capital and recurrent costs being sought by the honourable Member."

Mr. D. A. C. SIMMONS: Will the Minister indicate whether the Government has therefore bought a pig in a poke?

Hon. B. M. TAITT: In the same way that the honourable Member has not allowed himself to be seduced in St. Thomas, the Government similarly has not been seduced; it has not bought a pig in a poke.

Mr. O. S. ARTHUR: Could the Minister indicate what kind of time arrangements there are over which Government would undertake the planning as regards the potential use of the hospital?

Hon. B. M. TAITT: The Government anticipates that some time during the year 1988 it will be in a position to make full utilisation of the hospital. However, the determination of certain legal matters will, as usual, take more time perhaps than the Government anticipates, and

therefore all we can say is that we anticipate that during this year we will be able to take full possession of the hospital.

Mr. D. A. C. SIMMONS: Is the Minister prepared to admit that Government has a study before it which shows that it will cost about \$20 million to run the hospital on a yearly basis?

Hon. B. M. TAITT: The Minister is not aware of any such study, and would be grateful to the honourable Member if he would provide the study which shows it would take about \$20 million to run the hospital.

However, Sir, whatever the cost, as long as the cost is reasonable and not outside the ambit of what is considered proper, the Government would be prepared to spend the amount to provide the services aforementioned in the principal answer.

Mr. O. S. ARTHUR: Is the Minister in a position to say whether the committee which advised Government on the purchase of the hospital made specific recommendations as regards its use, and also came up with any estimates as to the likely operating costs?

Hon. B. M. TAITT: Yes, Sir. The committee, which was composed of many eminent persons, established to advise on the acquisition of the hospital did make specific recommendations as perceived by them at that time.

The honourable Member will recall that it was projected that the hospital would be acquired for sums in excess of \$10 million at that time. However, we have been able, through a meticulous attention to detail and methodology, to acquire the hospital at a considerably lower cost.

At that time when the hospital was contemplated for acquisition, the equipment and material in the hospital had not been assessed in the way in which the Government believes that in modern hospitals, equipment should be assessed, and therefore the recommendations made by the committee are themselves subject to further examination, and that is precisely what the Ministry is doing at the moment.

Mr. O. S. ARTHUR: Mr. Speaker, in the judgment of the Minister, is the hospital likely to be used as an acute general hospital before 1991?

Hon. B. M. TAITT: The hospital is not only likely to be used as an acute general hospital, it is likely to be used ^{II} for enhancing the already high quality of care for the people in the north, including the honourable Member, and we expect that to occur much earlier than the year 1991, perhaps 1988. As soon as we are able to complete the legal

and financial details, we will take possession of the hospital.

We have already - with your permission, Sir - started preliminary discussions with persons inside and outside of Barbados whom we believe will assist in bringing a high quality level of care to the hospital. We intend to examine in the most careful way the methodology for through-put within the hospital, and we are seeking to ensure that the hospital is operated with the maximum efficiency at the lowest possible cost

But we do not feel ourselves bound by any premature or predisposition towards a particular framework within which the hospital should operate. We believe that the principal and only consideration must be the health and welfare of especially the people in the northern parts of Barbados, in particular the people of St. Peter, neglected, as they are, in their representation.

Mr. D. A. C. SIMMONS: Can the Minister tell us what figures the committee projected as the likely cost of operating the hospital in a year?

Hon. B. M. TAITT: The Minister can, Sir, but does not now recall, since the information was not considered vital to the vitals in response. The Minister will give to the honourable Member, privately or publicly, as he desires, the information as recommended by the committee, a copy of the report which the honourable Member has in his possession or has access to, the Opposition having acquired a copy of the report.

Mr. SPEAKER: That is the end of Question Time.

LOCAL LOANS ACT, 1988

Order No. 4 was called - To move the second reading of a Bill to amend and consolidate the law relating to the raising of local loans by the Government of Barbados.

Hon. L. E. SANDBFORD (St. Michael South): Mr. Speaker, I rise to move that this Bill be read a second time, and in so doing, I wish to state that it is a Bill to amend and consolidate the law relating to the raising of local loans by the Government of Barbados. 3.15 p.m.

The Bill that is before us seeks to do a number of things. First of all, it seeks to consolidate previous Acts of Parliament relating to this particular subject, and those Acts under which loans have been raised include the Local Loan Act, 1953, Cap. 98; the Local Loan Act, 1955, Cap. 99; the Public Loans Act, Cap. 100; the Public Loan Act (1957), Cap. 101; and the Public Loan Act (1961), Cap. 102.

Perhaps there is no subject which arouses so much emotion as debt. Well, the operations of Government require that debt is entered upon, and the reason for this is simple, that the revenues which may be at the disposal of «, the Government do not all come in in a timely manner to meet the expenditures which Government may be called upon from time to time to spend. And so, in the short term and in the medium term, Government is "required to raise loans to meet its commitments until such time as Government may be put in funds. That is in terms, therefore, of the public finances, the revenue of Government and the expenditures of Government, and that * kind of ongoing operation creates the need for the supply of money, largely short term, which tends to be met through debentures, mostly Treasury Bills.

But there are other ongoing commitments of Government, and also Government's capital needs, which may require longer term financing, for which other kinds of >• instruments may be more appropriate.

The legislation under which loans have been raised in this country, as I have indicated, the legislation which is currently on the Statute Book relates to 1953, 1955, 1957, 1961 and 1986. So there is an ongoing requirement for legislation under which Government may make loans to meet its particular commitments. **

The purpose of this Bill that is before us is to consolidate these different pieces of legislation in order that, in one piece of legislation, the legislative requirements and framework under which loans may be raised can be easily located, and there would be one frame of reference within which the borrowing of money may be facilitated. *•• So there would be one Act under which loans may be raised instead of a number of Acts.

Secondly, to facilitate the retirement of loans, the proposal is that the single Act would provide one sinking fund instead of a variety of sinking funds, which, in fact, obtain under the current arrangements. So there will be a single sinking fund which would support all local issues **" and, therefore, eliminate the need for a variety of sinking funds to deal with local loans. This should make for a better management of the sinking fund itself.

This particular legislation will develop a wider range of financing instruments instead of being restricted to debentures. I should point out that the Bill that is before us *> does not relate to Treasury Bills or Savings Bonds. Treasury Bills are not in this particular piece of legislation for two reasons. One is that the Treasury Bills, by their very nature, are a different kind of instrument. They tend to be very short-term instruments, three months, may be up to a year in some instances. So the regime of the Treasury Bills is somewhat different from the other instruments. .

Secondly, the Treasury Bills are dealt with under the Treasury Bills (Local) Act, which is Cap. 106, and related to that, the Savings Bonds Act deals with Savings Bonds, which do not fall under the present piece of legislation that is before us.

I should also point out that the Tax Certificates do not fall under this particular piece of legislation either. These Tax Certificates were introduced in the April, 1987 Financial Statement and Budgetary Proposals, and they are covered under an amendment to the Treasury Bills (Local) Act, Cap. 106.

The Bill that is before us, Sir, also seeks to raise the ceiling under the Public Loans (Amendment and Validation) Act, 1986 from \$250 million to \$350 million. 3.25 p.m.

The Bill provides, as I indicated, for a sinking fund. It sets out the duties of the Central Bank, as the fiscal agent of Government in this matter, described in the regulations, and by this piece of legislation, Sir, the laws which I made reference to, Caps. 96, 98, 99, 100, 101, and 102, are being repealed to make way for this single piece of legislation.

I should give the House some information on the present state of the outstanding debt of the Government at December 31, 1987, and it is as follows:

The local component of the outstanding amount:
 Debentures under Cap. 102 - \$232 106 500.
 Debentures under Cap. 98 - \$2 million.
 Debentures under Cap. 99 - \$750 000.00.
 Savings Bonds under the Savings Bonds Act, 1980, No. 30 - \$21 522 500.
 Treasury Bills under Cap. 106 - \$423 930 000.
 Tax Reserve Certificates, Treasury Bills, and Tax - \$118 500.
 Tax Refunds Certificates under the Certificates Act 1987-25 - \$1405 515.

That gives the total local debt at December 31, 1987 as \$681 833 050. The total foreign component of the debt is \$775 235 053, giving the total debt outstanding at the date indicated as \$1 457 068 103.

Sir, this debt, the National Debt, calls for the greatest possible skill in the servicing and management of the debt. One relates to the payment of interest and retirement of debt, and the other one relates to the issue of new debt to replace the existing debt as far as the management of that debt is concerned. I believe it is in the area of debt management that, in the coming years, we will have to pay especial attention to, because it will be impossible, without seeking new loans, to retire existing debt on any substantial scale. So, as a policy stance, we will have to seek, within

the framework of the indicators which we will set, new loans to assist in the retirement of existing loans.

We are fully conscious of the need to exercise as much caution and as much prudence in this particular area as necessary, because we do not wish to fall within the trap that other developing, and some middle-income, countries have fallen into in creating a debt that becomes unmanageable. It will call for the greatest possible control of our expenditures, as well as the stimulation of the revenue side of Government, to keep our fiscal position stable.

Aside.

Hon. L. E. SANDIFORD: This is not the Budget.

It will call for that kind of management on both sides. We have to look at both sides of the equation to maintain a stability and to keep our finances in a healthy state.

Mr. Speaker, this is substantially a Bill of consolidation. It is pulling together different Acts, but at the same time we are raising the limits which Government may borrow from time to time under this piece of legislation. I have indicated the pieces of legislation which we will be seeking to repeal, I have indicated the purposes for which this piece of legislation is being placed on the Statute Book and I have given some indication of how we propose to approach the whole matter of the external debt and the management of that external debt in terms of placing the most emphasis on the need to amortise the foreign debt. We have to bear in mind, Sir, that it is not only the money that may be borrowed directly by the Government, but we also have to take into account the money that may flow to non-Government sources, which would be the public-guaranteed debt. 3.35 p.m.

It is important to also point out that the local component of the debt is owned substantially inside of the country itself. There are institutions, such as the Port Authority, for instance, which may invest in Government paper, or the Barbados Water Authority, and there may be other institutions as well, and so it is not the local component that gives as much cause for concern as the foreign component of the debt. Both the foreign component and the local component constitute the total debt, and to the extent that that debt is at the level that it stands at now, it means that the money which has to be used for paying interest on that debt, and for seeking to amortise the debt, is not available for other expenditure purposes, or maybe investment and development purposes for the stimulation of the economy.

I do not think that I need to go into any further detail on this matter at this stage. There will be further opportunities, both during the Estimates Debate and the presentation of the Financial Statement and Budgetary Proposals, which should come some time during the month of April.

(*Aside:* Hon. B. M. TAITT: Which year?)

Hon. L. E. SANDIFORD: Nineteen hundred and eighty-eight.

I am proposing that the Estimates of Revenue and Expenditure, should be laid subject to any hitches which may arise, next week Tuesday, and debated on Monday, March, 14. This House should be ready to enter into the debate on the Estimates of Revenue and Expenditure during that week beginning March 14.

With those words, Sir, I beg to move that this Bill be now read a second time.

Hon. W. O. FRANKLIN: I beg to second that.

Mr. O. S. ARTHUR (St. Peter): Mr. Speaker, as the Prime Minister indicated, there will be very ample time in the very near future for this House to have the opportunity to debate debt and the management of the debt, and I want to thank the Prime Minister for the courtesy that he extended in letting us know that the Estimates will be laid very shortly, and his very open courtesy in letting us know as well that, where the Budget is concerned, there will be some measures to stimulate revenue. I do not think that the House would want to be ungrateful for the very broad hint that, during the course of the Budget, we will obviously have to be discussing a series of measures, as he euphemistically called them, to stimulate revenue. I really would have wished if the stimulation of revenue could have come from economic growth. But since this is not the case, we will have to wait to hear what the Prime Minister needs to present as a substitute.

The Prime Minister's speech was an interesting one for three reasons. It seems to mark the end of an era, and it also seems to herald a change of policy and attitude by the Democratic Labour Party as regards the size of the debt, the necessity of the debt and the manner in which the debt has had to be managed.

I had taken the precaution, having regard to the statements made by the spokesman on behalf of the Democratic Labour Party in recent times, of bringing the Budget Speech of the former late Prime Minister, Mr. Errol Barrow, of 1967, when he had made as clear a statement on the need for a debt, both foreign and local, as had ever been made by any politician in the history of this country.

Indeed, Mr. Speaker, some of the comments that he made then, if he himself had had the opportunity to have reflected upon them in his later days, would have come as a severe embarrassment to him, when he was saying that Barbados does not have the need to borrow money from anybody. But that is beside the point.

The point I am making is that we heard words from the Prime Minister and Minister of Finance which seemed to suggest that an era ended on the weekend, because we were still having from the Government an attitude that sought to attribute to the Barbados Labour Party an extraordinary responsibility and blame for the size of the debt, both before May 28, 1986 and subsequent to May 28, 1986. So I am very pleased that the Prime Minister is now prepared to recognise that the debt being incurred by the Democratic Labour Party is debt incurred by the Democratic Labour Party on behalf of the people of this country.

I think that the political point that has been sought is a foolish political point. To hold the Barbados Labour Party responsible for the fact that the Democratic Labour Party has since May 28, 1986 had to borrow over \$360 million is a non-point. I am very pleased that, by the tone and temper of this debate this evening, the Minister is seeking to lay that particular matter to rest.

I think he should have also said on the weekend, Sir, in speaking to the constituency branch, that whereas the debt was \$1.1 billion on May 28, 1986, it is \$1.45 billion at the end of December 1987. I am only sorry that he did not tell us about the Government-guaranteed debt and the Central Bank debt, and other such debts that the Democratic Labour Party used to require us to tell the public so as to get a full profile, as they used to say, Sir.....

(*Aside:* Hon. B. M. TAITT: And which you never told us.) 3.45 p.m.

Mr. O. S. ARTHUR: The honourable Member for St. Michael South Central (Dr. R. C. Haynes) would know that our Government was such an open Government that he wrote to the Central Bank of this country, a few weeks prior to the Budget Debate of 1985 - I think that is the correct date - and was given all the information on Government debt, Government - guaranteed debt, Central Bank debt and the private debt of this country, which the Democratic Labour Party at that time was calling part of our contingent liability. I, this evening, Sir, would only wish to ask the Prime Minister what is the size of those other contingent liabilities, as defined by the Democratic Labour Party, which we have to add to the \$1.457 billion to get a true picture of the total debt profile of this country.

The Prime Minister is taking a careful note, and I would ask him not to be distracted by the colleagues in the heckling section of the front benches so as to prevent him from fulfilling his public responsibilities.

Mr. Speaker, the Prime Minister made some points that were very instructive. He cited the fact that there is no crime in the incurring of debt, that it is part and parcel of Government's ongoing responsibilities. This is exactly the point that the Barbados Labour Party has been attempting, in the face of the most heated opposition, to get across to the people of this country - that we are a developing country where, in any given year, the volume of resources available to a Government will always be too small in relation to the things that are necessary to carry forward this country, and that the largest case for the increase of the public debt has to do with our building a society.

The Barbados Labour Party does not now apologize for the fact that during our term of office the public debt of this country increased, because we have created the development assets to show the people of Barbados what that debt has been used for. This has always been my philosophy, and this Opposition has said that it will never indulge in hypocrisy of criticizing a Government if it is borrowing money for productive purposes. It is up to the Democratic Labour Party to justify their borrowings on productive grounds.

I am very sad that this country was brought to a state of affairs where the borrowing of funds for productive purposes could have been such a matter of heated controversy, as if the assets being created were not there for all to see. This evening, the manner in which the Prime Minister spoke suggests that we could be coming to the end of an era where heated public controversy as regards the size of the public debt is concerned. If, Mr. Speaker, there are still some members of the Democratic Labour Party who are in any doubt on this matter, I will urge them to go back, as I said, to the Budget Speech of 1967, where they will see as clear a treatise as you can possibly want to see on the management of debt.

There also seems to be a suggestion from the Prime Minister that there is also a change in policy. What is significant about the legislation that is being brought to the House is that there is not only the provision for the consolidation of existing loans, but the fact that provision is also being made for more funds to be borrowed under the auspices of the now omnibus legislation that consolidates the existing laws.

The question that I really have to ask, Sir, is, in contrast to the policies of the last two years, is the Government now seeking to move away from dependence upon external financing of its deficits and is now seeking to

rely more heavily on the local market as the source of funds to be raised?

I make that point very deliberately. Over the course of the last two years, much of Government's financing requirements have been met from external sources. I still say, categorically, that some of this financing has been to protect the balance of payments, some has been for capital development purposes and some has been for sheer normal Government operations. I state that as a matter of fact that those have been the general purposes for which funds have been raised, and that the principal means used have been access to external loans.

What the Prime Minister said suggests to me that, in the immediate future, external loans will be used more sparingly, and that there will be a greater reliance, perhaps, by as much as Bds.\$100 million in the short-term, on the use of domestic market financing of Government's financial requirements. I am asking the Prime Minister, Sir, by implication, is he now satisfied, in the light of contemporary developments in the Barbadian economy, that there is no continuing need for balance of payments support financing?

If there is a continuing need for balance of payments support financing of the character that we have had over the last three years, perhaps, we will need to be told what that financing might amount to. From what the Prime Minister said, Sir, one would get the impression that Barbados must, over the next year, borrow no more than Bds.\$50 million in the new commercial debt.

Asides

Mr. O. S. ARTHUR: You stated very clearly that the Government is committed to a policy which says that you are only going to borrow foreign commercially to replace the debt that you are retiring, and I have already made a document of the House the amount of debt that we are supposed to be repaying every year. In 1985, the Barbados Labour Party did a complete analysis of our debt repayment schedules for the year twenty something, so once the Minister establishes what is the debt borrowing strategy, and he says that his strategy is to replace debt in one year by new commercial issues in that year, then one can tell him what is his debt borrowing strategy. There is no mystery.

Asides

Mr. O. S. ARTHUR: You made a policy statement. We have talked about this already. The implication of what you are saying is that you will be borrowing no more than Bds.\$50 million abroad this -year if you are going to give effect to a policy to replace existing debt by new issues. If

, that is the policy, Sir, we would want the Prime Minister to confirm it, because if he goes to the market, as we suspect that he will go, Sir, for anything in excess of Bds.\$50 million, he will have to explain to us very carefully if he is using these loans for balance of payments purposes or to help meet short-falls in general revenue.

I think, Mr. Speaker, that given the contemporary situation that faces the Barbados economy, the Prime Minister is a bit ambitious to believe that he can restrict his foreign borrowing next year only to that debt that is required to roll the existing debt I would be surprised if he can do that. The tourist industry, Sir, really would have to over-perform for us to be able to avoid balance of payments support financing this year.

Last week we spoke in this House on that issue, and we are now in a position to confirm that between December and February of this year, arrivals from the United States of America were 20 per cent less than for the corresponding period last year; from Europe, 5 per cent increase; and from Canada, 5 per cent decrease. If Government's financial and particularly its external borrowing policies are predicated on an outstanding performance by the tourist industry, the basic preconditions for that strategy are no longer there. I, therefore, Sir, took careful note of the Minister of Finance's elaboration of his debt management strategy. I wish him well in his accomplishment. 3.55 p.m.

Debt management, if I may elaborate the point, is a matter that is not new. The Minister of Finance can confirm that when he went into office, as from as far back as 1985 two initiatives in regard to long range financial planning had been taken by the Barbados Labour Party administration to address critical financial issues in this country. The State Enterprises Unit was established by the Barbados Labour Party with a view to addressing the growth in expenditure for statutory institutions within the context of a long range approach to financial management. It was established deliberately within the context of a long range financial planning for the purpose of controlling expenditure. There is not much that the Democratic Labour Party has done to depart from the recommendations that were contained in the very extensive report submitted before May 1986 as regards management of state enterprises, and that is a fact.

In addition, Sir, as the Prime Minister knows, the services of a Mr. Bell, who, as I understand it, is still employed by the Government, was engaged with a view to help us work out....

Asides

Mr. O. S. ARTHUR: I am not surprised that you do not know who he is.

The services of a Mr. Jeffrey Bell were engaged with a view to working out a debt management....

Asides

Mr. O. S. ARTHUR: I am speaking about him positively. You are not the Speaker of this House. You would like to be, but you are not.

Hon. B. M. TAITT: On a point of order, Sir: I draw Your Honour's attention that earlier today, when the honourable Member for St. James North (Mr. J. J. Payne) mentioned the author of an article, it was drawn from the other side to Your Honour's attention that a name was mentioned.

I, Sir, am not listening to the honourable Member, but I heard a name, and I really feel that if we are going to be consistent, the honourable Member ought not to be using a name. I draw it to Your Honour's attention for whatever it is worth, Sir.

Mr. SPEAKER: The same comment I made during that debate should apply.

Mr. O. S. ARTHUR: I shall be respectful of your ruling, Sir.

I was making the point that in 1985, the Barbados Labour Party also set in motion a whole series of initiatives to address the management of Barbados' debt. We took the decision, Sir, in light of the fact that Barbados would soon face the possibility of having to graduate from access to funding from multinational institutions. It means for Barbados that we must understand that much of the financing that we will have for projects in the future might have to be finances secured not from the World Bank or the IADB, but finances from international financial markets. That market today, Sir, is a very complex place, and one could not just rush into the market-place without getting the very best possible advice as regards its various dimensions, and we paid for those services. We bought the services of a good financial analyst, and we worked out a debt management programme, central to which was the position that we would seek to hold the level of Barbados' external debt constant by ensuring that each year we would issue only enough new commercial debt to replace the debt that we were retiring. That was the policy as outlined not only this evening, but as from as far back as 1985, and, Sir, I stress the point that it was part of that process of long range financial planning that Barbados' external debt would have to be stabilised by ensuring that each year there would be

an issue of new commercial debt equivalent to the debt that one was retiring in the process.

Since 1986, there has been some departure from that particular strategy. I have said in this House before that between 1986 and 1987, Government borrowed more externally than was stated by the Barbados Labour Party as our borrowing requirements under our existing fiscal system. I remain adamant and am convinced, Sir, that the need to borrow more than what we stated as the borrowing requirements under the existing financial system as left by us had to do with the need to borrow to make up for the short-falls in revenue. I still stand on that point.

The Minister of Finance will remember that in 1986, our external borrowing requirements were set by us, after a review of the whole situation, as amounting to \$115 million. But more than \$115 million were borrowed, and I am saying that that excess had to do with fiscal considerations rather than balance of payments considerations purely and simply.

In 1987, Sir, we also had a fairly large amount of external borrowing. I am very concerned, Mr. Speaker, and I have already expressed this concern, that Government has had to call very heavily on the special deposits at the Central Bank to finance its operations since May 1987. The Government has now virtually put the Central Bank in a position where the Government is no longer in a net-lending position to the Central Bank, and we know very clearly what are the implications of that development for the deterioration in the country's reserves. It seems clear to me, therefore, Mr. Speaker, that the care of which the Prime Minister speaks as being necessary for the management of debt in the future, and the need to exercise the greatest control over the size of the National Debt, becomes important not only because of the size of the existing debt, but because of the immediate export prospects that face this country, and this is a consideration that is really one of the new dimensions in the Barbados debt situation.

When Barbados was earning \$700 million in exports from commodities per year, and \$600 million from export of services, clearly a given repayment of debt had a significance within that context that is not the same as when we are now earning \$600 million from export of services and perhaps \$2 million or \$3 million from the export of goods. So the critical difficulty that faces the country as regards the management of debt now and in the future has to do, Mr. Speaker, with the tremendous weakness in the export sectors of Barbados, and the Government, I think, has to go beyond just articulating a debt management strategy that addresses how we are going to keep the size of the commercial debt under control and must seriously begin to address how we are also going to stimulate exports in Barbados, because the stimulation of exports, Sir, - the

burden of my debate today is the stimulation of exports - really must become a most critical part of Government debt management policy in the immediate future. I am therefore very disappointed that the Prime Minister has not thought it fit nor necessary to address these two things jointly. 4.05 p.m.

Our export profile has changed: We have been able to borrow, particularly over the last two years, on the basis of a prospectus which would have shown Barbados' export position prior to 1986. But people will obviously, Sir, in the future, be looking at our new prospectus, and that new prospectus will be showing a radically different export performance than that to which they have been accustomed where Barbados is concerned.

My basic point, Sir, is that we are too complacent in Barbados as regards what has happened to exports. There are a lot of people who talk in terms of the net change, but the decline in Barbados' exports, while it may have been concentrated very heavily numerically in one area, electronics, in an across-the-board decline. The manufacturers, Sir, who cannot be said to be electronics producers, but sell food products and garments and furniture, are facing problems with their exports. We are not to be misled, Mr. Speaker, nor to take comfort in the fact that there is a difference between the gross value of the exports of INTEL and the net value. We have to recognize, Sir, that it is an across-the-board decline in Barbados' exports, and I want to hear the policies of Government to address it.

Aside.

Mr. O. S. ARTHUR: I beg your pardon.

(Aside: Mr. D. A. C. SIMMONS: Because they have done nothing before!)

Mr. O. S. ARTHUR: The honourable Member for St. John (Mr. D. J. H. Thompson) is saying to the House that the Government has done nothing before. I take the point, Sir.

(Aside: He said you have done nothing.)

Mr. O. S. ARTHUR: He has never said anything in his life....

Mr. SPEAKER: I will prefer you to stick to the Bill before you.

Mr. D. J. H. THOMPSON: On a point of order, Mr. Speaker, at no time did I state that the Government has done nothing new. I was merely stating, in response to a

question, that the honourable Member has on this occasion not said anything new.

Mr. SPEAKER: I have not been listening to asides, so there is no comment for me to respond to.

I will ask the honourable Member to continue his speech.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, the interjection by the honourable Member for SL John is characteristic of the lightness and frivolities that one has become accustomed to from the presentation in a section of the media that goes under the caption of "Douglas Leopold Phillips". It is not that he says nothing new, he says nothing at all! That has been the tone of his contributions in this House.

Aside.

Mr. O. S. ARTHUR: He is not my friend this evening, though.

Laughter.

Mr. O. S. ARTHUR: He must learn to behave himself.

Mr. SPEAKER: Is that a reflection on the Chair?

Laughter.

Mr. O. S. ARTHUR: No, Sir, not at all.

Mr. SPEAKER: I thought all honourable Members behaved themselves.

Laughter.

Mr. SPEAKER: Continue.

Mr. O. S. ARTHUR: Mr. Speaker - I am about to sum up - the Barbados Labour Party welcomes the Government's recognition that the incurring of debt is something that springs from the ongoing operations of Government. It has been a matter of distress to this party that the Government has sought to convey the erroneous impression that even subsequent to May 28, 1986, all of the debt incurred is debt for which the Barbados Labour Party is to be held responsible.

I want to hear the Prime Minister and Minister of Finance speak more specifically about the other elements of the debt management policy of Government that have not only to do with the amount that Government is going to borrow, but what Government is going to do in the other areas of the economy to make sure that Barbados' debt

service remains within some stable limits. And I look forward, Sir, in eager anticipation of the announcements of the Minister as regards what are his measures for the stimulation of revenue.

I am obliged to you, Sir.

Dr. R. C. HAYNES (St. Michael South Central): Mr. Speaker, I really intended to make a slightly different type of contribution on the second reading of this particular Bill, but, regrettably, I have been drawn into the avenue of having to correct one or two very blatant misstatements by the honourable Member for St. Peter (Mr. O. S. Arthur).

Laughter.

Dr. R. C. HAYNES: In the first instance, he is correct in saying that the concept of a debt management strategy which is predicated on the replacement of old debt by new debt without altering the maturity of the original debt to the worst, and possibly influencing the maturity of the new debt in such a way that you replace longer term debt at a better interest rate in place of the existing debt that you are replacing, that that has been a strategy which was developed by the Barbados Labour Party. I have said so in this House again and again. It is a policy that seems to me to be reasonable, so long as you are not earning enough in exports, to avoid the incidence of foreign borrowings for that purpose. It was a strategy which was continued certainly when I was in office, and it is the only reasonable strategy available to any Government of Barbados, that is, if you are not earning enough money to meet your debt payments, you seek to borrow money, but make sure you borrow money, if possible, at a cheaper rate than the one that you are replacing, and, if possible, with a better maturity structure, that is over a longer term. So there is nothing new about that policy, that is the policy that has been there, and it is the obvious policy that has to be pursued.

But when the honourable Member says that more money was borrowed in 1987 than they anticipated, or they have provided for, I think that he is mistaken, because one of the very first communications that I received from the fiscal agent of the Government of Barbados, namely, the Central Bank, when I assumed office in 1986 was the fact that the Government had already gone to the Japanese market for a \$10 billion yen issue. Because of market and varying exchange rate considerations, what we did was to go to the market for roughly 5 billion yen and to the Eurodollar market for the other 5 billion. We borrowed exactly the same amount as you had already negotiated in the markets in Japan! And that is a fact!

We borrowed \$104 million and we paid roughly \$106 million in foreign debt service in 1986. In 1987, the overall

debt service will be in excess of \$200 million. As far as I am aware, only about \$100 million have been borrowed on the commercial markets in calendar year 1987. That is approximately half of the amount of the debt service in excess of \$200 million.

The critical point, and where the problem lies with Government debt at the moment, relates to the maturity structure of our borrowings. The fact is that a lot of our borrowings in the early 1980s have been so structured, with four year moratoriums and so on, that you have a bunching of your debt between 1986 and 1990; thereafter, the debt tapers off. This is an acute situation which we will have to face, and the only reasonable way of facing this is to restructure the debt, go to the markets, get new money to replace the old debt, and take the advantage of the existing low interest rates with longer term debt. That is the strategy which you started in 1985 and which we are continuing. Indeed, I think it is even more relevant now than it was in 1985. 4.15 p.m.

In terms of the capacity to set up an infrastructure for the proper supervision of the National Debt of Barbados, we continued to work with the financial expert hired by the Barbados Labour Party. That gentleman has been a tremendous help to this country in terms of assessing markets and planning for the management of the public debt of this country.

I think a major initiative has been taken in assessing and setting up procedures for the asset-side management of the Central Bank of Barbados. By now, I presume that they would have got into the liability side as well to have the whole thing computerised so you can virtually on any day project what the outstanding commitments are over a period of time, over many years. In fact, the Central Bank is now in a position, on a computerised basis, to tell you what the National Debt will be month by month, quarter by quarter, way into the 1990s. You will not have the kind of situation developed, where in 1986-87 an error could be made and one had to find something like \$23 million additional out of the Budget in order to meet debt payments which had been omitted, and several bits of debt payments, debts to the Water Works Department, debts under the Industrial Credit Fund and so on, actually had not been fed into the system. These are all fed into the system at the moment.

We take the point that you need to export, that you need to expand your export base and earn more money, and I hope you take the point that it is misleading to quote the gross export and not take into account the import component that generates those exports. It does not make any sense. If you have to import \$500 million to export \$700 million, then your net foreign currency loss is only \$200 million. You may have lost a lot of other things, do

not get me wrong. You may have lost jobs and other linkages in the economy, but in terms of pure dollars and cents earnings in terms of foreign currency, that is precisely what you would have lost.

I have heard the honourable Member deal with the consequences of any foreign exchange loans and erroneously seeking to make demarcations between whether they are for capital purposes, balance of payments, reserve, or general reserve purposes. The truth is that there is only one foreign exchange pool in Barbados, and when money is borrowed, or earned, from any source, it comes into Barbados and is deposited in the Central Bank of Barbados, which is the only lawful agency in this country for handling such funds. So I do not think that it is a valid point to be talking about borrowing money for capital works, balance of payments foreign reserves, and so on. They all fall within the same category.

You know perfectly well that your entire capital programme for the five years before you demitted office was based on the principle that you get a foreign exchange component of the borrowing to support the domestic financing part to protect your balance of payments and your foreign reserves. That is a fact of life.

Mr. O. S. ARTHUR: Mr. Speaker, the honourable Member, Sir, might be giving the House an impression which is not true. There are some loans borrowed by the Government of Barbados which are earmarked for capital development purposes and cannot be used for any other purpose other than capital development. To say, therefore, that I have given an erroneous view when I say that you can classify loans into different categories as regards purposes is not to give the House the correct impression. Loans can be borrowed specifically for capital development purposes, and will have to be used only for those purposes. I stand on that point.

Dr. R. C. HAYNES: Mr. Speaker, I am quite sure that the honourable Member misunderstands me, and I have to be very concerned if he did misunderstand me. Surely, if you borrow U.S.\$20 million from the World Bank to build schools, and U.S.\$20 million coming into Barbados, that becomes Bds. \$40 million and that Bds.\$40 million will have to be spent on the schools, and any part of that Bds.\$40 million that requires foreign exchange, will have to be used for that purpose, but the remainder of the foreign exchange can be used for any purpose.

What are you going to do with U.S.\$20 million if you do not need all in foreign exchange? You use the part of the loan that you need in foreign exchange for that purpose, but the domestic component of it must be allocated towards the building of the school. That is correct. But the point I am making is that it has gone into a pool.

I think the better point would have related to the use of the special deposits. When you get foreign exchange inflows into Barbados, the Government is credited with the Barbados dollar equivalent of that money. It is quite possible that the Central Bank may have to use their foreign exchange for other purposes, like debt service, if it was bought for that purpose, and therefore, we may have a situation where you have special deposits but without an equivalent amount of foreign reserves or foreign currency, and when you create an expenditure item against that, then you may run into foreign reserve problems. I think that that is a more substantial point, and the only point made in terms of how that money is used.

As far as the use of the funds for general purposes, again that is not a valid point. I mean surely if you had a Current Account deficit last year of \$15 million, the last fiscal year, only \$15 million could have been used for Current Account purposes. The rest would have to be used for Capital Expenditure, unless somebody stole the money. If your Current Account deficit is \$15 million and you borrowed more than \$15 million on the local market, then what money you borrowed, could only be used for Capital Expenditure, unless the money disappeared into thin air. That is why you would have had such a substantial build-up in the Special Deposits in the Central Bank during the last six months and the early months of this year, because the domestic component of money borrowed was not used. Those deposits would have grown to some \$170 million. So you cannot say the deposits were there and say that the money was used for general purposes, and it certainly would not have been necessary to use the money, because you had raised more than the \$15 million, which constitute the Current Account deficit, on the domestic market.

I think it is very important that we look at definition. I think that, for the first time, last year the Central Bank of Barbados in its Annual Report included a table on the National Debt, which included the Central Government debt, the public guaranteed debt, the private sector guaranteed debt, and the Central Bank debt itself - all four components. The Public Debt is only the Central Government debt. Let me get these two points clear. When you are talking National Debt, you are talking about Central Government debt, the public-guaranteed debt, the private sector debt, and the Central Bank debt. That constitutes the total National Debt. If we need to get our terminology correct in the House, I think a lot of the debate will become a lot easier.

Aside.

4.25 p.m.

Dr. R. C. HAYNES: The problem with the honourable Member for St. Peter is that he makes some valid points,

but in between you get a googly, a chinaman and all these things which are designed to create confusion.

Mr. SPEAKER: I am not too sure I understand the cricket terms in relation to this debate.

Mr. O. S. ARTHUR: On a point of order, Sir: The honourable Member has just accused me of trying to mislead the House. The Prime Minister himself read out statistics as to what is the Public Debt, as distinct from the National Debt and as distinct from the Government-guaranteed debt. The Public Debt, Mr. Speaker, as set out in the Accountant General's Report, is \$1.457 billion at the end of December. The National Debt, as stated in the Central Bank's statistics, is \$1.482 billion. I am asking the honourable Member for St. Michael South Central if the difference between the National Debt and the public debt is only twenty-something million dollars - if the total amount of private sector debt, Government guaranteed debt, and the Central Bank debt outstanding is only \$22 million.

Thank you, Mr. Speaker.

Dr. R. C. HAYNES: Mr. Speaker, I really do not want to embarrass the honourable Member. The document that he is looking at there, the monthly statistics, that is the public debt as well. If you get the Annual Report of the Central Bank of Barbados, you would see the National Debt set out there, and it is more like \$1.9 billion or something like that. What you are looking at there is roughly the same thing as you will see in the reports of the Accountant General, but you need to get the Annual Report of the Central Bank, where you will see the National Debt as distinct from the Public Debt. I presume you did not hear me say the Annual Report of the Central Bank.

Sir, with more specific reference to this Bill - not that I was straying too far, Sir, I would never do that - I think that this matter has been in the pipeline for several years. It is quite clear that new debt instruments need to be created in Barbados, because if I may move away from the narrower view of public borrowing as one to finance Government expenditure, there is also a very critical role of Government borrowing, and that is for the development of the capital markets of Barbados, and it is going to become more important as the years go on. If Government did not need money tomorrow, did not need to borrow one cent, they might still have to go to the market and borrow money to accommodate various institutional investors, the banks and so on. My view, Sir, although I am fully aware of the objects of this piece of legislation, is that I think a lot more needs to be done where our debt instruments are far more flexible, dynamic and responsive to the capital market development needs of Barbados.

I, for example, can foresee that before the year 2000, perhaps, we might well develop within the Caribbean a Caribbean Stock Market, and it may be possible that you will see more and more Government instruments traded on the local Stock Market as time goes on. As I have said before on the floor of this House, I would like to see some legislation whereby individuals can have access to Government bonds by buying them at the Post Office or almost in a shop, as in the United States of America, to involve the wider masses of the people in the saving and development process. At the moment, the limited instruments that we have - namely, Savings Bonds, Treasury Bills and debentures - are largely restricted to institutions and a few people with money and the know-how, by and large. Therefore, we want to see a consolidated dynamic instrument which allows for far more flexibility, and whereas this may be a beginning, it certainly is not the long-term answer.

I also gave some thought to the possibility of making the appropriate legislation available - this is when I was in office - to see whether I could establish in Barbados a limited U.S. dollar Treasury Bill regime. With the expansion of the offshore sector in Barbados, at the end of every financial year, usually the calendar year for those companies, you would see that there is a substantial amount of U.S. dollars here in this country, which just simply leave Barbados, go to the Euro-dollar markets, and then the next year we go to the Euro-dollar markets and borrow back the same money - not the same dollar bills, but the same amount or more. You can create a regime in Barbados where, arising out of the activities of these companies, particularly IVCs, as they become more profitable and you get more and more in Barbados, you may be able to have a limited Treasury Bill market which does not contaminate, of course, the domestic market, as has been established in relation to the whole offshore sector. That is another major area that I see.

I think we need legislation to put it beyond any doubt that amortisation should not be included in public expenditure estimates, and I will tell you why. If you take Treasury Bills, Treasury Bills have been traditionally rolled over, and that accounting process takes place below the line, and the only charge against Government expenditure is the interest rate, or if there is any shortfall. On the other hand, if you take a debenture, under the present legislation if you roll over a debenture - you have not spent any money, you have gone back to the same market to borrow the money - it becomes an item of expenditure. Do you realise what would happen if you roll over \$2 000 million in Treasury Bills in one year and that was part of Government's expenditure, if that transaction was done above the line? I think the roll over of debentures should go below the line, but my understanding of it is that you would need special legislation to permit that.

The Central Bank takes care of this. When the Central Bank assesses Government expenditure, the IMF, the World Bank, all international agencies, they take out the amortisation, and that is why you see that the Government deficit, as reported by the Central Bank, is always smaller than the Government deficit as reported by the Government. What I am saying is, if I owed Barclays Bank \$100 000 and I went to Royal Bank of Canada and borrowed \$100 000 and paid off Barclays, I have not incurred any new expenditure, I have not incurred any new debt. But under our system of accounting for debentures, that would reflect as \$100 000 in expenditure, and that is purely an archaic accounting phenomenon that does not take into account the new dynamics for capital investment and capital flows within the country.

One further point, Sir, I want to make is that this will become increasingly important as the years go on, because some of these payments in terms of amortisation are bullet payments, one-shot payments, and if in any one year the Government had to face a one-shot payment on a capital repayment of \$60 million or something like that, that would reflect as expenditure in the Government's accounts, the Accountant General's accounts. It would be taken out in the Central Bank's accounts, but where the danger lies is, if you are not smart enough to make sure you exclude a consideration of that \$60 million in terms of your revenue requirements, because you may end up overtaxing because of an amortised capital payment which you should not be treating in that particular way.

I believe the opportunity exists, although it is going to take some time. This one has been in the pipeline, but this is only a beginning of what is really needed in terms of debt instruments and the proper legal framework for the use of debt in terms of the overall development of the country.

The honourable Member keeps harping on this point of revenue. Despite the tax concessions of 1986, you will see that the revenue loss was about \$30 million, and less than what you projected. But I would put my neck on the block that the revenue for this year, despite the tax concessions, will be the highest in the history of Barbados. Because looking at what is happening in Barbados, there is only one way that that can get back into the system, and that is into the public purse. The way how that must feed back into the public purse is via mechanisms which cannot be subject to tax avoidance that easily. I am quite sure that you are bound to see the highest levels of revenue in Barbados this fiscal year, despite the tax concessions, or whatever you may say. 4.35 p.m.

Sir, I hope that I have succeeded in clarifying some of the points which the honourable Member for St. Peter made. He objected to the word "chinaman".. I do not

know whether it is used as a personal reflection on him or anything like that. It is not meant to be personal, it is part of a debating technique.

By and large, as I have said, frankly, I do not see how we can escape borrowing on the capital markets this year, next year, or the following year, unless there is a most unusual upsurge in export earnings, because I, certainly, would not like to see a situation where our external position could become so marginal by not having access to funds at an early stage that could create other pressures within the financial system of Barbados.

I think, Sir, that I have tried on behalf of my period of stewardship as Minister of Finance, and on behalf of my party, to try to defend against a highly intellectual, but, at the same time, somewhat left-handed, assault on the situation.

Thank you very much.

Mr. D. A. C. SIMMONS (St. Thomas): Mr. Speaker, now that we have heard the three experts, I want to put the position of the ordinary fellow in the Barbados Labour Party, and I want to get certain perspectives and definitions right.

The honourable Member for St. Michael South Central (Dr. R. C. Haynes) and the honourable Member for St. Peter (Mr. O. S. Arthur) and the Prime Minister seem to agree that the public debt is \$1.45 billion as set out on page 13 of the accounts for December which were laid last Tuesday. It is headed, "Statement of Loans Outstanding and the Aggregate of Sinking Funds formed to redeem such loans as at December 1987". The three of them say that that is the public debt.

The former Minister of Finance also tells us that in the last year the Central Bank was innovative enough in their Economic and Financial Statistics, or in their Annual Report, they were prepared to give us a head called "National Debt".

Asides.

Mr. D. A. C. SIMMONS: Well, it is in the Statistics for January, Table G6 on page 63 "Central Administration National Debt". That gives the National Debt as at November as \$1.482 billion. Sir, I understand the National Debt, as it appears in the Central Bank statistical relating to the central administration of the country, and the Public Debt, as it appears in the accounts which deal with the aggregate of loans and sinking funds.

Dr. R. C. HAYNES: On a point of elucidation: I think you will find the term "National Debt" still repeated in the

monthly statistics — I will tell you why - because there was a point, probably in 1974, when the National Debt and the Public Debt were probably the same thing, in that there was hardly any public-guaranteed debt or anything like that. What has happened over the years is that you had an expansion of debt in these other areas.

I will try and get a copy of the Central "Bank Report of last year and show you the table I am talking about. I think that the problem is that they have not changed the heading of the table yet. That is all.

Mr. D. A. C. SIMMONS: Sir, the Government incurs debt on behalf of Barbados for a variety of purposes. There seemed, prior to May 1986, a debate as to whether the Government had any right to borrow money, and, certainly, a view put by the Democratic Labour Party that the Barbados Labour Party had borrowed too much money and had put the country at risk. The Democratic Labour Party, leading up to the elections, promised that all of that would stop.

Aside.

Mr. D. A. C. SIMMONS: It was said! I am going to bring the speeches in here for Estimates. The honourable Member for St. Michael South Central, in the Budget Speeches of 1985 and 1986, said that under the Democratic Labour Party all of that would stop. You would not hear about this borrowing.

Aside.

Mr. D. A. C. SIMMONS: Non-productive borrowing. Okay, then, Sir. You see, how they walk straight into it Sir? Non-productive borrowing would stop. Let me even take that to be so.

(*Aside:* Hon. B. M. TAITT: Everybody knows that except you.)

Mr. SPEAKER: I am not going to allow unnecessary interruptions.

Mr. D. A. C. SIMMONS: Tell him, Sir!

Mr. SPEAKER: I would prefer the honourable Member to continue on his speech.

Mr. D. A. C. SIMMONS: I would wish to continue, Sir.

I am glad that the Government has said that they have borrowed money for productive purposes. That is what they were saying, that is what they were shouting across and telling me, and I want one of them to get up and deny it,

because on July 22, 1985, in the famous speech when the late Prime Minister described Mr. Courtney Blackman in varying terms and in very variegated language....

Asides.

Mr. D. A. C. SIMMONS: I did not say he cursed him, I said he described him.

That debate got heated. It began as a Resolution to borrow \$5 billion Japanese yen - this is what the addendum said - "to be applied to the financing of projects approved in the Barbados Development Plan 1983-1988 and other capital expenditure approved by Resolution of Parliament." The Government came then and told the House that the money was being borrowed for capital projects, and in the course of the debate, both the then Minister of Finance and the late Prime Minister Barrow told the House it was not for any capital projects at all, it was to pay debt. That is the productive purpose for which you all say now you borrowed money in your time. Do you want me to read them out? 4.45 p.m.

Hon. B. M. TAITT: On a point of order: Unfortunately, the late Prime Minister Barrow is not here to respond to the honourable Member, but I am sure that while what he is saying might be accurate, the Democratic Labour Party was not the Government in 1983, and what the Addendum sought to say was that the loan which had been put in train by the Barbados Labour Party was for capital projects, but, in fact, it was to pay debt. The context has to be given. The honourable Member cannot give a half statement. I know he is capable of doing better.

Mr. D. A. C. SIMMONS: Mr. Speaker, there is no point in the Government trying to bend the truth. I will have the debate published to show them exactly what they said. It was not anything to do with our negotiating a loan. The former Prime Minister made it clear that he was against the then Minister of Finance going to Japan to borrow the money. But it came out in the course of the debate - in fact, no sooner had the Minister opened the debate, than in the second column of Hansard, on page 62, he admitted that they needed the money and it was to pay debt. We did not frame the Resolution. We did not send him to Japan. He did not have to go. He went against Barrow's wishes.

There is too much double talk here, Sir. Let them deny that \$50 million was borrowed since they have been in office, and since they have come in that \$50 million was used straight to repay refunds of tax. That was not for any productive purpose. Do not let us get any double talk about it, it was straight repayment of debt.

Asides.

Mr. D. A. C. SIMMONS: I am not going to talk about the IMF, I will talk about that in April.

The IMF told the Government in January this year that you have two choices, wage restraint or devaluation, and the authorities have told the IMF that devaluation is an instrument of last resort - those are not my words, but I will show you where the words come from one of these days - and the wicket is being rolled to sell wage restraint to the people of this country. I can talk about the IMF.

Hon. B. M. TAITT: Mr. Speaker, on a point of order: the honourable Member purports to quote from an IMF document. The honourable Member knows the rules, Sir. In making a fundamental statement as critical as he is making, if any credibility is to be given to what he is saying, the honourable Member has to do what all honourable Members do, that is, to cite the source, quote the quotation, give the page and let you believe him, or stop speculating. Get the document. If you intend to put the document in the record, do so. Sir, if he does not, because the matter is so fundamental, he should withdraw the remarks.

Mr. D. A. C. SIMMONS: Sir, the only document I have is Hansard for July 22. I do not have to bring any document.

Hon. B. M. TAITT: I am submitting that the statement with regard to what the IMF said to Barbados is sufficiently harmful to the country that if he is not going to quote it, the matter should be struck from the record. If it is not struck from the record, the Press will be at liberty to publish it, and I submit it will be a danger to the country. Therefore, he must either cite the source or the matter should be struck, Sir.

Mr. D. A. C. SIMMONS: Since when

Mr. SPEAKER: The honourable Member has risen on a point of order objecting to a statement which he believes is not properly substantiated. I would like to caution the honourable Member that he is treading on dangerous ground, and he should in future make statements in such a way that the House can accept them in parliamentary fashion. In other words, we need not mislead anyone in this House.

Mr. D. A. C. SIMMONS: No, Sir. But if the honourable Members on that side are accusing me of either misquoting or being inaccurate in the repetition of my sources, which I have committed to memory, then I will give them a guarantee that, either on March 4 or April 6, they will get the document.

Hon. B. M. TAITT: Sit, on a point of order: I have no doubt that the honourable Member means every word he

says, but bearing in mind recent past history, the honourable Member may not be here on March 4 or April the what. What one wishes is for him to give the source now.

Laughter.

Mr. D. A. C. SIMMONS: The source, Sir, is two Bs. That is all I am prepared to say. If they want to hear, I am accusing the Government of having a plan to keep civil servants' wages and salaries constant in nominal terms after the expiration of the wages agreement in April 1988. I want these words written down, because when the source is revealed, I want to hear what they are going to say. They are challenging me. They have a plan.

(*Aside:* Hon. B. M. TAITT: Henry Christopher will say that on Sunday.)

Mr. D. A. C. SIMMONS: No, man, who is Henry Christopher? I would write that in my own name. Look at page 12. No anonymous person other than a Member on this side, at an appropriate time, will deal with it. In the context of the troublous economic times which we are now facing, I am accusing the Government of having a number of options open to them and taking them. Of those options, one was indicated by the Prime Minister this afternoon, increased taxes. Another one is going to be increased tariffs; water rates then.

Aside.

Mr. D. A. C. SIMMONS: I do not know about the bus fares.

The third option they have is wage restraint, and the wicket is being rolled for that. This will be made manifest to the public in due course. I am glad that I have been challenged today and I have used certain words. In the fullness of time, without any notes or any source documents, we will see whether the words which I use today are accurate or not "Not to hold civil servants' salaries constant in nominal terms after April 1988 and to set an example to the private sector." 4.55 p.m.

Aside.

Mr. D. A. C. SIMMONS: Man, I am quoting.

Laughter.

Mr. D. A. C. SIMMONS: I am going to wait and see what is going to happen now that the private sector is reporting such great corporate profits. The Member for Christ Church East Central (Mr. R. L. Morris) indicated last

year that when they are making the profits, he wants piece of that, too. I want to see how the Government is going to deal with that conundrum.

Mr. D. A. C. SIMMONS: I am not who is going to say that money borrowed to assist in the development of Barbados and to modernize it is money ill-spent. I agree with what the former Prime Minister Barrow said way back in 1967. It is like if you have an old house and the parents have three children, and all they have done is to go and borrow some money to improve the sanitary conditions, a wall back and then you come forward and you build on some more wall and so on. They may die and leave the children as the inheritors of that property and of the debt. But in the meantime, they have incurred the debt and the property has been enhanced. So all that you have done as a Government - DLP and BLP - is to borrow to help modernize and advance Barbados.

But all I am asking the Government to do is to be honest and true when they come for money for balance of payments support to say they are borrowing for that purpose. As I said, the honourable Member for St. Michael South Central, when he brought the Japanese Resolution in July 1986, was honest to say that he was borrowing to repay debt. Where I disagree with him was that in the printed Addendum the House was being mislead, because it spoke of capital projects. Just come and be honest and say that we need some bread to keep the things going; we will understand. But when you try to butter it up.....

Dr. R. C. HAYNES: Mr. Speaker, the honourable Member has just made a very serious accusation. He is a Member of Parliament who has always sought to conduct himself with the utmost propriety in this House.

The Addendum to that Resolution, and the Addendum to all Resolutions, copied exactly from the Addendum to all previous Resolutions brought to this House by the Barbados Labour Party, spoke to the financing of Government's capital programme as well. During my speech, I pointed out, as the honourable Member for St. Peter has repeatedly pointed out, that there is only one foreign exchange pool in Barbados. Therefore, there is absolutely nothing misleading in that Addendum - absolutely nothing! - unless you are going to accuse the honourable Member for St. Peter of misleading the House on numerous occasions

Laughter.

(*Aside:* Mr. O. S. ARTHUR: How did I get into it?)

Mr. D. A. C. SIMMONS: How did the honourable Member for St. Peter get in this?

All I was saying, Sir, is that the document spoke of borrowing for financing the Development Plan and other capital expenditure, and that the then Honourable Minister, when he was Minister of Finance, said we are borrowing to repay foreign debt, not to finance any plan. And he was supported by the Prime Minister, in stronger language, at page 81 of the debate.

Sir, there has come a time when the public has been mislead about debt. In, I think it was the alternative Budget of 1986, the honourable Member for St. Michael South Central paraded that the debt was then \$1.454 billion. He made it look bad.

Aside.

Mr. D. A. C. SIMMONS: I was not in here then, back in April 1986, or whenever the Budget was.

The impression that was left with the public was that the future of Barbados was being mortgaged dangerously by a set of people in the Barbados Labour Party Government who only wanted to incur debt on top of debt, and the debt was not being used for any good and productive reason.

The public of Barbados in the last two years has become concerned that in 22 months the Government which had been so critical of the Barbados Labour Party's borrowing itself has borrowed \$316 million, and all the people can see for it is an arch. Three hundred and sixteen million dollars, ostensibly for capital projects! What have you done?

Asides.

Mr. D. A. C. SIMMONS: I am here to ask the Government questions. The Government must respond and let us know what it has done with the \$316 million in 22 months. We are accusing the Government of using some of that money for day-to-day housekeeping, shoring up domestic finances and trying to close the deficit in Government's domestic situation.

Aside.

Mr. D. A. C. SIMMONS: Suppose it were so? The problem has been that the Government led the country to believe that the massive tax relief that it purported to give, which has not in reality been tax relief, which has been realized right through the system, in the offices, Sir, to the company director or the bank manager, would cost thirty-something million dollars. It has been over \$100 million.

And the honourable Member for St. Michael South Central is still deluding himself that the revenues are doing

so well without looking at the figures face to face. This Accountant General's Report, Estimated Revenue for 1987-88, Taxes on Incomes and Profits, \$168 million, page 2. As at December, with three months to go, all you had taken is \$68 773 000, and you estimated that you would get \$168 million. But he is coming in here saying they are going to get more revenue than ever before.

Mr. SPEAKER: Why refer to the honourable Member as "he"?

Mr. D. A. C. SIMMONS: The honourable Member for St. Michael South Central.

Mr. SPEAKER: That is much better.

Mr. D. A. C. SIMMONS: I am grateful for your intervention, Sir.

Taxes on Goods and Services were estimated at \$203 million, and you were at \$162 million as at December. I am glad to hear the DLP Government making a boast about how much revenue they are getting from taxes. We were accused of over-taxing the people. And the honourable Member for St. Michael South Central this afternoon can boast and predict that the revenue will be higher in 1988 than ever before.

(Aside: Mr. D. J. H. THOMPSON: Because collection is better, not collection of more taxes.)

Mr. D. A. C. SIMMONS: Collection is better because you are collecting the bulk of the taxes through indirect taxes at the Port and so on.

(Aside: Mr. D. J. H. THOMPSON: More efficient collection.)

Mr. D. A. C. SIMMONS: More efficient collection and greater pressure on the average man through the increase in the cost of living. Thank you very much!

Asides.

Mr. D. A. C. SIMMONS: The cost of living has not gone up? Go out there and tell the people so and see if they do not strangle you.

But if the Government is doing so well, and has such an efficient system of collection that allows it to rake in these vast revenues that they are boasting of, there should be no problem with the deficit, because the Government itself boasted in the Budget last year that it was reducing expenditure, it was cutting out waste, and it was bringing a more efficient approach - in the language of the Member for Christ Church East Central - to the management of the

domestic public finances. Yet, for all of that - more efficient collection of taxes, more efficient management of Government Departments, cutting out waste - the deficit is now well over \$247 million. It was \$225 million at the end of December, we passed \$13 million for the Transport Board in here a couple of weeks ago, that is \$238 million, and you have a couple of \$2 million and \$1 million that has gone in there, so it is up into \$240 million already. With all of that, the Government is sitting down there smugly saying, what a wonderful job it is doing in managing this thing, there is no problem. If there is no problem, why has the Prime Minister come in here this evening and give us such a broad hint that there will be increased taxes in the Budget? 5.05 p.m.

Asides.

Mr. D. A. C. SIMMONS: He does not have to worry about me. I am only one, but the three of us represent 42 per cent of the people out there, though. Get that in your kidneys!

Asides.

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

Laughter.

Mr. D. A. C. SIMMONS: If the Government has now adopted a different attitude to debt, if, in the language of the honourable Member for St. Peter this is the end of an era and we are going to adopt a bipartisan attitude to this problem....

Asides.

Mr. D. A. C. SIMMONS: ----- I have not even warmed up yet. . . then I may have to revise an attitude that I was developing. Because having regard to all that has been said and all that the Government promised, I really did not see a need for this DLP Government to have to borrow money at all. They could run the country so well while we were making such a mess of it, there was no need for borrowing. I really had made up my mind not to support any other Bill, Resolution, or whatever came in here for loans, because you told the people of Barbados you would not have to borrow, you could run the country well. But if the reality of economic life has come home to them, if the unworkability and the folly of their promises have now been rip large before them, and they are feeling contrite, if they are now recognising that they went too far, promised too much and gave too much too soon, and they are asking for an ease, I will give them an ease in here, but reserve my right to blister and sandpaper them out of here.

Asides.

Mr. D. A. C. SIMMONS: Yes, where I can explain to the man in the street exactly what has happened and quote from debates of the same session. I cannot do that in here now, but I can do it outside, and I may have to resort to that

It only shows you that you must not mislead the public and create false impressions about what you can do. The public is not going to take it kindly that in 1986 you said \$15 000, claim all your repairs, all your mortgage interest, this, that, and the other, no problem, and within seven months you take \$60 million from them, and this year, taxes and wage restraint.

I must congratulate the Prime Minister for his honesty and sincerity. He recognizes the problem and he is not backing away from it. He has to do what is necessary for Barbados and he is going to do it, and that means some increased taxation, some belt tightening, some wage restraint, some increases in tariff rates, and so on. If that is necessary, you have to do it, and you will go down as a realistic Minister of Finance, not one who was up in the cloud, and who put us on the brink of economic confusion. Do what is right!

Thank you, Sir.

Hon. B. M. TAITT (St. Michael West): Mr. Speaker, I really regret that the honourable Member who has just sat down found it necessary - one has not been able to figure out why - to make this speech which would probably have been better from a political point of view if he had made it during a time when he could broadcast to the nation. Because it is clear that this speech, while falling barely within the four corners of the requirements of relevance, had nothing whatsoever to do with what is before the House in the strictest sense, but more to do with an internal difficulty which, apparently, is surfacing in the Barbados Labour Party. The problem has to do with who can get in what first. We have, on the one hand, the Miller-Tull combination, which, apparently, is seeking to topple the other combination, neither of which now admits to being a great combination. They are under some intense pressure to demonstrate to the public that they are worthy of serious consideration.

Mr. D. A. C. SIMMONS: On a point of order: The honourable Member has made two errors. With the Miller-Tull, I believe he was referring to persons in the Other Place and he could address them appropriately, and I want the House to know, Sir, that it has not been necessary Thursday before last for anybody in the Labour Party to say, "let us all hold hands - we are in all of this together."

Thank you, Sir.

Hon. B. M. TATTT: Sir, the only thing about that point of order is that it is even less relevant than his speech. But I am not going to join him in inanities. If he wishes to hold hands with us, if he wishes to go down as having deserted the position taken by his colleague, the Shadow Minister of Finance, he can feel free to do so.

It is interesting that the Barbados Labour Party is seeking to find shelter in the philosophic bosom of the late Prime Minister in his statement regarding debt. What we have always said...

Asides.

Hon. B. M. TAITT: Sir, they are discussing a matter which does not concern us.

Mr. SPEAKER: Which I am not hearing.

Hon. B. M. TAITT: I am glad, Sir, but if you could only hear.

Mr. SPEAKER: I am hearing the Member who is standing.

Hon. B. M. TAITT: The things that are being said are not worthy of hearing.

Mr. Speaker, what I find remarkable is that this debate took place in this House about nine years ago, what constitutes debt and what we need debt for. The only thing is that they were the Government and they were seeking to demonstrate that the Democratic Labour Party had left them in such a bind that they had no alternative but to borrow money. So if the honourable Member is distancing himself from the Labour Party of that time, and if he feels that he has to make a statement, my only regret is that he has chosen such an occasion, because he could have, properly and better, managed to benefit from his position. 5.15p.m.

Mr. Speaker, I do not believe that the Minister of Finance is going to sneak his way to the International Monetary Fund this year. The Barbados Labour Party did that. They did not discuss it with the country. As a matter of fact, the Minister of Finance of the day did not even discuss it with his party, and I always find it difficult to understand..... he has gone, he has to go and file a story....

Asides.

Hon. B. M. TAITT: No, I did not know that. I now begin to understand why he is after me, but I have no input

in CBC, neither then nor now. I was Minister, but I was not a Barbados Labour Party Minister. I did not interfere in the domestic affairs of the statutory boards.

Mr. Speaker, what I find remarkable is that the Barbados Labour Party still cannot get accustomed to the idea that the people of Barbados are at a higher level of understanding, and they cannot continue to trot out these old, tired clichés to try to give the people the impression that we borrowed \$316 million and all they can see is an arch.

Sir, since the Democratic Labour Party came into office, it has had a tremendous difficulty, first of all, understanding the economic methodology of the Barbados Labour Party. We thought things were bad before we came in, but it was only after we came in we begun to understand what the real problem was. The Barbados Labour Party had no particular philosophy of development. The Barbados Labour Party's methodology was steeped in a personal approach to financing by each Minister of Finance. The manifestation of that can be seen in the massive public debt which was incurred between 1976 and 1986, and we will never tire of repeating that we left a public debt of \$258 million in 1976 and we came back and found it in a situation where now the honourable Members discuss billions as though they were discussing thousands. The honourable Member for St. Thomas really is innocent of any charge in these matters - he really, as he said, wanted to get the thing off his chest and one really does not hold it against him - but the honourable Member for St. Peter was a crypto member, he was an arch-member, of the group that moved us from \$258 million in public debt to the billions. The word "billion" is synonymous with the Barbados Labour Party and debt.

If he wants to say that all we have is the arch, we are going to demonstrate what we have done, whenever the date is - April, you said? What we have done we will demonstrate, but they should be ashamed. They have monuments to what they borrowed the money to do. They built the Central Bank. It needs to be repeated, because they think the people do not remember. We are massively involved in the building of the road. Ninety million dollars for the road is what they say, the reality is more like \$105 million. They cannot even figure out what the Central Bank cost even to this day, but we know it is in excess of \$100 million. We have had to change, cut and contrive to make something of Heywoods. What else can you point to? What is the productive sector that the Barbados Labour Party can point to?

Just once we would like the Barbados Labour Party to have an honest debate about the public debt. They will then understand that the Democratic Labour Party has always said that the borrowing of money to develop the country to

be repaid by succeeding generations forms a substantial and fundamental part of our philosophy. Furthermore, they must know, if they say we borrowed money to pay debt, that they left the Democratic Labour Party with an interest payment of \$100 million first. You know, Sir, if you can think of your mother cooking and she put dumplings in the middle of the rice, you have to take out the dumplings before the rice dries down. That is the debt that we have, if we borrowed money to pay, it is what you have left us as a legacy.

We cannot even afford to give the people of this country the quality of health care which they should have, because you, the Barbados Labour Party, have us in excess of \$100 million in debt. Before you can say Jack Robinson that \$100 million has to be found, so if the Minister of Finance finds it, as you say, convenient to put some taxes on, the Barbados Labour Party can rest in the knowledge that they engineered it. But that is a matter for the Minister of Finance.

Aside.

Hon. B. M. TAITT: The honourable Member is asking if I did not know that when I was in Opposition. The truth is, we suspected it, we had speculation. We used to get documents from various sources, but we had no idea of the chaos created when they were the Government.

As for public waste, Mr. Speaker, the Barbados Labour Party stopped the development of this country in the most systematic way. It refused to allow the ordinary process of growth and development in the individual. They refused to allow people to advance both in their training and in their personal capacities. They removed the ability of persons to be trained in the professions and vocations they had chosen.

The Barbados Labour Party froze training in this country for ten years. They had a Minister of Health who said that we had enough nurses, and therefore she stopped the training of nurses in this country, to the point where the cost of medicine, the cost of health care in this country, has multiplied in excess of any reasonable consideration. We are facing crises in this country now because we cannot, and will not be able to in the foreseeable future, staff critical areas of health and education and other areas because of a misguided policy by the Barbados Labour Party. What productive capacity they could be talking about, Mr. Speaker? Where is the productivity in the Barbados Labour Party?

(*Aside:* Mr. D. A. C. SIMMONS: What about the per capita income?)

Hon. B. M. TAITT: The honourable Member asks me about the per capita income. Not since Aaron Truss used to trot out the figures that Tom Adams would give to him, did I hear anybody asking that kind of question. I know the honourable Member is, not celebrating at the moment, so I will not respond to that, because normally he is better than that Aaron Truss can ask me that question and get a response, because I know that that would be the height of his capability. I am not going to interfere with the honourable Member's celebration at the moment. If he has got it off his chest and he is resting, let him rest. 5.25 p.m.

I think the honourable Member for St. James South (Hon. N. K. Simmons) told me today that we spent something like \$100 million in unemployment benefits, brought about by the policies of the Barbados Labour Party. Do you wish to discuss politics? I am ready to discuss it.

Mr. SPEAKER: I would rather you stick to the Resolution than deal with politics.

Hon. B. M. TAITT: I beg your pardon, Sir, but the honourable Member said that he is going to discuss it outside, and I was merely making the point that I am ready to go outside with him.

All I am saying to you is that the level of unemployment which you have created in this country, which we have to correct

Asides.

Hon. B. M. TAITT: I may have said "unemployment benefits." I had better withdraw "unemployment benefits" before I mislead the House. That is what somebody told me, I do not know it of my own knowledge, so I am going to withdraw that remark about the amount.

What I will say is that the level of unemployment has resulted in a degradation of the finances of this country. There was a stagnation in the investment in this country, and if you wish to quarrel with the Democratic Labour Party for causing the private sector in this country to become interested once again in investment, feel free to do so.

I am not one of the persons who will try to pretend that I have changed my philosophy, but there can be no doubt that an economy that has a generous portion of the private sector to be stimulated by the public sector, which is how this economy has always functioned, must rely on bold initiatives by the Government of the day. And I am saying that, whatever are the consequences, the Government of the day, under the Democratic Labour Party, performed in the way it had promised. It said that it would get as a first order

of business the economy going again, and I challenge the honourable Members on that side to demonstrate that the economy of Barbados did not get going again. From a position of negative growth, we went into a positive growth, and projections of increased and improved growth over the next year and the year to come.

Asides.

Hon. B. M. TAUT: The Governor of the Central Bank says it is going to be 2 per cent. If I have to choose between the Governor of the Central Bank and the honourable Member for St. Thomas, I will choose the Governor of the Central Bank. But suppose it is only 1 per cent, the point is that we have growth as opposed to the negative growth which was a feature of the moribund policies of the Barbados Labour Party in 1984 and 1985. And it does not fit, nor does it fall, well out the mouths of anybody from the Barbados Labour Party to be challenging the policies of the Democratic Labour Party in relation to getting the economy going again.

The fact that the private sector may be able to boast of certain profits cannot be removed and separated from the statement alluded to by the honourable Member for Christ Church East Central, who says that his people are already sharing in the benefits. I am trying to relate that the benefits which the private sector may be now getting to the union agreements which the Government must anticipate in 1988, is a shot in the dark. It may be heralded by information which the honourable Member believes that he has or that he has. The fact remains that the negotiations to come are still negotiations to come.

We have to discuss the performance of the economy between May 28, 1986 and today, but we cannot now be heard to be discussing the economy in May 1988 and September 1988, then pronouncing on what it is likely to be and then forming a conclusion. The honourable Member knows that that is not the way we go forward. We have to look at the outturn figures.

Mr. D. A. C. SIMMONS: On a point of order, Sir, The Honourable Minister is getting very tired, Sir, but he must know that I predicted last year in the Budget that the deficit would be \$247 million and it is almost there, Sir. A year ago! You cannot forecast economic trends over a year as a Government? Something is wrong with them!

Hon. B. M. TAITT: The honourable Member now chooses to move into another gear, but that is in keeping with how the Barbados Labour Party perceives things. The honourable Member now seeks to take what I am saying and suggest that I am saying that one does not know how to forecast.

The honourable Member has alluded to and alleged to have information which he is not prepared to put on the table, but wishes other intelligent people to debate with him about information which he has but which he cannot share with anybody else, and to conclude with him on the basis of that information. The honourable Member must really believe that we are a bunch of mock sticks, that we will engage him in discussion in a vacuum.

We are suggesting to you that the average, ordinary people of Barbados are better off. We are suggesting to you, on the basis of the employment figures, the real figures, that the people of Barbados have had sustained employment and have maintained their employment levels ever since the Democratic Labour Party came into office.

Asides.

Hon. B. M. TAITT: You can do better than that. You can go into St. Thomas and ask the people who work at the cave. Ask the people who work in the tourist industry. Ask the taxi drivers. Ask all the people. Do not rely on any statistics. Go and ask the people. The source of the best information has always been primary source, and the primary source in Barbados must be the people. Seek ye first the kingdom, and the kingdom must be the people. Go and ask them. Ask them if they are better off.

The honourable Member can tell us whether in his lifetime he has ever heard if 98 000 people have ever been working in Barbados before. This is the first time in the history of this country that we can boast that nearly 99 million people....

Asides.

Mr. SPEAKER: Surely not 99 million people.

Hon. B. M. TAITT: Ninety-nine thousand, Sir. The point is not loss because I might slip "million" for "thousand." When I am discussing the Barbados Labour Party, I think in terms of billions and millions.

The truth is that 98 000 people are working. It is interesting. If we get the real figures of the working population in Barbados, we are going to come out eventually with a statistic.

One of the things which the Barbados Labour Party did in 1976 was to create a column called "the voluntary idle". Were it not for the seven members of the Democratic Labour Party, the voluntary idle would have provided for you all of the answers that you had to the economy.

The truth is, Sir, that there are now in Barbados more persons actually working for longer periods than ever in the

history of this country. The population is also growing older, and we have not, in the discriminatory and spiteful manner of the Barbados Labour Party, insisted that every single person on reaching a certain age must go home. This Democratic Labour Party has allowed, in the spirit of humane approach to Government and administration, a large number of people to continue working, who, under the Barbados Labour Party, would have been home ever since. 5.35 p.m.

No wonder they have to go on to put out little rumours. The Barbados Labour Party is waiting like a cat in first slip - every opportunity, they have a rumour mill. The honourable Member has started to laugh. They meet once a week to determine what is the subject they will attack each week. And you can tell - Special Correspondent, Henry Christopher and the *Advocate* editorials coalesce around a particular subject. We understand these methods.

Aside.

Hon. B. M. TAITT: The problem is that they are so clumsy, unlike the deft Senator Tudor in his days when he was writing. He was so deft and delicate, and he could float like a butterfly and sting like a bee. The honourable gentlemen over there are so cruel and crude. They have people like the columnists who write in the middle of the week, whom the honourable Member for St. John (Mr. D. J. H. Thompson) described in a manner that I would not be able to quote here. They have these columnists that are so crude that the people start to read two paragraphs and do not read anymore.

I invite the honourable Member, on the odd occasion when he goes to his constituency, to go into the shops and if - it is easy for him, because he might not be recognised - he can listen

Asides.

Hon. B. M. TAITT: The honourable Member can listen to what the people are saying. The shop people will tell you that they have seen more money being circulated in the last year than they have seen for a long time.

I would not take this opportunity to allude to tourism and how it has changed the patterns. What I will say to the honourable Member is, when you come in whichever time you are coming, April or whenever you are ready, you are going to find a very resolute, committed and prepared Democratic Labour Party Government. We are going to be able to explain all that you wish explained, and we are going to deal with all that you wish dealt with. We wish, however, that you would be fair, honest and realistic and that you will present to the public of Barbados nothing more than the facts. We do not wish you to praise us, we

know you will not, but we ask you to do no more than to give the facts. Otherwise, the people will come to despise you in much the same way that they despised your former colleagues. They will come not to give you that small measure of credit which you have managed to acquire, because they perceived you as people who would be realistic, they perceived you are people who, in all the circumstances, were not like the others. Do not come in here trying to find a niche in the journalistic columns; do not come in here and make remarks which have nothing whatsoever to do with reality.

The amount of money that we have borrowed in 32 months, or whatever time we have been in office, can be accounted for and will be accounted for, and we will be able to demonstrate what we have done with it. As you drive home this evening, look at the beauty which has returned to Barbados.

Mr. Speaker, thank you very much.

Hon. L. E. SANDEFORD: Mr. Speaker, in winding up this second reading debate, I would like to say that some very good points have been made on both sides of the House, and it is realised that we are dealing with a very important subject here, one that affects the lives of each person in the country, whether it is recognised or not.

I would like to make the general point, Sir, that it is time that we seek to make the discussion of the public finances of this country more widely understandable and to pull it out of the environment of the occult into the realm of realism, in which people can understand. Each one of us has a stake in this, and therefore we must bring to bear on the matters that come up for discussion our various perspectives, our understanding, and, above all, our commitment to the growth and development of this country.

One thing is certain, Sir, I will not be seeking as Minister of Finance to draw any veil or pull any wool over the record. If, from time to time, we have to draw down on Government deposits to deal with situations in the fiscal position or to make certain adjustments, that will be done. That becomes necessary from time to time in the life of any Government. What we have to be very careful about is that we study the kind of mix that we have in this, what we describe as an open economy, and realise that as a small economy and as a fragile economy we are exposed to winds from all sides, internally and externally, that can affect our situation.

If we are operating in a situation in which on our merchandising account there are difficulties because we cannot export the kinds of goods we would like, or we are not getting the returns from our exports as we would have hoped for at this time, that means there is need for some

structural adjustment in this particular sector, as indeed in other sectors of the economy. It is a fact that we are experiencing difficulties in that particular sector. There is nothing to conceal about this, and there are factors which account for this.

We have problems in the CARICOM market and in other markets. This is something that we have to sit down and talk about, and about which the Minister of Trade is making very valiant efforts in order to restore vitality to that sector. It is not going to happen overnight, and it will call for the efforts of a lot of people. Nor is it going to be done, or can it be done, simply by making handouts. It is so easy to say Government should give this or Government should give up that, but everybody may talk about Government giving up and not realise that when you give up on the one hand, if you wish to maintain the same level of goods and services in the country and the same quality of life, you have to make good what you give up in some particular way. There is no mystery about it. If our economy comes into what is called "the scissors effect," you have to find some means of dealing with that situation. 5.45 p.m.

The couple of speakers from that side....

Aside.

Hon. L. E. SANDIFORD: There are only three, and only two spoke today. Two is a couple.

(*Aside:* Hon. B. M. TAITT: They are really one and a half.)

Hon. L. E. SANDIFORD: They, of course, are not going to provoke me into disclosing the nature of what may come in April or otherwise. But I am saying that there has to be realism in discussion of the public finances, and I do not wish to give anyone the impression that there are not problems and that these problems have to be corrected. They have to be corrected, and later down the road we will discuss these corrective measures. I do not wish to detain the House any longer.

The Member for St. Peter asked something about the guaranteed debt. He knows what it is, so I do not really have to go into that particular matter. But for purposes of the record lest he says that he asked about the public guaranteed debt and I did not give it, the Government guaranteed debt at September was \$112.6 million. Government guaranteed debt.

The other figures that he was throwing around in his little dance there, talking about \$50 million and so on, I believe...

Aside.

Hon. L. E. SANDIFORD: You have a document All right.

Asides.

Hon. L. E. SANDIFORD: When the Member for St. Thomas was talking, he mentioned something about last resort and so on.

(*Aside:* Mr. D. A. C. SIMMONS: Wage restraint.)

Hon. L. E. SANDIFORD: The Member may know what he is talking about, and I would not go into that at this stage. It may be that he is speaking from some kind of experience. He says he has documentation, so I will wait. I am not going down that road any more, because I am not going to be caught in any kinds of traps that may be set. I believe that I am too old a hand at this for that.

I think that I have dealt with most of the queries that have been raised. It is a fact that we have to stimulate our exports, we have concerns about that, and we have to make sure that our fiscal and monetary policies relate to the correction of the problems which may be endemic in our economy at this time.

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. B. M. TAITT, 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 now in Committee.

Clauses 1-18 inclusive were called and passed.
5.55p.m.

Clause 19 was called.

Hon. L. E. SANDIFORD: Mr. Chairman, I beg to move that Clause 19 stand part.

Mr. D. A. C. SIMMONS: Mr. Chairman, in Clause 19 there are two words in the second line that do not make any sense to me. I have never come across them.

I do not know what "puts off mean. It says: "A person, who with intent to defraud, forges, alters, utters or "puts off any security". What is that? It cannot mean "passes over" and I do not know if you mean "defacing".

What does "puts off mean? It cannot be an offence to put off security. What would that mean?

Asides.

(Aside: Hon. H. deB. FORDE: I have seen it before).

Mr. D. A. C. SIMMONS: Sir, we better leave it Everyday you learn something new about law. Section 24 of the Forgery Act, 1(33) says: "Where this or by any other Act any person is made liable to punishment for forging or altering or for offering, uttering, disposing of or putting off."

Aside.

Mr. D. A. C. SIMMONS: I never thought of that. It did not ring right.

Asides.

Mr. D. A. C. SIMMONS: I would like to know what I have to prove to establish "putting off"¹. All right, I pass.

The question that Clause 19 stand part was put and resolved in the affirmative without division.

Clause 20 was called and passed.

The Schedule was called and passed.

On the motion of Hon. B. M. TAITT, seconded by Hon. M. A. KING, 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. TATTT, the Bill was read a third time and passed.

ADJOURNMENT

Hon. B. M. TATTT: Mr. Speaker, that brings us to the end of Government Business for today.

I beg to move that this House do now adjourn until Tuesday, March 1,1988 at 12 o'clock noon.

Hon. L. E. SANDIFORD: I beg to second that, Sir.

The question that this Sitting now stand adjourned until Tuesday, March 1, 1988 at 12 o'clock noon was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly. 6.05 p.m.

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