

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 - 96

HOUSE OF ASSEMBLY

Wednesday, May 2, 1990

Pursuant to the adjournment, the House of Assembly met at 3 o'clock on Wednesday, May 2, 1990.

PRESENT

His Honour L. A. WEEKES, J.P., (Speaker)
His Honour J. J. PAYNE, (Deputy Speaker)
RL Hon. L. E. SANDIFORD, B.A., (Econ.), J.P.,
(Prime Minister and Minister of Finance and Economic Affairs)
Hon. H. deB. FORDE, Q.C., M.A., LL.B.
Hon. B. M. TAITT, B.A. (Hons.), M.P.A., LL.B. (Hons.), (Minister of Health)
Hon. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of International Transport, Telecommunications and Immigration and Leader of the House)
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.), (Leader of the Opposition)
Hon. Dr. D. G. BLACKMAN, B.A., M.A., (Minister of Transport and Works)
Hon. M. A. KING, Q.C., LL.B., (Attorney General, Minister of Legal Affairs and Minister of Foreign Affairs)
Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (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 Education and Culture)

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

Mr. L. L. BRATHWAITE, J.P., (Chairman of Committees)

Mr. E. BOURNE

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

Hon. W. W. HALL, G.C.M., H.B.M. (Minister of Tourism and Sports)

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

Mr. C. LeR. FROTMAN, M.A. ' Mr.

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

Mr. P. J. M. MILLER

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

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

Prayers were led by Mr. L. L. Brathwaite.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday, April 24, 1990.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of the proceedings of this Honourable Chamber for the meeting that took place on Tuesday, April 24, 1990 be taken as read and confirmed, Sir.

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

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

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, on a point of privilege.

Mr. SPEAKER: The Honourable Member for St. Thomas has risen on a point of privilege.

Mr. D. A. C. SIMMONS: Your Honour, I wish to draw to the attention of Honourable Members an article appearing on Page 12A of the Sunday Sun for April 29, 1990 which in my submission, Your Honour, is contrary to the privileges of this House. The article in Column 1 Paragraph 4 purporting to represent what I said in here last Friday, Sir.

"In his contribution, Minority Opposition Barbados Labour Party spokesman, David Simmons, devoted the majority of his contribution to criticizing the Commissioner of Police for comments he made in the Sunday Sun last week about manpower."

Mr. Speaker, Sir, in my submission that paragraph represents two things. It is a grave distortion and it is a lie. It offends me and my privilege as a Member, Sir. I shall be grateful if this matter is dealt with by the Committee of Privileges and, Mr. Speaker, I would hope that we can have an early meeting. I have another matter and other Members also have other matters to be referred to the Committee. I am calling on you, Sir, to convene a meeting of the Committee of Privileges shortly so that we can deal with these matters. Much obliged, Sir.

Mr. SPEAKER: The Honourable Member has made his complaint and I shall refer that matter to the Committee of Privileges and hopefully accede to the Honourable Member's request to have the matter dealt with expeditiously.

PAPERS

Hon. P. M. GREAVES: Mr. Speaker, I am commanded by the Cabinet to lay the following:

Barbados Port Authority Water Sports Order 1990.

Barbados Port Authority Water Sports Regulations 1990.

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is the instant order of the day.

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I move that the following Standing Orders be suspended for the remainder of this sitting: Standing Order Nos. 6, 16, 18, 20, 42(5), 43 and 44, Sir.

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

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

FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR THE YEAR 1990

Order No. 1 -To present the Financial Statement and Budgetary Proposals for the year 1990.

RL Hon. L. E. SANDIFORD: Mr. Speaker, it is with a sense of satisfaction and accomplishment in the fact that the people of Barbados were able, in the year just ended, to maintain, defend and increase their standards of living, that I rise to present the Financial Statement and Budgetary Proposals for 1990.

It is well known that Barbados is not endowed with an abundance of resources. In fact, our resources are very slender and scarce, consisting of three components, namely:

- (1) Our natural resources, including our land and its vegetation, the reserves of energy and other minerals and raw materials in the land, the environment surrounding the land, and the sand and waters girdling the land;
- (2) Our human resources, including the bodies, brains and hands of our population, our labour force and the quality of its health, education, culture, training, skills, experience, adaptability, attitudes, motivation and productivity, as well as our dependent population made up of our children, senior citizens, and the disabled; and
- (3) Our capital resources, including our stock of machinery, equipment, tools, buildings, roads, materials, and inventories of goods already produced.

It falls upon us as a people - and by people I mean the households in Barbados, the private sector businesses in Barbados, and the Government sector in Barbados. It falls upon us as a people to combine the available natural, human, and capital resources in such a way as to produce the greatest output of goods and services possible (Gross Domestic Product) both to meet the demand for goods and services at home and to sell abroad to our neighbours in the Caribbean, as well as to our other trading partners in the rest of the world.

Let me put it another way. What I am seeking to do in the interest of all Barbadians is:

- (a) to increase the level of real output of goods and services in the economy;
- (b) to provide more jobs for our people, thereby reducing unemployment;
- (c) to keep the price level as far as possible at moderate levels; and

- (d) to maintain a sound balance in our external sector to support economic growth and development.

Against that background, I will now review the economy to see how well we have been doing as a country, bearing in mind the problems which have not just emerged, but which have been confronting us throughout the decade of the eighties: inadequate export earnings leading to foreign exchange difficulties, servicing of the national debt, falling agricultural output, problems in the manufacturing sector leading to several factory closures, high unemployment, rising public expenditures, and increasing levels of taxation. 3.15p.m.

REVIEW OF THE ECONOMY

As has been my custom, I have laid the Barbados Economic Report 1989 and the 1989 Annual Report of the Central Bank of Barbados in this Honourable Chamber in sufficient time for Members to study them. From these reports, I am happy to state that it should be clear for all to see that by the standard measures of economic performance, Barbados enjoyed another good year. I intend therefore only to highlight the significant features in the 1989 economic out-turn.

Real Output

One of the most important and comprehensive standard measures of economic performance is the change, whether negative or positive, in the real Gross Domestic Product (GDP), which is a measure of the total output of goods and services in dollar values produced in a country's economy. In order to develop, we must be able to generate and sustain an annual increase in our GDP. Real GDP is a measure of our economic progress and well-being.

The economy of Barbados recorded yet another year of real growth in 1989. Nominal GDP, that is, the total output of goods and services produced in Barbados in 1989 at current prices, rose by 8.6 per cent to reach \$2.9 billion. When corrected for inflation, the real Gross Domestic Product (GDP) increased by 3.5 per cent in 1989, a rate of growth almost three times the average annual growth rate of 1.4 per cent for the decade. Tourism, manufacturing, construction, and other services were the main sectors responsible for the growth in output in 1989. But agriculture had a difficult year, and oil production was below the 1988 level.

Tourism has been the most dynamic sector of the economy since 1984. Real growth in the sector is estimated at nine per cent, as the increase in visitors was also accompanied by a rise in the average length of stay. The number of long stay visitors rose by 3.0 per cent, and the number of cruise ship passengers rose by 15.7 per cent

bringing the total number of visitors to 802 thousand compared to 742,338 in 1988. The growth in long stay visitors was due mainly to the strength of the United Kingdom and Scandinavian markets. But there was a fall in the number of visitors from the United States of America. The strong summer season helped to further reduce seasonality in the industry, a most heartening development in a sector that earned \$1.0 billion in foreign exchange in 1989.

You will recall that in my 1989 Financial Statement and Budgetary Proposals, machinery and equipment for use in the manufacturing sector were granted exemption from import duty and consumption tax. The manufacturing sector responded positively to these concessions, and real output rose in 1989 by 5.4 per cent following on the 6.7 per cent increase in 1988. This growth in manufacturing was reflected in the strength of all industries except food processing and the production of wearing apparel. The index of manufacturing output was at its highest level for the decade and exports of the sector, which enjoyed freer access to the regional market rose by 10.7 per cent, sufficient to offset the decline in earnings from sugar.

Construction output in 1989 rose by 8.1 per cent to reach the record value of \$66.9 million. Some 4,180 houses were completed in 1989, the highest in any one year in Barbados, and residential mortgages outstanding rose by \$67.5 million to \$466.7 million. The public and the private sector also continued with major projects from the previous year. However, towards the end of 1989 when it became clear that the sector was in danger of overheating and that the import of construction materials was one of the factors aggravating the balance of payments, credit restrictions were imposed as a prudent safeguard in order to slow down activity in the sector.

The other service sectors also made strong contributions to the real growth of the economy in 1989. The wholesale and retail trade sector grew by 2.5 per cent, while transport, storage and communication rose by 6.3 per cent, almost twice as fast as the average rate of growth for the decade. The business and general services sector, which includes international, financial and business services, grew 3.4 per cent in 1989.

Real agricultural output declined overall in 1989 by 8.3 per cent. But in spite of this there were some encouraging signs. Production of a number of crops and vegetables such as yams, onions, carrots, and beets and hot peppers increased. Higher production was also recorded in respect of beef, veal, mutton, poultry meat and milk. However, there was a decline in the production of sugar by 17.5 per cent, and in cotton.

Crude oil production fell to 389,289 barrels, 8.8 per cent less than in the preceding year. Drilling and exploration resumed in 1989 when nine new wells were

sunk. However, the world market price of crude oil though rising, is still below the level considered necessary for a profitable increase in domestic production. Natural gas production also fell since most of the gas is found in association with crude oil. Nevertheless, some 670 new connections to the gas distribution grid were made. 3.25 p.m.

Expenditure on GDP

Before I leave the import measure of the GDP, perhaps I should say something about expenditure on the GDP with particular reference to gross capital formation or investment and consumption expenditure. All of us in Barbados, the Government sector, the private business sector, and the private households, must continue to save and invest some part of our current income in order to increase our future output, income and consumption. We must not merely consume now, but we must also save and invest now. That investment, or capital formation, or capital accumulation, takes the form of accretions to our physical stock of factories, buildings, machinery, equipment, tools, materials and inventories. Capital formation is therefore an important aspect of the growth process.

How well did Barbados do in 1989 in this regard? Gross capital formation or investment, which was 19.2 per cent of the expenditure on GDP at market prices, reached the record figure of \$656.3 million in 1989, the highest figure ever in our country's history. That represents a rise in spending on investment of some 20.8 per cent over the 1988 figure. And let no one think that it is axiomatic that such investment will rise automatically; for it fell in 1983, in 1984 and in 1985.

Turning to consumption spending, it is well to remember that consumption spending takes place at both the personal and the governmental level. Spending on consumption increased by 14.8 per cent in 1989. Both governmental and personal consumption expenditures rose at almost the same rate, 14.3 per cent and 14.9 per cent respectively. Consumption expenditures by the Government amounted to \$614.1 million or 18.0 per cent of spending on GDP at market prices, while the corresponding figure for personal consumption expenditure was \$2.3 billion or 67.5 per cent.

Real Per Capita Output

Another standard measure of a country's economic performance is the growth in real GDP per capita. For while real GDP measures the total level of economic activity in a country, an adjustment for population is indicative of how the average person might share in the distribution of that output, thereby highlighting the possibility of enhancing living standards and permitting more meaningful comparisons with other countries. In 1989, real per capita GDP reached the figure of \$3 500, the highest level ever in

our country's history. Real GDP per capita also increased by 2.9 per cent in 1989, compared to the average annual growth rate of 1.0 per cent from 1980 to 1989. The per capita GDP of \$11 270 in 1989 is also almost twice what it was in 1980, and further consolidates the status of Barbados as one of the more successful middle income developing countries in the decade of the 1980's.

Employment and Unemployment

One of the standard measures of a country's economic performance is whether the economy is providing more jobs for the unemployed in the labour force, with the unemployment rate being used as a measure of the percentage of the labour force without work and looking for work. One of the objectives of economic expansion in Barbados is to provide more jobs for our citizens, and I am happy to report such an achievement in 1989. An additional 1 500 persons were employed during 1989 bringing the working population to 101 700 approximately, equalling the highest number of persons ever employed during a quarter in Barbados. The labour force in 1989 was estimated at 120 700 persons. I am also happy to report that for the period April to September 1989, the rate of unemployment declined to 15.7 per cent from 17.3 per cent in the corresponding period of 1988. The decline in the level of unemployment is an accomplishment in which we can all take some pride. But I am eager to see a further fall in the rate of unemployment.

Inflation

Yet another standard for measuring a country's economic performance is its rate of inflation, that is: the increase or decrease in the average level of prices. One of the objectives of my Government is to maintain inflation at a moderate rate and I have succeeded in doing so in 1989.

The rate of inflation in Barbados remained moderate in 1989, rising by 6.2 per cent mainly because of higher prices in our major trading partners, namely the United States of America, the United Kingdom, Canada and Japan. During the year the cost of building materials and the wages for some categories of construction workers rose, and prices were higher for animal feeds, fish, vegetables and dairy products. The cost of medical and personal care also increased.

Wages rose on average 4.3 per cent largely as a result of the second part of two or three year agreements effective from 1988. But it is also noteworthy that real output per employee increased by 3.4 per cent from \$8 752 in 1988 to \$9 046 in 1989. This increase in labour productivity is yet another measure of the performance of the economy, and is also an indicator of an increase in the standard of living jpp Barbados.

Sir, let me make the point again in respect of the rate of inflation. I did indicate that the rate of inflation remained moderate in 1989 rising to 6.2 per cent mainly because of higher prices in our major trading partners. I did say "by" but the preposition should have been "to".

External Trade

I next turn in this review to the external trade sector which involves transactions in both goods and services. Barbados is dependent upon the rest of the world as a market for its exports, and it is also highly dependent upon the rest of the world for imports of capital goods, intermediate goods, and consumer goods to meet both economic expansion as well as the increasing consumption aspirations of the Barbadian public. Inasmuch as we must constantly be seeking to meet our bill for imports from the sale of our export, the difference between the value of exports in relation to imports is crucial.

After falling in value in 1981, and again in 1985, 1986 and 1987, total exports grew in 1989 by 5.7 per cent to reach a value of \$374.4 million. Domestic exports, which also fell in value in 1981, 1985, 1986 and 1987, also grew in 1989, if only by a modest 0.3 per cent. But manufactured goods registered a strong export performance with a growth rate of 28.5 per cent, coming mainly through an expansion in sales of chemicals, processed goods and furniture in Caricom.

The earnings from the export of sugar in 1989 was again disappointingly low at \$47.1 million. During the past fifteen years one can only find lower earnings from sugar exports in 1976 when an amount of \$46.9 million was earned, in 1978 when the amount was \$47.0 million, and in 1983 when the amount was \$38.7 million. 3.35 p.m.

CARICOM was the major market for Barbados' exports, followed by the United States of America, the United Kingdom, and Canada.

There was a six per cent rise in the net exports of services in 1989. Gross earnings from tourism grew by 9.0 per cent but spending by Barbadians abroad rose some 13.6 per cent to \$85.0 million. Net tourism earning of \$924.0 million were therefore 8.5 per cent higher than in the previous year. Foreign exchange earnings from the international financial and business services sector is conservatively estimated at \$50.0 million, an increase of 25 per cent on 1988.

Imports retained for domestic use rose by 16.1 per cent in 1989 following on the 12.9 per cent increase in the previous year. There was strong demand for capital and intermediate goods as well as for consumer goods. Imports of capital goods rose by 29.4 per cent due largely to machinery imports, while the 16.9 per cent rise in the

imports of intermediate goods was due to the higher cost and volume of fuel imports, as well as to higher imports of electronic components, chemicals and construction materials.

Total consumer imports increased by 10.5 per cent with imports of durable consumer items rising by 17.8 per cent, and non-durables rising by 6.2 per cent. While on the other hand the higher level of import of capital and intermediate goods added to the deficit on visible trade, these imports also served to enhance the productive capacity and raise the level of output of the economy.

Balance of Payments

The current and capital account transactions between Barbados and the rest of the world in 1989 resulted in an overall balance of payments deficit for Barbados of \$70.0 million, after a surplus of similar magnitude in 1988. The current account transactions in goods and services and • transfers swung from a surplus of \$4.7 million in the previous year to a deficit of \$87.0 million in 1989. The increase in net earnings from services was not sufficient to offset the merchandise deficit, which reflected the high aggregate demand in 1989. The deficit on the current account of the balance of payments, however, was equivalent to just about 3.0 percent of GDP, still well below the deficit in 1981 which was equivalent to 14.6 per cent of GDP at that time.

The incontrovertible fact is that as a country we, meaning the private households, the private business sector and the Government sector, spent more on the purchases of goods and services from abroad than we earned in income from the goods and services we sold abroad. The country, therefore, registered a balance of payments deficit on the current account, the fifth time for the decade, the other times being in 1981 when it was \$248.9 million, in 1982 \$84.1 million, in 1983 \$100.3 million, and in 1986 \$32.7 million. The deficit, indeed any deficit has to be financed, and this can only be done through cutting expenditure or increasing receipts.

Barbados maintains a stock of international reserves to meet foreign liquidity or balance of payments problems and to even out imbalances between foreign expenditure and receipts. One of the functions of the Central Bank is to regulate the issue, supply availability and international exchange of money, that is to manage the foreign exchange reserves. As a result, when the foreign exchange reserves came under pressure the Bank was forced to make heavy use of its short-term lines of credit and the additional \$3.5 million in interest payments in these lines was one of the main factors behind the loss it recorded in 1989.

The 1989 deficit on the current account of the balance of payments was financed mainly by having recourse to its foreign exchange reserves, which fell by \$83.0 million and

included a repayment of \$13.4 million to the International Monetary Fund (IMF) under the 1982 stand-by arrangement.

Capital inflows, both long and short term, amounted to \$17.0 million compared to \$888.4 million in 1988 when Government borrowed some \$30 million more in the capital market than it did in 1989. The decision to reduce capital market borrowing in 1989 was made in a conscious effort to prevent a too rapid build up of foreign liabilities, and the accumulation of a heavy debt service burden at a time when export growth was lower than anticipated. Indeed, in part because of our outstanding record for servicing our foreign debt, and as a tribute to good economic management, Barbados was again rated as the most credit worthy nation in Latin America and the Caribbean. The debt service ratio in 1989 was 15.9 per cent, an improvement on the 16.7 per cent of the previous year. Servicing the Government's external debt absorbed 7.9 per cent of exports of goods and services and servicing the rest of the foreign debt took up 8.0 percent.

In the final quarter of 1989 Government approved a package of measures to stabilise the balance of payments and prevent an unsustainable decline in the foreign exchange reserves. These measures have started to bear fruit; and by March 1990 the foreign exchange reserves of the banking system were \$269.5 million, an increase of \$5.1 million on March 1989.

Financial Sector

Commercial bank deposits increased by 2.9 per cent in 1989. Savings deposits increased by 7.3 per cent, while time deposits rose by 14.3 per cent in 1989, or more than twice the average rate of 5.7 per cent for the decade. The strong growth in time deposits was partly in response to the higher rates offered by the banks which have an advantage over financial institutions that come under the Rate of the Interest Act. There was however a fall in the demand deposits of business firms.

Loans and advances by commercial banks rose 14.3 per cent from \$1.0 billion in 1988 to \$1.2 billion. That expansion of loans and advances in 1989 was well above the average growth of 9.0 per cent a year for the decade. 3.45 p.m.

The rapid expansion in lending placed great pressure on commercial bank liquidity, and the high level of liquidity in the banking system, evident in the preceding two years, was virtually used up by the second half of 1989. The rapid expansion in lending also placed great pressure on the foreign exchange reserves. Loan demand outstripped deposit growth. Commercial banks began to draw heavily on the Central Bank's discount window. All of this prompted the Central Bank to introduce selective credit

controls to reduce lending to the distribution and personal sectors, and to follow the increases in its discount rate with a rise in the general interest rates.

Non-bank financial institutions continued to play a major role in the financial system in 1989. Trust Companies again accounted for the largest share in the increase of residential mortgages outstanding which rose, to \$466.7 million from the 1988 level of \$399.2 million. Insurance companies increased their mortgage lending by 14.6 per cent and policy loans rose 14.1 per cent. Credit unions continued to gain strength in the financial sector and, following the 40.0 per cent increase in assets in 1988, they recorded a 34.6 per cent increase in 1989. Loans rose from \$74.0 million to \$99.4 million and total assets of the credit unions were some \$120.5 million at the end of March. Those institutions governed by the Rate of Interest Act, as well as Trust Companies have been experiencing some difficulty in funding their portfolio since the increase in deposit rates in December 1989.

Public Finance

The Government of Barbados has a responsibility to provide certain goods and services, infrastructure, and capital works for the people of Barbados. These include:

- (1) maintaining law, order and security;
- (2) regulating social, political and economic conduct;
- (3) providing services in such areas as education, health, the post office, banking, agriculture, water, natural gas and bus transportation;
- (4) promoting equity in the economy in order to correct market imperfections and to reduce unacceptable inequalities through a system of transfer payments to vulnerable individuals and groups in the society; and
- (5) stabilizing the economy through measures to promote economic growth, employment, and price stability.

In order for the Government to undertake those tasks effectively, it must among other things, pay its employees including the nurses, teachers and policemen; it must buy uniforms for the disciplined forces; it must build and maintain roads, bridges, schools, offices and factories, it must purchase vehicles and agricultural implements; it must procure typewriters, paper and pens; it must pay pensions and make humanitarian grants to the needy; it must buy drugs and dressings; and it must provide incentives, concessions and promotional services for the business sector.

But in order to service all of these undertakings, which result from the requirements and demands of the private households, the private sector businesses, and the public sector in Barbados, the Government must make expenditures, and it must receive income or revenues through taxes and other charges. No subject has generated as much differences in opinion as that relating to the role which government should play. Some have argued vehemently that government should be all pervasive in economy and society, while others have argued with equal vehemence that the role of government should be minimal or even non-existent.

Fortunately, Barbados has not fallen for either extreme of the argument, preferring to seek the middle course of an evenly poised mixed economy. Over the past forty or so years the influence of the government has been increasing in the economic and social life of Barbados. That increasing influence has been positive and beneficial both for economic progress and for social development. But a concomitant aspect of that increasing influence has been an increase in government expenditure, including income support and transfers to the underprivileged in the society, as well as an increase in taxation to pay for the expenditure.

It is an observable fact that in respect of their public finances governments in the less developed countries of the world tend to spend less and raise less in relation to their Gross Domestic Product than the governments of the industrialised countries. As Barbados progresses to a higher economic status the levels of government expenditure and revenue in relation to GDP will tend to be more in line with the position of the industrialised countries.

It was the German economist Wagner who in 1890 I believe in a work entitled "Finanzwissenschaft", enunciated his "law of rising public expenditures". That law, as formulated by Wagner, is not generally accepted today. It is a fact that in all countries, including Barbados, public expenditures and public revenues have grown. But by how much have they grown? So long as the measurement is over time, one must take into account changes in the value of money, changes in the level of prices, changes in the growth of the economy, and changes in the population. One must therefore speak, not in absolute money terms, but in terms of expenditure or revenue to the size of the economy, one must speak in terms of the expenditure to GDP ratio.

Public sector finances remained very sound during the 1989/90 fiscal year and on the basis of the most recent provisional data, the overall fiscal deficit is estimated at 2.0 per cent of GDP or \$58.2 million. In absolute terms this is the smallest fiscal deficit since that of \$46.9 million in 1979/80 and as a percentage of GDP it is the lowest ever, recorded since a consistent series on GDP was started in 1974.

Applause.

RL Hon. L. E. SANDIFORD: The deficit, which was 8.4 per cent of GDP in 1982/83, reached 9.0 per cent of GDP in fiscal 1987/88 not least of all because a salaries settlement reached in the 1986/87 year was not paid during that year but was held back for the 1987/88 financial year. Since then the deficit as a percentage of GDP has steadily declined to its present level. This signal achievement is in keeping with my objective of bringing the deficit down to between three and five per cent of GDP, a level with which we can comfortably live. In this regard, the 1989/90 outcome is more than satisfactory.

The management of the fiscal deficit is one of the standard indicators by which the quality of economic management is judged. For today's fiscal deficit is tomorrow's national debt, since the fiscal deficit which occurs because Government is spending more than it is gathering through taxation, is financed mainly by borrowing. At the same time, however we must be conscious that the fiscal deficit can be a tool to fight inflation or control recession.

Current revenue in fiscal 1989/90 is provisionally estimated at \$990.7 million, 12.2 per cent higher than in 1988/89 and was equivalent to 34.2 per cent of GDP at factor cost. This ratio of government revenue to GDP is well above the range for low income developing countries and is near the top end of the range for upper middle income countries. 3.55 p.m.

Current revenue was in 1982/83 estimated at 27.8 per cent of GDP. Since then it has grown to 29.7 per cent in 1985/86, to 33.1 per cent in 1988/89. That is a moderate rate of revenue growth, and no charge of punitive taxation can be sustained. Our fiscal profile is tending in many respects towards that of the more developed countries.

Government's total expenditure, excluding amortisation, was successfully controlled in 1989/90, and as a result rose by 2.9 per cent, compared to an average annual growth rate of 7.8 per cent since 1980. Capital expenditure of \$97.4 million was 12.2 per cent lower than in the previous year and current spending rose by 7.1 per cent compared to an average annual rate of growth of 8.9 per cent for the decade. Total expenditure in 1989/90 was 36.2 per cent of GDP which was at the high end of the range for low and middle income developing countries but at the bottom end of the range for the OECD and other high income countries.

Against this background, Mr. Speaker, of the successful control of expenditure in 1989/90, it is really stupidity on stilts for anyone to claim that there has been squandermania in the management of our fiscal affairs. As Prime Minister and Minister of Finance and Economic

Affairs, I have had to face up to unprecedented challenges. My government and I have stoutly overcome those challenges. In the year 1989/90 I have had to find \$143.9 million for repayment of principal on the National Debt That is almost as much in one year as the three previous Ministers of Finance had to find in the 5 years from 1982/83 to 1986/87. In the three years 1987/88, 1988/89 and 1989/90 I have had to find \$281.7 million in amortization payments while in the preceding five years the three Ministers of Finance have had to find just about \$182.5 million. The faint-hearted fled from that daunting task but my government and I have stuck manfully to the task by the side of the people and the people have stood by our side. Together we will continue to win great victories for the progress of our country.

National Debt

Inasmuch as there is still some residual confusion about the nature and causes of the National Debt, I wish to clarify the matter. If Government spends more money than it gathers in taxes, the difference is a budget deficit, which has to be made good by borrowing. The deficits from year to year, both the budget deficit and the trade deficit, build up into the national debt, made up of the domestic component and the foreign component. The debt is a promise to pay in the future. The domestic component of the debt is what we as a people borrow from ourselves. We owe ourselves and can tax ourselves to pay ourselves, and it all cancels out. The foreign component of the debt is different, for in this case we have to subtract from the goods and services available to us as a people in order to pay others abroad. We must export more to service those external commitments.

The national debt at the end of December 1989 was \$1,695.1 million, 5.1 per cent more than at the end of the previous year; \$878 million was domestic and \$817.1 million was foreign. The domestic component of the debt rose by 6.8 per cent; short-term debt rose by 3.6 per cent, as commercial banks reduced their holdings of treasury bills; and the long term debt increased by 11.7 per cent.

The increase in the foreign debt was almost equally divided between market loans and lending from multi-lateral agencies. Loans outstanding from the development banks rose by \$13.0 million, while market borrowings rose \$15.5 million in spite of a \$50 million Euro-currency credit arrangement in the third quarter of 1989. By year end Government foreign borrowing was 28.2 per cent of GDP compared to 29.6 per cent in the previous year. Let us remember that Government's foreign debt stood at 16.1 per cent in 1982/83 rising to 20.3 per cent in 1985/86 and to 24.1 per cent in 1986/87. During the period 1982 to 1988 the total debt guaranteed by the Government for public and private enterprises amounted to \$548.3 million, of which

\$303.2 million or 55.3 per cent was for public enterprise, while \$245.1 million or 44.7 per cent was for private enterprises.

By the end of March 1990 the national debt was \$1.6 billion and the external component had declined to \$781.7 million due to the repayment of the first Japanese yen bond and the bold, generous, imaginative and statesmanlike * write-off of some \$40.0 million in CIDA loans announced here in Barbados by Prime Minister Brian Mulroney on behalf of the Government of Canada. Servicing our debt in 1989/90 took up 25.1 per cent of Government's revenue compared to an average of 20.0 per cent of revenue between 1985/86 and 1988/89. The sharp rise in the debt service to revenue ratio was due to the increase in amortisation payments which were almost doubled the amount in 1988/89. A single repayment, that of the 1985 Japanese yen bond, accounted for almost half of the \$143.9 million in amortisations in 1989/90. Other significant payments were in respect of two general purpose loans of \$50 million each contracted in 1985 and 1986. Payments are also being made on loans for the Adams-Barrow-Cummins Highway, for the Samuel Jackman Prescod Polytechnic, and for the Heywoods Holiday Village.

Foreign borrowing is beneficial for economic growth, for such inflows supplement the resources available to us for investment. However, it does have its cost: the cost of repaying the principal, and the cost of paying the interest thereon. Ultimately, that debt can only be serviced through export earnings, through curtailment of imports, or through additional foreign borrowing which further increase the national debt and puts us into the vicious circle of rising debt. All of this highlights the need for us to export more. But while we are gearing up for a new export thrust, and even beyond that, we will have to borrow abroad judiciously in the interest of national development. 4.05 p.m.

So we have been doing the right things in terms of the management of the National Debt. The debt service as a percentage of Government revenue which was 18.6 per cent in 1982 and reached as high as 20.6 per cent and 20.3 per cent in 1986 and 1987 respectively, fell to 17.7 per cent in 1989. Foreign debt service as a percentage of our exports of goods and services which was 9.3 per cent in 1982 was at 7.9 per cent in 1989.

OUTLOOK 1990-91

Barbados is a small, open economy that is highly dependent upon the rest of the world in respect of imports and exports. The rest of the world exerts a commanding influence over both the prices and the volume of our exports. As such our growth and development and our standards of living are all very sensitive to changes or shocks emanating from the world economy, particular from our main trading partners. It is therefore important for

us to be conscious of developments in the world economy so that we can modify our economic policies in the face of any threatening shock, and so that we can position ourselves to benefit from any opportunities which may unfold. To do so, however, calls for close co-ordination of domestic policies and foreign trade and economic policies.

The achievements of the Barbados economy in 1989 came against a background of rising inflation and slower growth in major industrial countries, as well as in CARICOM. There is little prospect for a change in the tight monetary policies of the leading industrial nations since the fight against inflation has been given priority over the attainment of a higher level of growth. Real GDP in the OECD countries is therefore projected to rise by 2.5 per cent in 1990 compared with an average of 3.3 per cent in 1989. Japan and Germany are expected to grow by 3.5 per cent and 3.0 per cent respectively, while the United States is not expected to grow by more than two per cent. Interest rates, especially in the United Kingdom and Canada, are also expected to remain at current high levels, but much greater policy co-ordination is needed to prevent wide swings in exchange rates.

In CARICOM the economic recovery is expected to continue, albeit at a slow rate, especially in Trinidad and Tobago, and Jamaica. The OECS can be expected to grow at about the same rate as in 1989, but only if tourism remains as strong in 1990 as it was in the previous year.

On present trends the Barbados economy is expected to record moderate real growth of about 2 per cent in 1990. Sugar production and non-sugar agriculture should be about the same level as in 1989. Tourism and manufacturing are expected to expand though not at the same rate as in 1989, and the international financial and business services sector should also continue to grow.

Growth in construction should not be as strong as in 1989. For too rapid an expansion in construction or in any of the other foreign exchange using sectors of the economy will have an adverse impact on the external sector, leading to losses in the international reserves. In March 1990 a highly respected magazine, the Institutional Investor, which is a leading international financial publication, recorded that Barbados achieved the top credit rating in Latin America and indeed ranked at number 46 in the world out of the 112 countries surveyed. This is a most enviable achievement for our small country. I expect that during 1990/91 Barbados will maintain its status as being one of the most credit-worthy nations in the Caribbean and Latin America.

The 1990/91 Estimates of Revenue and Expenditure which have been approved by this House, show that Government is expected to record an overall deficit of \$137.2 million, when adjusted by deducting amortisation of \$92.9 million. That is a deficit of 4.7 per cent of the GDP and is well within my medium term objective. However, the

cost of the civil service reclassification, estimated at \$33.0 million, will push the deficit in 1990/91 to \$170.2 million. I expect that wages settlement this year will be very moderate indeed, bearing in mind the need to maintain sound public finances, and the need to keep distress from the doors of taxpayers. We cannot afford to throw out the baby with the bath water.

I expect inflation to rise, but moderately, and to remain in line with the level of price increases in our major trading partners. I also expect that domestic savings will be boosted, and the investment effort enhanced. The rate of unemployment is expected to fall somewhat, but not dramatically. The foreign exchange rate of the Barbados dollar in relation to the US dollar will not be changed: there will be no devaluation of the Barbados dollar. I expect however that there will be a greater national commitment to the concept and the practice of export-led growth.

If Barbados is to pursue a policy of export-led growth, it must have a favourable external environment, it must have access to markets. Europe, particularly under the Lome Treaties, has been an important market for some of our primary commodities and manufactured goods. As 1992 and the Single European Market draw nearer, I hope that the trade and financial flows from Barbados, from CARICOM and from other ACP countries to Europe will not be reduced, but that that market will be liberal both internally as well as externally. It would be most beneficial if clearer assurances of this could be given during the year.

I expect that during this year Barbados will further endeavour to consolidate the CARICOM regional integration movement and propel its forward momentum.

I expect that during this year a new CBI regime will be put in place thereby opening up the prospects of more trade and investment between Barbados, other beneficiary countries and the United States. I also expect that our relationships with Canada, which are very good, will be further strengthened.

BUDGET JUDGEMENT

From the analysis of the performance of the economy in 1989 and from the examination of the outlook for 1990-91 have reached the inescapable conclusion that the thrust of this year's Financial Statement and Budgetary Proposals must be to stimulate the export of goods and services and to raise the level of savings and investment directed at areas that earn foreign exchange or save foreign exchange. 4.15p.m.

We must raise the purchasing power of our exports in terms of the volume of imports that they can buy. I have reached this conclusion because, in spite of very promising performances in many sectors of the economy, the balance

of payments came under pressure towards the end of 1989. This was due to the high domestic demand for imports. That situation required extremely careful management, and the need will continue for some time since the measures to stimulate exports of goods and services and to stimulate foreign exchange earning investment will only achieve their full potential in the medium term.

Meanwhile, no one owes Barbados and Barbadians a living. We must always be able to pay our way in the world, or otherwise we will suffer the consequences. We must ensure that we continue to have access to the international capital markets to meet our development needs. Careful management of our external debt, and the preservation of our record for servicing our debt will make that possible.

Barbados is a small, developing country with limited natural resources and limited human resources. But we must never allow our limitations to loom large as insuperable obstacles to growth and development. Rather we must utilise the regional, hemispheric and world markets as a source for those endowments which nature did not bestow upon us, and as marketing centres for the export of our goods and services. It is my judgment that we can do it, if we try a little harder. We must pursue outward-looking policies. We must encourage the export of agricultural produce, raw materials and manufactured goods through appropriate trade, industrial policies and agricultural policies, and through effective promotional efforts.

In my 1988 Financial Statement and Budgetary Proposals, I pointed out that: "In the long run, the quality of life in Barbados depends on our ability to sell our goods and services to the rest of the world." I have repeated this on several occasions since then, and more importantly, I have consistently taken measures to enhance the competitiveness and financial returns of the export sectors of the economy. In a world where commercial and concessionary capital flows will become scarcer as attention turns to the economic reconstruction of the emerging democracies of Eastern Europe self-reliance will be all the more critical for the continued progress of middle income developing countries like Barbados.

I cannot stress too much the importance of the current account of the balance of payments to our national well-being. When as a country we export less than we import, when we sell to the rest of the world less than we buy, we run up a deficit on the current account. That deficit can only be made good by borrowing and by drawing upon our international reserves. And borrowing that simply goes to pay for current consumption rather than for productive investment is an unbearable burden.

We must therefore expand our exports of goods and services and increase investment to strengthen our balance of payments if we are to maintain the high standard of living which generations of Barbadians have laboured so

hard to achieve, and if we are to preserve existing jobs and expand employment opportunities further. We must expand our exports of goods and services and increase our investment if we are to remain a caring society capable of providing for the basic needs of the socially and economically disadvantaged, the young, the elderly, the sick and the disabled, as well as the able-bodied, in short, all of the citizens of this country. Creating the environment for increasing exports of goods and services and for increasing investment is the duty of the Government and all its agencies; it is the duty of every business enterprise, large and small; and it is the duty of every individual citizen in his or her household, all working together towards these common goals.

Government in the 1989 Financial Statement and Budgetary Proposals took a number of steps to improve the competitiveness of Barbados' exports and some of these are already bearing fruit. Concessions were provided to the manufacturing and the tourism sectors, both of which responded with an increase in output and in foreign exchange earnings; and concessions were also provided to agriculture which still continues to experience severe difficulties. Studies were carried out in manufacturing and tourism and the findings, which should soon be available to Government, will inform future policy to stimulate foreign exchange earnings in those sectors. Recommendations for strengthening the agricultural sector arising out of a study by the Landell Mills Commodities Group have been considered by the Cabinet. I will in a little while return to this subject

BUDGETARY PROPOSALS

I now turn to my budgetary proposals which have been framed against the background of the review of the economy of fiscal 1989/90, the outlook for fiscal 1990/91, and within the context of the judgment I have formed on the basis of that review and outlook. I shall be using a mix of administrative reform policies, foreign economic policies, monetary policies, and fiscal policies in order to position the economy for increased output, moderate levels of price stability, greater employment, and a sound balance in the external sector.

Administrative Reform Policies

During the year, various steps will be taken to strengthen the capabilities of the major revenue collecting agencies and to improve their efficiency. At present, the Customs, Inland Revenue and Land Tax Departments are responsible for collecting approximately 80 per cent of the revenue. There is hardly an individual or business that does not have to come into contact with one or all three of these departments on a regular basis. Therefore, it is absolutely necessary for them to be functioning efficiently if revenue^a collection is to be maximised and if individuals or

businesses are not to experience long delays when they have to deal with these Departments.

Customs

In pursuit of these objectives, Customs Officers are being trained in the use of computers within a Customs administration. Through the use of computer technology, the efficiency and effectiveness of the Department will be improved to the benefit of all persons who come in contact with the Department.

Meanwhile, the accounting systems will be reviewed by the Ministry of Finance and Economic Affairs, and improvements instituted to speed up the processing of drawbacks and to improve other areas where changes are considered necessary. In response to representations made to me during consultations with the private sector, the time within which consumption tax becomes due and payable will be extended from twenty-one days to sixty days effective from the 1st of June, 1990. Also, business houses that are heavily involved in the sale of duty free items to visitors, and I stress to visitors, will be allowed to draw such items from their warehouses for display and sale to visitors without paying customs duty and other imposts.

These changes will ease the cash flow of the business houses, which should then be able to stock a greater variety of goods. With these changes, however, Government will expect prompt payment of all amounts due to the Treasury.

The Customs Department will also move vigorously to deal with any instances of illegal imports, under and over-invoicing, falsification of documents, false declarations, late payment of duties, and consumption taxes or other undesirable practices which may arise.

Inland Revenue

Barbados has negotiated a number of Double Taxation Treaties and is in the process of negotiating others. This development will continue as we look for new opportunities to attract foreign investment and to provide possibilities outside of Barbados for local businesses. 4.25 p.m.

As this development intensifies and as persons or businesses avail themselves of the services of accounting firms and legal advisers to plan their tax affairs, we must have in our Inland Revenue Department more persons who are capable of evaluating tax proposals put to the Department and who are capable of dealing with white Collar crime. Therefore, I have decided that, as a first step, four additional posts of professional accountant will be

added to the Department. We will be recruiting suitable persons to these posts without delay.

Considerable emphasis will also be placed on training during the year. A number of officers from the department and from the Ministry will attend the CARICOM Secretariat's Seminar on the negotiation of Double Taxation Treaties to be held here in Barbados. Senior and middle level officers will also participate in a five month training course in Tax Administration held with assistance from the Caribbean Organisation of Tax Administrators (COTA), and the Commonwealth Fund for Technical Co-operation (CFTC). At the end of that course, a number of the participants will be used to conduct training courses for the junior staff.

During the last fiscal year, a local consultant, along with staff from the Data Processing Department, began reviewing and improving the computer systems of the Inland Revenue Department. The exercise is still in progress; and by the time it is completed later this year, the Department should have a very efficient system. In addition, a Chief Accountant from the Ministry of Finance and Economic Affairs has been attached to the Department to revise and improve the accounting systems.

Government will give favourable consideration to a system of revenue rulings in which the official interpretations by the Inland Revenue Department of revenue laws and tax treaties and the decisions of the Tax Appeal Board will be published. This will have the advantage of increasing the information available to investors, ease compliance with the tax laws, improve clarity and reduce administrative costs.

Land Tax Department

Over the years, there has been a significant improvement in the administration of the Land Tax Department. Last year various measures were introduced to reduce the amount of time which taxpayers have had to spend in the peak period to pay their taxes. The process will be taken one step further this year by providing a direct link between the Land Tax Department and the Data Processing Department. The introduction of an on-line service is expected to result in a much improved service to the public. The Land Tax Bills will soon be modified to show any arrears in addition to the current tax liability.

Other Agencies

Government spends large sums of money annually through agencies of the Central Government as well as through statutory corporations. Therefore it is very important to ensure that the taxpayers obtain value in return for the money which is spent.

All statutory corporations which are involved in commercial or semi-commercial activities will be expected to conduct their affairs efficiently and profitably so that they will not have to rely unduly on the Central Government for financial assistance. Those corporations which are not involved in commercial activities will be expected to operate in a manner which will permit them to maximise benefits and minimise costs. The same will be expected of all ministries and departments of the Central Government

The Ministry of Finance and Economic Affairs has its full complement of professional accountants once again. They, along with the Budget Analysts, will be paying very close attention to the financial operations of all Ministries, Departments and Statutory Corporations, whether they receive financial assistance from the Consolidated Fund or not.

Expenditure Estimates

Last year an exercise was started where Ministries and Departments were helped to develop systems to enable them to focus on the benefits and costs of their programmes. The primary intention is to develop an information system which facilitates the appraisal and review of public expenditure programmes while providing the information required for control and audit. I have decided that from the next fiscal year the format of the Estimates of Expenditure will be changed to concentrate more on programmes and to reflect much greater emphasis on costs and benefits.

Meanwhile, the Budget Division of the Ministry of Finance and Economic Affairs will be re-organised and a separate unit created to develop better systems for handling information, to improve its forecasting capabilities, to provide better debt management, and to generate information which will inform our tax policies in the future.

Foreign Economic Policy

The international financial and business services sector will continue to be a very important plank in the future growth and development of the Barbados economy. Therefore, in addition to the incentives given to those professionals providing services to the sector, my Government will continue to seek ways and means of enhancing the competitiveness of Barbados as a centre for active and legitimate international business. The International Business Companies Act is being revised after extensive consultations with interested parties and will in the near future be brought to parliament. Government will also initiate comprehensive review of the Shipping Act to facilitate ship registration. Regulations under the Civil

Aviation Act will also be developed to facilitate aircraft registration.

As I have indicated there will be a need to approach the international capital market and the multi-lateral lending agencies in this financial year to raise funds to assist with the development programme so essential for enhancing the export capacity of our economy.

I intend to add at least one commercial attache at designated missions. The principal duty of these officers will be to promote the trade, investment and commercial interests of Barbados as well as to improve the flow of market information from the host country. Such information will allow local businessmen to better identify opportunities for exports and for joint ventures.

Monetary Policy

I am not a monetarist, but I do believe that monetary policies, involving the money supply, interest rates and credit conditions can impact significantly on aggregate demand, output and prices.

As indicated, in an effort to protect the balance of payments, a package of monetary policy measures was introduced late in 1989. The Central Bank raised its discount rate from 8.0 percent to 11.5 per cent on 20th September and to 13.5 per cent on 4th December. At that time too, all interest rates except those charged on residential mortgages, were raised. The increase in interest rates came after credit restrictions were imposed on commercial bank lending to distribution and to the personal sector. 4.35 p.m.

These measures are bearing fruit, for at the close of business on Friday, 27th April, 1990, the foreign exchange reserves of the Central Bank were \$271.7 million equivalent to 2.89 months of imports. This is a substantial improvement on the situation at the end of December, 1989 when the \$199.1 million in foreign exchange reserves held by the Bank were equivalent to 2.08 months of imports. For purposes of comparison, the foreign exchange reserves were equivalent to 1.84 months of imports in December 1981, 1.95 months in December, 1984 and 2.44 months in December, 1985.

But while we still have to maintain a rather tight monetary policy, I believe that the time has come for some ease in the credit restrictions and interest rate. Details of the modifications in credit policies will be worked out in consultation with the Central Bank and should be in by June 1, 1990.

Fiscal Policy

Fiscal Policy is important as an instrument for affecting government's finances and as an instrument for affecting the performance of the economy. It relates not only to raising revenues through changes in rates of taxation but also to the administration of and compliance with tax laws.

Foreign Currency Tax Credit

After consultation with the accounting firms, I have decided that certain changes should be made to Section 12(g) of the Income Tax Act which deals with the tax credit in respect of foreign currency earnings. At present, the credit is allowed only for new business and does not apply to earnings from existing business. But it is only after the first year that any significant amount of foreign exchange is earned. Therefore the present legislation which restricts the credit to the first year is not as attractive an incentive as it appeared when first announced in the Financial Statement and Budgetary Proposals of April 2, 1986. This matter has been under discussion for some time and in an effort to resolve the assessments for the years 1986 to 1989 and to offer a greater incentive to those companies which provide services covered under Section 12 (g) of the Income Tax Act, I have decided to change the legislation as follows:

- (i) the tax credit will be allowed in respect of earnings from existing business for 10 years effective from the 1986 income year;
- (ii) the existing rate of 50% will remain unchanged but in no circumstances should the amount of the credit exceed the tax liability on the net foreign exchange earnings.

It is not normal to make retroactive legislation when dealing with fiscal measures. But in this particular case, this is done to provide a benefit to companies in a very important foreign exchange earning area. There will therefore be hardly any complaint.

Export Allowance

Secondly, it is my view that every effort should be made to assist companies and individuals alike to take full advantage of the opportunities to earn income and to provide much needed foreign exchange for the country, in the process, by getting involved in processing data for sale outside of Barbados. Therefore I have decided to extend the scope of Section 14 (a) of the Income Tax Act which deals with export allowances to include data processing services.

I have also decided to include the operations of companies which purchase wholesale from local producers exclusively for export under that same section of the Act.

I further propose to amend the Schedule to the Section of the Act as follows:

Present

Exports Profits as % of Total Profits		Effective Rate of Tax
Up to 20% 41-60% Over 60%	Tax Rebate	
Proposed	25%	26.5%
	35%	22.75%
	45%	
Export Profits as % of Total Profits		Effective Rate of Tax
Up to 20% Over!	21-40% -41-60% 61-80%	
		22.75%
		19.25%
		12.50%
		7.50%
		2.50%

The proposed rate of tax will reduce the tax liability of all exporters falling under Section 14A of the Act and will provide an additional incentive for higher levels of exports.

Purchase of New Shares

At present, persons who purchase new shares in a public company are granted an allowance for income tax purposes of \$10 000. Representations have been made to me that a similar allowance should be granted for the purchase of new shares in a private company as a means of helping the small companies which are privately owned to attract some capital.

I accept the suggestion but feel that a bias should be maintained in favour of the public companies since there are more opportunities for the public at large to have a stake in such companies. Therefore, for the first time, effective from income year 1990, an allowance of \$7,000 for new shares in a private company will be provided. The allowance for public companies remains unchanged at \$10,000.

Withholding Tax on Interest Payments

In 1986, the Income Tax Act was amended to allow commercial banks to make interest payments of less than \$6,000 per annum without withholding tax on such

amounts. However, on that occasion, interest paid by trust companies and other financial institutions was not included. Therefore, I have decided that effective from this income year, interest paid on such amounts by trust companies and other financial institutions will be treated in the same manner as that paid by commercial banks.

Secondly, I have decided that from this income year no withholding tax should be paid on professional fees remitted by local companies to their associates outside of Barbados in return for services rendered to companies in the international financial and business services" sector.

Carry Forward of losses

In the 1988 Financial Statement and Budgetary Proposals, as a revenue conserving measure, corporate losses brought forward were not allowed to reduce the tax liability of the corporation by more than 5 per cent. After consultations with the private sector, I have decided to remove the 50 per cent limitation of the carry forward of losses. 4.45 p.m.

Inter-Company Loans Section 27A

I have decided to amend Section 27 A of the Income Tax Act to exempt genuine inter-company loans from being taxed as income of the company receiving the loan. This should assist companies in finding additional sources of capital.

Bonus Shares

The allowance for bonus shares will be increased to 75% of the bonus but will not be permitted to exceed \$5,000. All of the above changes to the Income Tax Act are effective from Income Year 1990.

Travel Tax

Travel agents have made representations about an aspect of the Travel Ticket Tax Act which now causes them to lose business. This relates to cases where prepaid ticket advices (PTA's) are paid for in Barbados for journeys which originate outside of Barbados. With immediate effect such prepaid ticket advices will not be subject to the tax under the Travel Ticket Tax Act. However, those tickets which are prepaid from outside of Barbados for journeys which originate in Barbados will continue to be subject to the tax.

Assistance to Local Business

Last year, as part of the effort to assist manufacturing and agriculture, I removed the import duty and consumption tax on machinery and equipment. From all indications these concessions were of great assistance. On

this occasion, I will go one step further and will permit spare parts for use in agriculture and fisheries, and in manufacture to be imported free of Customs Duty and Consumption Tax immediately. Stamp duty will continue to be payable but at the rate of 15 per cent

In an effort to assist in the development of our human resources, I have decided to grant concessions, in respect of audio visual training materials and equipment to be used specifically for training purposes. These concessions will be subject to approval by the Ministry of Finance and Economic Affairs which must be satisfied that the equipment and material will form an integral part of their training programmes. It has been drawn to my attention by professional photographers that they are unable to take full advantage of the opportunities which exist in their field because of a lack of equipment. Therefore, in an effort to help them, I have decided with immediate effect to permit the importation of cameras and other photographic equipment for use by professional photographers free of Customs Duty and Stamp Duty provided that they are registered with the Customs Department. Professional photographers wishing to benefit from this concession must register with the Comptroller of Customs.

With immediate effect, companies which manufacture pharmaceutical products will be permitted to import raw materials free of Stamp Duty as is the case with other manufacturers.

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In 1988, the Stamp Duty on imports from Caricom countries was removed on a reciprocal basis. To date, the Stamp Duty remains in place against imports from Belize and St. Kitts/Nevis. However, in an effort to assist those manufacturers who purchase their raw materials from Belize and St. Kitts/Nevis, I have decided that with immediate effect raw materials imported from these countries will be allowed in free of Stamp Duty. It is my hope that in the interest of free trade within Caricom these two countries will remove their impost on similar imports from Barbados.

After very careful consideration of the requirements of the soft drinks industry, I have decided that effective June 1, 1990 bottles, cans, lids, and crowns from extra-regional or regional sources will be allowed in free of Consumption Tax and Stamp Duty.

Finally, with immediate effect, computers, software " and equipment for use in businesses, educational institutions or by individuals will be permitted to enter free of Import Duty and Consumption Tax. The price of computers should therefore decline to reflect the removal of these imposts.

In response to representations made by the garage group of companies, I have decided to remove the price control on motor cars. I am advised that this should result in

a reduction in the price of motor cars. The licensing requirement for the importation of car filters is also removed.

A sum of \$1.5 million will be provided to the Barbados Development Bank for assistance to small businesses. It is expected that these funds will be lent directly by the Barbados Development Bank as well as through such other agencies as the National Development Foundation and the Women In Development Organisation. Government will follow the progress in the disbursement of these funds and will use the experience as a guide for further assistance to the small business sector.

Old Age Pensions

Mr. Speaker, I turn now to Old Age Pensions. Because of the high regard I have for the contribution which has been made by the elderly to our society and because the elderly should also share in any growth in our economy, I could not conclude this presentation without mention of them. Effective from May 21, 1990 non-contributory Old Age Pensions will be increased by \$3.00 from \$55.00 per week to \$58.00 per week. All of the National Insurance Pensions will be also adjusted by a similar amount. These increases are expected to result in additional expenditure of \$3.4 million by the National Insurance Fund in this fiscal year.

Welfare Grants and National Assistance

My Government, Mr. Speaker, is a caring one which takes steps to help those persons in our society who are most vulnerable. At present, there is a group of persons, 565 persons to be exact, who are not eligible for unemployment benefit and who do not receive any form of financial assistance except a grant of \$10.00 per week from the Welfare Department. That grant was made in 1986. I have decided to do something about that. And so effective from June 1, 1990 this category of persons will receive \$15.00 per week. 4.55 p.m.

The next group is that of the disabled. This group of 3,057 persons is now made up of three categories which receive \$12, \$16 and \$20 per week respectively. With effect from 1st June this year these persons will receive \$16, \$20 and \$25 respectively.

Finally, at present there are 7,214 children whose only means of support is a grant from the Welfare Department. This group is made up of two categories which now receive \$8.00 and \$10.00 per week respectively. Effective from 1st June they will receive \$12.00 and \$15.00 per week "respectively. The last time these persons had an increase was also in 1985.

A supplementary provision of \$1.8 million will be provided for the Welfare Department to meet the above increases.

Petroleum Prices

Government's stated policy on energy prices is that when the cost of crude oil falls the consumer should benefit through reduced prices and when the cost rises, the consumer should bear the responsibility.

Since the last changes were made, the price of crude oil has risen and available evidence suggests that it will not fall in the near future. As a result, it has become necessary for an adjustment to be made to the local prices. Effective from midnight tonight, changes will be made to the refinery surcharge which will result in the following prices at the pump:-

- (1) Gasolene at present \$1.10 per litre, and the proposed rate \$1.15 per litre.
- (2) Diesel 48/52 at present 0.95c per litre, the proposed rate 0.99c per litre.
- (3) Diesel 43/47 0.73c per litre at present, 0.77c per litre proposed.

The price of kerosene and fuel oil will remain unchanged.

These adjustments are made entirely on the basis of the increase in the price of crude oil, and nothing from these price changes will go to the Consolidated Fund.

My Government is giving serious consideration to the use of unleaded gasolene in Barbados, not only to protect the environment but also because more and more motor vehicles are being manufactured to run on such fuel.

Agriculture

I turn now to agriculture, Mr. Speaker. Last year in my Financial Statement and Budgetary Proposals, I committed the Government fully to the revitalisation of agriculture by farmers both large and small. I also indicated that the Government would work closely with the farming community to remove constraints to efficiency in agricultural production. Within that context, I announced a package of incentives for agriculture which included the removal of stamp duties, customs duties or consumption tax on agricultural inputs, provision of a guaranteed farmgate price for selected agricultural products, and provision of the sum of \$3.0 million to bring unused land back into cultivation with selected crops.

Today, as a further indication of my Government's commitment to the importance of agriculture and

agriculturists in our economy, I wish to make the following announcement:

The Cabinet has noted the main findings and conclusions of the report on the study of the agricultural sector by Landell Mills Commodities Ltd., and has approved in principle an Action Plan for the agricultural sector based on a programme aimed at the recovery of sugar, and at agricultural diversification.

The Action Plan includes the following components:

- (a) A refinancing package for the sugar industry, provided that it agrees to:-
 - (i) an overhaul of the organisation and management structure of Barbados Sugar Industry Ltd. (BSIL);
 - (ii) modernisation of sugar factories;
 - (iii) rationalisation of machinery, equipment and vehicle use;
 - (iv) reforming of sugar cane lands;
 - (v) review of the cane payment system;
 - (vi) introduction of an exchange rate risk management scheme;
 - (vii) a commitment to more efficient utilisation of by-products;
 - (viii) review of marketing arrangements for sugar.
- (b) a review of the agricultural credit system to be followed by a restructuring of the existing system;
- (c) a review of the following legislation:-
 - (i) the Sugar Industry Act, Cap. 270;
 - (ii) the Sugar Workers (Minimum Wage and Guaranteed Employment) Act, Cap. 359;
 - (iii) legislation concerning straying livestock;
 - (iv) legislation governing lease arrangements for agricultural land;
 - (v) legislation concerning the application of soil conservation practices;
 - (vi) legislation concerning praedial larceny;

(vii) the Agricultural Aids Act, Cap. 252;

(viii) Plant Quarantine legislation;

(ix) Registered Sugar Factories Smoke Control Act, Cap. 355.

- (d) implementation of a training programme for agricultural workers and managers;
- (e) the formation of an Agricultural Research Council to co-ordinate and direct agricultural research - detailed proposals to be submitted for consideration by the Minister of Agriculture, Food and Fisheries;
- (f) execution of the following studies:-
 - formulation of detailed proposals, including final designs and cost estimates, for further developing the irrigation water resources;
 - formulation of detailed proposals including final designs and cost estimates for an export marketing facility;
 - formulation of proposals for the restructuring of the agricultural credit system.

The Cabinet also -

- (i) approved the formation of a coordinating Team to define the strategies for the implementation of the Action Plan, with membership as follows:-

Permanent Secretary, Ministry of Agriculture, Food and Fisheries - Chairman
 Chief Agricultural Officer, Ministry of Agriculture, Food and Fisheries
 Director, Finance and Economic Affairs
 Manager, Agricultural Division, Barbados National Bank;
- (ii) approved the proposal that Government seek financial resources as follows totalling \$19.2 million to enable the Ministry of Agriculture, Food and Fisheries to implement the developmental component of the Action Plan:

Agriculture Research	1,200,000
Agricultural Training Farm	2,000,000
Development Project	10,000,000
Development/Studies Irrigation	1,000,000
Development	5,000,000
5.05 p.m.	19,200,000

- (iii) noted that the estimated cost of the commercial component of the Action Plan is \$44.2 million detailed as follows:

	\$
Modernization of Sugar Factories	34000000
Rationalization of Machinery	100000
Rationalisation of harvesting and transport and reforming of lands	10000000
New Cane Payment System	100000
	44200000

- (iv) agreed in principle to support the Sugar Industry in its efforts to implement the commercial component of the Action Plan.

I wish to announce further that with respect to the 1990 sugar crop, my Government will provide the sugar industry with a 1990 price support of \$1 025 per ton up to a maximum of \$5 million and a price support of \$1 050 per ton for 1991 also up to a maximum of \$5 million.

Tourism

Last year I provided concessions to the industry to assist in refurbishing or major improvements which are being treated in the same way as new construction and an additional \$110 million was provided for the Board of Tourism to assist in its marketing thrust. Government also launched a study of the industry with World Bank assistance. The study, which should soon be available to Government and to the industry, will be the basis for the formulation and implementation of new policy initiatives.

In the meantime the concessions which have been put in place for the sector will remain.

The measures which I have announced this evening will result in an additional \$3.3 million in expenditure and will cost the Treasury an estimated \$6 million. The Civil Service reclassification, approved by this Honourable House, will cost approximately \$33 million. These changes will bring the overall fiscal deficit to \$179 million which will be covered by improved efficiency in tax and other revenue collecting agencies, but the higher revenue yield from increased economic activity, by strict controls of expenditure in Government Departments and statutory bodies and by borrowing for productive investment.

It was Benjamin Franklin who stated that in this world nothing can be said to be certain, except death and taxes. ^Someone else added that while death and taxes are inevitable, at least death comes only once. Listen to me

carefully. This 1990 Financial Statement and Budgetary Proposals will raise no new taxes. It is a budget that is free of the imposition of any new taxes.

CONCLUSION

Mr! Speaker, I have set the broad development goals for Barbados. I have reviewed the performance of Barbados during the previous year, and I have given an outlook for the current year. Against that background, I have formed the judgment that for the current year major emphasis should be directed towards increasing the volume and value of our exports of goods and services in order to maintain a sound balance of payments position and to sustain our standard of living. I have accordingly formulated policies, administrative, foreign, economic, monetary and fiscal directed towards the stimulation of our export sector. Above all, I am seeking to do so with care and compassion within the context of no new taxation measures and accommodation for the pensioners and for handicapped and 'disabled.

I care for my country, and my Democratic Labour Party government cares for our country and for you its citizens. We are building the roads, building the houses, building the schools, and building the productive capacity of the nation. Building upon the achievements of the past, and avoiding past failures, my aim is to lead Barbados away from injustice and inequality, from poverty, and from all that is unsatisfactory and unsavoury. My aim is to lead Barbados and all Barbadians towards a life that is more satisfying both quantitatively and qualitatively, both materially and spiritually. My aim is to position Barbados and all Barbadians nearer to the just society, to higher levels of self-worth, self-esteem, dignity and freedom.

This is but the beginning. As we embark upon the decade of the nineties, I seek to make more of the good things available to our people: more food, clothing, shelter, education, health, recreation and security. I seek to deepen our understanding of our culture and our values. Join me and my Government in building this new society, this new nation of pride and industry in which brother will greet brother, and sister greet sister in harmony, peace and love irrespective of colour, class, race, nationality, religion or creed. Join me now and let us all put our hands together for our new nation.

Mr. Speaker, I beg in the normal manner to give notice of and to move this Resolution in respect of the Financial Statement and Budgetary Proposals.

"WHEREAS the standard economic indicators for fiscal year 1989-90 point to growth in real Gross Domestic Product of 3.5 per cent with good performances in the manufacturing, tourism and construction sectors;

AND WHEREAS the Government by pursuing judicious policies has been successful in increasing employment opportunities and in keeping inflation down by a moderate rate;

AND WHEREAS the 1990 Budgetary Proposals which have been introduced by the Prime Minister and Minister of Finance and Economic Affairs have been designed to consolidate the gains which were achieved during the last fiscal year;

BE IT RESOLVED that this Honourable House congratulate the Government on its sound management of the public finances and the economy in general and take note of the 1990 Financial Statement and Budgetary Proposals."

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

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that this sitting be suspended until 3.00 p.m. tomorrow, Thursday, 3rd May, 1990.

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

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 5.15p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member for St. Michael South Central.

Dr. R. C. HAYNES: Mr. Speaker, as I look around this Honourable House, I am the only person left who has played a leading role in almost all the Budget debates of the decade of the 1980s.

Budgets are tools of social and economic engineering and it is appropriate that as we enter the 1990s we reflect on what we have succeeded in fashioning in the 1980s since this should help to guide us in the right direction for the 1990s.

Indeed, Sir, the case for a new political order and a new economic order becomes self-evident as one analyses the happenings in this country during that period.

Gross Domestic Product has expanded as well as per capita income. However, there are several thousand more people without jobs and whose income is zero. To them,

boasting of GDP per capita income strikes a very raw nerve.

At the end of an entire decade there are only some 1 700 more people in employment while the work force has expanded by some 8 000 souls. Our youth and our women folk are called upon to bear the brunt of the unemployment burden.

Who could have dreamt, at the start of the decade, that this fair land of ours would be overtaken by lawlessness and violent crime to the extent which exists today? Or that the drug culture would have grown and penetrated so deeply into our society? Or that the pride we had in law, order and discipline would be so terribly shaken?

Great indeed were our expectations as we entered the decade of the 1980s with all the productive sectors of the economy in sound shape and performing well. We now leave that decade with our balance of payments, foreign reserves and trade balance in a mess, while the productive sectors are either in decline or heading for decline as our international competitiveness has been progressively eroded.

Noble indeed were our sentiments of the oneness of our nation. Now we enter the 1990s with dashed hopes and effete leadership and with social divisiveness dominating and distressing the national psyche. Once in the vanguard of the fight for the protection of the environment, we now find ourselves the agents of environmental pollution.

The notions of national pride, national dignity and national sovereignty which pervaded our society have been replaced by the beggar's bowl as our vaunted ability to meet our obligations to the rest of the world has been compromised. Traditional moderation in taxation has given way to over taxation. Prudence in expenditure has been replaced by squandermania. We have erected monuments to ourselves whilst the people remain inadequately housed. "Confidence in our country, which once attracted large private capital inflows, has been shattered. Foreign investment is now at its lowest levels while local capital seeks a safer haven.

Mr. Speaker, this state of affairs has intensified my commitment to a new political order, one of accountability and integrity; to an economic order which creates jobs for the jobless, provides homes for the inadequately housed and the homeless; an order which will bring those who are now excluded from the decision making process, particularly our women and youth, to the centre stage; an order which recognises that no society can make meaningful progress if a substantial proportion of its people are deprived of the opportunity to work, save and invest, and participate fully in the management and ownership of its collective resources; an economic order which will give full and meaningful expression to the political independence we achieved and to the democracy we enjoy.

All the words, all the exhortations, all the inducements in yesterday's Budget will not restore confidence in the Democratic Labour Party. That confidence has been shattered into smithereens by his callous breach of faith with the electorate, and like Humpty Dumpty can never be put together again. Yesterday's efforts in the Humpty Dumpty budget, Mr. Speaker, have left broken fragments strewn across the social and economic landscape which I shall now traverse with you.

The Minister of Finance has been tip-toeing around them. I will point them out and you can follow me with confidence. At the very outset, let no one in this country believe that a no-tax budget means tax relief. There has been no relief from taxation in the budget of yesterday, the same state of over taxation exists. The taxes in Barbados today are exactly as they were before the budget of yesterday.

The Minister of Finance, Sir, has sought to demonstrate to this Honourable House and to the country at large, his wonderful management of the economy in the past year. I will now deal with some aspects of the performance of the economy last year.

One of the stated objectives of budgetary policy in 1988 and 1989, as stated by the Minister himself, and I quote: "in 1988 to improve the position of our balance of payments and foreign reserves," and in 1989, "Stability of the balance of payments and the maintenance of international reserves which will require a further reduction of the fiscal deficit to around 4% of GDP." Let us examine and see how successful he has been in relation to the balance of payments of Barbados and the foreign reserves of this country.

Mr. Speaker, it is sad to report that in 1989 Barbados recorded a massive deficit of \$87 million in the Current Account of the balance of payments, the worst deficit, Sir, since 1982 when a deficit of \$84.1 million was recorded and the year in which this country sought support from the International Monetary Fund. And if that is not enough, let us examine now what has happened to the overall balance of payments.

Last year, Sir, for the first time since 1981, Barbados recorded a deficit in its overall balance of payments of \$70 million. This country, every year since 1981, has been able to record a surplus on the balance of payments, and that is what is being called good economic management by the Minister of Finance.

I now turn to the foreign reserves, Sir. In 1989 the foreign reserves of this country fell from \$401.2 million in March to \$268.2 million in December, a fall of \$133 million. Mr. Speaker, I submit to you that gross reserves of \$268 million represents a very desperate situation for this country when one considers that that includes the bad debt

of \$140 million under the CARICOM Multilateral Clearing Facility, some \$38.5 million being the sinking funds for domestic and foreign debt, and \$42 million being the net foreign assets of private commercial banks.

That disastrous picture, Sir, is a direct consequence of Government's squandermania and the printing of over \$100 million in the period March 1989 to September 1989. And if that is not enough, Mr. Speaker, let me bring to your attention that the budgets of 1988 and 1989 were allegedly designed to expand exports, control imports and reduce the trade deficit. In 1989 the trade deficit was \$1 075 million and in 1988 \$915 million. 3.15p.m.

These are the two worse trade deficits ever recorded in this country - \$355 million worse than in 1986 and \$310 million worse than in 1987. This appalling situation is captured in the accounts of the Central Bank of Barbados. It is nothing short of a national disgrace that the Central Bank of Barbados should record a loss of \$4.5 million for the first time in its history. It is a bank which has assets of some \$566 million, and hundreds of millions of those dollars are pre-investable resources. The net capital and reserves of the bank are now depleted to \$7.4 million, and when the CMCF bad debt of \$140 million is excluded from its assets, its foreign liabilities exceed its foreign assets by as much as \$127 million. That, Sir, is a shocking state of affairs when the Central Bank has been able to meet its obligations to the country only through borrowing, and indeed, Sir, the loss recorded is principally due to the fact that the Central Bank had to resort to ever increasing lines of credit.

Over the years, Sir, the short term lines of credit by the Central Bank averaged about \$30 million a year. All those lines were exhausted. They rose to over \$100 million. The Central Bank of this country found itself in a position where it could not repay those lines and had to be calling institutions all over the world asking for a roll over of the lines with payment of interest only, sending the worst signals to a whole range of commercial banks all over the world. And indeed, Sir, as I indicated earlier, when it was said that we were not telling the truth, the net foreign exchange available to the Central Bank of Barbados plummeted from \$63 million in March 1989 into the red in July and remained there until the end of the year where it finished off somewhere in the region of minus \$31 million.

At the end of the year, Sir, we had a domestic liquidity crisis and a foreign exchange depletion crisis, and a Central Bank with a severe solvency problem. In summary, Sir, in 1989 the current account of the balance of payments was in deficit. There was an overall deficit in the balance of payments of \$70 million, the net available foreign exchange to the Central Bank was in the red, the country's foreign reserves were severely depleted, the Central Bank of Barbados recorded a loss for the first time in its history, the

foreign liabilities of the Central Bank exceeded its foreign assets by \$127 million and we had the worst trade deficit in our history.

I submit, Mr. Speaker, that that is in direct contrast to what our unique Minister of Finance inherited when he took over office in 1987. In 1987, Sir, in contrast, the balance of payments of this country were in surplus to the tune of \$60 million; there was no deficit in the current account of the balance of payments; there was a surplus of \$22 million. The Central Bank had adequate *net* foreign exchange available to it to the tune of over \$77 million; the Central Bank was in a profitable position. The foreign reserves stood at \$340.8 million in May 1988; the trade deficit was \$310 million less than in 1989. There was adequate liquidity in the banking system, interest rates were low, mortgage money was freely available; over 7 000 jobs were created in a two year period; people had money in their pockets and the banks had money to lend. There was balanced economic expansion. I now ask the people of Barbados to judge whether the economy was headed for the rocks at the beginning of 1988 or whether it is headed for the rocks now.

_ I draw those facts to the attention of the people of Barbados because I believe it is most important that they should not feel that they made any error and they should be able to identify those who made the error and led them into this situation. On the domestic side, Sir, the liquidity in the banking system was completely wiped out because of a drastic reduction in the growth of deposits; people withdraw their savings and they had lower savings and an increased demand for credit, and this was entirely due, Sir, to the levels of over-taxation in the economy.

Interest rates, Sir, were increased in 1988 and 1989, a direct reversal of what the Democratic Labour Party Government promised the people of Barbados, and they used the same old abandoned and discredited reasons in order to do so. Those interest rates, Sir, have had a devastating effect on job opportunities, have induced^v insolvency in many businesses, have reduced the competitiveness of Barbados, have resulted in a drying up of mortgage money, for indeed there is nothing more damaging to the economic fabric of this country than high interest rates. On top of that, Sir, we have had a credit crunch, and the reality is that although it is supposed to be on the personal and distributive sectors, all economic activity is affected by that. It is more devastating, Sir, to a producer to cut off his markets than to increase his production costs. What is the point, Sir, of asking a furniture manufacturer to produce furniture and then deprive people of credit to buy his furniture?

We also had the ridiculous increase in the margins for the purchases and sales of extra-regional currency, the surest signal that something is wrong to the international economy and a major stimulus to the informal market. The

bottom line of all this, Sir, is that those who need credit, the poor, the small businessmen cannot get it, and those who had it before now have to pay more for it. All those measures, Sir, have had a serious negative impact on the entire economy, on households in the area of construction, housing, manufacturing, tourism and in effect all aspects of the economy have been affected by it. Mr. Speaker, it is most disturbing to note the increase in the cost of living due largely to the impact of high indirect taxation as noted in the Central Bank Report. The rate of inflation last year was almost five times higher than it was in 1986 and food, housing, personal care and medicine, areas vital to the poor were most severely affected.

In terms of unemployment, Sir, it is important for this country to recognise that in 1980 there were 100 000 people employed in Barbados. In 1989 there were 101 700 people for an entire decade, and if one were to analyse what has happened in recent times, in 1986, and I use the third quarter, there were - 93 300 people employed. In 1987 there were 98 400 people employed, an increase of 5 100 more people in that one year. In 1988 there were 100 700 another 2 300 people. In 1989 there were 101 700, an increase of 1 000. I think the time has come for us to stop playing games with employment statistics. The reality is that since 1980 only in 1986 and 1987 were jobs created at a rate to give any hope of a solution to the problem of unemployment in this country, and it must be noted that the rate of job creation has declined dramatically in the last two years compared with the years 1986 and 1987. This NDP, Sir, will not put jobs on the back burner. All economic planning will be geared to solving that serious social and economic problem. We have already announced that we will set aside \$100 million over a five year period for employment generating activities among the young people. 3.25 p.m.

We are committed, Sir, to creating full employment in a five year period because we know of no other morally justifiable policy position to take in this matter. Full employment, Sir, in technical terms really means that 95% of the work force, those willing and able to work, would have jobs and one accepts that there will always be a 5% between jobs and so on so we know exactly what we are talking about.

I now turn, Sir, briefly to the fiscal review of what has been happening in Barbados. In 1988 our Minister of Finance introduced a Budget designed to raise \$55.6 million in taxes. He was warned by this Opposition. He was warned by that Opposition that he was proceeding on the wrong premises and severely underestimated revenue yields and that there was no need to impose any taxes in order to raise \$55.6 million.

He proceeded to slap on a surcharge on the incomes of individuals and companies and unleashed unprecedented consumption and other taxes in Barbados. He set out to

raise \$55.6 million and by error raised \$129.6 million. It would have to be an error, Sir, because one can hardly imagine that it could be deliberate because if it were deliberate it would have serious implications not only for this Parliament but also for the country as a whole.

What is worse, Sir, he spent every additional cent and I am pleased today to state that it is no longer a matter of argument over estimates. The out-turn figures are here now, Sir, and they are available for anyone who wants to see them in the Report of the Accountant General for the financial year 1988/89 page 51, I think it is.

The Minister of Finance, Sir, estimated taxes on incomes and profits at \$153 million. The actual out-turn without surcharge was \$199 million. In other words, he got \$46 million of the \$56 million that he sought to raise without even imposing a tax.

Property Taxes, Sir. He estimated at \$33.9 million - out-turn, \$47.7 million. On those two taxes alone, if nothing else was changed, he would have got \$59.8 million in increased revenue and if that was not bad enough he then compounded it by over-estimating his stamp duty losses from the adjustments which he made to the stamp duty estimating revenue of \$51 million and ending up getting \$82.7 million and when that \$31 million is now added to the \$59 million, we have \$90 million of unnecessary taxation.

In 1988 it was a matter of projections. In 1989 when the debate took place the final out-turn figures were not available. They are available now. They can be found in the Estimates, They can be found in the Accountant General's Reports and they can be found in the Auditor General's Reports.

Those errors, Sir, pointed out in advance were due to a failure to recognise that in 1987 tax refunds that that was a one-shot affair and, indeed, Sir, the revenue from taxes on incomes and profits was about \$200 million before the 1986 Budget and by 1988 it was back to \$199 million.

But something very interesting happened in the redistribution of that income that the corporations now instead of paying \$56 million they paid \$94 million so what *.. those earning \$15 000 and under paid before, the corporations now paying and the tax revenue remained the same.

I make no apologies whatsoever, Mr. Speaker, for relief given to the poor people of Barbados, those earning \$15 000 and under in the 1986 Budget. They can repudiate *. it. I make no apologies for it because I am satisfied now ^that the out-turn figures justify every single action taken but One workers of this country, the pensioners, the poor, the sick, the housewives, the gardeners, the domestic household

helpers, the artisans, they all know what was given to them and they also know what was taken away from them.

But more than that, Sir. That act was a major blow to confidence in the Government and the whole political process it precipitated a liquidity crisis in the banking system which is impacting most negatively on the poor people in Barbados and it has also pushed up the cost of living considerably since those indirect taxes as I have indicated earlier, based on the analysis of the Central Bank, has impacted very heavily on basic items used by the poor.

Mr. Speaker, provisional figures for current revenue for 1989/90 and here it is a lot of confusion in the presentation of Government's accounts.

- Current revenue, provisional figures, \$990 million, current expenditure, not given in the Budget, \$999 million, a current account deficit provisionally of some \$10 million. Capital expenditure \$197 million, not \$97 million as stated in the Budget. I could never understand how anyone who is fully aware of what he is reading could make an error like this.

On Page 25 of the Budget it is clearly stated capital expenditure of \$97 4 million was 12.2% lower than the previous year. That means, Sir, that the overall deficit is in excess of \$200 million or some 6.9% of Gross Domestic Product at factor cost.

Now, Sir, I believe we have a responsibility as Parliamentarians to adhere to the law, adhere to the Financial Administration rules and anywhere in the public accounts of Barbados you would see revenue and expenditure reported in that way and all previous Ministers of Finance have reported expenditure and deficits in that way.

What I have just done is according to the Laws of Barbados. The Central Bank of Barbados who are free to do anything, any accounting system, removed amortisation from the expenditure which amounted to \$143 million and hence you end up with a deficit somewhere in the region, according to them, of \$58 million.

I have no quarrel with that. There are reasons for doing that but I think it is important that for the records of this House that the Government's revenue, Government's expenditure both on current and capital account, should be presented, the deficit presented on that basis and thereafter as it was done before. The amortisation would be taken out or the wider public sector taken into consideration but do not come in here with figures to confuse the public. But it is not only the public that might be confused, Sir. It is the Ministry of Economic Affairs that seems to be more confused than anybody else. Could you imagine, Sir, a statement in the Economic Report of Barbados reading as follows:-

"The overall fiscal deficit of \$42 million was financed from both foreign and domestic funds. During October a loan of U.S. \$25 million was negotiated on the London market".

Fifty million dollars to cover \$42 million! Then it goes on - another U.S. \$20 million. In February a U.S. \$20 million was raised so you have \$90 million now to cover a deficit of \$42 million.

Then it goes on: "There were small draw downs from capital projects." And then it goes on "the remainder requires Central Bank financing." 3.35p.m.

So what is clear here is that somebody in the Ministry of Economic Affairs using the deficit as calculated by the Central Bank, that is, excluding amortizations and then ends up with this palpably ridiculous statement in the Economic Report. The harsh reality that this country has to face is that in 1985-86, the people of Barbados paid \$648 million in taxes. In 1989-90 they paid \$990 million, \$342 million more or an increase of 52% and that, Sir, is out of line with GDP growth, inflation or any other index in the economy. The same applies to expenditure. Current expenditure in 1985-86 was \$66.3 million; in 1989-90 \$999 million, over 50%, a \$336 million increase. If that, Sir, is not over taxation and squandermania, then those words have no meaning.

Yesterday, Sir, I heard and I would not like to repeat such offensive remarks, that anyone saying it was squandermania that that was stupidity on stilts. I would say, Sir, that anyone not recognizing that it was squandermania is stupidity on one stilt.

Let me make one or two comments. Sir, the fiscal deficit, Sir, has been reduced but the current account of the balance of payments, Sir, and the overall balance of payments and the foreign reserves have deteriorated very substantially. You cannot run a country like a housewife", just simply matching expenditure with revenue. The financing of the deficit is of importance.

What happened in this country last year is that the Minister of Finance printed in excess of \$100 million between March and September. He overtaxed the economy. He overspent and the results are there for you to see in your balance of payments and your foreign reserves. Anyone, Sir, can come in here in a law abiding society and levy as much taxes as you like to cover a deficit. Anyone can do that.

The question that Barbadians should ask themselves: why is it that all previous Ministers of Finance recognized the dangers of over taxation and never tried to run a country on that basis?

Sir, our Minister of Finance is clearly at a loss as to what to do. Could you imagine, Sir, that with the problems facing manufacturing, tourism, agriculture, the balance of payments, the foreign reserves, that a Minister could come to this Parliament with the kind of Budgetary Proposals that were presented yesterday? I believe, Sir, and I should start off with this one because I think that it takes pride of place, — something that should be framed and put in the museum^ this particular gem as a Budgetary Proposal. No. 24, consideration is being given to the use of unleaded gasoline as a Budgetary Proposal. That is a Budgetary Proposal.

Let us examine what impact these measures have had on the economy or will have on the economy as a whole. As far as I can see there is a series of rake and scrape measures with no linkages of any kind, largely responding to special interest in the society of which all of us who have been in the Ministry of Finance are fully aware. None of^ them has addressed any major problems in the country and most of them fall into the area of trivia. What is worse, Sir, and I consider it another breach of sound budgeting practice, is that no costing has been given of the individual items in this Budget The only statement that we have, and it reads like this:

"The measures which I have announced this evening will result in an additional \$3.3 million in expenditure and will cost the Treasury an estimated \$6 million." -"

When translated I do not know what that means in specifics. I hope that the Minister will let the House know what it is and also when he winds up will indicate to the country what is the cost, the revenue loss or otherwise of any of these measures here.

Let us now look at a few of the measures. The first measure related to consumption tax being payable in sixty days instead of twenty-one days. The tax is still payable, purely an administrative arrangement. ^

The second measure, Sir, relates again to permission being granted to business houses to remove their items from the warehouses into their premises without paying duty. Again an administrative matter.

The next two items, Sir, one relating to earnings from existing businesses and the other one relating to an extension of previous provisions within the income tax laws, purely include one or two categories of businesses-^ into the ambit of the law. Many of these things, Sir, are done as part of routine parliamentary business.

Number five, Sir, is probably worthy of some comment and that relates to the allowance of \$7 000 which would be granted for investment in new shares in private companies. I have no difficulty with the concept of^ expanding the capital base of companies. All I would like to warn at this point in time is that the floodgates for O avoidance have been opened. I say no more.

The next item deals with the extension of the withholding tax provisions of the 1986 Budget to trust companies and financial institutions. That is a minor matter. A small number of people affected.

The next tax relates to professionals, perhaps a few accounting firms, again affecting a very narrow group of people in Barbados and a clarification of what was there before in the House.

Sir, effective from income year 1990 the 50% limitation on losses carried forward will be removed. What this House should clearly understand is that this is the second attempt by the Minister of Finance to correct his own error. He introduced the measure in 1988, he half corrected it and now he has come back and corrected it

.. In the meantime I can assure you that that has had a serious damaging effect on business investment in Barbados particularly amongst small business companies.

The next item reads like this:

"Effective from income year 1990 inter company loans will be taxed as income on the companies receiving the loan." Page 72, I repeat, "effective from income year 1990, inter company loans will be taxed as income on the company receiving the loan." To the best of my knowledge, the budget said the opposite, the complete opposite. But here it says it will be taxed. 3.45 p.m.

However, whatever the outcome, that simply relates to companies that have other companies that can make inter-company loans among them. It has nothing to do with the • broad masses of the people.

Next item, Sir, relates to a minor increase in the provisions of allowances of bonus shares. The next item, Sir, relates to prepaid travel tickets and I must tell Barbadians at this point in time that a lot of Barbadians believe that they no longer have to pay travel tax. All Barbadians have to pay travel tax so long as they are travelling from Barbados out. It is only the few people who have tickets outside coming into Barbados. So Barbadians should understand clearly that this does not apply to all Barbadians travelling. Next item, Sir, with immediate effect spare parts for use in agriculture, fisheries, and manufacture - . will be allowed in free of Import Duty and Consumption Tax. No problem with that, Sir. The only problem is that when previous concessions were granted in this area people had the greatest difficulties in getting the concessions when they went to the various Ministries. But in terms of this Budget, Sir, whatever gains may accrue to agriculture, fisheries, and manufacture, it has all been wiped out by the « increase in the cost of gasoline and diesel - all wiped out.

O I do not think, Sir, I should really spend a lot of time with the other trivia here which may be important to

individuals of audio visual equipment, photographic equipment, bottle, cans, software equipment I do not think that I need to comment on those, but this is part of the national budget. Normally, you have a Budget, you have major measures, and you may include one or two small items. But for the small items to dominate the entire Budget, I begin to wonder what we came down here for yesterday.

The next item, Sir, was \$1.5 million for small businessmen to the Barbados Development Bank. Thousands of small businessmen are being offered \$1.5 million through an insolvent and crippled Barbados Development Bank. They have lost more than \$1.5 million since the credit squeeze and the high interest rates. If they believe that the Government has their interest at heart, I will tell them that in the Estimates under "Assistance for Small Businesses" this year they only have \$100.00 and last year not one red cent. The \$1.5 million will probably just go to help meet the indebtedness incurred as a result of the high interest rates and the difficult situations that they find themselves in.

Now Sir, the other one is one that really causes me a lot of personal distress. This is the one, Sir, relating to the Old Age Pensioners of this country. I really believe, Sir, and I am not surprised that certain persons -1 better not use the term that I would like to use. It is about time, Sir, that this society as a whole show an appropriate sense of disgust when a Minister of Finance in an election year offers the aged and disabled a few cents because they believe they will get some political benefit from it. Whenever it has happened, Sir, I personally feel a deep sense of outrage and, in fact, I can confess now that I get "goose pimples". I get "goose pimples" at that sort of display of vulgarity in relation to the aged and disabled in this country.

Mr. SPEAKER: I did not want to interrupt the Honourable Member. But again I want to caution the use of language. A Budget was delivered by a Minister of Finance who cannot divorce himself from that Budget and, therefore, any language used can implicate that Minister who is tied to that Budget. I am asking the Honourable Member to choose his language carefully.

Dr. R. C. HAYNES: Mr. Speaker, I believe that I am fully aware of the propriety of language and the use of language and the specific use of language. The \$3.00 increase, Sir, will not compensate for the increase in prices that they have to pay caused mainly by the increase in direct taxation in the 1988 and 1989 Budgets and unrelieved yesterday. Let me give an example, Sir. The average rate of inflation was 6.2 per cent. The main contributing factors, as I said before, were housing, food, personal care and medical care. Quite clearly, our old aged pensioners would have borne the brunt of those increases in

prices as a result of the taxes. In any event, Sir, these matters are now paid for out of the National Insurance Scheme and it is not really a Budgetary matter.

I now turn, Sir, to the price support offered to the sugar industry. Yesterday, Sir, many people and I believe some editorial writers and others thought that the sugar industry might get something up to \$5 million. That is true. It is interesting, Sir, that the proposal did not even appear in the Appendix of the Summary of the Proposals and it is a good reason for that I am informed, Sir, that the sugar industry of Barbados has already negotiated a contract price for this year's sugar of some \$1,015.00 per tonne or may be as high as \$1,020 per tonne. The guarantee which the Minister of Finance is offering is \$1,025 per tonne. Therefore, Sir, simple arithmetic in this case shows that if by some miracle we get 70,000 tonnes of sugar that the total transfer from the Government to the sugar industry will be at the most \$700,000 and can fall as little as \$350,000 - nowhere near \$5 million.

Indeed, Sir, the price offered is at least \$112.00 below the cost of production of sugar. My understanding is that on the basis not only of BSIL figures but also on the basis of independent international accountants the cost of production was arrived at \$1,137.00 per tonne. So that it would seem to me that no significant help is being given to the sugar industry. As I pointed out earlier, the increase in the price of petrol would wipe out the concessions given to agriculture as far as spare parts are concerned. But Sir, somebody always benefits from some Budget Gasolene has gone up by 5 cents, 5 to 6 cents in diesel, and not a dollar we are told to the Treasury and certainly not a word to tell the people how much that will cost the motoring public as a whole. Where will the money go? Mr. Speaker, Mobil stands to reap a handsome reward of \$3 million to \$4 million for its callous and indifferent treatment of the motoring public of Barbados last December. 3.55 p.m.

As far as I am concerned, I wish to make it clear, Mobil in the context of Barbados today serves no useful purpose and we should not even be thinking of negotiating any new agreement with Mobil. In any event, Sir, there was no need to increase the burden and place it on the people of Barbados. The Minister could have come down here with a new consumption tax order and reallocate the various elements of the consumption tax order so that he takes a little less taxes and Mobil would get more within the existing arrangements. I am reinforced in that view, Sir, because I have available to me firm evidence that Mobil has been reducing its cost of operation in Barbados by bringing in refined products from overseas and not passing them through the refinery, and thereby incurring increased refinery costs. So what are we giving them more money for?

If they want to challenge you, Sir, I have in my possession the cargo out-turn report on 16th July, 1989. I have in my presence, right here in my hands, how those products were distributed. I have the very certificates of origin of Venezuela and elsewhere, but I will not read from them, Sir, because I do not wish to make them a document of the House at this stage, but I will pass them on to my colleagues on this side so they can have a good look at them.

But, Sir, those increases in petrol costs, it is important to remember who are the main users of the diesel involved there and the gasolene, apart from motor cars and so on. You are talking about the Transport Board. They will bear part of the cost. You are talking about the Cement Plant, you are talking of the Barbados Light and Power, you are talking of the minibuses, the maxi taxis, you are talking of the construction companies in Barbados, you are talking about the fishermen who will have to pay that cost. I can assure you that any concession for spare parts will be eroded by the increased price of diesel that they will have to pay, and they will all of course be passed on to the consumer, as I have been advised by my colleagues beside me here.

Now, Mr. Speaker, that is the sum total of the Budget. Let us ask ourselves; I ask Members on the other side to seriously reflect whether those measures have anything, whether they make even tangential contact with any of the issues facing Barbados today at the economic or at the social level. As I said, they were rake and scrape measures, they were measures responding to individual and separate lobbies. We all know the various persons who have been making these representations over time and we see exactly what the result has been there in that regard.

Now, Sir, I believe that the people of Barbados have a pretty good idea as to what has gone on in this country over the past year, why this economy finds itself in this kind of trouble and who is responsible for it. They should know now, Sir, that all this talk of a good performance of the economy in 1989 was totally misleading, to say the very least, Sir.

How can a country with negative balance of payments, a country with a deficit in the Current Account of its balance of payments, massive losses in the foreign reserves, a country with a foreign exchange depletion problem, combined with a domestic liquidity problem, boast of doing well? What index has been used to suggest that the country was doing well? Absolutely none. At least I can say this. Sometimes you know, Sir, you have to give Jack his jacket and of course we in the NDP are committed to telling the truth at all times.

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I recall, Sir, in 1974 I was not in this Honourable House, but a former Minister of Finance came in here and

told the nation that the economy was under siege. I recall in September 1981, because I responded to that mini budget. Another Minister of Finance came in here and told the country the truth - that is a fact - that the economy had run into trouble and that was represented in terms of the balance of payments, the foreign reserves, the shortfall of income and various other things, and a mini budget was put in place. But on each occasion, Sir, the country was told the truth.

We are now told that Barbados is doing exceedingly well and I believe that that is really adding insult to injury. But, Sir, it is not only in these areas that we see major problems. Let us look at what is happening in housing. Here again, Sir, we see the kind of attempts to try to put a better construction on what is going on, ending up in a major embarrassment to the Government, and I will point it out now.

In 1986 an appropriate climate was established for housing development in Barbados. In 1988 that was totally reversed. Savings were reduced by taxation, interest rates were increased, affecting bridging loans. Credit in 1989 became no longer available, the cost of building materials escalating principally due to taxation. Mortgage money today is no longer available due to the interest rate structure.

Mr. Speaker, housing and jobs are the two most pressing problems facing the poor people of Barbados. If I see 100 people from my constituency you can be quite sure that 95% of them would have come to you because of a problem either relating to jobs or relating to housing. Any Government, Sir, which creates an economic environment which is hostile to housing is not acting in the interest of the people of Barbados.

There can be no question that the present regime of high interest rates, over taxation, reducing the possibility of people to save money to qualify for a deposit, has disqualified thousands of people even from dreaming of having a home, a complete reversal of what obtained only a few years ago. But that does not in any way perturb the Minister of Housing and the Minister of Economic Affairs who have jointly also presented a gem to this Parliament. This is already a document of the House, Sir, so I can read from it freely.

4.05 p.m.

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The page, Sir, is page 21. Now, Sir, there is a graph showing the housing starts and completions on that page. That graph shows, Sir, that between 1986 and 1989 some 4 000 houses were started in Barbados. The same graph, Sir, showed that over 10 000 houses were completed. All of us, Sir, as Barbadians are fully aware of the phenomenon where people have started houses but have been unable to complete them. But we have a remarkable situation here where the Minister of Housing and the Minister of Finance

can produce a graph inside here indicating that they completed 10 000 houses but started only 4 000 houses. The graph, Sir, shows housing starts for 1986, 1987, 1988, 1989; it shows completions for those years. Like any other graph, if you look at the left hand side, it shows the number of units, the year and the units, and you can calculate from that the number of starts and the number of completions. I say, Sir, that that is remarkable. For people who can complete houses without starting them, I say, Sir, we have in this House at least two Houdinis. They would have to be.

Now, Sir, if you look at the paragraph above that, you will see it speaks to somewhere in the region of 4 180 houses, the highest number in any one year completed. If you look at the graph now, Sir, you see the graph shows only 3 200 houses completed. Now, Sir, if that is not enough, if anyone thinks, Sir, that I am trivialising an important matter like housing, I would invite Honourable Members to look at the paragraph below. What does that paragraph say, Sir? It says that in 1988 some 242 units were completed and 1 076 houses were in progress. In 1989 some 232 units were completed with only 306 in progress. Now, Sir, a little arithmetic will show you a very interesting phenomenon. If you add the 232 units completed in 1989 to the 306 that were left in progress, the figure is 538, exactly half of 1 076. Is the Minister going to deny that housing has been put on the back burner, housing for the poor, housing by the NHC? Are you going to deny that 538 houses have disappeared from your programme? The case of the disappearing houses.

I challenge you to look at those three things that I have brought in housing and see if you can come but to only one conclusion, that the public of Barbados is being given a completely false impression and deliberately so, as to what is going on in housing. No doubt some unobjective person made all the data available inside there. We want explanations, Sir, that the public would accept and is acceptable to this House, because when exactly half of the number of houses have disappeared, surely, Sir, if we had a hurricane, exactly half would not disappear like that.

So you have employment on the back burner, housing on the back burner, general housing because of monetary policies, and now we have housing for the poor cut in half and on the back burner too.

I want to promise this country, Mr. Speaker, that housing will be a priority in an NDP government in a new economic order. We have already announced our programmes for 100 per cent mortgages and our determination to ensure that this country is adequately housed by the year 2000. We pledge once again to reduce interest rates to facilitate the flow of mortgage funds and make it cheaper for people to build homes. We will make house spots available in accordance with demand. We have already announced that in addition to the provisions relating to the tenancies brought by the other political parties over

the past 30 years or so, we are not satisfied with the rate of transformation of the tenancies, and we intend to bring our 100 per cent mortgage scheme to bear on tenantry development where we would purchase the tenancies and offer the 100 per cent financing package for people to purchase land, home improvement and building homes.

We have also said that we will make those rented units that people have been living in and renting for many years available to them, give them the opportunity to buy them. We will repair them first and then we would take into account the historic cost, what it cost Government at the time that they were built, not today's cost, in arriving at a price. We want to assure all the old aged pensioners of this country that this business of people coming to their homes, depending on which political party is in office, and trying to repair their homes particularly, in the months before an election we will put an end to. Our plan, Sir, is to ensure that all old aged pensioners in Barbados within a five year period will live in houses in an adequate state of repair and have basic indoor facilities.

Mr. Speaker, the public records of this country would show that in the past decade alone over \$1 000 million has been spent in all sorts of money losing ventures and high prestige constructions. The 1990s under the NDP will be a decade for housing for the people of Barbados. There will be no more white elephants like the one in Roebuck Street and no more milch cows like the one in Two Mile Hill. We will not have any of that kind of public expenditure on that kind of exercise. We have thrown away enough money in the past 10 years to house all Barbadians. So when people query where we will get the money from we can just tell them up front that we are not getting involved in any kind of expenditure of that nature. These resources, Sir, will go to housing, jobs and the productive sectors of the economy. That is the position that we have taken on that matter, and I think I have highlighted very clearly to the public of Barbados what the present administration has been doing in relation to housing.

Now, Sir, I have tried to demonstrate to this country how successful the Minister was in relation to his policies to protect the balance of payments, improve the foreign reserves, control inflation, generate employment, control the fiscal deficit and so on. I have already done that. I believe it is only proper now, Sir, that I should indicate to this country as well how successful he has been in relation to agriculture. 4.15p.m.

In 1988 one of the objectives of Budgetary policy was to stimulate the manufacturing and agricultural sectors. In 1989 restoration of confidence in the agricultural sector was the position taken by the Minister of Finance and in his view, resources allocated would have produced that result.

What, Sir, has been the result in agriculture? Let us go through it seriatim. Agriculture declined by 5.9% in 1981 and by 8.3% in 1989. Clearly, a failure and clearly a disaster. More and more land has gone out of cultivation during that period. That is a good index of what is happening in agriculture, perhaps, the best.

Sugar production declined by 17.5% in 1989. sugar agriculture and fishing declined in 1989 as well. " Sugar output was the lowest since 1931. That, Sir, I think is before any of us in here were born. This is a measure of the success of the budgetary policies of the Minister of Finance. Factory revenue fell to its lowest level since 1976. Export earnings from sugar declined by 22.6%.

Mr. Speaker, the Minister did not mention cotton, not a word about cotton but I think I should tell the House that cotton declined. Instead of growing cotton, Sir, instead of ^ knitting and spinning cotton, we have had a web or ; corruption which has been intricately spun and tightly knit from Barbados to South America, to Canada, to Japan and back to Barbados. Blatant corruption in agriculture has been the only area of output in that Ministry and the highlight of public policy.

We have had, what at that time I deemed to be an infelicitous measure, where the Government of this country -? came in here and guaranteed the repayment of loan funds to a company in which it was a minority shareholder despite warnings from both Oppositions. We have had a public institution, the Barbados National Bank, disbursing millions of dollars to that company.

We have had public lands, ADC lands, made available to it, second crop canes dug up, workers displaced, losses in revenue to the country in terms of foreign exchange and losses locally generated. The good name of Barbados and other Caribbean countries has been tarnished with the O: _ export of cotton to Japan falsely labelled as Sea Island ^ Cotton to fetch higher prices.

Vast sums were spent on renovations at Spencers. We have had two foreign exchange scandals and to date nothing has been done about it. We have had the importation, Sir, of \$30 000 in towelling and we are told it is for a constituent in St. Philip.

We have had the disappearance of the peanut industry •-< in Barbados and arrangements being made to import peanuts from Belize.

We have had the assignment of the WISCA Trademark to CARSICOT which is controlled by a private group and Parliament has not yet been graced with the Report of the Prime Minister when the Honourable Member •"•* for St. Peter raised questions of the propriety of his^ Personal Assistant living in an ADC house on terms that di^z not appear the usual ones in terms of public property.

These are but some of the things that are happening in agriculture. What have we got for it? Less cotton, millions spent, no knitting, no spinning, no mills, and as far as I am aware, a major and embarrassing legal wrangle.

Mr. Speaker, as good citizens, and as honest *f.* parliamentarians, we brought a "No confidence Motion" to ~ this Honourable House. All those who joined in defeating it I deem to be equally guilty of whatever it is.

Instead of the Minister of Agriculture being asked to go, we now have two Ministers of Agriculture and I am tempted in the immortal words of Juvenal to ask "Sed quis custodiet ipsos custodes - But who will guard the guards?"

And I hope, Sir, that some historian in the future when he reflects on this period will not have imprinted on his -- mind the words of Salus Jugurtha "Omnia venalia Romae - Everything in Rome for sale."

Above all. Sir, I hope as events will turn out after the Election that he will not have to reflect on that more comprehensive saying of Thales "Urbem venalem et matura perituram si emptorem invenerit - A city for sale and soon to perish if only it could find a buyer."

- Mr. Speaker, I believe that the situation in agriculture has reached the point where any Government who is serious about expanding the export earnings of this country ought to recognise that they have as a duty to ensure that the productive capacity of this country in terms of agriculture is expanding.

The crisis we have before us, Sir, is a production crisis and I think it is highly irresponsible for the Government not to be addressing the issue of sugar production and agricultural production in the clear recognition that the ^ fundamental issue now is a production one. 4.25 p.m.

Many of us have been brought up, have gone to school because our parents had access to a quarter of an acre of land, an eighth of an acre of land in order to supplement income. As I drive through the country, Sir, I see familiar plots that I knew as a young man, today in bush. Plots that once brought food, sustenance and some income to the poor people of Barbados.

' 11 we continue to fool around with our agriculture, if we continue to allow all sorts of other notions to be imported and not deal with the issue, as it stands now, then we are going to run into serious problems, Sir. Because if the sugar industry is allowed to perish, I can assure you that the cost of ever rehabilitating that industry would run into ** several hundreds of millions of dollars.

But perhaps, Sir, it is not only in agriculture but I believe that we should look and see what have been the

successes of Government in the area of manufacturing. I do not propose to go into all the details of manufacturing, but, suffice it to say, that a fundamental plank of budgetary policy over the past two years has been to increase the output of goods and services for export and to reduce imports.

I have already demonstrated that our trade balance was far worse in 1989 and in 1988 than at any time in our history, and by a significant amount, over \$300 million in each case. It is quite clear, Sir, that that policy has been a total failure. I do not wish to get into the minutiae of policies. But I can say this, Sir. Looking at it globally, what is quite clear, is that what the Government has done is that they have contracted the local market for local manufacturers. These things must be seen at a macro level in order to understand what is happening at the individual level. They have created a fiscal regime where goods being imported from countries with devalued currencies can compete more favourably in the domestic market than goods being produced locally. There is no question about that. The domestic market for locally produced goods has been contracted. The impact of that, Sir, is that jobs are being created elsewhere whilst jobs are not being created in Barbados or jobs are lost in Barbados.

'The second thing, Sir, that has happened is that a whole series of measures have been introduced in Barbados which has seriously compromised the competitiveness of the manufacturing sector. Those high interest rates in particular have been extremely damaging. What is not often appreciated is that when you have drastic increases in taxes like consumption taxes and so on, that those things have a negative effect on every single activity in this country. That is not often appreciated. So you may make narrow concessions in terms of stamp duties or something and then a factory operating in Barbados is caught up in the overall increase in cost in its operations and therefore becomes less competitive.

Of course not only have they reduced the demand for local goods in the local market, but they have also reduced the capacity of Barbadians to buy the local goods that have been produced. They have reduced the capacity of Barbadians again through the serious erosion of their disposable incomes.

Sir, if you were to look at the profile of increases or failure to have increases in manufacturing, you will see that it is in areas like textiles and food where these things have had maximum impact. It is important to remember - and we see this kind of failure year after year where somebody gets up and reads out something has gone up by \$2 million, \$1 million, \$1/2 million. When you tally the whole lot and you look at the trade deficit with CARICOM, you will realize that very little has been achieved, if anything at all. Do not let us fool ourselves. It is essential to look at the macro

component of what you are doing and looking at the overall environment that you are generating before you can achieve anything of any significance.

I have said before that if the situation continues where our manufacturers cannot sell in the local market because of absence of credit, then what is going on in the manufacturing sector is going to multiply several times in a very short period of time.

And so, Sir, by and large, we have not had any major losses in output in respect of manufacturing in the past few years. But we do know that what is going on today - and this would be a continuing thing unless there is a substantial reversal of existing policies.

Now, Mr. Speaker, I turn to tourism. One of the outstanding features of this Budget is that it did absolutely nothing for tourism. It totally ignored my good friend, the Minister of Tourism.

Another aspect of it is a kind of suggestion that the refurbishing programme was started by the Minister of Finance. He did not say it - I looked at the words very carefully - but there was a clear suggestion. That of course, is not true, Sir. The refurbishing programme was started in about 1984. In 1985, the former Minister of Finance extended it. In 1986, I extended it. And it was extended by the Honourable Minister of Finance in subsequent years. So that even that he cannot claim benefit for. What he can claim benefit for is the fact that he has done much to erode the competitiveness of our tourist industry, in many ways.

Sir, it is important to recognize that often Barbadians do not understand that these hotels are located in Barbados. But where they are competing is not in Barbados. They are competing in the outside world. Therefore, issues of competitiveness have to relate to the outside world, not to what is happening in Barbados. Anything which we do in Barbados that renders them more uncompetitive then we are creating problems for this country. It has become the life, blood of Barbados, the main foreign exchange earner and in the foreseeable future, it appears that that would be the case. 4.35 p.m.

What is happening now, Sir, is that there is clear evidence in 1989 of a fall off in output in the tourism industry and yet, Sir, no Budgetary instruments to respond to help to deal with this particular problem. Let me just say this, Sir, that the refurbishing programme was something appropriate for the mid-1980's. Today, you are dealing with a different problem. It is not only refurbishing now. It is a question of substantial upgrading of hotel rooms in Barbados. A new category of incentives are needed. You have to look and see, Sir, what you get when you go to Miami for a room \$30.00 or \$40.00 a day. You get a television, carpeted room, telephone, and you get plenty of services. Compare that with what you get in Barbados. The

problem now is more than refurbishing. Refurbishing was an appropriate response in the 1980's. We are in the 1990's and different categories of problems must arise at this point in time and yet the Budget ignores this. The Budget ignores tourism and manufacturing. It ignores all of those areas that are of critical importance to the productive capacity of the country.

This is an industry, Sir, which in the last two years has attracted little or no new private investments. It is sad, Sir. Our tourist plant in Barbados is aging but no new investment is coming in the area. In the past five years, Sir, a tremendous amount of new investment has gone to Antigua and St. Lucia. I gather new hotels are going to the other islands and nothing is happening in Barbados. Sir, there has got to be a reason for that. Surely with our better infrastructure one would have thought that this country would be the one that would be able to attract that kind of investment and it is not happening. The wrong fiscal - environment and the wrong social environment seem to be emerging in Barbados. They are the two problems. Any industry, Sir, that is incapable of attracting new investment will die eventually. I repeat. Any industry like any business which cannot generate new capital investment, new capital formation, will perish in due course.

Hardly a new hotel of any significant size has been built. The image of Barbados as a top tourist destination, Sir, is rapidly fading. Let us face it. Yet our promotion continues to be of poor quality and lacking in imagination. Our market diversification strategy, Sir, has been largely haphazard and largely dependent on the whims and fancies of external tour operators who respond principally to the economic environment in which they are functioning and from which they bring tourists. When that changes, they fold up or they move elsewhere.

Product diversification, Sir. Do you think, Sir, when you consider the priorities in Barbados we should be having that thing in Two Mile Hill rather than having a convention centre in the hotel area? Let us begin to think about it. Let us begin to look at our priorities. If there is one thing all Barbadians are pretty agreed on, it is that thing in Two Mile Hill could never be considered to be a priority in public expenditure.

I said earlier that our hotel rooms need upgrading and it is no longer simply a matter of refurbishing. Another area, Sir, is that we have been pussy-footing in dealing with the question of regulation of the various interests on our beaches. I have said again and again that so long as you have a tourist industry you have to recognize that the beaches are no longer purely a zone of leisure but also an economic zone. That basic thinking should inform any appropriate regulatory framework which would ensure that the people of Barbados continue to enjoy access to the beach, that the tourists are able to come here and enjoy our beaches in comfort and without harassment and that for

those people who have an economic interest in the beaches whether they be hoteliers or the small man some regulatory framework be put in place to make sure that all Barbadians who are so interested in getting involved should have reasonable access to making a living from that source.

Sir, in another area of aviation policy, I do not understand what is happening in aviation policy in Barbados. But we have indicated that given the pre-eminence of the tourist industry and the importance of matching seats with beds in tourism that we will amalgamate the Ministries of Tourism and International Aviation and Transport.

Now Sir, very little has been done about the impact of crime, racism, drugs, and lawlessness on the tourist industry of Barbados. There is an unpublished study which I saw for the first time in another Caribbean country at an ' international conference, which shows I think that some 34 per cent of people on a particular beach in Barbados over a three month period were approached by persons peddling drugs. Thirty-four per cent, Sir, on one beach. What are we doing to try to deal with this matter? There is clear evidence, Sir, that this problem is having a negative effect on the tourism industry. In fact, Sir, arising out of the deliberations at that conference and looking at the experiences in other Caribbean destinations and elsewhere, it shows that that problem which may initially be a problem relating to tourists eventually escalates into an even much more serious problem for the residents of the country if it is not dealt with.

Finally, Sir, I want to look at tourism expenditure. We are told, Sir, that the tourist industry earned as much as \$1 billion in 1989. I am deeply concerned, Sir, that what we are getting as tourist expenditure statistics is hardly more than informed guestimates. Yes, Sir, when I was Minister of Finance, I expressed concern. This is not the first time. I expressed concern before because I thought that the Estimates were probably too low. It became clear to me that something very fundamental has gone wrong and they have gone from one direction over to the other direction. They have move from gross under-estimates which obtained right through the eighties and now they have gone in the other direction. I believe that something needs to be done about it. But I think, Sir, the underlying problem that makes estimates of tourism expenditure difficult particularly by year end is because of the lack of information. Can you believe, Sir, that in this new age we can have a Government whose survival, not only their survival but the survival of the country depends on tourism, where you cannot get a proper information system? The information about tourism lags several months behind. Indeed, Sir, when I look at what was happening in 1988 and 1989 at the Hotel and Restaurant Sales Tax returns there is no correlation whatsoever between the reported increase in tourism expenditure and the Hotel and Restaurant Sales Tax. 4.45 p.m.

Similarly, Sir, it is not reflected in the tourist receipts of the Central Bank via the commercial banks, nor is it reflected in the accounts of the hotels either within the commercial banks or the Barbados Development Bank. Nor is it reflected in the volume of either sales of goods or services for those catering to the tourism industry, so that what is quite clear is that this Government has no intention of doing anything about the tourism industry.

We are hearing all sorts of talk. They have been lucky in a sense, but nevertheless, with some little stimulus we have been able to benefit from an upsurge over a three or four year period. But now there is clear evidence that the industry is going into decline, and what I find absolutely shocking is that bearing in mind the situation with our foreign exchange and our foreign reserves, a Minister of Finance can come in here with a Budget in May and do absolutely nothing about the tourism industry, as he has done hardly anything about agriculture, hardly anything about manufacturing and spends most of his Budget speech talking about expanding the export earning capacity of the country.

Now, Mr. Speaker, I want to assure this country that one of the major priorities of an NDP Government, apart from housing, apart from jobs, would be to ensure that our resources are so utilised as to make sure that the export earning capacity of this country is revitalised and functions at maximum capacity. It has done so before, Sir. I have always told people, and I have no difficulty in saying it, that in 1980 all the export sectors of Barbados were functioning - that is a fact - performing well, and we saw 18 000 jobs created in Barbados in a matter of a few years. In a wider economy this can be done again, but you ask yourself what is the Government doing about it? It seems to me that we have a very serious problem where the Government does not even seem to understand what it has to do.

I want to talk a bit about the area of social problems, and one of the first problems I want to deal with is the question of law and order. It is not by chance that there has been such a marked deterioration of law and order in Barbados in the past two years. I believe that it is a direct result of people being totally alienated from the leadership. I believe it is partially due to the fact that people can no longer trust the political directorate because of the way in which they behaved after they became the Government in 1986. I believe it is partially due to drugs, but I also believe, Sir, that the time has come when we have to recognise that this problem of alienation among our people just simply has to be dealt with.

There will be no economic development in Barbados unless something is done about the serious social problems related to crime and so on facing Barbados. Almost every day, certainly at least once a week now, you are hearing about a new murder. This kind of thing is foreign to the Barbados experience and it is my feeling, Sir, it is my

observation that people today are frustrated because of joblessness, the high incidence cost of living and the lawlessness of persons who are supposed to be their role models in this society.

People in this country, Sir, entrusted, they placed trust in the Democratic Labour Party Government, only to discover that they had misplaced that trust. They feel a deep sense of hurt, they feel totally alienated, particularly the youth, and that is why it is so important that some new political dimension appear on the scene in order, to respond to that legitimate demand of the people of Barbados.

Indeed, Sir, I believe that one of the first tasks facing an NDP Government would be to seek to restore confidence of the people in Government. I believe we have to take steps to deepen the democratic process and enhance participation by the people in the totality of Government. We have already announced a large number of steps that we will take in order to help to restore that confidence, but I do not think I would need to deal with those today.

Above all, Sir, I think we have to try to put an end to the squandermania which has overtaken Government and has also generated demand for ever increasing amounts of taxation. We have already indicated that we will remove the burden of various taxes on our artists and on our sportsmen, and I think it is important that the people should know that steps will be taken to reduce the high taxes on basic ingredients for sustenance of life and limb.

I think that these various steps must be taken if we are to even begin to allow the majority of our people and those who do not have access to jobs some way to participate in the social and economic life of the country. What is equally important is that we must seek to restructure the content of our education to take full advantage of modern developments in technology and information, and above all we must seek to restore discipline in our schools.

I have indicated already, Sir, that we will be taking and making very serious steps to ensure the further development of tourism with specific emphasis on sports, cultural and incentive tourism. One particular area which I believe in the long run will be very beneficial to this country, we will certainly at some point in time, with the restoration of confidence in the economy, and with the correction of the disastrous situation in our foreign exchange and our foreign reserves, we will look at the question of dismantling certain foreign exchange restrictions in order to permit more investment in the country, because in the final analysis it is my belief that it is confidence in a country that attracts investment. Not only confidence in a country, but also an appropriate investment climate. Once those two things are corrected then we do not have to worry about the loss of foreign exchange.

I have already indicated that we will take steps to make sure that credit is once more available to the people, that we will reduce interest rates and once again we will ensure that there is adequate mortgage money. The policies in relation to our manufacturers will have to be looked at very carefully, but one thing for sure is that they are going to have access to a larger Barbados domestic market. I do not know of any manufacturing country that has ever been successful unless its manufacturers have been first successful in its domestic market. If we are going to surrender our domestic market willy nilly, then you are undermining the capacity of manufacturers to survive, far less to develop. I want to give the manufacturers a full assurance that we would be dealing with this problem.

Mr. Speaker, there are areas affecting the environment which we will take immediate steps to deal with. One of those areas relates to the development at Cattlewash, and I want to assure Barbadians that an NDP Government will not permit the development of a housing area at Cattlewash. 4.55 p.m.

Mr. Speaker, I believe since it was impossible to cover the totality of the Barbados economy and the Barbados social scene in a matter of two hours, I have been able, to begin with, to demonstrate beyond a shadow of doubt on the basis of the figures presented in this House by the Minister of Finance -that 1989 was a disastrous year, and that this economy is certainly heading for the rocks unless it is corrected. I have also indicated, Sir, beyond a shadow of doubt the many areas in which the economy has failed, I have further pointed out that it is most incorrect to come in here and suggest to this House or to anyone that the Barbados economy performed well last year.

Further, Mr. Speaker, I have pointed out that the measures were principally trivia and had absolutely nothing to do with the problems facing the country. I further pointed out, Sir, that it is a big mistake for Barbadians to believe that there was any relief in taxation yesterday. There was no relief. The same heavy burden of taxation, the same overtaxation will continue in Barbados for the next year. And so, Mr. Speaker, as I come to the closing stages of my presentation, I wish briefly to reflect on the fact that in 1986 the people of Barbados voted to put an end to high taxation, they voted for a fiscal regime which left more money in their pockets, a fiscal regime which made it easier for them to own their own homes, a fiscal regime which made it easier for them to find work. The Budget introduced in 1986 brought immediate benefits to the people of Barbados; confidence in the economy improved dramatically, and the economy was poised for major expansion. Such confidence was shattered by the alarmingly absurd budgetary proposals of 1988. The Minister of Finance boasted that he had turned around the economy, away from disaster and towards prosperity. Then I contended that he had done the opposite and events have proven that I was correct. The policies of the Minister of Finance have thrown the economy into a

deep crisis, and Barbados is now threatened by a fate worse than at any time in its history. Fortunately it is now only a matter of months before the people of Barbados will have an opportunity to reject the misguided and damaging policies of our unique Minister of Finance, and choose a new economic order.

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- The Barbadian electorate has always been rational and reasonable; they have always made the right choices. There can be little doubt that the people will grasp with both hands the opportunity to free themselves from the disastrous policies of the present administration. The first task which will confront a National Democratic Party Government will be the restoration of confidence in the ability of Government to manage the affairs of this country, prudently, humanely, dependably, justly and efficiently. I am satisfied, Sir, that we are equipped to accomplish that ^ task. A National Democratic Party Government will lose no time in ensuring that local and foreign investors alike become aware that they can repose confidence in the words, actions and foresight of a National Democratic Party Government which will implement and adhere to all its manifesto proposals. There is now no doubt that a low tax regime validated by expenditure restraint and efficiency in the public service is in the best interest of this country. A National Democratic Party Government will re-introduce a

^~ low tax regime as a matter of urgency, and we shall put an immediate end to over-taxation and squandermania. Appropriate measures will be introduced to ensure that public sector commercial enterprises cease to be a drain on the public purse, and where appropriate and beneficial to the country, such enterprises will be privatised. A National Democratic Party Government shall elevate housing and employment to the highest level of priority, and shall work assiduously towards, the attainment of full employment within five years and housing for all by the year 2000. Accordingly a National Democratic Party Government will

~"pursue an enlightened credit policy designed to ensure that
- all sectors of the economy have adequate access to credit at all times. We shall also pursue a low interest rate policy with a view to enhancing the competitive position of the productive sectors of our economy both at home and abroad. Investors can have every confidence in our assurance in regard to a low taxation regime and low interest rate policy, for I have already proven that we can manage the economy and protect the balance of payments whilst pursuing such policies. The policies of an NDP
— Government will also be designed to promote self-?~ employment and rehabilitate small businesses which have suffered so severely at the hands of the present administration.

Mr. Speaker, we will mobilise the resources and redirect the energies of the entire society towards rescuing /^and expanding the foreign exchange earning sectors of the economy. We will respond to the command of conscience i/fd the moral imperative to do what is right for the youth and the women among us. We shall so allocate the nation's

resources to provide adequately for those in need, for the aged, for the sick and poor among us. We must resolve to commit ourselves to a pattern of social and economic engineering different from that of the 1980s which has been an evident failure. Mr. Speaker, we must as a nation at the very outset take that bold step into a new political order and a new economic order as we embark on the closing decade of this century. Thank you, Mr. Speaker.

Hon. P. M. GREAVES: Mr. Speaker, I am about to move the suspension of the sitting for some minutes, but before I do so I would like to give notice of two Resolutions, and I am seeking leave of the House to have that part of the Orders recommitted so that notice can be given.

Mr. SPEAKER: The Leader of the House is seeking leave to have one of the items recommitted. If there is no objection, then leave is granted.

GOVERNMENT NOTICES

Hon. P. M. GREAVES: Mr. Speaker, I beg to give notice of a Resolution to approve the compulsory acquisition of parcels of land at Two Mile Hill, St. Michael.

I also give notice of a Resolution to approve the borrowing of 20 million Renminbi Yuan approximately Bds \$8.5 to \$10.7 million from the Government of the People's Republic of China for the acquisition of complete plants, technical assistance and equipment from the Government of China. 5.05 p.m.

RESUMPTION OF SITTING

Mr. SPEAKER: This Sitting is resumed. The Honourable Member for St. Philip South.

Hon. H. A. BLACKMAN: Mr. Speaker, I have stated on a number of occasions in this Honourable House that those of us who have the honour and privilege to be in here also have the misfortune to sit and listen to the Honourable Member for St. Michael South Central making the same speech in every Estimate Debate and in every Budget debate except the one in 1987 and the Mini Budget that he brought in July 1986 so the only time that the Honourable Member for St. Michael South Central has changed what he has been saying is when he was the Minister of Finance and that is very instructive, Mr. Speaker because his mentor from the university is a person who believes that all the other economists in Barbados are wrong except him so I do not know if that attitude is rubbing off on to the Honourable Member for St. Michael South Central or if it is going the other way.

Mr. Speaker, I think I have to deal first of all with some of the early statements made by the Honourable

Leader of the Opposition. He said that every year since 1981 that there was a surplus on the current account Mr. Speaker, that is not correct.

Mr. Speaker, in 1982 there was a deficit of \$84.1 million. In 1986 there was a deficit but he said there was no deficit since 1981. He then went on and he said if there was one thing in the Budget that grieved him - those of us over here who have sat with him, we drank with him, we talked with him, we know that he never gets depressed about anything so when he said it we knew what the situation was.

He said if there was one thing that grieve him in this Budget debate was that the Honourable Prime Minister only gave \$3 increase to the old age pensioners. Mr. Speaker, would you believe that in 1986 - I want to be very sure of this - July 16, the Honourable Member for St. Michael South Central then Minister of Finance in this country gave \$2 to the old age pensioners?

Mr. SPEAKER: Order, please.

Hon. H. A. BLACKMAN: Let me proceed further. At Cabinet the Honourable Member for St. Michael West and other Members on this side, the Honourable Members for St. Lucy and St. Philip North begged him to increase it a little more over the \$2 and he refused to move it from \$2 and he says that \$3 the Prime Minister is giving them now is scandalous and it grieved him and gave him goose pimples. This is the integrity.

I am going to proceed. Every single year that the Prime Minister has delivered the Budgetary Proposals in here he has increased the old age pensions.

Mr. Speaker, the Honourable Member for St. Michael South Central, the Leader of the Opposition, spoke for two hours and the two hours gave him real trouble to speak today. What has happened is this. For the past two years from the time the Honourable Member for St. Michael South became Minister of Finance, the whole of 1988, the whole of 1989, he had been saying how bad the economy was being run, we were heading for the rocks, it was in a crisis, all things like that so he has to keep going down that line, that devaluation was just around the corner. He was saying that from 1988 but the Honourable Member for St. Michael South Central, his job is to excite and incite. The job of the Prime Minister and this Government is to allay any fears that the community might have. That is our job. You can go on exciting and inciting. It does not bother us over here.

Let me tell you something, Mr. Speaker. You would not believe that the economy that the Honourable Member for St. Michael South Central was speaking about today is an economy in which Fact No. 1 - the real Gross Domestic Product of Barbados increased by 3.5%. Real growth in

tourism increased by 9%, manufacturing real output rose by 5.4%, construction output rose by 8.1%, wholesale and retail trade grew by 2.5%, transport, storage and communication rose by 6.3%, business and General Services sector rose by 3.4%, Gross Capital formation reached the record figure of \$656.3 million in 1989, the highest figure ever in this country's history. Remember, Mr. Speaker, that figure fell in 1983, 1984 and 1985. ^

Real per capita, GDP reached a figure of \$3 500, the highest level ever in the country's history and I can go on and on. Unemployment down to 15.7% after falling in value in 1981, 1985, 1986 and 1987. Total exports grew in 1989 by 5.7%, Manufactured good grew by 28.5%. That is the economy that the Honourable Member said was on the rocks heading for a crisis and all the other negative things you can say about an economy.

Let me just say this, Mr. Speaker, before I go any further. I mentioned per capita GDP and just to mention, as the Honourable Member for St. Michael South Central said and I am going to agree with him on this, the increase in GDP does not really address how the GDP is distributed.

But, Mr. Speaker, anyone who lives in Barbados and is not a stranger to the truth, would see the amount of work that this Government is doing throughout Barbados. When I pass by the Globe and I see roads like Blackman's Road, when I pass Station Hill I see Gooding's Road and those places "barbergreen", when I pass through Rices 'in St. Philip, the new road, Harlington, I see roads "barbergreened."

There were people who were living in total darkness for 200 or 300 years. They are now seeing many lights, not the light. They are not stumping their toes anymore on the rocks. They are walking on barbergreen just like the people in the Heights and the Terraces. That is where the money-^ that this Government is spending is going. ^;

Mr. Speaker, time was when people who lived in housing area felt inferior citizens. No proper roads to walk on, no lights, nothing. This Government is putting an end to that. That is where the money is going so it is all right to talk about the increase in GDP. We are sowing the people of Barbados that for once a Government has decided that those people that were right down at the bottom should have the same amenities "barbergreened" roads, lights^everything like the people in the terraces. That is what this Government is doing and if that is squandermania when ^ you are spending money on black people and barefoot people and people who live in the housing areas and in the back roads, we are going to continue to do that if that is squandermania.

He spoke about the discount rate and the credit restrictions. Mr. Speaker, I am not going to spend any lojfy time on this; but let me say this. Would you believe that

credit restrictions were on in Barbados for almost 8 years under the Barbados Labour Party? 5.40 p.m.

You know what is happening in Barbados today, Mr. Speaker, is that people are getting on as though nothing happened before the Democratic Labour Party. Under the Barbados Labour Party before 1986, interest rates went up to as high as eighteen per cent and people who had the facility, the overdraft facility were paying as high as twenty-two per cent a month. But you see all of a sudden everything is bad, everything is worse than it has ever been before.

Mr. Speaker, we have to understand something. The interest rate as I said, Mr. Speaker, in Barbados and the Honourable Member for St. Michael South Central made a point about interest rates. There is no rigidity in the interest rates. Interest rates are something that you manipulate depending on what the economy is. He was giving the impression as though interest rates are bedded in concrete. Interest rates are things you manipulate up and down and in the States for instance, sometimes interest rates change almost every day.

So because the Democratic Labour Party said in 1986 that they believe in low interest rates, it does not mean that from henceforth and for ever more that you will be able to keep interest rates at eight per cent or at nine per cent. It does not follow. An economy is a dynamic thing. I think people have to understand certain things. I am very disappointed in the Honourable Member for St. Michael South Central.

Mr. Speaker, let me get now to the sugar subsidy. What are we hearing now? You are hearing now from the Honourable Member for St. Michael South Central that •• everything the sugar producers ask for that you should give them. That is what you are hearing now. That is what you said. That is the impression I got.

What did we hear in 1982, Mr. Speaker? I am going to tell you what we heard in 1982. I am going to read it, and I have it perfect this time. It is the House of Assembly Debates of September 21, 1982 on a Bill to provide for the establishment of a fund to support the price of sugar, page 1946 and I want all the sugar producers and the planters to hear what he said. This is what the Honourable Member for St. Michael South Central said then:

"I think that the managers of BSIL have done a great disservice to this country. They have been incompetent and should be dismissed before any consideration whatsoever given to any domestic price * support in Barbados."

fhai is what he said. The same managers now are on you. Even if they are not the same managers now, they would be

their children. What I am saying is that their parents then were dishonest. That is what he was saying. I am continuing. On page 1947, this is what he said to the sugar producers and the planters in this country. He said:

"Sir, I would like to refer to another matter. Many of those loans made to the plantations firstly have been used to keep race horses, they have been used, Sir, to finance holidays. They have been used to finance businesses in Bridgetown."

He said that about the sugar producers. But he said we are to give them everything.

In the debate again on December 13, 1983, another bond issue again. This is what he said about the sugar producers and the planters, the Honourable Member for St. Michael South Central. This is what he said. He said:

"If you were to look at the escalation in credit to the sugar industry between 1979 and 1983, you will see that the \$66 million that we have been putting back in over the past few years is about the same \$66 million that found its way out of the industry. You will find some in South Africa, you will find some in Swiss banks, you will find some in the Channel Islands, you will find some in Canadian banks, you will find some supporting various commercial organizations in Barbados and in other areas."

That is what he said about the sugar producers and the planters. But let me tell you something. He said that was part of the old order. This is a new order. He is NDP now so he has to go different now.

So when the Barbados Labour Party wanted to give the sugar people a subsidy in 1982 or 1983, he said "do not give them". Now we want certain commitments before we give them, he said "give them". But that is how he operates, the Honourable Member for St. Michael South Central. It does not matter. You can shift left, right. It does not matter to him, integrity, a lot of integrity. It does not matter.

Mr. Speaker, let me just say this, all the talk last year about the amount of money, the revenues we have been getting from sugar would lead you to believe that last year was the worse year in the history of Barbados. In fact, the Honourable Member for St. Michael South Central said that.

Would you believe that in 1976, we earned \$46.9 million from sugar. In 1978, \$47.0 million, in 1983, \$33.7 million and last year \$47.1 million. Would you believe that? You believe I am hearing all the criticisms last year that was the end of the world that the Democratic Labour Party, this Government, had brought this country, as far as sugar was concerned to its knees. That is the impression that they were giving.

He said that we were giving no incentives to tourism. Let me just say this, Mr. Speaker. The Prime Minister in his Budgetary Proposals said concessions were provided to the manufacturing and the tourism sectors last year. The Prime Minister went on. He said studies were carried out in manufacturing and tourism and the findings which will soon be available to Government and will inform future policy to stimulate foreign exchange earnings in those sectors.

All the Prime Minister is saying is that there has been a study made and when he has looked at - exactly what he did with the Landell Mills Study - the study, those recommendations that in his view and in the view of the Cabinet can be implemented in the tourism industry that those will be implemented. They are getting on as though their Budgetary Proposals is the end of everything. That is what I am saying. 5.50 p.m.

I am saying as in the Landell Mills Study. If you do not understand, I said that in the Landell Mills Study. That is what I said.

Mr. Speaker, I think that I have to spend a little time on the other side - the Barbados Labour Party. I really could not leave them so. Mr. Speaker, you have been hearing a lot of talk recently from the leader of the Barbados Labour Party and fortunately from the other two honourable gentlemen. You would not believe, Mr. Speaker, that they have been talking about Zone 1 that you should not build in Zone 1 and it is criminal to build in Zone 1. Mr. Speaker, there was an application for a sports pavilion at Waterford playing field by Aaron Trust, a gentleman named Trust. The Town Planner said, "The important thing here is Zone 1. I cannot see how this application could be approved". That is what the Town Planner said. So they sent to the same honourable gentleman as he was at that time and they told him: "A submission took an approval by the Chief Town Planner of a revised plan showing the building relocated on a site so as, to fall within the Zone 2 of the water protection zone."

So what were they telling him? You cannot build it in Zone 1. Send in another lay-out plan showing us where you are going to build it in Zone 2. The second stipulation sent to the honourable gentleman said: "The building shall be erected in accordance with the approved revised plan." You know they never sent any plans to Town Planning and went ahead and built in Zone 1. Let me tell you this. This is what the Chief Town Planner wrote to the same honourable gentleman: "Your Ministry has ignored conditions 1 and 2 and is in fact building in a Zone 1 area contrary to a major Government policy guideline."

This, Mr. Speaker, is an example of a Barbados Labour Party Government and its Ministers blatantly ignoring the lawful instructions of the Chief Town Planner.

But the impression that the Honourable Leader for the Barbados Labour Party was giving was that they never did anything so. Their hands are clean. They never did that. I am going to go further, Mr. Speaker, because that is not all.

There was an application for the erection of a secondary school at Trents, St. James. Do you know that pavilion took the late Errol Barrow three Central Planning ^ Committee meetings to decide whether to knock it down or to leave it up and eventually the Honourable Member for St. Michael Central suggested to him that he will build a sewage disposal system under the ground so that the sewage could be disposed of in Zone 2.

Let me get back now, Mr. Speaker, to the school at Trents. This is Zone 1. The Ministry of Health wrote to the Government of the day and told them: "Please be informed that this proposed development falls within a Zone 1 area of the Water Board's policy for the protection of the T¹ underground water supply. The proposed disposal of sewage from this school will pose a threat to the quality of the ground water on this side of the island. Furthermore, the Zone 1 policy prohibits the erection of new buildings within the area." That was on February 23, 1978. On April 20, 1978 this is what was sent back to the Town Planner: "I am directed to inform you that the Cabinet at its meeting of April 13, 1978 agreed to proposals for the relaxation of existing Zone 1 restrictions affecting the siting of this ^ school. Consideration of the plan submitted may therefore proceed on the understanding that the location is authorized." Then they built the school in Zone 1 and then shifted the zone line. This was what was taking place under the Barbados Labour Party. Are you surprised that the people kicked them out?

Let me tell you this, Mr. Speaker. I operate at a certain level as a Minister. I have never called the Town Planning Department and suggested to them what decision they-., should make. I have never since I was a Minister gave the "" instructions to the Town Planning Department that no application for the subdivision of lands should go to my PS but should come straight to me. Ask the leader of the Barbados Labour Party who did that. Ask him who did that. You have to understand, Mr. Speaker, that the Labour Party is getting on as though we do not know that they were running Barbados until 1986. At least the NDP cannot say anything because they never ran anything and they will never run anything. So they can say anything. It does not — matter. In fact, Mr. Speaker, after the next general elections the Treasury is going to be awash with deposit money. That is my view. Mr. Speaker, you have to understand some things. People in Barbados are very intelligent and knowledgeable people. They know when people are committed. They know when people really want to help them. They can discern when people are only looking *after* ^ themselves. People in Barbados are not silly. I have" complete confidence in the people of Barbados that whe^ they have looked and they have seen what the Democratic

Labour Party has done for this country in the four years so far and in the remaining year I have no doubt whatsoever that the Honourable Leader of the Labour Party will revert to his rightful position and that they will go to their place from whence they came. Thank you, Mr. Speaker.

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

Mr. O. S. ARTHUR: Mr. Sneaker, Sir, before the last speaker the Honourable Minister of Housing and Lands spoke, it was one of the most closely guarded secrets in the island that he is a trained economist. I wish respectfully to submit to the House, Sir, now that he has spoken that it is still a closely guarded secret, Sir, and that I will ignore his presentation because nothing that he has said has either added or subtracted to our understanding of what was presented yesterday, Sir, under the guise of the Minister of Finance's Annual Financial Statements and Budgetary Proposals. I prefer, Sir, to deal with what was presented yesterday despite the provocation and to begin by observing, Sir, that I trembled for my country when I heard what was presented by our Minister of Finance and Planning yesterday. To begin with, Sir, it was a superficial and amateurist presentation, suggesting that perhaps the highest price that this country is paying is the price for education for our Minister of Finance and Planning. It — suggested that the Government lacks a national agenda, it lacks a coherent economic policy, and that it brought to this House a series of *ad hoc* measures thrown together at the last moment after a fleeting consultation with a series of private sector interests which will impact, Sir, hardly on the state of affairs in this country.

Secondly, Sir, what was presented yesterday was a •Budget within which the Government and the Minister of Finance deferred consideration of a large number of weighty issues that this country cannot afford to put on the /"back burner. Everyone in Barbados, Sir, knows about the -" impact of the credit crisis on the small businesses of this country and even the large businesses of this country. This Government promised a position on the credit situation in December. It promised a position, Sir, in March and yesterday we had to contemplate a deferral of that decision, Sir, until June and serious decisions in regard to the future of the sugar industry and serious decisions in regard to the precedence of the sugar industry were deferred as were serious decisions in relation to the future of tourism. I make r this point, Sir, because despite the rosy picture that the — Minister of Finance would wish us to put on the state of affairs in this country, Barbados is even now at this moment gripped in the throes of a serious recession to the point where our Minister of Finance has had to ban his Governor of the Central Bank from giving his usual Quarterly Report in the first quarter of this year, a first quarter report which -"would have had to point to a situation where the construction industry which declined by 13% in the last five Months of 1989 continued its decline in the first quarter of

this year, Sir; where the tourism industry, which has been the bulwark of economic growth over the last four years, declined by 10% in the first quarter of this year, where the sugar industry....

Rt. Hon. L. E. SANDIFORD: On a point of order, Sir. The Honourable Member for St. Peter is misleading this Honourable House. He has stated that I banned the Governor of the Central Bank from making some quarterly report or statement. I categorically deny that. It is an untruth and he should withdraw that statement. It is a total untruth.

Mr. O. S. ARTHUR: Mr. Speaker, let me put the issue in a different way. I would challenge the Minister of Finance to deny that in the first quarter of this year the 13% construction activity, as reported by the Economic Report, continued, that there was a decline in the performance of tourism in the first quarter of this year, Sir, that there was a decline in the performance of the distributive sector, that there was a decline in the performance as well in agriculture, both sugar and non-sugar, and that taken together, even as we are discussing this year's Budget, Barbados is caught in the throes of a serious recession, a large part of which is due to the crisis in credit. 6.00 p.m.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise on a point of order again. I have drawn to the attention of this Honourable Chamber that I have been openly accused of banning or ordering the Governor of the Central Bank from making some quarterly statement, and I have said that that is a complete untruth coming from the lips of the Honourable Member for St. Peter, and we should not be uttering those kinds of untruths in here or anywhere. To put it another way is not dealing with the specific issue that I have raised. I ask for your ruling on that.

Mr. SPEAKER: The Honourable Member, the Right Honourable Prime Minister, has risen on a point of order in which he has denied a statement made by the Honourable Member for St. Peter. The Honourable Member for St. Peter has not substantiated that particular remark. The Honourable Member, in adjusting his response to the Prime Minister, is it that he agrees that the statement is not correct?

Mr. O. S. ARTHUR: Mr. Speaker, I do not agree. I am not going to disclose my source, but the Minister of Finance and Planning knows that the Governor of the Central Bank was going to make a Press Release and hold a Press Conference and at the last moment that Press Release was stopped, and he knows what are the facts contained in that Release which gave rise to the situation as it presented itself.

Asides.

Mr. SPEAKER: Let me get the ruling clear. In the light of your response to my question of agreeing that the statement was not correct....

Aside.

Mr. SPEAKER: You do not agree. The Honourable Prime Minister does not agree also that your statement is correct. My ruling is that that statement should not be made again.

Mr. O. S. ARTHUR: I am obliged to you, Sir. I will add, that it will not be the first time that the Minister of Finance and Economic Affairs has made a statement in relation to the economy which he has had subsequently to come to counteract. I will say no more on the point, but the point I want to make to the House is that despite the rosy picture that has been presented to this House as regards the growth rate of the economy in the last year, even as we speak to this House Barbados is in the throes of a serious recession and there is nothing contained in this Budget which is intended to deal with that particular matter.

I also want to submit to the House, Sir, that in circumstances where problems of a serious structural nature have been identified by the Government, in particular 'he problem of our export growth, the response by Government has been indeed feeble. I also want to submit that this Budget has at its core nothing more than a series of very crude measures intended largely to purchase the support of a few interest groups, some of whom, like the small business sector and welfare recipients, Government has completely ignored for the last four years, despite its proclamation of being a caring and sharing administration, but that it has at its core nothing more than a crude attempt to try to purchase the support of those particular interest groups.

I also want to submit to the House, Sir, that the Prime Minister's Budget lacks imagination, because Barbados in its economy, as in other aspects of its society, is living on past glories and past accomplishments. If we were to take this economy as it stands, we will recognise that this is an economy that is no longer attracting any serious capital. In manufacturing, no large company in Barbados has been attracted to manufacturing of late, no serious capital has been attracted in recent times to tourism, no capital is being attracted to agriculture. The rate of savings in Barbados in 1989 dropped and this House should be aware that the amount put into savings deposits in the first six months of 1986 was more than the total amount of savings put into savings deposits by all Barbadians in the course of 1989. I want to repeat the statistic, Sir, that in the first six months of 1986 the Barbadian public put more money in savings deposits than they put in the whole of 1989, and I am saying that we are living on past accomplishments in this country.

In so far as the rate of growth realised in the course of the last few years has been upon the basis of the investment, the savings and the productive capacity put in many years ago and what is required now is a very serious change in economic policy to set Barbados on a new plateau of economic development. This Budget is deficient in so far as it merely tinkers with the economy in the very important area where fundamental changes have to be made.

In the course of my presentation I intend to look at this Budget and put what would be the Barbados Labour Party's alternative to the measures that Government has suggested this year. But I want to say this, Sir, that at the end of the day this House is no wiser as regards Government's financial position, and it is no wiser as regards the financial position that will face the Government as a result of the implementation of the series of measures which it has brought to the House. Why do I say that, Sir? This Minister of Finance and Planning was given a unique[^] opportunity as compared to any other Minister of Finance For the first time since Independence a Minister of Finance was in a position where the amount to be spent on a major item of expenditure was to fall between two successive financial years. Let me put the matter very simply to you, Sir. In 1988-89 the total expenditure of Government for running the bureaucracy of Barbados, including the payment of wages and salaries, repayment of debt, the purchase of goods and services, and the payment for the running of Statutory Boards amounted to \$999.9 million in accordance with what is contained in the Memorandum to the Estimates. 6.10p.m.

This Minister of Finance faced the situation where the amount that had to be paid this year to service the debt is to be \$59 million less than the amounts spent by Government to service the debt next year, and he had a very unique opportunity, Sir, to be in a position where Government expenditures this year could have been less than Government expenditure last year by reason of the fact that saving \$59 million in debt service was a reality open to him. The Estimates also show that Government's intended purchases of goods and services for this financial year 1989-90 are intended to be \$7 million less than Government expenditure on goods and services for the past financial year, and added together this Minister of Finance had the unique opportunity of saving \$66 million in expenditure. What did he do? And that is saving before he addressed the question of dealing with the regrading or dealing with the increase in salaries. What did he do, Sir? Before he even addressed the question of regrading or the increase in salaries, he found alternative other ways in bringing Government expenditure this year to the same level as Government expenditure last year not by spending on wages and salaries, not by spending on debt, not by spending on goods and services, Sir, but giving a lot of money to a large number of statutory corporations, indulging in squandermania, feather-bedding, and I want to [^] deal with some.

The Caribbean Broadcasting Corporation is this year, when we are spending \$6 million to restructure the Barbados economy, the Caribbean Broadcasting Corporation is getting three different types of Government subventions in the Estimates; a \$2 million grant to cover its loss, then it is getting an injection of Government equity, and it is also getting, at a time when the ordinary Barbadian citizen cannot get a loan, the Government is taking monies from the taxpayers to give the CBC a loan. I am sure that when it is put together, Sir, it would be more than the full amount that the Minister has brought to this House to cover the needs of the productive sectors.

I go further, Sir. The Minister of Housing spoke and he should have told the House that the Minister of Finance has not given him an additional cent to build any more houses or to deal with the problem of house spots, but he has doubled his current subvention to the National Housing Corporation bureaucracy in the context of a situation where the Government is not intending to expand its capital programme. I call that feather bedding, Sir. You go to the Sanitation Authority, an increase of about \$3 million in its subvention on a budget of \$13 million, and if you were to go through Government's Estimates, you will find that this Minister of Finance has asked the Central Government, the central bureaucracy, to hold a strain and he is using the savings that have accrued from the fact that Barbados will be in a position to pay less on debt this year to allow his statutory boards in the year before an election to do whatever they feel like, and when we speak of squandermania, that is precisely what we have in mind, Mr. Speaker, and we can speak about how people are on stilts, squandermania is more rampant in Barbados than it has ever been in the past.

Mr. Speaker, I want quickly to deal with some of the specific measures that Government has brought before the House. I say that the Government has deferred dealing with some of the fundamental problems facing this society. The Minister has told us that the problem of the credit has to be addressed some time in June, but I want to suggest to the Government that the Government can deal with the problem of credit now and it can deal with the problem of credit allocation in a manner that will ensure that what happened to the small businesses sector in Barbados in 1976 does not repeat itself again. On every occasion that the Democratic Labour Party is about to leave office, Sir, it behaves like an Egyptian Pharaoh; it makes sure that it takes a large number of its subjects with it. In 1976 it took 450 small businesses with it, it is alleged. It is again, Mr. Speaker, seeking to destroy the small business sector of Barbados by the nature of its insensitive credit programmes, and, Mr. Speaker, I will explain simply to the House what needs to be done on this particular occasion.

Mr. Speaker, before 1986 the Democratic Labour Party put a position that the amount of each dollar in deposit that the Barbados Labour Party required the

commercial banks either to keep in cash or to invest in Government securities was too high, and should be reduced. Let me explain that simply. Whenever anyone puts a deposit in the bank, the bank is required to keep 8 per cent as cash and it is required to keep a given percentage in Government securities, whether Treasury Bills or Debentures to help finance Government operations. Under the Barbados Labour Party, Sir, 8 per cent of each dollar deposited by the citizens of this country were intended to be kept as cash and 19 cents out of each dollar had to be invested in Government security; so the total reserve requirement of the banks was 27 cents out of each dollar had to be dealt with in that way. The Democratic Labour Party, Sir, in an address by a Mr. Warwick O. Franklin to the private sector consultation on 25th May, 1984 said that it was too high and that it should have been reduced, the implication, Sir, being that if you reduce the amount of each deposit that the commercial banks had to keep in Government securities, you would free more money and make it available for lending to the private sector. That argument was put with strength and with great force by the Democratic Labour Party. What did that party do, Sir? In September 1986 rather than reducing the amount of each deposit that had to be invested in Government securities, the Government of Barbados increased it; the Democratic Labour Party administration increased it from 19 per cent to 22 per cent, and Mr. Speaker, we must not scoff at that increase, because the total amount of deposits now held by the public of Barbados in the banking system, Sir, is \$1.6 billion. Three per cent of those deposits amount to \$48 million. If the Government of Barbados today were merely to carry back the reserve requirement required of the Bank to the level that existed under the Barbados Labour Party, it would immediately free \$48 million in credit to go back to the mini-mart men who cannot get credit, to all the people in Barbados who want to build houses and cannot get houses, and I want to go further and say that under the Barbados Labour Party administration whenever credit policies were introduced, they were introduced with a degree of sensitivity. It is true that Tom Adams used credit control as part of his active management of the Barbados economy, but what did he do, Sir? If he ever had to introduce a credit limit, he excluded a sensitive group in Barbados from that limit. Some years he said that home improvement loans had to be excluded from the limits on personal credit; other years, he said bridging finance had to be excluded from the limits of personal credit. There were other years in which he said if you were to purchase solar water heaters, those had to be excluded from those personal credits.

I want to put to the Government, Sir, that it cannot now deal with the distributive sector as one, because there are institutions in the distributive sector particularly the large companies of Barbados which do not only buy and sell goods, they also act like banks; they collect deposits from the public and they pay an interest on those deposits, and therefore the relationship of those large institutions to

the banking system, and I am speaking of places like Goddard Enterprises and Shipping and Trading and so on which collect deposits from the public, that the relationship of those large institutions to the banking system will be by nature different from the mini-mart man or the builder who does not himself have the facility to collect deposits from the public, and that what you need in Barbados is a credit management policy on the part of Government which distinguishes between those distributive sector companies that have deposits from the public and those smaller enterprises which do not. And I am saying, Sir, that we do not have to wait until June to introduce policies like this. These can be done now, and when I am saying that the Government of Barbados is deferring dealing with serious matters, that is the point I am trying to make to this House. 6.20 p.m.

In relation to the other aspects of Government's Budget, it is ridiculous for the Government to believe that in a situation in which it increases taxes by \$110 million in 1988, and then increased taxes by \$55 million in 1989, that a mere \$6 million in tax relief is going to bring about a fundamental structural change in the Barbados economy. Clearly, Sir, that is ridiculous.

What Government would have had to recognise, Sir, is that its measures designed to help the export sector of Barbados are too limited, without imagination and will not serve to increase the exports of goods in this country from the \$248 million at which it stagnates today to anywhere near the \$496 million where they were when this Government took over power.

I agree that it is necessary for the Government of Barbados to have an export led strategy that is relevant but what is necessary is for the Government to have an export development fund since a large part of the problem of export manufacturing is that many manufacturers do not have the productive capacity to take advantage of orders.

In most cases in Barbados, Mr. Speaker, the problem is not so much the lack of orders but the orders received by Barbadian manufacturers tend to be too large in order for them to fill and we have to create an export development fund in this country which will serve as a financial institution through which manufacturers can draw to expand productive capacity if we are going to seriously address the problem of manufacturing in this country.

It seems also to me, Sir, and we have said it in the Barbados Labour Party as well that we will go nowhere at all with export development so long as Government believes that it can economize by cutting the subvention to the Export Promotion Corporation and it is a sad indictment on the Democratic Labour Party that today the subvention

to the Export Promotion Corporation is some half a million dollars less than it was when the Democratic Labour Party assumed office in 1986.

As regards the small business sector, the record of this Government is particularly dismal. As far back as March 1987, there was a report sitting on the desk of the Minister of Finance commissioned as a result of a. Budgetary Proposals of 1986 requiring that a special tax regime should be put in place to deal with the problems of the small business sector.

For three years this Minister of Finance has done absolutely nothing to deal with that report. And indeed, Sir, we may ask ourselves the question, what has happened in the interval? The answer simply is that the amount of credit extended by the Barbados Development bank to the small business sector of this society has declined at an alarming rate.

It is a fact that throughout all the years even the difficult years in the early 1980's, between \$5 million and at least \$3.8 million was annually invested by the Development bank in the development of small businesses. Subsequent to 1986, in most years no more than \$1.5 million a year has been invested by this Government in the Barbados Development Bank and I am saying that this \$1.5 million that the Government is giving on behalf of the small business sector is a last minute last ditch attempt by an insensitive administration which has scrutinised that sector in the belief that it is enough in this country to merely say that one is in love with the small man.

I am also saying, Sir, that were it not for the Barbados Labour Party pressure, that \$1.5 million would be going to the Minister of Trade and Industry rather than to the Barbados Development Bank where it really belongs because you will recall, Sir, that I warned during the course of my Estimates presentation that the Minister of Finance by putting \$100 to the benefit of the Minister of Trade and Industry, was seeking to bring a head of expenditure to bear through which a new financial arrangement would be established between the small business sector and the Minister and we warned that the performance of the Minister of Trade and Industry was so poor that it did not justify any monies that were voted by this House for the development of small business to be put under the charge of that Ministry.

I am glad that the Government has seen the wisdom of the advice brought to bear by this Opposition and making sure that that \$1.5 million small as it may be, is not put at the disposal of the Minister of Trade and Industry where it is sure to be wasted, Sir.

There are aspects of this Budget as well which, in our view, will neither redress existing imbalances in UK? Barbados economy nor will they address historical

imbalances, Sir, and I deal in this respect with the provision made for a concession for the issue of new shares in private companies.

I want to suggest to this House, Mr. Speaker, that this is going to be a very attractive loophole by which a number of persons will take advantage of the Treasury. It will suffice to make sure, for example, that "The Nation" remains a private company and the point I want to make is that we have to accept that one of our responsibilities in this society is to make Barbados a genuinely property owning democracy.

We also have to ask ourselves the question why is it that a large number of black businesses only exist for one generation and the answer is that it is so because too many of them have not learned the tricks of the trade so well understood by white businesses that you become public, you issue shares, broadly base develop the company, and you have a management that is professional and that you have a corporate identity that is separate and distinct from the private owners of this entity.

All black businesses that have been successful in the 1930's existed only for one generation because none of them saw the wisdom of becoming public companies. We have to encourage our black businesses to become public companies that if they are going to expand that they must expand by issuing shares to the public and this particular measure will make it attractive for companies that are private now to remain private. It will make it attractive, as I said, for "The Nation" to remain private and for people who are shareholders in companies like "The Nation" to issue shares for themselves and reduce their tax liability but it will do nothing whatsoever to broaden the base of ownership in Barbados.

I am saying, Sir, that what we want is a situation in which we have to graduate corporation tax in Barbados whereby you have a different rate of corporation tax for companies which do different things and which have different impacts on Barbados economy because a part of the problem experienced by this economy is that companies have been unwilling to issue new shares because it is more efficient and easier for those companies to finance their operations through loans from the banks and Barbados has not become a share issuing economy largely because there are no incentives for the companies which can issue shares to do so and we have to build within the corporation tax system the incentives whereby that can become a reality. 6.30 p.m.

But, Mr. Speaker, Sir, I have had to rush this speech because this Opposition had only thirty minutes for its principal response. This part of the Opposition, Sir, has only thirty minutes for its principal response.

We are going to have a situation as a result of this Budget, Sir, where Government's overall financial position, Sir, is going to be one that lends itself to what happened last year occurring again. Last year a large part of Government's financial requirement had to be met by excessive claims on the Central Bank of Barbados. Everyone knows that when Government has to rely on Central Bank finances to meet Government's requirements it puts a strain on the reserves.

The Minister of Finance has not, as required by law told this House what is going to be the full extent of Government expenditures resulting from the measures that he has introduced of late and the measures that he has introduced today. He has not told this House, Sir, how he intends to finance that expenditure, what proportion of it is to be met by new loans, what proportion is to be met by Central Bank financing. In all respects, Sir, he has left this House completely in the dark as regards the nature of Government's economic policies.

I want to finish in this respect, that the Barbados economy is in the throes of a recession. These minor tinkering and these minor cosmetic measures, Sir, that are designed basically to buy the support of a few interest groups will not alter the fact of that recession. In the final analysis, Mr. Speaker, what has been presented as a Budget is only going to worsen the economic position of Barbados, Sir, and from that point of view, the sooner this Government calls an election to announce serious measures to be brought to bear on this country's future development, Sir, the better it will be for Barbados.

Mr. SPEAKER: The Honourable Member for Christ Church East Central.

Mr. R. L. MORRIS: Mr. Speaker, we have had a rather ironic presentation from the two major spokespersons for the Opposition. Obviously the Leader of the Opposition had a thirty minute speech which he had to expand to two hours and the financial spokesman for the Barbados Labour Party had a two hour speech which he had to condense into thirty minutes. When you add the two speeches together you do not get anywhere near the presentation of the Right Honourable Prime Minister.

Mr. Speaker, we have a situation developing where supposedly intelligent commentators on the economy on public matters in this country will use the rather unfair intellectual tactic of reductionism in order to score cheap political points.

Quite honestly I could have anticipated what the Leader of the Opposition would come in here and talk about. He is so predictable that I knew he was going to reduce the entire Barbadian economy to the question of trade, the question of balance of payments and the question of reserves. It is an intellectual trick based on what cannot

be considered to be totally honest, to evaluate an entire situation by reducing it, a tactic of reductionism, looking at one or two single elements and then evaluating the whole on those two or three single elements. It is a slightly different tactic from the one used by the Honourable Member for St. Peter who will address the question as to what the Budget did and what it never set out to do rather than look at what it achieved. Two slightly different tactics but they are not, either of them totally honest tactics in looking at the matters that affect us.

I want to say that the statement from the Honourable Member for St. Peter in relation to the Honourable Member for St. Philip South that it is still a very closely guarded secret that he is not a professional economist or something like that is to me, Sir, a dangerous statement to make because the impression that you try to give to the people of Barbados is that only professional economists should comment on budgetary and other economic matters.

We have not been well served by people like the Honourable Member for St. Peter, or the guru or the ego of the Leader of the Opposition and others of that ilk in terms of leading us anywhere. And I want to stress very clearly, a Budget is as much a political as it is an economic budget statement. And each one of these goodly gentlemen in this Chamber is qualified to deal with any Budget programme, as well is John public. Each one of those persons who commented in the yard yesterday and will comment today and tomorrow has as valid statement to make on this Budget as anyone of the so-called professional economists. I want to be very clear about that.

I want to address the situation relating to trade, the situation relating to balance of payments and the foreign reserves. The Honourable Member for St. Peter in particular would know from his experience that the decline in our foreign trade situation started from 1983, very dramatic decline in terms of our earning of foreign exchange by selling goods and services to other countries. I have spoken[^] about this in this Chamber. I just want to underline it.

The dramatic decline came about because of the softening of the electronics market. So I will say that again and again. It took a mature Government because at that time the Barbados Labour Party had been in a second term of office, it had been in there from 1976 and when the decline started in 1983, it was in a mature phase, the second phase. It did not have to introduce new measures, it was not a new Government coming in. It was already in place. It could do nothing, as a mature Government already in place for some seven years, to stop that decline. But when we came in here in 1986 we were supposed to wave a magic wand and in two years, we were supposed to turn over that decline that started dramatically under the Barbados Labour Party.

When it comes now to the Leader of the Opposition, he was the Minister of Finance in 1987. He had access to all the figures in this country. He would have known what the indications for trade would have been in the years coming, the years that we are living through now. He knew all of these things. Those of us who used to go to pictures, cowboy pictures in the old time days knew there was a situation that would develop where a number of friends operated together and then one had information and he left Gabby Hayes and Bob Sealy and those fellows. And then one fellow would go with the information he had and hide behind the trees and pull out the six gun and ambush the others. That is the same position with the Leader of the Opposition. He had all the information about the economy which he shared with his colleagues. He pulled out and then went out hiding, lurking outside to use the same ammunition, all of this talk about balance of trade, balance of payments difficulties, declining trade, foreign trade, *et cetera*, he knew about these things because they did not develop after he left the Democratic Labour Party.

And I will tell you this, as a young man watching television shows and the cinema, I developed a great distaste for bush wackers and people who had information about their colleagues and friends and then went hiding behind the bush and they were considered the lowest of the low, a former colleague who walked with you and then used information about you to unsettle you and to rob you blind. They treat you with that kind of contempt. The people of Barbados understand that kind of behaviour and they do not like it. They do not like ugly. I am not going down that road too much in terms about discussion about public behaviour, that is another forum.

What I am suggesting basically, the point I am making is this, the information about the decline in trade is no secret, the causation does not rest with this Democratic Labour Party. It started under the Barbados Labour Party when the Honourable Leader of the Opposition was the Minister of Finance, he knew the difficulties that we would have faced because he would have been able to see the figures and he knew that the outturn would lead to difficulties down the line. But it took a courageous person to understand you have to build gradually to turn back that situation. We are beginning to see the turn around. 6.40 p.m.

I say the difficulty was exacerbated in 1989 and the Prime Minister in his Budgetary presentation did not try to gloss any difficulties. A lot of our successes led to some of the difficulties last year. The whole creation of an environment where people felt free to spend lead to some difficulties in terms of the balance of payments and the foreign exchange position. There is no question about that. Nobody can gainsay the facts of the situation in terms of the performance of the Barbadian economy. You cannot look at that total performance that has been given to you. When you are evaluating anything, you have to use generally

accepted criteria each time around whether the criteria will be inflation or employment growth. The Prime Minister gave you everyone of them and the positives are so strong that there is no knit-picking that can turn it around. The people of Barbados understand positives not only when they hear but when they experience them and they have experienced it all through 1989.

That there were difficulties is a fact. There were difficulties and the courage to tackle those difficulties was also clearly shown. The monetary measures that were put in place are going to take effect, but you have the short term, medium term, and long term effect in anything that you do. The measures that were put in place are now bearing fruit and we will return to a situation that is different.

Now when I hear about declines coming from the Honourable Member for St. Peter, is there any suggestion that an economy cannot reach a peak in certain areas and then decline? But it has always declined from where? If you are declining from a peak of housing construction, mortgage loans, massive tourism earnings and arrivals and then you come down from the peak, what is the significance of saying that there are declines in the economy? To go further, I am saying that it will necessarily lead to recession. But that is a different situation altogether. To make the point of declines does not make any significant point unless you are recognizing the heights from which you are declining. I think that the Honourable Member for St. Peter on purpose refused to recognize those heights because he prefers to deal with the troughs. But to look at the heights would be a plus for the Government and it is not charitable on Opposition spokespersons to say anything good about a Government programme. So if you hear the Honourable Leader for the Opposition or the Honourable Member for St. Peter, nothing good was done in the Budget. It is an empty instrument, but listen to the people out there. Listen to the people in the streets. It is a completely different situation.

Mr. Speaker, I would just like to maintain because really I do not think there is much more that can be said about the presentations made by those honourable gentlemen, those desperate presentations. A budget is nothing more or less than a programme, a plan of action for advancing the goals of a Government and people. That is what a budget is.

Asides.

Mr. SPEAKER: Order.

Mr. R. L. MORRIS: Now all good planners such as our Prime Minister are aware that a good programme has certain elements. It has first of all goals and those goals must be reduced to aims and objectives. Secondly, there must be a plan which has two elements, the element of "strategies and the element of tactics. There must also be the

area of implementation skills. You need to be able to implement your plan and that calls for methods and techniques. Finally, there is the development and aspect of a programme which looks at evaluation and consolidation. What I am saying is that if you look at the Budget presentation from this point of view, one can accept that it was an excellent programme. In terms of the goal of this Budget, the Prime Minister said and I quote:

"As we embark upon the decade of the nineties, I seek to make more of the good things available to our people - more food, clothing, shelter, education, health, recreation and security. I seek to deepen our understanding of our culture and our values. Join me and my Government in building this new society, this new nation of pride and industry in which brother will meet brother and sister greets sister in harmony, peace, and love irrespective of colour, class, race, nationality, religion or creed. Join me now and let us all put our hands together for our new nation."

That is the overall objective of this Budget. It answers a lot of questions that were asked after the private sector consultation in terms of where are we going and what is the role for the private sector. This is another very clear answer in spite of what the Honourable Leader of the Opposition stated about how there are all sorts of divisions in Barbados which he is fomenting. This is the statement of what the goals and objectives of this Budget happen to be the overall goals and it is clear to me that the Prime Minister has an ability to listen to interest groups. The private sector cannot say that it has not received attention in this Budget. No area can say that.

Asides.

Mr. R. L. MORRIS: ...as well as some Members of the Opposition. The accountants put in their pleas and they have been heard. The export manufacturers - there is no important sector in this country than the manufacturers that have not contributed in a significant way to this particular budgetary formulation and they know that is true. Whatever else might be said in this Chamber has nothing at all to do with the public servants who have been given \$33 million and who have been told in this Budgetary presentation that there will be a salary increase. Bold as brass the Prime Minister has said that. No quibbling....

Asides.

Mr. R. L. MORRIS: And the disabled, elderly, and the ones who unfortunately in the society are not able to look after themselves - all groups have been looked after which has nothing to do with the routine provision of goods and services that everybody will continue to get. When I heard a guru from Cave Hill saying that this Budget has nothing for the common people, I wondered who are these people that he knows about that the rest of us do not know anything

about. The Budget has nothing to do with normal people. It gives nothing to normal people. We could not be operating in the same domain in anyway at all. I am saying that the Prime Minister has shown that he has the ability to listen to people. He has the necessary flexibility. I think the Honourable Member for St. Michael East in his definition of what consensus government is clearly suggested that it meant listening to interest groups and trying to get an assimilation of these views and then imposing on these views one's own agreement if they happen to be congruent with the views and giving them therefore the stamp of approval. The interest groups cannot be dissatisfied. The Prime Minister has listened and he has heard. He is not a precipitant person. That is why when we look at agriculture as well as in tourism he prefers to be guided by studies. If that is an incorrect technique, we are saying basically that we do not want people who are rational in their approach to matters. If the Prime Minister proposes each time he is looking at a significant sector to be guided by expert advice and studies before he makes his decision rather than make what is called *ad hoc* measures and if that is being resented that he should not have a study of tourism before he comes up with a package of proposals but that he would just introduce anything and that he should not deal with a problem as thorny as agriculture and particularly sugar after a studied and careful look at a report such as the Landell Mills Report where he then puts a progressive package, I challenge anybody in the Opposition to deny what is included in this Budget in terms of a look at sugar is a trail-blazing approach, a clinical approach, a comprehensive approach that can set new directions for agriculture and sugar in this country. 6.50 p.m.

I challenge anybody to deny that, and I know the Member for St. Peter would not deny that that is the proper approach. He would recommend the same approach that has been adopted in this Budget in looking at sugar and at agriculture. I have no doubt that in time, when the report from tourism comes in and the Prime Minister then makes his determination, that we will all be satisfied that he will also be taking the correct procedures and the correct steps, but he will not be jockeyed or pushed into decisions for short term political gain.

I think he understands that there is a broad responsibility to our country when you are dealing with a major sector like tourism, that you have to study it carefully before you come up with the necessary proposals, because once you put those proposals in place you really should not be tinkering with them year after year. I believe the approach from this administration is that if you are going to make major changes, structure whatever decisions you have to make on the proper information basis and be certain that the people involved have been able to express themselves and to make suggestions for the improvement of the particular situation.

Those are the overall aims. As I said, part of the aim was to make sure that other groups were able to get in, but he went further. If you move away from goals and you look at the aims and objectives of these proposals you have to go to page 3 first of all and then to page 20 of the proposals. Mr. Speaker, because the populace of Barbados does not have the same privilege we in here have of having this document at hand, I think I should go through these aims and objectives:

- "(a) to increase the level of real output of goods and services in the economy;
- (b) to provide more jobs for our people, thereby reducing unemployment;
- (c) to keep the price level as far as possible at moderate levels; and
- (d) to maintain a sound balance in our external sector to support economic growth and development."

And on to page 20:

- "(1) maintaining law, order and security;
- (2) regulating social, political and economic conduct;
- (3) providing services in such areas as education, health, the post office, banking, agriculture, water, natural gas and bus transportation;"

and I could go on in terms of the aims and objectives. That is a master plan. You have to have your overall objectives, then you have to have your overall goals and then you have to have your aims and objectives.

"

In terms of the strategies, the Prime Minister outlined four major strategies and I think a fifth could be added. The first one was administrative reform policies and neither of the spokespersons for the Opposition addressed those; bold, administrative reform policy as strategy and tactic that would be employed. Reforms in Customs, reforms in terms of Inland Revenue, putting professional Accountant posts there, educating people so that they would be more effective, utilising the full capacity of the Ministry of the Public Service to increase effectiveness and productivity in the Civil Service. That is a master strategy.

Foreign economic policies. In particular he adverted to looking again at the Shipping Act, probably looking at licensing more airlines to come to Barbados. These are strategies that are futuristic and will have maximum import,—not now, but in the medium and long term. Why have these been dismissed by the Opposition spokespersons? They

have been dismissed because you do not want to look at anything that is positive.

I do not want to dwell too much on the monetary policies, we are going to hear more about these later on in terms of reform and what has happened. In my own view the effect of these fiscal policies will be to stimulate demand and investment, and I believe that this will lead to the creation of more jobs. That is my own view, that the fiscal policies that are being introduced now will help to create demand, to encourage investment and will lead to the creation of jobs. I believe that is what we are seeing here. I believe the export sector, I believe that the business people will get heart from what has happened in this Budget and I believe that that will be positively beneficial to the country.

The other strategy the Prime Minister introduced was the strategy of moral suasion. He has appealed to Barbadians. This is a year where we are going to take an ease, we are not going to be introducing any more burdens on you, let us look at how the economy will pan out for a while. Let us look at these developments, let us relieve some pressure and we will see what goes from there. In this particular period let us work together as Barbadians, recognising the strengths that we have, recognising the problems that we have experienced, but let us now come together and work together for the improvement of this country.

I think that those strategies and tactics are perfect for this particular situation. Then, as I said, in any plan you have to have new implementation skills, methods and techniques, and here is where I say a Government can establish fiscal and budgetary policies, but it is left for the country now to get together to make sure that there is some impact. In other words, you have to call now on the private sector to rise to the challenge. You have to call on the workers to rise to the challenge, because implementation of this Budget cannot be left to Government and the public sector, for it to work businessmen have to show acumen, that is, the big businessmen and the small businessmen. The money that is made available can only be effective if entrepreneurs, small businessmen, come forward. Whether you put \$1.5 million, \$5 million or \$6 million, first of all you have to have people who show the need, the determination and the skills to go out there and create a niche for themselves, who want to take up the challenge of export, who do not want to be cosseted and protected to remain in the domestic market and do not want to go outside and expose themselves to the very difficult world of export manufacturing, all the competition, etc., so even if you provide \$10 million and the people do not rise to the challenge, you are still in problems, so it is better to start as a basis and then move forward from there.

The challenge is to Barbadians at whatever level you look at the Budget in terms of an instrument, a programme and recognise that its implementation is left to all of us. The

challenge is to the workers wherever they are to understand what this Budget says, what it intends. The workers in the public sector were getting \$33 million in a reclassification exercise and who will be getting more money in terms of a salary revision, they know, you do not have to tell them that, because the workers are intelligent people and they know that the future of Barbados depends on professionalism, that the public sector relates to the export trade, because people in Customs and other business areas where businessmen relate to help the export trade.

We know what the private sector people have been saying. They believe that perhaps we need in the public sector to change certain attitudes in order to encourage the question of a businesslike approach to things. It is not necessarily a negative criticism, it is a forward looking criticism. We have to be responsive to these suggestions, but everyone of us has a role to play in this particular regard.

Sir, to end off, looking at the whole question of evaluation of this exercise, it would be foolhardy to believe that we can evaluate this Budget exercise at the point of implementation. Clearly we are going to be evaluating this exercise in 1991. 1991 will come and we will be able to look back to see whether the implementation techniques, strategies and tactics, etc. have been able to address the aims and objectives and the overall goal. It is foolhardy to try to evaluate a programme at the start of the programme. You evaluate it after the programme has run its course, and all those who are trying to toss out this Budget before it has started suggest to me that they do not understand basic programming. How can you toss out a programme before you have looked at it? I will say this, that there are some single measures that have such far-reaching impact on the development of a country, and I talk about the removal of certain duties and so on on computers. 7.00 p.m.

That is a massive developmental budgetary proposal. It is not generally known, Sir, that there are over 25 000 personal computers in Barbados in a population of 250 000. That is an extreme density. I believe probably Japan might be one of the only countries that has a higher density of personal computers than Barbados. That says a lot to us as Barbadians, when a small country can have 25 000 personal computers in it, and with this measure I believe that personal computers are going to proliferate even more. It means that we are already in the 21st century. Soon from now every home in Barbados will be able to have a personal computer, and just think of the multiplier effect of that in the entire well being of this community through the revolutionary thinking of the Prime Minister. When people talk about revolutionary, they always tend to impute violence and so on. Revolutionary is just being used as opposite to evolutionary, radical thinking, progressive thinking where you make quantum leaps; you don't just step, but you say we want to see Barbados as a computer

country. I believe that that alone justifies this budget. It is a tremendous measure, and the young people in Barbados understand that, business people understand it; everybody understands what that measure means.

Mr. Speaker, I have no difficulty whatsoever in supporting this Resolution. I think the people of Barbados are well pleased and the Prime Minister has a way of saying, listen to me carefully; if I may use that comment, listen to me carefully. The economy is in good hands. The Democratic Labour Party will continue now and when the bell is called to keep carrying this country forward. I thank you very much.

Hon. M. A. KING: Mr. Speaker, budget debates tend to follow characteristic patterns. I would be shocked for instance if the Honourable Leader of the Opposition or the Leader of the Barbados Labour Party Opposition or the spokesman for finance for the Barbados Labour Party Opposition had anything complimentary to say about any budgetary proposals presented by the Minister of Finance. Budgets traditionally have been used in this House as a means of putting forward a political position. Let us face it. We talk in terms of economics. The Opposition parties in this country have always tended to use budgets as a means of putting forward the worst case scenario on the Government's policies; so that when you hear the Opposition speaking about fundamental restructuring needed in the economy, fundamental structural changes which are necessary, and in the words of the Honourable Member for St. Peter what is required is a new change in economic policy, we hear the language of this type being used year after year from time to time, but when you ask them to detail the fundamental restructuring and the new directions and policies, you come up against a blank wall. Why is that so? It can only be so because of the nature and the character of the economy of Barbados. You see, Honourable Members on the other side want to make us believe that you have some fantastic massive economy about which there is an awful lot that can be done. So what are the restructurings?

In the Caribbean region, for instance, you hear some Governments talk about introducing casino gambling as a method of dealing with improving the economy? Is that what they are suggesting? You hear language about privatisation, language which is much more suited to large industrial countries. What are we talking about privatising here when the discussion is raised? The NDP talks about privatisation in relation to the Transport Board, in relation to an enterprise that provides a necessary service to move particularly the working class people to and from their work, to and from leisure in this country, and that is one of the areas they talk of privatising. You hear of privatisation in relation to certain aspects of the hotel industry, privatisation in relation to Hilton Hotel, in relation to the Heywoods Holiday Resort, for instance, Caribbean Broadcasting Corporation, and when you privatise these

things, when you privatise the Caribbean Broadcasting Corporation, what happens? Who are the persons into whose hands those enterprises will fall? They will fall into the hands of the persons who presently control the mass media, the means of communication in this country, they will fall into the hands of those who certainly have no love for the Democratic Labour Party Government, and I am reminded that they will fall into the hands of persons who have no love for the masses of the people of this country. You create a situation in the country where you find the masses of the people have no articulate voice in the community. So when you are talking about privatisation, what are we talking about? Remember the context in which places like the Hilton Hotel and the Heywoods Holiday Resort had been established. They were established by the Government of Barbados as a means of developing the tourist industry, and the reason why that was done was because these were areas where there had been a slack by the private industrialists, they were not interested in these things, and Government as a means of encouraging and promoting development in these areas embarked upon these things. One does not have to stretch the imagination too far, Mr. Speaker, to recall that in those halcyon years of Democratic Labour Party Government between 1961 and 1976 there were a whole number of projects on which we embarked, initiatives with a view to developing business and industry in this country, because we know that these are areas which had to be developed, and these were areas which the industrialists and the businessmen were not getting involved in. International Seafoods, for instance. The businesses did not develop fully, but they were not allowed to develop, earning massive foreign exchange for the country. The businesses needed an opportunity to be developed, but we were out of office before they developed fully, and we are complaining about the difficulties of foreign exchange now.

I say to Honourable Members, what are you talking about when you are calling for these structural changes in the economy, these fundamental changes and the direction in which you want to see our economy go? Now we have to remember, Mr. Speaker, that the economy of Barbados basically is still an economy where a lot of items are imported, a wide range of consumer items are imported and traditional capital in Barbados has tended to remain in the hands of enterprises which have been largely engaged in the distributive trade, and the successful ones, the large importers are the sellers of these wide range of commodities which we go into Bridgetown and buy day after day.

Now over the years the massive amount of capital which has developed as a result of business enterprises of this kind has not been turned to industrial enterprises.
7.10p.m.

The entrepreneurs in more recent times who have engaged in manufacturing have come largely from a new

class of persons altogether. Most of them classify themselves as black businessmen. The Honourable Member for the City is one of the kinds of persons who are characterised by that group and there have been a number of expatriots too from North America, some from Middle Eastern stock who have come and invested money in various manufacturing enterprises in this country.

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But one of the characteristics of that new kind of development, especially the black businessman in the country, is that they have been dependent largely on capital and on financing from the large commercial banks. They are not persons who have had any large amount of capital at their disposal and in order to get their businesses going they have had to depend very heavily on the commercial banks.

The Development Bank which has been instituted with a view to ensuring that business and industry develop was incorporated for the specific purpose of helping new businesses of this kind in the productive sector to develop and to fulfil the role as development institutions but the Development Bank one may argue, perhaps, has not been fulfilling its role in the most effective way that it could and, perhaps, it needs a new orientation in policy but it certainly can be one of the instruments through which development of small business and new type business in the manufacturing and productive areas can be developed.

Now, at the other end of the scale of course, apart from the small businessman who depended so heavily on the commercial banks and on development banking funds, you had the larger groupings who brought in foreign capital companies like INTEL, other big multinationals and the country became heavily dependent on them for capital for development.

One of the dangers about that and one of the problems /" created by that kind of development is that when those industries over which the country and the government and the people of this country have no control whatsoever, when those industries decide to move out, then they create a vacuum in the society, a vacuum which is created not out of circumstances for which anyone here is responsible and then there are a lot of people out of work and so forth.

Since so large a part of the traditional capital in Barbados has been invested in these non-industrial and a non-manufacturing activity, clearly policies are needed by -" Government which would foster the development of new type business in manufacturing, production and I think successive Governments have recognised this and we have thought in terms of promoting businesses which would grow and encourage development in this area.

^, When we talk about the incentives to industry, and to development, and incentives that would encourage export-growth of industry, I think we have to recognise that we are dealing with a relatively small sector of the business

community because I said by far and away the largest sector of the traditional capital is tied up in commercial enterprises which are largely not industrialised and which are producing income so I say to the Honourable Members, tell us in what areas you are urging a restructuring of the economy to deal with these essential problems.

Having got over the problem what kind of economy you are dealing with, you recognise that the options which are available to Governments in dealing with budgets and in creating an environment in the economy for growth, the options which are available to Governments are not that wide.

Some Governments go the way of abolishing Income Tax, abolishing all direct taxation as a strategy for developments. Now, is that what the other side is proposing? What are the proposals which they are •*•" •»?

We must remember, Mr. Speaker, that over the past years the spokesman for the Labour Party Opposition spoke in terms of what Governments should do in relation to economic policies and all of this but we have to remember that economies grow and they decline. We have to remember that even in Barbados Labour Party times the economy of Barbados was not at its healthiest.

We remember that their policies, for instance, had resulted in massive bankruptcies in this country. Their policies have resulted as a result of the many bankruptcies that have occurred in massive lay-offs, in redundancies, in massive assaults on the Severance Payments Fund, and, in fact, the Fund became broke at some stage and from time to time we had to come to this Honourable House to get finance to revive the fund.

I make the point that no party has a total prescription for the development of the economy and we have to bear these things in mind when we are being so critical and being so intemperately critical about the proposals which are being made.

The Leader of the Opposition, Mr. Speaker, characterises his speeches by a massive amount of nuances which tend to leave impressions and create innuendoes in the minds of people. In relation to law and order, for instance, he makes the point that the break down of law and order in this country has been a direct result of people being alienated from the leadership, of people not being able to trust the political directorate of drugs and he adds, there can be no economic development unless the issues of serious crime are addressed.

Now, in another context, you will hear the same Honourable Member, the Leader of the Opposition making the point that he will reverse it. He will not say that there can be no economic development unless the issues of serious crimes are addressed and you make the point that

there is a lot of serious crime because there is not economic development. Of course it does that.

He made the point that people in the depressed areas in the community are depressed and turn to crime because there is no economic activity for them to engage in so I am saying that you can have a variety of postures. You can have a number of postures taken on any issue but we have to judge all that is being said in the context and against the background of understanding that we are in a political environment and that we are going to have political posturings for particular purposes. Crime, like economy runs in cycles. The economy runs through cycles. Crime runs through cycles. There are times when there would be a lot of crime. There are times when crime will be reduced.

On the issue of drugs, Mr. Speaker, I think the world knows, everybody knows except, perhaps, the Honourable Leader of the Opposition, that drugs is an international problem. It is not a problem from which we in Barbados are insulated. We are part of the total world. Drugs has become so important an issue for the international community that the nations of the world have found it necessary to hold a series of important international conferences where they spend a lot of time talking about the issue of drugs. 7.20 p.m.

This year already they have been at least four international conferences on drugs, at the UN itself, a world ministerial conference in London and there was another significant conference in Mexico, all dealing with the problem of how the international community can deal with this issue which is affecting every single nation on the face of the earth. So that to create the impression that Barbados is unique in having a problem, you may say it is a true statement that we do have a problem with drugs. One does not seek to deny that. But to create the impression that we are unique in that regard is to misrepresent the position.

Let me say, Mr. Speaker, we are not sitting down idle, and doing nothing about it. Last week we introduced into this Parliament two significant measures to deal with the problem of drugs, the Drug Abuse (Prevention and Control) Act and the Proceeds of Crime Act. I am not going to deal with them in detail now because I do not have the time to deal with them. But certainly the Drug Abuse (Prevention and Control) Act contains a series of measures which would give the police wider and more useful power to deal with the problem of drugs. It creates a new series of offences and when we were debating so significant a measure in this House it was convenient for the Leader of the Opposition not to be here to contribute to that debate.

But the occasion would be taken on an occasion like this of course to make capital of the issue of drugs, attempt to make capital of it. But the fact is that we have debated

this issue only last week. There is another significant bit of legislation which has been postponed, the Second Reading was done and it will be dealt with.

Another aspect of the problem which I have to indicate, Mr. Speaker, is that we are in significant consultations with the Commissioner of Police with a view to providing adequate resources for them to deal with the problem of manpower. Honourable Members on the other side have made the point that the police do not need any more manpower. I believe the Honourable Member for St. Thomas, one of the spokesmen....

Mr. D. A. C. SIMMONS: On a point of order, Sir. I never said that. The learned Attorney-General was not in here when I spoke. I never said that. That is why I brought a matter here before the Committee of Privileges yesterday, Sir.

Hon. M. A. KING: Mr. Speaker, I do apologise to the Honourable Member. He did raise the matter before the Committee of Privileges. I apologise. I have no difficulty in apologising. But the important and significant point I wish to make, Mr. Speaker, is that we are in consultation with the Commissioner of Police. I sat with him only two days ago at my office in Marine House and have worked out a method of dealing with the problem of manpower. I have more or less formulated a proposal for providing for relieving policemen of clerical non-police duties in the Force. I am getting that programme completely formulated and all I have to do, Mr. Speaker, is to get the consent and the agreement of the Minister of Finance and I am assured that we should have no great difficulty with that. And if you call that squandermania, Mr. Speaker, we are guilty of it. If you call providing the resources of this country for the police to deal with the problems of crime and law and order, if you call that squandermania, I plead guilty to that.

So that I say, Mr. Speaker, that budgets of this kind have to be dealt with within the context of the political environment in which we operate.

Asides.

Hon. M. A. KING: Honourable Members ask me if the new courts are squandermania. I do not think so. The new courts cannot be squandermania. We are building the judicial centre, we are building the Hometown Complex and a whole lot of other areas. If that is squandermania, I plead guilty. The Bar and the profession have been complaining for too long about the dilapidated state of the courts and we are developing in these areas. The people have the permission to proceed with them and to proceed with the rebuilding and the refurbishing of police structures.

But before I close, Mr. Speaker, there is one other area¹ I wanted to touch and that is in relation to the issue of

integrity about which the Honourable Leader of the Opposition so persistently speaks.

I say that the Honourable Member for St. Philip South exposed the Leader of the Opposition on the issue of old age pensions. His goose pimples came up at the time when this Budget provided the three dollars increase. And the Honourable Member for St. Philip South exposed that, that when the Honourable Member for St. Michael South Central was the Minister of Finance, the increase which he agreed to was \$2.00. The other aspect of integrity which I want to refer very briefly to and very quickly....

Asides.

Mr. SPEAKER: Order, please.

Hon. M. A. KING: ... is in relation to the comment by the Honourable Leader of the Opposition in relation to the company loans about which the Honourable Minister of Finance spoke. If you will recall, Mr. Speaker, that the Leader of the Opposition read from the summary at page 72 which the Prime Minister did not read from in the course of his Budget which said that:

"Effective from income year 1990".

This is what the summary actually says:

"inter company loans will be taxed as income of the company receiving the loan".

That was clearly a typographical error because in the body of the Budget at page 52 spoken from the lips of the Right Honourable Minister of Finance, he said this:

"I have decided to amend section 27 of the Income Tax Act to exempt genuine inter-company loans from being taxed as income of the company receiving the loan."

It is clear that what is in the summary was an error.

Asides.

Hon. M. A. KING: But this is what the Prime Minister said.

Aside.

Hon. M. A. KING: This was the statement of the Prime Minister which would assist companies in finding additional sources of capital.

So that I say that when the Honourable Member for St. Michael South Central talks about integrity, you do not ~*pick on something like that knowing full well that the Right Honourable Minister of Finance has said the contrary and

then hold that up as what the policy of the Party is. It is not right. You cannot claim integrity in one breath and then in the same breath say that that is what the man said when it was not so.

So that to sum up all that I have been saying, Mr. Speaker, one has got to look at these Budgets against the background of what we expect to achieve. The measures which are in any Budget cannot deal with all the issues which a country has to deal with from time to time.

There are stages in the development process and one has to understand that and against that background do the best we can in any set of circumstances and to ensure that the goods and services are delivered to the people of our country.

Thank you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that the sitting be now suspended until 8.15 p.m. this evening, Sir.

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

The question that the sitting be now suspended until 8.15 p.m. was put and was resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly at 7.30 p.m.

RESUMPTION

Mr. SPEAKER: The sitting is resumed. The Honourable Member for St. Andrew.

Mr. C. A. NEBLETT: Mr. Speaker, I rise to support this Resolution commending the Minister of Finance for bringing to this Honourable House the kind of Budgetary Proposals for the fiscal year 1990/91. I have no doubt that this Budget will achieve the objectives which can be found in the body of this instrument. The Budget seeks in the interest of all Barbadians to increase the level of real output of goods and services in the economy, provide more jobs for our people thereby reducing unemployment, keep the price level as far as possible at a moderate rate, and maintain sound balance in our external sector to support growth and development in the economy.

I need not dwell very much on the past performance of this Administration for their last year. Much has been said by the Minister as he outlined the highlights of the performance of the economy from the Economic Report. Also, you would notice that the Central Bank Report has corroborated much of the information that one could find in the Economic Report. There are certain areas that obviously we would want to dwell on. The highlights as noted have been the performance of the economy in such areas as

tourism, manufacturing, construction, and also in the wholesale and retail sector. All of this gave a story of 3.5 per cent growth.

We are all aware that agriculture has had a rather difficult time. We have dealt with Resolutions in this Chamber and much has been said about agriculture. I was a little surprised today when the Leader of the Opposition could find so much time to devote in a rather scathing manner dealing with this subject. One could get a continuous repetition of things that might have been said over the full year. But let us look at agriculture in a serious way. I do not want to go into every detail involved because I am sure the Minister of Agriculture will be dealing with this when he makes his contribution. We are aware that in the proposals some effort has been made to arrest this unfavourable situation. One hopes that this country experiences some improvement and seize the opportunity to reorganize and set the course to develop a stronger industry.

While I am on the question of agriculture, I would like to ask the technocrats in the industry to join all Barbadians of making the most of its land and water resources. We would like to see great use made of our agricultural lands and appropriate research made of the most suitable crops that can be grown economically whereby we can reduce the large food import and save this country valuable foreign exchange. At this juncture, I must ask the technocrats to be more involved and to go light on the numerous chemicals that are used to control pests, weeds, etcetera. In my opinion, the natural predators in the insect world are being destroyed leaving a residual group of pests which are attacking all aspects of agricultural produce and these are affecting our agricultural yields. One is also aware of what a buildup of chemicals can do to the ecological balance and how it is affecting the environment generally.

Agriculture is very important especially to rural communities including St. Andrew which excelled in sugar production in years gone by. Most of you who might have remembered the agricultural exhibition would remember when a plantation like Turners Hall Plantation every year won the first prize for producing the best possible canes. That is now a thing of the past. It has been overtaken by high labour cost and the difficult terrain made it rather difficult to employ mechanical cultivation and as such now the lands stand abandoned. Efforts have been made to resuscitate these lands but it is affected by strayed animals and it would seem as though there is a problem in getting the kind of workers to keep a continuous programme of cultivation on this estate.

One has noted that Soil Conservation Department has been involved in planting a set of fruit trees which we hope would help to reduce our fruit import over a period of time. But one must also remember that when the land was under sugar cultivation there were networks of drains, etcetera that assisted the water in reaching the low levels of the

valley without the kind of damage that one sees today when the water is allowed to travel indiscriminately. I think again this is one for the technocrats. They should take a close look at the kind of cultivation they are employing in lands of these kinds and ensure that there is proper drainage so that the soil erosion which is an endemic problem in the Scotland District can be arrested at the earliest possible time. There is no question as to what can be done if this ^ water is harnessed because it would mean very much to the irrigation especially in the lower levels. Even if you cannot produce sugar canes or food crops, one must consider the production of grass for our livestock industry.

In the 1989 Budget, incentives have been offered to farmers to bring back idle lands into cultivation. This offer has not been seriously taken up. Many incentives were offered. There were things like duty free importation of certain farm equipment. There have been complaints from farmers about difficulties in getting these items through ' Customs and in many cases it would seem as though they have contributed to a certain extent to some of the difficulties they have been getting. But what is clearly observed is that in most cases many of these incentives have not been seriously taken up. At the other end of the scale complaints have been raised and even now this year more incentives are being asked for. One clear point that seems to escape not only farmers but entrepreneurs generally who are asking Government to provide them with certain incentives is that these incentives are coming from the general population of this country. It means that all of the taxes that are collected by Government must be equitably distributed in the best interest of all the citizens. 8.25 p.m.

When one interest group asks for much more, or they ask for so much that will more or less help them to enjoy one level of existence over and above that of the general populace, it will be creating problems, it will be moving - towards what one could call a disequilibrium in terms of the distribution of wealth.

Getting back to the farmers, I think if they were serious they would set out to exploit the proposals that were given. Where they fall short they could have consultations with the Ministries, the officials generally, and every effort would be made to assist them in achieving their objectives. There would also be a free exchange of information whereby at all levels the Ministry would know where they have reached and then they could sit as a single body and attempt to attack that mammoth task, namely of getting production in agriculture going again.

The kind of confrontation we observed today, I doubt very much we would have, because we have a case where the farmers are saying that we want x number of dollars - because we have figures to prove it, whereas the Ministry ~ with which there should be close collaboration is offering other sets of figures, and there seems to be some dispute as

to how certain items that make up the formula have been arrived at. Again, who pays the bills? Taxpayers generally. How are we going to ensure that everyone in this country enjoys a fair share of the wealth? We do not want to create privileged people.

I am also looking at the question of the manufacturers and also the other entrepreneurs who from time to time are asking for all kinds of assistance in terms of incentives. What is happening is that citizens are finding themselves paying twice for their goods and services. They are paying at taxpayer level and they are also paying high prices for the product, and at the same time it would appear as though these entrepreneurs are not reforming or restructuring their operations to avoid this continual charge on the Treasury.

So much lies ahead in terms of what we can do by avoiding these situations, namely getting into the export business generally, whether it is agricultural produce, whether it is manufacturing, but we just must not sit and hope that it happens overnight. This administration has put in place various agencies, such as the Export Promotion Corporation, the BMC, and within the relevant Ministries every effort has been made to structure the kind of organisations to help the exporters, but what do we get? The entrepreneurs are not making use of these facilities. The facilities are there but they are not making the most use of them, so what do we do? One hopes that they are not expecting the share of cash grants where monies are actually put in their hands, or least the kind of price support I believe they would enjoy very much. They must make efforts to use the resources of this country to the best possible extent.

There are many charges on the Treasury. The Government is charged with the responsibility of providing communal services such as education, health, recreation facilities and quite a bit of these social and economic services that people cannot provide for themselves. That being the case, if one must help so many groups, it poses a problem, because there will always be a charge and hence the taxation level will reach a crisis level.

There is a question of maintaining a nation ready to cope with the 21st century and we must be ready at all times to exploit all of the opportunities involved. Hence there must not be the game of cat and mouse playing to see who could secure the most from the Treasury and enjoy a lifestyle over and above what the general populace can enjoy.

This means that we must take our role seriously in dealing with the question of trade. The average person on the street, I am sure, sees trade as buying and selling. It does not matter to some whether what he buys or sells is a local product or an imported product. Once he enjoys that particular commodity he is quite happy, but then at the supervisory level Government must ensure that all the

goods and services required by every individual is available by providing the kind of foreign exchange that is necessary when it has got to be imported. How do we do this? If in the first instance we cannot produce the goods here, we have to buy them from overseas, and to buy them overseas we need the foreign exchange to pay for them. Hence we have to import or we have to borrow, and even if you borrow today, tomorrow you still must find that foreign exchange to pay for any loans incurred.

There is no point fooling anyone out there that we must not export to survive. Then again, you just do not get people moving into export anything, you have to research your product in terms of the needs of your extra-regional or regional customer, you have to ensure that it is of a quality that he or she will appreciate, and to do so requires great expense in terms of planning and setting up the necessary structure to provide for this. 8.35 p.m.

As I have said before, we have provided facilities and some businesses are using these facilities, but we need to go a bit further. We need to strengthen our management of these businesses to ensure that they can take advantage of these opportunities that lie before them. Many times, especially in the case of manufacturing, we have a situation where artisans have developed good products and they are set to satisfy individual needs locally. They attempt to go into export, but they don't have the manufacturing capacity or the kind of structure in their management to help them towards a mass production type situation. In many cases they are under-capitalised because they had very small beginnings, and they have got to depend on short-term loans to obtain fixed assets that have a survival time of about ten or twenty years as the case may be. It means then that in many cases much of the effort depend on the help of the good bank manager. The bank manager, as I said, might be offering short term loans, and the moment that there is a cut back in credit, we hear a serious howl go up in this country that refusing to allow industry and businesses to get credit facilities will drive them out of business. In many cases some of these businesses have been in place for over ten years and one wonders why over such a time frame they have been unable to build up enough reserves to help them to overcome some of these short term hiccups in terms of financing through working capital.

Now one believes that over the years our developmental banking structure should have been so geared to ensure that the kind of venture capital that would have gone into these businesses would have been by way of probably debenture and also equity whereby you have the kind of structure where you participate in some small measure in the management. Take for instance the Barbados Development Bank, if they had an interest in a particular manufacturing operation, part of what is now debt would be shared between equity and also debentures. It would mean then that the business would not be under

pressure to repay within a short while all the funding that they had through loans. What would be in the best interest of the business would be to have a substantial part in equity whereby the bank would have a stake, the investor would have a stake, and as the cash flow develops, repayments would have been taking place where the debentures are concerned, and as soon as it got out of the rough, so to speak, the bank would have been in a position to offer back to the entrepreneur or at least put on the market the shares which they hold and by so doing would be ready to get involved in similar type operation.

One has been waiting for quite some time to hear suggestions like these coming from especially the small entrepreneurs. This I believe would get a fairer hearing from Government than the continual request for incentives which seem to be based on propping up earning capacity for them rather than looking at the expansion of the industry that would stand the nation in good stead.

The question of short-term financing or as we familiarly know it, overdraft, is for a business to complete a cycle in business. Again I will use the manufacturer as an example. If he borrows funds that would be going towards working capital, he would acquire raw materials, he would be paying wages and when he puts these elements together, he would be generating inventories. He would have to sell on credit, hence he creates receivables, and when he receives over a period of time the payment for his goods, he then would be in a position to begin to repay his creditors, hence that is the complete cycle. It would mean then that his growth would have to be structured to suit what capital he has got at his disposal, and hence he also would be looking to see when his situation in terms of capital is overheating. In other words, he would be looking closely to see when one of the elements that I have mentioned, whether it is inventory or receivables are getting out of hand in terms of what he has got to pay to his creditors. *

In many cases the entrepreneur at the first sign of problems goes off to his bank manager asking for an extension of loan. What he is not realising as he puts on more and more loans and at the same time he is not generating a greater profitability, it means that what should be coming to him by way of accumulation of capital must be paid back to the banker, and hence he is merely earning an existence that cannot withstand the blast of any misfortune. Hence that is one area that one must look at rather carefully if we are to think seriously about developing a manufacturing industry especially an indigenous one and one that will be geared to earning foreign exchange for this country.

One thing I can allude to rather quickly, Mr. Speaker, is that even in a rural constituency, every effort is being made to get into the idea of earning some foreign exchange. We have had on the cards for quite some time the development of the Long Pond area in St. Andrew for

shrimp farming. Mr. Speaker, I can safely report to you today that some investors are almost ready to get going. The investment would be somewhere in the region of about \$12 million which would be set in a way to earn this country valuable foreign exchange because they are already making contacts about exporting their produce. This would mean very much towards not only employment, but there would also be the exchange of technology whereby marine biology would be looked at closely. There would be a sort of tendering the environment, and I think this augurs well for us. 8.45 p.m.

IDC is almost off the ground in providing some workshops for our crafts people on the East Coast Road whereby our visiting tourists who use the route regularly will be having an opportunity to see crafts people at work and, at the same time, make purchase for items which are today currently being imported from far away places like Hong Kong.

Mr. Speaker, I must say that we in St. Andrew are ready to assist the country in earning very much scarce foreign exchange through trading.

I thank you very much.

Hon. W. W. HALL: Mr. Speaker, I rise to support the Financial Statements and Budgetary Proposals so ably presented by the Prime Minister yesterday evening.

You may recall, Sir, that last year I said that the presentation was clear, it was concise and it was comprehensive. This year, Sir, I think this has been the best presentation that I personally have seen. I do not know about the other people, but this is what I feel.

Mr. Speaker, men despise the things that they do not understand and that is why I was very happy that the Prime Minister took time out yesterday to explain to all and sundry why he made those decisions that he made.

Those of us who understand management, Sir, will tell you that if you wish people to be partners in progress, you have to tell them why you have made the decisions that you have made and if you have told them why they would understand and if they have understood it you would then get a commitment from them.

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Mr. Speaker, the people of Barbados have been told why the decisions were made. They have understood and I can assure the Honourable Prime Minister that he has a commitment from the people of Barbados. It is as simple as that, Sir. But there is a certain mystique about Budgets. This black box syndrome, somehow people always believe ^ that there is always something in there very sinister. It goes back, of course, to the days of the Chancellor of the Exchequer in England and it is a time when people whom

we have not heard from for many years, certainly, whom we have not seen for many a day, overnight come in from the cold and masquerade as experts. They have their say.

To me, Sir, it is a curious paradox that while the Budget concerns every man, woman and child in this country, that whenever the radio stations or the T.V. stations are going to discuss the merits or demerits of a Budget, you will never see them invite a housewife, nor the average man in the street. You will never see that. They will go for the economist. They will go for the businessmen, the former Prime Ministers, political aspirants, gurus and all manner of men but you will never see them go for the average man in the street and, mind you, there are about 178 000 people out there who are very interested because they are voters and there are another 80 000 who are too young to vote but, who, certainly, understand what is going on.

All of this talk, Sir, that I have heard about run away expenditure, let me make it abundantly clear that as far as Black Rock in St. Michael is concerned, in particular, and the whole of Barbados is concerned in general, I will support any move, when the constituents of Barbados decide that they want more roads, they want more electricity, they want better jobs and they want recreational facilities. If getting these things for the constituents are wrong, I do not wish to be right and, therefore, that is my position.

Sir, the Leader of the Opposition said that he had goose pimples. The Honourable Member for St. Peter said that he trembled. Let me tell you something, Sir. I was speaking to a bunch of lovely ladies in Bridgetown this morning. On my way here I walked up and there were about 30 of them discussing the Budget and when they saw me they made their feelings quite clear. They had received the Budget with ebullient ecstasy.

If these honourable gentlemen in here trembled and if they had goose pimples, one lady told me that every nerve ending tingled in her body and, therefore, the Prime Minister might not know it but he is a sensation and, therefore, I wish to congratulate him for that Budget.

My parents and your parents do not understand this GDP thing, Sir. They do not particularly know about an economic order. What they do know, however, is that when they go to the supermarket and they spend \$300 this week and the same \$300 cannot buy them the same things next week, they feel that something is wrong. The intelligentsia and the economist will call that a big word "inflation" but to us mere mortals we feel something is wrong. We are not getting what the money used to buy so the Prime Minister's assertion yesterday that we should cut and contrive, he did not actually say that but he meant that, do not throw out the baby with the bath water.

I am so happy, Sir, that the Prime Minister did not keep people in ignorance about what he was doing. I am so happy about that because, let me say something to you, Sir, that I am firmly of the belief that if you keep people in ignorance you then become a slave to another man's wisdom and I feel that the broad masses of people today having heard the Prime Minister yesterday and having heard the reply of the Leader of the Opposition must be very sure in their minds today, that is if they were not sure yesterday, that the Prime Minister had done the right thing.

Now, I do not wish to go into the Budget as such here because that has been done already by many Honourable Members of the House but it is fair to say that there are no new taxes in this Budget and it seems to me that the Prime Minister has been trying to stimulate the export of goods and services. He has given some concessions to the businessmen. He is easing the credit squeeze from about June 1 and he has arrested the declining agricultural sector with an action plan after looking at the study of the agricultural sector. I think it is about \$62 million. That is what it cost. Having looked at the study that is what he has done.

He has also intimated that as far as tourism is concerned likewise he would look at the study and we will take whatever remedial action that should be taken. I think, Sir, knowing the Prime Minister as I do, if he says that, Sir, he will obviously do it. 8.55 p.m.

Mr. Speaker, I wish to turn to tourism because I only have half an hour. This is one time I wish that I was either the Prime Minister or the Leader of the Opposition because I want two hours. But suffice it to say that I will definitely speak to tourism.

Mr. Speaker, the success story of tourism is well known. It is the backbone of the economy. It is little wonder then that it became the target for attack the last three or four months. I shall demonstrate to you, Sir, why it was not attacked before. My approach therefore will be to indicate where the present position is and where we plan to go. I think that is fair enough, Sir.

I would also like to say that the tourism study that the Prime Minister alluded to yesterday will add dimension, Sir, to our efforts.

Mr. Speaker, I think it will be futile to use the precious moments allocated to me to try to rebut the unfounded arguments and mouthings of our detractors. This is clearly not the time for jejune rhetoric. So I will attempt to tell the people of Barbados the truth, the whole truth and nothing but the truth. Let us look therefore at the current situation. In 1989 visitor arrivals to Barbados were 461 259

or 2.2% over 1988 which you may be aware, Sir, was a record year in the history of tourism. This year we went 2.2% over that.

I think that I should give an overview of the figures because it might be necessary to let you know, Sir, that in 1986 359 770 visitors came to Barbados, long stay visitors. By 1987 that figure had moved to 421 859, by 1988 451 485 and as I said last year in 1989, 461 259.

Cruise ships, Sir. Cruise ship arrivals, long-term arrivals. In 1986, 145 335 visitors, in 1987, 228 787, in 1988, 291 000 and in 1989 337 100 visitors. That is the position on tourism, Sir. If I were to give you the breakdown, Sir, it would be staggering. In 1986, from the United Kingdom, let us go section by section, the United Kingdom in 1986, 47 519 visitors came to Barbados. In 1989, 118 122. From the United States of America 166 250 in 1986 and in 1989, 154 269. From Canada, Sir, in 1986, 60 265 visitors came to Barbados and in 1989, 65 564. From Europe in 1986, 19 082 visitors and in 1989, 43 949. From the Commonwealth Caribbean, Sir, in 1986, 62 233 and in 1989, 62 840.

It is obvious then, Sir, that the only time we really had significant declines, not significant at all, Sir, in fact the only time that we had declines from the Commonwealth Caribbean and that was occasioned by the fact that most of those countries had had some devaluation problems and some of their inhabitants did not travel. I have done that to let you know what is the position from the time the Democratic Labour Party came into office. That is the position statistically.

Now, Sir, I would wish to go from market to market and surely demonstrate to the fair people of Barbados exactly what has happened in this Ministry.

In the United States of America. Only the United States of America has shown significant decline in 1989. In fact the US market never fully recovered from the stock market crash of October 1987 and 1989 also witnessed a curb in consumer spending in the United States of America. To the extent, Sir, that it had appeared the United States of America was entering a period of recession, up in the north eastern corridor which is traditionally a place where we have marketed, there were some problems there. Americans were continuing in 1989, Sir, to be inward looking and they have been spending large sums of money to keep the American tourists at home. That is true, Sir.

All of the markets in the Caribbean were affected. Even Puerto Rico. There were three markets as I recall it, Sir, the market in Aruba, the Cayman Islands and Jamaica, that they did a lot better than the other Caribbean Islands. What I am trying to say is that the decline in the American market is something that was actually global. It is not very fair then to say, Sir, that the success of tourism was due to

an international trend because if that were so, our failure then would be due to the same trend over which we had no control. But it suits the person to say these things at this time.

If I were to go to the Canadian market, Sir, the Canadian market performed as expected, two hundred visitors over the 1988 figure. In the last four years, Sir, it ~ has shown moderate growth. The Canadian market is basically speaking a winter market and it is a price sensitive one, Sir. So that many Canadians have gone to the Dominican market and where they have found cheaper destinations. But whether they have found value for money is a different thing, Sir. And so I would just like to mention at this juncture that the cruise ships performed exceptionally well registering a total of 337 100 visitors or 16.2% over 1988. I would like to say also that Government is looking seriously at port improvements to accommodate the unprecedented growth in this travel.

Mr. Speaker, length of stay and occupancy levels have improved considerably. That is a fact. Increased numbers and the European long stay arrivals in particular had positive impact on employment and tourism receipts which reached Si billion. It has been said that those figures are wrong that they are "guesstimates". I can only say if they are wrong now they were wrong in 1980, in 1970 and in 1960. I would only hope that these sorts of comments will be addressed elsewhere. It is not my fault, Sir. Indeed the graph in the Economic Report has shown a steady upward trend and no effort will be spared to maintain it.

But the whole question is, what accounted for some of this growth? I would say quite honestly that arresting the seasonality problem has been one of the major factors. We are very happy about this because it meant that a lot of the smaller hotels were able to escape that. 9.05 p.m. r

They were able to escape their places going into liquidation, Sir. Since 80 per cent of the smaller hotels are owned by Barbadians, Sir, this Government places great emphasis on it. Regarding the Budgetary Proposals, Sir, there has been a lot of talk that nothing has been done this year for tourism. But in 1988, Sir, exemptions from duties and consumption taxes for the whole hotel sector, large and small, were given for refurbishment. In 1989, the 1988 concessions were brought within the ambit of the Hotel Aids Act, Sir. This not only affected duty free importation of materials, but it also afforded owners the opportunity to write-off such refurbishments against Income Tax for tax purposes, Sir. These things are still operating, Sir.

The 1990 Budget has maintained these levels of concessions and the industry should therefore continue to be propelled. That is my view, Sir. It should be noted" however, Sir, that these concessions were not limited to any particular category of hotel, Sir. These concessions were

not limited to a large hotel or small hotel, Sir, nor to a dollar figure. We did not tell them up to \$20,000, Sir. So I can only say, Sir, that only four weeks ago a hotelier on the West Coast, who was aiming to catch-in on the great work in the marketing thrust in the European sector where of course in places like Italy, Zurich, and definitely France you get the upper market clientele, was very eager to •^ refurbish.

Mr. Speaker, he came almost in a panic because the then line had almost been reached. The hotel was spending some \$30 million in refurbishment, Sir, and therefore it was necessary to catch the Prime Minister's eye with refurbishment. Had that not been done, obviously the winter trade would all be lost. Within the twinkling of the Prime Minister's eye, Sir, the concessions were given. I say therefore, Sir, that there might have been a few problems with the allocation of the concessions. But what I am saying *f* is that the mere fact that the Prime Minister has not removed any of them and has maintained them, it means that we will be doing better in the long run.

What else have we done? More assistance, Sir, from the Board of Tourism. You may well recall that the Prime Minister last year gave \$1 million for marketing thrust in the market places, Sir. Having given that \$1 million, we had to plan. I came into this Honourable Chamber, Sir, and . articulated very easily what we were doing with the money. We took the money and we are actually getting TV advertisements not only in Canada but certainly in the United States of America, Europe, and in the United Kingdom. This is what we are doing with the \$1 million. It was given then, Sir, but we are seeing the value of it all this year. That is the point I wish to make.

Sir, the other reason for this is the prudent management. What do I mean by prudent management, Sir?
 ^ I mean selective marketing because of our limited resources
 -- " based on prudent management by the Board of Tourism, prudent management by the hoteliers, and prudent management in the Ministry of Tourism.

Sir, we have to maintain a flexible policy in relation to airlift. It is a problem, Sir, of great magnitude. Also, our ability to shift in response to change in market. In other words, Sir, we need to be equipoised to make important decisions when we find that we have some calamity on our hands. That is how it is with the tourism industry, Sir. It is ' nothing laid down that is going to work forever and forever. So it is not a matter of luck as other people misguidedly say. It is not a matter of luck at all.

We are also looking at the sports tourism fusion, the Prime Minister's brainchild. I am sorry that the Honourable Member for St. Thomas is not here. He would get up on a ' point of order and tell me that I know he thought about it.
 ^Yes, he thought about it but we implemented it, Sir. That is a fact. Tourism complemented by sports and not in

competition with, Sir, is the position. We are doing that, Sir, to make sure that we are having our long stay sportsmen come in with hockey festivals, cricket festivals and in turn, Sir, bring in their families and friends.

The future - in the future, Sir, we shall not be looking for dramatic growth but rather to steady and sustainable growth. That is our position. We are not seeing our tourism in mere quantitative terms, Sir, but in qualitative terms. That is the position, Sir. Hence, we will pursue the fundamental issues I alluded to during the Estimates Debate. Do you remember, Sir, my 19 point plan? Of course, you do. All proud Barbadians do. We will continue to arrest the seasonality problem and so sustaining all year round tourism. That is our goal, Sir. We will strengthen the competitive edge in the non-traditional markets in Europe, United States of America, and in Canada. Simple, Sir. We will be attracting new scheduled carriers, increasing business by existing carriers, Sir, and negotiating new charter programmes. That is what we will be doing, Sir. We will be creating a good mix and balance between different types of visitors. Let me explain that, Sir. In other words, Sir, we will be catering for the discriminating taste of our guests. You cannot have it better than that, Sir. That is why you see, Sir, in 135 hotels in Barbados, some very luxurious, luxurious, middle range, and some very small, Sir, we can say that we have a good mix. It grieves me, Sir, and even though I do not attempt to devalue anyone by valuing myself, I wish to say that I am diametrically opposed to any hotelier who walks about and say, Sir, that we are encouraging rubbish to this country. That is what was said. Anyone having the audacity, temerity, and unmitigated gall to suggest, Sir, that the people that we have attracted to come to this country are rubbish, I think it is sad. I had to rush to the newspaper, Sir, of the TIMES not the news of the world....

Asides.

Hon. W. W. HALL: That was said right here at an NDP meeting.

Mr. SPEAKER: Order please.

Hon. W. W. HALL: I am saying, Sir, that the TIMES Newspaper interviewed me, a prestigious newspaper, and I had to explain to them that that is not true. People came here and were very upset that someone could be calling them rubbish. It is not good, Sir. I do not think that that is right. I believe, Sir, that we have to go ahead with enhancing various modes of the tourism development. We have to look at cultural tourism, folk festivals, historic buildings. Paul Foster is now speaking about it in today's newspaper, Sir. I think this is very important. Help tourism with maturing guests. The demographic profile of the elderly suggests that they are living longer. Therefore, Sir, we are looking at this.

They are asking what is the policy of the Democratic Labour Party, Sir, and I am just telling them. It has not changed very much in terms of what we are doing. We are going straight down into the 21st century with this position, Sir, and that is it.

Sir, Youth Tourism. We are attracting the young travellers especially in sports and educational exchange. These are some of the things we are doing. We want to maintain the sectoral linkages in horticulture, health, environment, trade, international transport^ ground transportation, law and order. We are cognizant also of the fact that any hurricane, Sir, can find Barbados. We are also aware of the fact, Sir, that the oil slick off Alaska is not confined only to their shores. We need to take the environmental decisions, Sir, which will make sure that such a catastrophe will not befall Barbados and even if it does, Sir, we are prepared for such an eventuality heaven forbids. That is our position. 9.15p.m.

What are we doing then, Sir? What are we going to continue to do? Let me say something about France. They wonder what Ministers do when they go overseas. That was said on a platform the other night. What does the Minister of Tourism do? Last year we went to France and when we spoke to the President and Vice President of Air France they wanted to come to Barbados but they were giving us a *quid pro quo*. They wanted to know what would happen out of Martinique and St. Lucia and places like that. This year, Sir, having returned there, they were very impressed with us and I can now say for the first time - I have never said this before - we will be having direct service this winter, 1990, out of France.

Mr. SPEAKER: One minute more.

Hon. W. W. HALL: Oh no, Sir. We also went to Milan, and I am now going to tell you that we are going to have a new charter for the winter of 1990 and the summer of 1991 purely up market, 288 persons per week using, hotels like Sandy Lane. Imagine this in the summer, Sir, and indeed the winter. Scandinavia, Sir, charters will be maintained during the winter. Two charter companies have introduced a summer programme for the first time. Finland, we have never had them from there, Sir, and as of November this year, I am saying to you and to everyone under the sound of my voice, that fortnightly 345 seats will be coming from November 1. That is what we are doing. Talk about being equipoised to make an important decision? That is what we are doing. Zurich, Sir, new traffic out of this non-traditional area and other European areas. We are also establishing agencies, such is the nature of our work, that we need to establish agencies.

I only need to say, Sir, that in the United Kingdom some of the areas that we have been to, like Manchester and the London area, traffic has fallen off, but that shortfall will

be made up with new areas, like Presswick and Newcastle, and also in Wales. We are going to Cardiff. They will be coming with charters out of there. I do not even wish to go into the Canadian market.

I think I have to stop here, but I just wish to say in wrapping up for one minute, Sir, that while all this is happening we in Barbados must be aware. In the West ^ Indies we have to look at the reunification of Germany, we have to look at the European Common Market in 1992, we have to look at the return of Hong Kong to the Chinese in 1997, the democratisation of the Soviet Bloc with statues of Lenin and Stalin coming down. We have to look at Iran returning the American hostages and we have to look at the fact that although the Berlin wall is now down, all walls of Jericho in Barbados are still remaining. Let the hatred, the bigotry, let all the resentment that we see exhibited in this country disappear and let the Prime Minister's words give meaning to what is the epitome of good life in Barbados. ~^v Join the Prime Minister of Barbados and his Government in building a new society.

Thank you very much, Sir.

Dr. E. A. SIMMONS: Mr. Speaker, in supporting the Financial Statement and Budgetary Proposals as given yesterday by the Right Honourable Prime Minister and _ Minister of Finance, I want to compliment him on the mastery with which he presented his Budget and Financial Statement. I think those of us watching, and these are the comments I got from people who watched, it was clear that here was a master in control of his situation, with a presentation with which he was quite happy, and a presentation even more so that the people of this country could understand.

We have in this country something I like to refer to as the mystique of professionalism, where certain professional -^ people because they know certain jargon will use that t jargon to keep people in darkness. The great professors have a saying that when the student does not understand the teacher, then the teacher does not understand what he is saying. Sometimes we use the professional mystique to blind the people's eyes. What happened yesterday the people of Barbados understood exactly what was happening, and that is why the Financial Statement and Budgetary Proposals which were given yesterday were overwhelmingly supported by the masses of people in this _=> country.

Mr. Speaker, I understand that on a radio programme last night, or yesterday afternoon, someone commented that there was nothing in the Financial Statement and Budgetary Proposals for the masses of people of this country. Let me say that in a Budget where there was no taxation, the old -t age pensioners had their piece, the welfare recipients, including over 7 000 people, were taken care of, thC^ disabled, totalling over 3.000 people, were also taken care

of, the manufacturers of pharmaceutical products, a very important area to this country, where Barbados produces free medicines for a large percentage of people in this country, when you remove the consumption taxes on the raw materials coming into this country where the benefits will go to the masses of people in this country, you must see a reduction in the cost of medicines in this country.

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The professional photographers were taken care of. Let me say something about this Budget. The economists and the gurus feel that if you are presenting a Budget and you do not give a lot of figures that will confuse people, it is not a Budget. As the Honourable Member for Christ Church East Central said, a Budget is as much a statement of the financial forecast for a country as it is for the social forecast or a political statement.

Aside.

Mr. SPEAKER: I am going to ask that no interruptions be made during a Member's speech.

Dr. E. A. SIMMONS: This Budget is much more far-reaching than most people recognise at first sight, because it addresses some very fundamental social problems in this country, social problems with educational implications. One - such area is the consumption taxes being removed from audio-visual training materials. That goes directly to the educational system of this country. It makes provision for the access of more audio-visual aids in the preparation of the children of today for the world of tomorrow. That is a very fundamental social piece of legislation. Of course, the people in agriculture and fisheries had theirs, the people in manufacturing had theirs, the soft drink industry also had theirs, but I think the most fundamental part of this Budget has to do with the consumption taxes that were moved from the computers and software coming into this country.

^ 9.25p.m.

Mr. Speaker, I want to say that of the over 160 independent countries in this world, Barbados is among one of the 15 smallest countries of those 160 independent countries, but we should not let that deter us from the fact that we must prepare this country and the young people of this country for the 21st century. If we are to look at some other small countries, Japan, Singapore, Korea, these are also small countries with limited natural resources, but they f- are in today's world economic giants, and they are economic giants because they made fundamental decisions years ago.

What this piece of legislation has done with respect to computers and software is that it will make computers and software available to the young people of this country, and ~r the world of tomorrow and the world of today even is a computerised world, and if you are not able to be computer "" iterate in the world of tomorrow, you would have been left behind by a long way. This piece of legislation is equivalent

to giving free textbooks in the schools of this country, because that is what the computer and the software are in today's world. So this piece of legislation, never mind they talk about the \$60 million here and the \$40 million there, this piece of legislation will prepare the children of today for the world of the 21st century, and that is why it is so fundamental.

Sir, lots of people have glossed over this budget, because it does not contain a lot of figures, but it goes deeper than superficial figures. I notice that the Members of the Opposition who have spoken have none of them recognised the significant importance of some of the aspects in this budget. But, Mr. Speaker, if we were to take a look at the world in general, the wide world, let us take a quick look at the developed world, what is the situation in the developed world? The economic situation is for all countries, the developed and the developing, a difficult situation. Within the past few weeks there has been a collapse of the stock market in Japan. Japan is easily the strongest economic country in the world, and their stock market is in trouble. In the United Kingdom following the resignation of the Chancellor of the Exchequer, Nigel Lawson, - because the Democratic Labour Party is not the only party who lost a Minister of Finance, the only difference is that when Nigel Lawson resigned he stayed with his party, he showed dedication to his own party; he disagreed with the Prime Minister, but he stayed in the party - the Conservative Party of England imposed a poll tax that caused riots all throughout England. Over 40 000 people rioted because of the imposition of a poll tax.

The point I am making is that Barbados is not the only country that is seeing some difficulty with the economy. This is a global phenomenon. As a matter of fact, in the United States it is significant that when in 1988 the Government-owned Export Import Bank of Japan set up a fund to lend developing countries who were in financial difficulty loans with low interest rates, the Governors of three states from the United States, namely, Arkansas, Louisiana and Mississippi, in 1988 went to Japan and made out a case that these three states were under-developed and they were beneficiaries of billions of US dollars to help their infrastructure. So you have states from the economic giant of the west, the United States, going to Japan. What is very significant about that is that that money was set up for countries like Barbados to help bale us out of any economic difficulty that we may see, but you have developed countries drawing down on those very funds. The point I am making is that as the economies of the world become more endangered, financial resources will become less and less, and that is why prudent management, which the Honourable Prime Minister always speaks about is such a fundamental issue in the economic planning of any country whether it is developing or developed.

As the Honourable Minister of Tourism has said, we have seen what is going on in Eastern Europe. Not even the

Europeans can predict what the changes in Eastern Europe will do especially in light of what is going to happen with the Common Market in Europe in 1992. Not only the developing countries are afraid of 1992; Wales, Scotland, these people have very, very strong reservations about the future of their own economies when 1992 comes, whether it be in 1994 or 1995; but what we know is that 1992 will come; if it will come in 1992 we are not quite sure, so we have to be very careful, Mr. Speaker.

What is the situation in the Caribbean? Barbados has been listed among the more developed countries in the Caribbean, but it is the only one of the more developed countries in the Caribbean whose economy has remained stable, whose dollar has remained stable over the past twenty years. All of the other more developed countries' economies in the Caribbean are in shatters and they have had a series of devaluations. This tells us something about the financial management of the economy of Barbados not only by the Democratic Labour Party but also under the Barbados Labour Party. It is true that we have had some hiccups during the time of the Barbados Labour Party when they went to the IMF in 1981 or 1982 and we are still repaying the loan, but it says a lot for the management of the economy in this country. Now I have heard Opposition speakers from the time I have been in this Honourable Chamber year after year during budget debates get up and talk about the economy collapsing, about devaluation of the dollar, and I think that this year now we are in crisis. This year it is not going to collapse any more, we are now in the throes of recession. Those comments are very interesting, and one would expect these comments from the Opposition. But we have to be a little more objective at times if we are going to be scientific.

We know that the role of the Opposition is to look and say how bad things are, but the question, Mr. Speaker, is what are the international agencies saying about this country. I don't think that the international agencies have any reason to be biased for or against Barbados. In the Financial Statement and Budgetary Proposals, the Honourable Prime Minister has quoted from one source on page 32, in which he said, "In the March 1990 issue of the highly respected Institutional Investor, a leading international financial publication, Barbados is again given the top credit rating in Latin America and indeed ranked at number 46 in the world out of the 112 countries surveyed."

Mr. Speaker, in a report out of the United Nations given by the Economic Commission for Latin America and the Caribbean, Barbados was singled out as the only CARICOM nation whose economy had not staggered or fallen during the year, and they described the 3 per cent growth as significant, because the over-all GDP for the area was 1.1 per cent and Barbados registered a GDP growth of 3.5 per cent. These are the international agencies who have no vested interest in putting forward a case for Barbados, therefore they are objective, so when the Honourable

Members from the Opposition go on their platforms or come into this Honourable Chamber and tell us that the economy is in grave recession, this is not the view of the international agencies who objectively assess the economies in this hemisphere and in the world in general, so we have to be careful when we listen to these sorts of predictions. 9.35 p.m.

But, Mr. Speaker, there have been statements made about squandermania and I think that I have to say something about that because in the constituency which I have the honour to represent, we have been able to see massive improvements. There has been a road works programme in which every road has been surfaced, except, of course, in the areas of Princess Royal Avenue and in another area where we intend to put down gas mains before the roads have been surfaced. I have been given the assurance that within the next month these gas mains will be laid.

Now, it takes money to do this and why I am very pleased as well is because the Honourable Minister of Transport and Works has also seen it possible to improve the lighting system within that area as well.

We are very pleased that in an area which is the biggest housing area in Barbados the Ministry of Community Development through the NCC has been able to beautify several areas within that constituency and the latest area that we have had beautified is the area at Regent Hill where we have created a small park for the senior citizens.

These things cost money but it is money spent on people who cannot provide themselves with the kind of facility that we the Government provide for them because they do not have the money available so I think that when we start talking about the wasting of money, we have to understand that these things are important.

Now, there has been a lot said about the young people in this country about law and order and violence with young people. I have here to say a word about some of the young people in the constituency which I represent because the newspapers and the media are always very quick to point out the wayward people in this community but they are very slow to promote the good organisations in this country.

We have in my area the Pinelands Development Council which is an overall umbrella for sporting facilities, cultural facilities etc. and under the umbrella comes a group called the Pinelands Creative Workshop and only last weekend that Pinelands Creative Workshop in conjunction with the Malik Folk Group of Trinidad and this has great significance because there has been twinning between the culture of Barbados and the culture of Trinidad coming out of the community itself. It was not directed by any Government.

That fusion of the Malik Folk Group and the Pinelands Creative Workshop was able to bring a play to Barbados called "The Wine of Astonishment", a very significant play and statement made in the context of the Caribbean culture which has to do with the rise of the Spiritual Baptist Church in Trinidad, incidentally, a book which is now part of the CXC Examinations in the school. We have been able to bring several people into that area including several tourists to this island.

I make that point because if we are to improve tourism in this country, we have to link tourism to the community. It is important that the tourists who visit our country come into the community and share the experience of living in the villages etc. with the people of this country. That way tourism will have a deeper significance than just coming and lying on the beaches.

Within this group of young people they have been able to start their own thing, not by anybody imposing anything on them and they have been able to do something else that is significant. They have been able to draw hundreds of young children from the age of 5, 6 and 7 years old and rope them into performing groups on stage getting them involved in worthwhile activity. This is their way of getting some of the young people of this country out of the hands of the drug pushers.

It is a very significant statement and this is something that is being done by the people from the area themselves so I want it to be understood that our young people in this country are creative. They are imaginative and, therefore, that is why I can look back and when I see that the Honourable Prime Minister has made computers and software available for the young people of this country who are intelligent and sometimes you know if you are too intelligent your brain takes you in the wrong direction, if you have imaginative and creative areas for our young people to go in, they will be very productive.

Barbadians have been known from the turn of the century to be people with a superior brain. What we have to do for the 21st Century is to harness the brains of the young people of this country and push it into the right direction.

I am convinced that the Financial Statement and Budgetary Proposals of this year presented by the Honourable Prime Minister has captured exactly that.

With those words, Mr. Speaker, I want to give my wholehearted support to this Financial Statement and Budgetary Proposals.

I thank you.

f Mr. D. J. H. THOMPSON: Mr. Speaker, this year's budget exercise has been lauded in most quarters, if not all, in the Barbadian society as being judicious, wise,

perceptive and politically astute. Of course, there have been some ribald and unsophisticated criticisms most of which took place last night on a popular radio station by persons who, perhaps, should know better. Then, of course, there have been criticisms this evening most of which are unfounded and which consumed our time from 3 o'clock. 9.45p.m.

It is a bit unfortunate that the Honourable Member for St. Peter is not in his seat at this time but if there is one reputation that he has developed over time, it is the reputation of looking for trouble, finding it whether it exists or not, diagnosing it incorrectly and prescribing the wrong remedy. This has been characteristic of perhaps all of the responses that he has given to the Budgetary presentations so far. At one time I almost fell off my chair as I heard that the Barbados Labour Party was about to present alternatives.

When I remember that the Honourable Member for St. Thomas indicated very clearly some time ago that those proposals were safely locked away and I did not think it would be profitous tonight to unlock them and unleash them on the public because somebody ever lost the key like they have lost buses and other things before in the political history of the Labour Party. We would never hear those plans' and we would never know about the future of Barbados under the Labour Party.

Sir, regarding the criticism that commenced at three o'clock, there is only one lesson to be learnt from these kinds of masinations by some politicians and that is that if they deceive you once, shame on them and if they deceive you twice, shame on you.

The objectives of this Budget have been clearly outlined in the course of the Prime Minister's address, firstly to increase output in the economy, to provide jobs to keep the cost of living down and to maintain a sound external sector. These are laudable objectives and I do not think that anybody has sought to dispute the objectives at all. They are not objectives with which any Member of the Opposition could find any fault this evening.

Our aim in the Democratic Labour Party, Sir, is the development of people. Michael Manley who still says brilliant things from time to time said that the capacity of a society to define worthwhile objectives for itself and then to realize these objectives is his concept of development.

Sir, in this Budget we have clear goals and our next step is to work towards the realization of these goals. But before we do that, Sir, perhaps we should ask ourselves whether we have realized these goals in the past. So let us look very closely at the year 1989. Overall growth is higher than the average for the decade. Tourism growth is above average and the Minister of Tourism asked me to give him about thirty seconds of my time to say, in addition to all

that he has said, that even though they will talk about the collapse of Odyssey Charters this week that only today he received news that negotiations with Adventure Tours out of Canada will bring 238 passengers weekly from November. So that will solve some of the difficulty that people seem to anticipate regarding winter tourism. So there has been growth above average in the tourism sector.

In manufacturing, growth has been a direct result of last year's Budgetary Proposals at 5.4%. In construction, growth by 8.1%, 4 180 houses completed and in the service sector there has been considerable growth. It is true that there has been a decline in agriculture and perhaps we will have a long debate about that. But investment has been at an unprecedented high and unemployment has not only been contained by this Democratic Labour Party Administration but in fact in the last year had been reduced by under two percentage points.

These are significant achievements in relation to the goal that we set for ourselves in the past two Budgets. But a common and recurring feature in relation to our achievements is that some of the positive developments in one area can lead to negative developments in another area. This has been so historically in economies like ours. Sir, a point of historical significance might demonstrate this unbalanced development graphically.

The emphasis of nationalist Governments in the 1960s and 1970s pursuing industrialization and the Arthur Lewis model led to considerable neglect in the agricultural sector. Today we do not reap the difficulties that we are reaping in the agricultural sector because of any policies that we are presently pursuing and it would be folly of anybody to suggest that we are reaping the rewards of past neglect and it is time therefore that we look at agriculture in terms of long-term solutions.

The almost intractable bias towards tourism in this decade has also caused some unbalanced growth in relation to some of the other sectors of the economy. What we have been able to achieve is balancing the allocation of resources and balanced growth in our economy. This also has not been disputed so far and I doubt anybody would wish to dispute it. So that by the end of 1989 and for the past few years, apart from paying for the fiscal excesses of 1986, not to mention the errors, our foreign exchange position became somewhat precarious, Sir, and uncertain.

Obviously, in the public domain, because of the imposition of credit restrictions, people become considerably concerned about their future and therefore the Government has of necessity to reassure them that all that is necessary is to tighten the resource allocation in relation to foreign exchange and this is precisely what occurred. The credit restrictions as they are called or the foreign exchange conservation measures, whatever you wish to call them, were phased in over time and that was a conscious policy

by the Democratic Labour Party to avoid any kind of panic or unnecessary hardship on sectors of the economy which would suffer most if they were implemented altogether. As I understand it from the presentation today, those restrictions will be phased out over time, all other things being equal.

Sir, the solutions to foreign exchange "problems in economies like ours and in the Barbados' economy cannot be solved in the short term and I do not think that this Government has ever promised to solve these kinds of problems in the short term. The question of earning foreign exchange requires long-term planning, requires medium term solutions as well but requires us to sit down together in each of the sectors that concern foreign exchange and have considerable discussions. The Honourable Member for St. Peter did point out that some of the foreign exchange difficulties are structural in nature. The balance of payments situation relates to structural difficulty.

The aim of this Government is to achieve balanced growth in the productive sector and this to me seems to be the direct object of the Prime Minister's Budget on this occasion. But with a reasonable bias towards the sectors that can earn foreign exchange through the export of goods and services which have a high foreign exchange value which seems to be the aim. So in that regard, this Budget emphasises some very important things, the question of local investment, the attraction of foreign investment, not only by financial measures but in relation to providing personnel to assist in attracting this foreign investment, tax cuts for foreign exchange earning businesses, development analyses for the agricultural sector, the removal of duty and tax on computers.

Sir, we all know that the computer is going to be an integral part of the development of the service sector. It has been a common rallying cry of the Leader of the Opposition to tell us that the service sector will be the most important sector in relation to development. Those persons who understand the development of the service sector would understand equally that computers will form a central part, computer literacy and technology in relation to the computer and use of the computer by workers in data processing, in education, in all kinds of areas is going to be critical to the development of the service sector.

So that there should be no trivialising of such an important step as that which the Government took in the Budget this year in relation to the removal of duty and tax on computers. I think that it is a laudable effort.

In relation to the agricultural sector, I am disappointed at the response that I heard on the radio and the response of the persons who are involved in the administration of the sugar industry in Barbados. 9.55 p.m.

In this Budget, Sir, we send out a signal for major reform in the sugar industry and all that the farmers in the industry are able to deal with is the question of price support. We have set out very clearly in this Budget the way in which we plan to revitalize the sugar industry both through a developmental plan and a commercial plan. The costing of it has been done in a broad way and all of the detailed proposals are set out in this Budget. Sir, the only way in which this can be treated by persons in the sugar industry is the scant remarks, no analysis, and criticism. In the private sector and, of course, I would say some neanderthal thinkers, we are hearing calls now for privatization because of inefficiency in the public sector. In other words, persons in the private sector are saying that we need to privatize many of Government's corporations particularly the commercial ones that are losing money. Here the Government itself is making suggestions and coming to the aid of private sector sugar industry, suggesting to them that they need to upgrade their plant. They need to mechanize. They need to train. They need to increase efficiency. Basically, as far as I can see, their attitude is to turn their back on the Government and their priority at this time is price support. In other words, their approach to their own development is now for now planning and they have no regard for the future of the sugar industry. Surely, Sir, the answer must lie somewhere between not only the price support in the short term, but also in looking at the sugar industry from a wider perspective to see if we can reach solutions. I believe that this Government has demonstrated by its commitment to the rural sector to development of tenantry roads and all kinds of other physical infrastructure and by trying to increase the involvement of the rural population in development that we have demonstrated that we are interested in assuring that persons who are practicing agriculture are given a better standard of living. Therefore, it is incumbent upon those who are administering sectors of agriculture to pull their weight as well.

Now Sir, all of the proposals are predicated on continued growth in the performing sectors particularly tourism. This to some people might seem ambitious, but based on what the Minister of Tourism has indicated to us today, Sir, it is not at all unrealistic. It is pretty clear that the concessions are still in place in respect of the tourist industry, that there is considerable work going on to attract tourists to Barbados at all levels, and that the tourist sector will grow and we can depend on it to provide some kind of stable foreign exchange earnings for Barbados while we try to pull around some of the other sectors.

So that, Sir, these Budgetary measures identify part of the capacity to realize these development objectives as set out in the Budget and the other part depends on our citizens, households, private sector, and on the country's political will. As I understand it in the preparation of this Budget, -<Jie Prime Minister met with a large number of businessmen ~"and many of them put forward their proposals and their

ideas in relation to Budgetary measures that could be put in place. This Budget, therefore, incorporates many of their own ideas. Therefore, Sir, it would be purile for people to criticize the Budget particularly those from the private sector and say that it lacks imagination. I heard, I think it was last night, one particular businessman saying that it lacks imagination. Well, Sir, if it lacks imagination, then it must mean that the private sector lacks imagination although I suppose there are some who would tell me that that is the understatement of the year in Barbados. The point is that they have made their input and we have responded. Therefore, if you criticize your own input, it means that you are criticizing yourself and your own ability to be creative and to think of Barbados, and your own ability to plan for your own development. Therefore, it is a criticism of the private sector itself by the private sector.

There was another criticism from a businessman that there is nothing in it to catch you. Now Sir, that criticism in itself unless it is only a political statement would give credence to the view expressed by persons outside of this House that the best brains are not in the board rooms. Because I cannot imagine that all that a Budget is required to do to the satisfaction is to catch peoples' eye. If we have put in concessions over a period of time and these concessions are working, it does not mean that every time you have a Budget you have to add concessions. It does not mean that every time you have a Budget that you have to levy additional taxation. If you are satisfied with the pace at which things are going and you feel that those measures would take a longer period of time to turn around the sectors that you are interested in developing and improving, then there is no need to disrupt the orderly pace simply for the purposes of trying to purchase an election or to carry out some other kind of economic shannanigans which we have been too accustomed to overtime in Barbados. So for a businessman to say that it does not catch the eye, what he is really obviously thinking of is the political component of a Budget and not its implications in relation to the development of citizens in Barbados overtime.

In addition to that, Sir, this Budget has raised one broader issue that I believe some of us have addressed but needs to be addressed now and that relates to the question of what is the role of Government. The most common criticism that we are hearing now is: (a) Government is taking too much from the people by way of taxes and (b) Government is spending too much.

Now Sir, I do not want anyone to accept my advice on this I do not want you to take the advice of the former Central Bank Governor who shares this view, because he spent as much in one building as it would cost to run the Ministry of Trade, Ministry of Transport and Works, Ministry of Housing, and at least one-third the cost of reclassification for this year alone on one building. So his advice cannot be accepted. I do not ask you to take the advice of the Barbados Labour Party on this nor their

former Prime Minister because overtime they were able to run up with the CMCF, Caribbean Multilateral Clearing Facility, over \$110 million in debt which forms part of our responsibility and has placed us in a precarious position today in relation to the external sector. So we will not take their advice. Let us take the advice of a prominent supply sider, Mr. David Stockman, who was the former Budget Director of the Reagan Revolution and Supply-side Theory under the doctrine of less government in the United States of America. He wrote a book called the "Triumph of Politics" and the book in itself speaks to the issue, and those who are wise enough to understand what he means by that will understand why politics must triumph and the wide awakening that the Honourable Member for St. Thomas exposed us to by having a chance to read this book. I took your advice and I say so with much gratitude without matching the crease on this occasion and I read it. I marked the relevant pieces because I said to myself after reading it if that experiment did not work in the United States of America which is less affected by external shocks and other things, how could it work here? I am only asking a simple question. He says this: "He came to an awakening and he wrote it down". He did not run away. He sat down and wrote a book that the rest of the world could understand the foolishness that was being torted by Laffer and others in relation to the supply-side theory. I quote: "The triumph welfare state principle means that economic governance must consist of a fundamental tradeoff between capitalist prosperity and social security." He says referring to America: "As a nation, we have chosen to have less of the former, meaning less capital prosperity in order to have more of the latter meaning more social security." 10.05 p.m.

Now, this is the United States of America, the doyen of capitalist professionals, if you were to reduce it to a description of a human being who is professional. This also is part of our theory of social democracy. If he said on the basis of private cash income alone, if you took the private cash income of the average American, 55 million Americans would be below the poverty line on the basis of, their own cash resources. He said by paying social security benefits about 30 million Americans are saved from poverty.

Now I want people to reflect on these kinds of things. Here is a man who has had a chance to see the American system work and I do not pay any additional attention to the American system than I would pay to any other, but I think it provides a very telling example that historically when people reflect on the attempts that were tried in Barbados they will understand perhaps the folly of it at the right time.

He said that the American welfare state fulfilled some of its promises, and that is the United States of America for comparison. In Barbados we have social services of high quality. There is no doubt about that. We also have to understand that we have these social services at the expense

of dynamic and unbridled capitalism. That is the trade off, and no one can doubt this either, so there is nobody who can come and fool me that you can have a high level of welfare benefits and social security benefits and at the same time have unbridled capitalism.

There is one businessman who writes in the paper every Sunday about the small man that would honestly want you to believe that you can have the two existing at the same time, and there are some politicians who before him touted this kind of thing, perhaps in the wrong forum. Well, they are not in that forum now. This is the way of democratic socialism. We have to know where our priorities lie in relation to the people that we represent. What it means is that Government has to tax the society to pay for the safety net of all Barbadians. We have to tax the society to pay for the basic needs of those who are less fortunate in this society. We have no choice in this, and the Democratic Labour Party would do it no other way, as far' as I am concerned, barring a few aberrations from time to time to which human flesh is always susceptible.

Aside.

Mr. D. J. H. THOMPSON: In 1986 we were a bit susceptible to it, so I have to see it from my perspective ideologically, I have to see it from my perspective as a person in the young generation. I am not apologising. There is no need to apologise if you understand the nature of your ways, whether they are errors or mistakes, and you move on. It is only an idiot who would allow something to continue and destroy a country and not try to pull it back. That is our social responsibility. I also have to see it from the perspective of my constituents who are, in a sense, marginalised as a rural population, essentially working class, if not exclusively working class.

How else would this Government pay for the tenantry road programme which it is executing and has started in every rural constituency? People had the temerity to criticise it and say that should be put on the back burner. How else can we pay for the street lights, the water mains and the other amenities that this Government has undertaken to place in the tenancies throughout Barbados, including my constituency, one at Cliff, St. John finished and more to come shortly? How else can we pay for the new schools? For example, the one at Mount Tabor in St. John. How else could we have paid for the refurbishment of nearly every single school in Barbados over the four years that we have been in office? If we make a commitment to this level of social development, we have to pay for it somehow. How else can we pay for new polyclinics, especially the one to be started in the Glebe, St. John this year? How else could my constituents benefit from balanced development unless we were able to understand where the money is going to come from to pay for these benefits? How else can we pay for the work of the NCC at Bath in St. John and Colleton and at St. John's Church and

elsewhere? They opened Three Houses last Saturday. Nearly every part of Barbados has been beautified for the benefit of Barbadians, and by Sunday there was an excursion at Three Houses, Barbadians were enjoying a day out at Three Houses. I passed there on the way to Bathsheba.

Now I have said this on many occasions and I suppose that people would accuse me of repetition, but I have recognised now that repetition is perhaps elevated as the most effective debating technique for people who do not understand and fail to listen. Let us be reasonable. It is no point talking about Sherbourne only, there will always be debate about the benefit of Capital projects. That has always been the nature of our development and it is perfectly legitimate. But I want to know if we are going to lay off the School Meals workers, the MTW workers, the National Conservation Commission workers and the Transport Board workers. I want to know that. Are we going to do as a National Democratic Party acolyte said on the radio and reduce public sector wages by 30 to 35%? Which means everybody in the public sector in this country would suffer a reduction in wages by between 30 and 35%. Are we going to take that advice? That is the first policy that came to my notice and I understood how full employment was going to be achieved when I heard it. Which means every public servant in this country would have immediately to take a reduction in salary of between 30 and 35%, not 2% or five.

That was the view of a prominent member of the National Democratic Party, in addition to which a call was made to stop compulsory payments by companies to the National Insurance Scheme, and this call has been made by two prominent members of the National Democratic Party. I want you to understand the nature of the beast that we are dealing with today in politics. Which means that maternity benefits would probably come to a halt, all the women in this country who have to go home to have babies and are permitted by virtue of the safety net...

Dr. R. C. HAYNES: Mr. Speaker, on a point of order. I believe that this matter was raised in this House before and I rose and pointed out that those statements being made by the Honourable Member for St. John are totally false. He has made them here before and he has chosen this forum to repeat those statements.

Certain remarks made by Dr. R. C. HAYNES were ordered by Mr. SPEAKER to be expunged from the record.

Mr. D. J. H. THOMPSON: Mr. Speaker, I am fully guided by your ruling and therefore I will continue to make the point that a call had been made. I do not have to provide the information now, I can provide it in due course. I will provide it outside because people are not going to be able to say that I am hiding behind parliamentary privilege.

Aside.

Mr. D. J. H. THOMPSON: That is why I will call it outside, that if I am wrong you can take action in the courts if you want 10.15p.m.

I am not fooling on this issue because I understand the nature of the beast. There has been a call for a ceasing of compulsory payments by businesses under the national insurance scheme. I have seen it in the Advocate on several occasions by a prominent member of the NDP and I have heard it on Voice of Barbados on a call-in programme in which the person was a guest. which means ...

Mr. R. P. BYER: On a point of order, Mr. Speaker, no member of the National Democratic Party has ever alluded to anything that the Member has just spoken to.

Mr. SPEAKER: May I remind the Honourable Member that there is no rule to prohibit a Member from speaking on a party, a group or any group of people. If that member is justified or substantiates his position as a member of that party, and in this Chamber that Member is aggrieved by that particular statement, then he can raise the question as to whether he is the Member to which the Honourable Member alludes.

Mr. D. J. H. THOMPSON: Mr. Speaker, if it were not true they would not have anything to worry about. It is only because it is true that there have been so many occasions on which they have had to get up and deny it, and I am not going to provide the information now. Documents were thrown around in here earlier and I was not allowed the benefit of seeing them, and I am going to extend the same courtesies to you that you extended to me. It means that maternity benefits would cease, that disability payments to persons who are disabled would cease, that contributory pensions would be wiped out, and that unemployment benefits would also be wiped out. Now I have therefore understood very clearly the position and direction from which a particular political party is coming when they can promise this country things like full employment.

I am therefore prepared to say as I have said publicly before that if we have to err or be wrong, we have to be wrong on the side of spending for the benefit of citizens, if not we will not be able to maintain our standard of living in Barbados, certainly not at the level at which we are maintaining it now, and my generation, Sir, would not want to commit the same errors of the past, because we would like a brighter future, and we want more Barbadians to be involved in decision making; call it what you will, consensus Government, whatever approaches you wish to use, more Barbadians are today involved in decision making and this budget is the result of some of that decision making. We want to give those less well off in this country a better chance, and we want an advanced social and

economic democracy built of creative collective decisions, and I believe that this budget conforms to all of those criteria and that at the end of the day, the Democratic Labour Party as a result of this budget particularly in the agricultural sector will be vindicated for the position it has presently taken, and the people of Barbados will reap rich rewards from the Democratic Labour Party's economic programme to bring an end to the decade of the Eighties and to embark and commence upon the decade of the Nineties and right through to the 21st century. Thank you.

Mr. E. BOURNE: Mr. Speaker, I have listened as is my custom very attentively to the Budgetary Proposals presented by the Rt. Honourable Prime Minister and Minister of Finance. The backbone of our economy is agriculture, and we are a community of agrarian shareholders fortified by custom. Sir, this is another of those times when I was subjected to two hours and one minute with a two minute promise of the type of surgery deemed necessary to rehabilitate agriculture and fisheries which are the dying people of this economy. Most of these promises, Sir, were made some four years ago on the deck of a ship called the Democratic Labour Party Manifesto, but today I am still hearing the same promises. All this is telling me is that the Prime Minister is failing in his duty and that he should tell his Minister of Agriculture to put his hand to the plough now.

Ever since my return to this country I have been trying without success to enlighten the Democratic Labour Party of the economic significance of a properly structured diversified agriculture with emphasis on root crops, including cassava, pigeon peas and okras. You may recall, Sir, that in the no-confidence motion against the Minister of Agriculture, in his reply he stated that trials for okras for export were not encouraging and that is the reason much has not been done about this commodity.

Sir, I have reiterated on several occasions that frozen okras grown and packaged in Costa Rica and Guatemala were selling like hot cakes in Canada and that I for twelve years was a regular consumer of such produce. I am not much of a cook, Sir, so I had to rely on the foods I could manage to cook easily, and my idea of cooking is that when something can be masticated by your teeth after being under heat, it is cooked.

Sir, to prove my point, Sir, and to prove that I am not making sport and I am on a serious note, I shall now submit to this Honourable Chamber a package of packed okras for the benefit of all to see and inspect and for the Minister of Agriculture, the Prime Minister and his host to take away if necessary and analyse in order that their technocrats can find out where they are going wrong. This package of okras, Sir, is from Guatemala, frozen whole okras, product of Guatemala. They smell fresh like okras. Sir, they look like our okras, and I believe they will eat like okras. This is from Canada. So the idea of telling me that trials were

carried on okras and they were not satisfactory means that the Minister of Agriculture was just bamboozling me and this Honourable House. I don't believe that any trials were really carried out on okras in the first place.

It is time that our farmers get into the external market and bring in the necessary foreign exchange. We have been subjected to too much talk for too long. I buy okras from a small farmer in my constituency at the price of \$1.00 per pound and he has okras abegging. 10.25 p.m.

I have always said that Christ Church, St. Philip and St. Lucy could be the okra producing parishes of this country and it is time that we move on with agriculture.

If we are serious about employment, we could put to work many people in agriculture and this is one of the areas which when we take over the reins with me at the helm of agriculture, I will be employing the able-bodied, the feeble-bodied, the weak-minded, the alert, the halt, the main and the blind, all in agriculture.

What is necessary, Sir, is an impressive expansion of trade, an expansion of agriculture, an expansion of tourism, an expansion of manufacturing and an expansion of shipping. We should no longer be on the defensive. We should be entering on a phase of economic expansion which should grow for the next 200 years. I do not look at 5 years, 10 years and 2 years, I look far ahead, 200 years.

For centuries, Sir, we were to tap the wealth, not of an inland lake, but it was the wealth of an ocean. We were in a position of unchallenged pre-eminence almost unique in West Indian history. The long sea roads which ran east and west began and ended at Bridgetown. Now, Sir, this is all gone to St. Lucia because of incompetence and inefficiency.

Sir, I will now turn my attention to fisheries. It to me that mankind hates its own prosperity and it is even worse when a representative of the people, especially a Minister of the Crown, hates the prosperity of the people he represents.

At the moment, we have inadequate subsidies for the fishing industry, \$300 per boat a year. So; we will be faced with a situation of fish being dumped on us which will result in falling prices, fishermen forsaking the sea and boat owners in financial difficulties. We have official reports which pile up and up but change nothing.

Now that things are getting really bad, the Minister comes, he tests the temperature of the industry, makes a few ridiculous speeches and then runs off hot foot to his Ministry to hide from his problems. As our fishermen watch subsidies flowing in the direction of agriculture, manufacturing and industry, they dream of the day when it might be their turn for the same treatment.

Can you imagine the Minister of Agriculture, accompanied by the Honourable Attorney General, going down to Trinidad with cap in hand to negotiate a fishing treaty for Barbados and in the end sold us out lock, stock and barrel? I felt that when the Attorney General....

Hon. M. A. KING: Sir, On a point of order.

I take serious objection to the Honourable Member saying that the Honourable Minister of Agriculture and I sold out Barbados. That is improper and I ask the Honourable Member to withdraw it.

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

Mr. E. BOURNE: I will withdraw that, Sir but I will rephrase it. They went down to Trinidad and we with all our education and all our expertise came back almost empty-handed with the Trinidadians having the better of the game.

I thought when the Honourable Attorney General was on the team that we had a real heavyweight but Monday's "Advocate" on April 30 reported that the Minister of Agriculture stated "You could imagine this, Sir, what utter disdain for the people he is representing." This is what is said "whether the fishermen in Barbados or Tobago like it or not, the agreement will be signed."

That is contemptuous, Sir. What he is really saying is I do not care about any barefoot fishermen. That is what he has been saying and this kind of behaviour is not good enough. I cannot accept that kind of behaviour.

Sir, could you imagine, this is the agreement now. We have 85 deep sea fishing boats. The agreement states that 40 of these boats would be given licences to fish in Tobago but only 13 could fish at any given time. Now, let me explain this to you. I have worked this thing out very carefully and this is at a fee of US\$800 for 6 months of the year, January to June, 26 weeks.

Now, Sir, this is tantamount to a licence of only 13 boats and not 40 boats and I will explain it. From January to June is 26 weeks and if a boat takes a week for a trip with all things being equal only 26 boats could go a year so you would be paying U.S. \$800 for one trip. What happens to the other 14 boats who would have paid their \$800?

On the other hand, Sir, suppose things change with a little smile from the Almighty, and you were able to make the trip in five days, it would mean then that 36 boats would be able to go for the year, one trip.

I want to know if the Minister believes that you catch fish like you pick dunks. There are days when you would go out to sea and you would not even see one fish Tobago *or no Tobago. This is a fact of the fishing life and you

should never go down there and accept a treaty like that. You should have come back to us and say, no treaty and no BWIA is coming to Barbados either. You have to play tough sometimes.

I remember the Honourable Attorney General saying that I believe in bush justice when I brought the No-Confidence Motion but a few weeks after, a prominent member of this country was addressing, I think it was the Manufacturers Association, and he was saying that it is time we get tough with Trinidad and let it be tic for tac but nothing was said about this person. He did not believe in bush justice but me, little me from Christ Church East, is the man who would believe in bush justice.

The Minister once told me that he was going to carry out an inventory to the fishing stock. 10.35 p.m.

It is over a year ago and I think it is time that he should be in a position to tell me how many he dolphins there are left out at sea. I am very serious and when it comes to fishing and agriculture, I get very serious because it is part of me. I will not accept any playing around. Who is going to monitor these forty boats? Are they going to stand in single file and somebody come out and call the names and numbers and they say, aye, aye, Sir? I would like to know out of these forty boats who will get priority, the St. Philip boats first, the Christ Church boats or the Bridgetown boats?

Aside.

Mr. E. BOURNE: They forgot St. Peter and St. George and those places. I am saying that we have wasted a lot of time in going down to Trinidad to come back to this type of agreement. It is useless.

I am saying to our Minister of Agriculture, do not waste time signing that kind of agreement. Our fishermen and the Tabagonians have rejected it and all that needs to be done is to throw it into the wastepaper basket. The sea would not even accept that.

I would like to say a little about employment. There is seventy-five per cent of the youth in my constituency who are unemployed.

Aside.

Mr. E. BOURNE: Yes, seventy-five percent. I pass day in and day out and they shout me and say, "skipper we want some work, when are you going to get some?" I hope that in a hurry some work is found for some of the people in my constituency. There are the people who are made to wait for a long time with the expectation that they will go up to Canada. They are still waiting to hear whether they will go or whether they will not go. These citizens are

taxpayers too. Fuel has gone up, gasoline has gone up, diesel has gone up and it is going to send up prices in the supermarket whether the gentlemen on the other side like it or not because there is no cartage man who is going to cart for you at the same price as long as he will be paying increased fuel. I want that to be understood.

The Prime Minister yesterday talked about unleaded gasoline and I want to give him a little professional advice about unleaded gasoline and the environment. I would be happier if he had said that he is going to unleaded gasoline for the environment because, let me point out to you, Sir, that the reason unleaded gasoline came about was merely to protect the environment and not for the vehicle. The vehicles were very heavy polluters as you would know, Sir, and these leaded gasoline engines were modified in order to help with the pollution. I would hope that you would change your idea about the type of car coming into the country.

I would like to draw your attention, Sir, since you are the Minister of Energy, Mr. Prime Minister that Mobil is importing into this country high sulphur fuel oil from Venezuela. I remember some time ago, they were very critical of our crude saying that it was almost worthless because of the high sulphur content.

I would like to know, Sir, if our crude is worthless because of high sulphur, why is it that high sulphur is being imported from another country? How long are we going to allow people to take us for a ride? It is time that these free rides stop. I am really dissatisfied with the goings on in this country, especially by some people and some international companies.

You talked, Sir, about a caring Government. You are a caring Government, you care for the aged, you care for the young, you care for the underprivileged. But I am not going to make this a document of the House, a real document. This is a picture of the old in my constituency. This house should have been repaired twenty-three months ago. It was* not in this condition then but negligence - I would not entirely blame the Minister for that - of the people who work for him who have allowed these things to happen. I have been complaining time and again that you people should really get up and move around some people or get them to do the country's business. This is most distasteful and I would hope that this be looked into immediately. I will make this a document of the house.

I was very upset driving around one day listening to my radio, by chance because it is something I do not usually do, the radio in the car, and I was hearing the Chief Technical Officer or someone in the Ministry of Transport trying to say that I have been wrongly claiming that work has not been done in my constituency. All I had said is that had asked for ten wells to be dug and only two of the

wells were dug. The statement read that thirty-three wells were dug and almost all the drainage was complete.

This will be another document, Sir. Upper Bourne's Land, not the Minister's fault, it is the fault of the people he has working for him. This is a well. I am sure, Sir. I saw the MTW staff around it. I am not sure whether they worked on it, but this picture was taken on Tuesday at 2.30 p.m. after 1^h the rain. The residents called me and this picture was taken at 2.30 p.m. You know, I can swim, so I was not afraid. These are the types of things that we get in this country where workers will try to mislead Ministers because in most cases, they do not have the time to go around. What hurt me was that there was not only a report almost every hour on the radio but there was a big article in the newspaper purporting to show that all this work was done. I will make this also, Sir, a document of the House.

Mr. SPEAKER: I should like to suggest to the^h Honourable Member that there is no need to make it a document of the House. If he wants to leave it in the Chamber, he may do so. But it could be considered a private document and only public documents are normally accepted.

Mr. E. BOURNE: Sir, the Prime Minister spoke of a no taxes Budget. I think what he meant, Sir, is that this is a Budget where he w^hl not impose additional taxes on the populace. But I am afraid when I hear things like these, no taxes Budget, it makes me wonder whether there is an election around the corner or not. Like the old saying, you must beware of Greeks bringing gifts, and 1986 comes to mind. 10.45 p.m.

People were promised \$15,000. They were promised all kinds of things in the Manifesto and a year or so after these things were changed around. A surcharge was brought ^h in to take back some of the \$15,000. I hope that the people of this country are not just looking on with their minds closed. I hope that they will remember what has happened in the past.

Asides.

Mr. E. BOURNE: Well naturally, the NDP will be the party to support. What I do not understand, Sir....

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, on a point of elucidation.

Mr. SPEAKER: The Honourable Member need not have given way but you gave way.

Rt. Hon. L. E. SANDIFORD: Yes, that is very -< obvious, Sir. I am not sure what he is complaining about on __ this particular matter. I said quite clearly in my Financial Statement and Budgetary Proposals that those proposals

would raise no new taxes and I repeated it. It is a Budget that is free of the imposition of any new taxes. What the Honourable Member is saying is that I should have said exactly what I said and then proceeds to build a case on what I am supposed not to have said. So Mr. Speaker, I think the Honourable Member does not quite understand that what he said that I said or did not say is what he is now putting into my mouth. I do not think that the Honourable Member really understood. He is actually misquoting what I said.

Mr. E. BOURNE: But Mr. Speaker, I will go back to my fishy business. I would like to know what kinds of deals the Minister has really made in Trinidad? There seems to me, Sir, that wherever the Minister goes we hear of some kind of deal. We hear of a cotton deal. We hear of a peanut deal. Now this is a fish deal. I understand that there was supposed to be a carrot deal included with the fish deal. I would like to know whether the Minister is a 21 player, 31 player, or Rummy player because he is always dealing. It seems as though he is always dealing.

With the increase of diesel fuel, it is going to present some hard times for the fishing industry. It is true that there is a concession for duty free engine parts for boats. But what I would like to see, Sir, is a concession for fishing equipment. You need the equipment almost everyday. Nothing is done in this area. It is said that the Prime Minister had conversations and discussions with members of the business community. I would want to know why he did not have discussions with members of the fishing community. These people have been hard pressed for too long and I do not think that it is too late, Sir. You could make some additional changes and let the fishing industry....

Mr. SPEAKER: The Honourable Member has one more minute.

Mr. E. BOURNE: ... get a fair share in the economic cake of this country. Natural gas, Sir. The Prime Minister has said that there were 617 new connections. I have been crying out quite often for natural gas connections in my constituency. Two weeks ago one of my constituents was complaining. A constituent from Leadvale wanted to know how is it that the line passes just a half mile away from Leadvale and they have made all kinds of applications and they cannot get natural gas. He would like to know what is the criteria. I want to tell my constituents right here now that the criteria is this. You have an able NDP representative. Think about him forever and forget the Democratic Labour Party.

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. Philip North.

Hon. W. O. FRANKLIN: Mr. Speaker, Sir, until this evening, I took the Honourable Member for Christ Church East to be a person who tries to be honest in his presentation, who tries to be a person who reacts with integrity and morality as an NDP, and who tries to guide his constituents. He ended up his speech, Mr. Speaker, by saying he Wonders what deals were done in Trinidad since this Minister wherever he goes seems to make a deal. There is a cotton deal and there is a nut deal. He thought there was a carrot deal and now there is a fish deal. Earlier today the Leader of the Opposition also spoke in similar terms and he went on saying and I quote: "He never thought that we would have reached the stage in this community where Barbados would have developed a drug culture like they now have developed." I thought it was a golden opportunity for the Honourable Leader of the Opposition to have continued as a responsible citizen as he is to speak to the people of Barbados as a good citizen about parental guidance in all of the things they do and to assist us as parents to guide our people and particularly those close to Us in the things that we should do. It would have been a beautiful opportunity to speak to the parents of Barbados on this and to alert them of the tremendous dangers associated with Barbados becoming a drug culture and, therefore, warn them of the interaction as parents and their responsibilities as parents.

He spoke as well about the number of murders in this place, murders everyday and murders everywhere. I thought he would have taken the opportunity as a good citizen to have told the people of Barbados that the Police can only act with assistance from the public and that it is our civil duty that all persons having any information that they could assist the Police in those kinds of matters to have assisted the Police. Those would have been things that the public of Barbados would have welcomed his disposition on and his disposal on because these are areas in which as representatives we are very worried about the future of Barbados. But he did not take that opportunity. He took the opportunity to say that the sugar people should be given whatever they want or understand what we have offered. My colleague from St. Philip South had to remind him of the statements that he made about the sugar people in this country. 10.55 p.m.

The Leader of the Opposition has a way of believing that there is only integrity and morality residing in his own personal breast, that he is the only one in this Chamber that is full of integrity and morality and that everything he does is lily white. He takes the opportunity every time, because he believes that the people of Barbados have the feeling that if you are from working class parents and you get into the political arena, you can only get in for what you can get out of it. I have said repeatedly, and I want to repeat to you, that any time you want to examine my affairs and your affairs, let us select the people to examine them and I will abide by what they find and I hope you abide by what they find.

Let me move on from there. I thought it was unfortunate that the fishermen from that Christ Church area started to say that they do not agree with the fishing agreement, but I now understand why they do not agree with the fishing agreement. If their constituency representative is so ignorant of the agreement as to state that only 26 boats will make one trip on the agreement, no wonder they say it is a foolish agreement. I really do not believe that the Honourable Member for Christ Church East has made that statement. I do not believe that a person who is so versed in fishing could be so ignorant of manoeuvrings as to say that only 26 boats could make one trip.

Aside.

Hon. W. O. FRANKLIN: If I quoted you wrong, I apologise. Let me state what the facts are. The first thing that was offered to us by the Trinidad Government was eight boats and of those eight boats the licences would not be transferable. That was Trinidad's position. I met with the fishermen of Barbados on two occasions. On the first occasion the fishermen said that their minimum position would have been 20 boat licences. At that same meeting they selected two persons - a Mr. Mason and a Mr. Butts from among themselves to be part of the delegation to go to Trinidad. We went to Trinidad and the Trinidadians did not move from eight boats. We came back to Barbados and at a meeting I had with them again just before the last time we went to Trinidad, they said the minimum requirements they then needed were 40 licences. They changed from 20 licences to 40 licences. The Trinidad position was eight licences only, not transferable.

The Attorney General and myself went down, again with Mr. Butts, a fisherman, and Mr. Mason, the President of the Boat Owners' Association, and we sat down against very tough negotiation and they decided they were not going to move from eight boats. Our position was, if that was the case, we needed 40 licences or we would not go. When we made that point, at that time the representative of Tobago made a point and said we do not need to have in % our waters at any one time more than 13 boats, and we asked for a short recess to discuss it. The Attorney General and myself then discussed it and the facts are that with 40 boats, 13 of them being in the water at any one time, every one of those 40 boats would get nine trips in the Tobago waters.

Aside.

Hon. W. O. FRANKLIN: Mr. Speaker, if there is one thing that I have some familiarity with and some knowledge of, it is mathematics. Let me go slowly. If you have a fishing season, as he said of six months, and it is not six months, it is four months, which is 120 days, and 13 boats leave, steaming down one day and a half, five days in the Tobago waters or thereabouts, and from the time they leave the Tobago waters the boats are steaming back down, you

work out that in any one period of five days inside the Tobago waters, there are 13 boats that are steaming back out and another 13 boats going back in.

The procedure is, Mr. Speaker, as he knows, that from the time you get into the Tobago waters you have to notify the Coast Guard that you are in the Tobago waters. We sat down with the fishermen and the Fisheries Officer and worked out a chart. The 40 boats were agreed upon because the representative of the fishing community said let us have 40 boats, and 40 boats were selected one year and 40 the next year out of a fleet of 85, because at any one time five boats might not be in a condition to put out to sea. The fishermen put that to us and they decided that the way the boats would be allocated would be by drawing lots among those persons who were interested. For the first year 40 would be drawn and for the second year another 40 would be drawn. That is how it was worked out in the Ministry with the fishermen present, the Fisheries Officer and the Trinidad technocrats. The details were completely worked out that all 40 boats would have the opportunity to go into the Trinidad waters for eight trips in those four months.

Let us look at it. If you have four months, or 120 days, are you telling me 26 boats will make only one trip?

Asides.

Mr. SPEAKER: The Honourable Member must not interrupt. I will also ask the Honourable Member speaking to address the Chair rather than another Honourable Member.

Hon. W. O. FRANKLIN: Mr. Speaker, let us be very-simplistic. Thirteen boats leave one time, go into Tobago waters and spend one week, steam back up two days. One week has gone and we have 12. Another 13 boats leave and go into the Tobago waters and spend one week. That is 26 boats, a trip each, and that is only two weeks. So you do the same thing over again and the minimum you will have is eight trips. You do not do it that way, because you do not count the time they are steaming down. You only have to account for the time they signal to the Coast Guard that they are in Tobago waters, and it is then the period starts. We worked it out scientifically.

Asides.

Hon. W. O. FRANKLIN: Mr. Speaker, let me move on. He said that when he spoke to me about the okras I said that the okras could not be grown here. I did not say that, what I said was that the cost of harvesting the okras was so high that it did not make it a feasible crop because of the cost of harvesting the okras. 11.05p.m.

We have grown okras here and we have grown very well, but when you take the price that you sell them

for and what you have to pay, up to 26 cents a pound to pick a pound of okras, therefore a lot of people decided they would not use it as a crop because of the cost; so it was the cost of labour. You cannot compare the cost of labour in Barbados with that in Guatemala.

Mr. Speaker, I want to spend a little time really on the sugar issue and the subsidy. The reason I want to spend a little time on it, Mr. Speaker, is because this is a very serious problem in Barbados, and I am afraid that we either by design or by mistake are sending the wrong signals to the owners of land in this country, particularly the sugar industry, and I am saying, Mr. Speaker, that we as representatives of the people of Barbados are all aware of the sugar industry and its importance and have to be careful of the signals we send. We have talked a lot about private industry. The sugar industry is the oldest private industry in Barbados, over 300 years old. We have had a relentless - campaign for a minimal price of \$1 137 per ton by the sugar industry. They have even decided or it was rumoured that if they don't get that they would not plant; even the Economic Society in Barbados without examining the facts said we should pay it. I believe the Leader of the Opposition implied that we should pay it, and I have heard in other debates from the Barbados Labour Party that they are of the view that we should pay it. I just want to objectively tell you what we have seen and why the Government's stand is as it is.

The Sugar Industry Limited sent us a very detailed break down of their costing, and I want to spend a little time on it because it is important for us to understand that until we examine critical things, we must not send signals that are wrong for any partisan political reason in a crop like this. The industry has sent me information and they have said as follows: their fixed cost for the seed \$522.01; their fixed cost for factory \$195.47, making a total of \$717.48. Their variable cost for the field \$264.58 and their variable cost for the factory \$71.26 making a total of \$335.84 as their cost of production. On to this they have added an interest of 3 per cent, \$22.30, and from this they took away a depreciation of \$71.85 per ton, and if you took that over a 79 000 tons that comes to something like \$5.68 million. In their deduction for rotation crops, they have put in a sum of \$46 per ton or \$3 634 000 as the total amount of rotation crop reaped by the sugar industry and the plantations represented. Therefore when they total the amount they only deducted an amount of \$45.59 and came up with a sum of \$1 137 as the minimum price that they wanted for the sugar.

We took objection, Mr. Speaker, to the amount included for the rotation crops because we had always contended that this was an area that we were being short-changed in continuously, and therefore we wanted to make a calculation for ourselves. If you look in this year's ^Economic Report, and I am going to go very slowly, you will see that they reaped 540 000 kilograms of onions this

year and they got \$2.11 per kilogram which amounted to \$1 139 400 for onions alone. They had 2 412 000 kilograms of yams which they sold at an average of 40 cents per pound or 88 cents per kilogram which gave them \$2.12 million. They had 2 536 000 pounds of sweet potatoes which they sold at 25 cents, rock bottom, per pound or 55 cents per kilogram which brought in \$1 395 240. Mr. Speaker, they had 1 768 000 kilograms of carrots at \$2.20 per kilogram which brought them \$3 889 000. The carrots alone brought them in more than the total amount that they entered for rotation crops. They had 576 600 kilogram of tomatoes at roughly 80 cents a pound or \$1.76 per kilogram which brought them in \$1 014 816. They had 160 000 kilograms of pumpkins at 40 cents a pound which brought in another \$141 504; they had 36 400 pounds of peas which brought them in about \$80,000; 240 000 pounds of eddoes at about \$1.10 per kilo for \$264 000, and 210 000 kilos of peppers at about \$1.76 per kilo which brought them \$370 000.

Mr. Speaker, that has nothing to do with some other crops. I did not put in cassava, I did not put in beans, I did not put in beets, cucumbers, melons, okras, squash and a lot more. When you add these things, that gives me a total, Mr. Speaker, of \$10 418 846. When you prorate that over a crop of 79 000 tons of sugar, you should have had in that column for rotation crops, instead of deducting \$45, you should have had \$121 in that column, which means there was a difference in that one. Further when I looked at the subsidies given for supplies for transport, they have put in \$45.88 per ton over 79 000 tons, and when we took out the 30 per cent that we have given as a discount, we subtract \$14.15 per ton. Mr. Speaker, when you add that, you come to the conclusion that those figures presented reduced themselves to \$1 036 per ton of sugar. On their own submission and from our examination in the Ministry there is always a 10 per cent extra in all the figures and I did not even take the 10 per cent and we have offered them \$1 050 and nobody took the time to examine the figures they themselves presented, but they have gone out there and signalled to the sugar industry that this Government wants to collapse the sugar industry, it wants to take away the lands from the white people and give to the black ones. This is what was said in a programme, that there was a design by people in high office and this did not even have the decency to give the Government a chance or give the Government some type of credit for having technocrats to examine the case as put. We have been putting it religiously.

Mr. Speaker, the sugar industry if you look at it as an industry has gotten more than any other industry in this country. The sugar industry's indebtedness right now to the Bank is something in the vicinity of nearly \$200 million. 11.15p.m.

Over the last four years we have given directly to the sugar industry by way of support, by way of paying for the Sugar Variety Station, by way of duties, something like \$36 million. The former administration gave them nearly \$37

million. The housewives of Barbados every time they buy a pound of sugar puts money in the sugar industry because anything over \$900 a tonne goes into the Sinking Fund to pay for the bonds that the sugar industry people enjoy.

Only this year we put out a programme and all we have asked them to do is to cooperate and show as in private sector industry that - all of the people out there are saying they want the Government to turn over everything to the private sector - that the oldest private sector industry by now should have reached the stage of efficiency that they should be able to reach the situation.

What we are saying is that we realise the importance of the industry but the Government has a responsibility to all sectors of the Barbados community and we have demonstrated time and time again that we have dealt with them fairly but we have not been getting that same type of commitment. What do you get on the reverse side? You get a mounted campaign in the public newspaper day after day repeatedly, on the radio, well orchestrated to give the people of Barbados the impression that this Democratic Labour Party is maliciously and purposely collapsing the sugar industry for some reason.

I have said recently, Mr. Speaker, that the sugar industry is the focal point of agriculture in Barbados. When the sugar industry does well because of the rotation of crops, we naturally have to bring along some of the rotation crops.

When they met with us and they expressed the fact that the difficulty they are having is the uncertainty of the movement of the ECU's against the Barbados dollar and if they had a certain price they were certain they were going to plant again, that they could go ahead and plant. That is how the minimum guarantee price came about to allow them to know before they put a cane in the ground what they are going to get.

We looked at it and we had arrived at the figure before, of \$950. They appealed to the Prime Minister. The Prime Minister moved it to \$997. They appealed to the Prime Minister again, he moved it to \$1 025 and now in the last effort to meet a compromise he has put it to \$1 050. Where else can we go? All we are asking for is that they sit down and they discuss with us.

We have set out a programme to the industry which is going to cost the government directly \$19.2 million. The commercial programme is something like \$44 million and we have given a commitment by a Cabinet decision that we will stay behind the sugar industry when they make the necessary negotiation to raise that.

Right now one of their biggest problems is their indebtedness to the banks and the Prime Minister has given

them a commitment that that would be looked at. There is a committee presently meeting to look at the indebtedness which is their biggest charge because the interest lock-up is the biggest charge. The Prime Minister has given that assurance.

I have offered them minimum guarantee prices for other crops. We have done everything and despite that you have a situation where we are not getting from that industry what I know they can do if they put their hands to the plough, but what you have to understand is that if we give them the impression that the Government must give them whatever they ask for, the manufacturers would soon come with that case, the tourism people would soon come with that case.

You know what the sugar industry is asking, that we ^_ would grow sugar at a guarantee cost plus 10%, so every —' manufacturer will soon come and tell you I am going to build things for export at cost plus 10% regardless of whatever the cost is and you must take them at cost. You must not examine their cost. If you examine their cost it is a sin. You must take whatever cost they give you and if by that we must do it, I am not prepared, Mr. Speaker, to do that at all.

I have taken time out to go through the minimum guarantee price because we have reached a crucial stage. From the signals we have received from the programme, they have taken this to mean that the Prime Minister is not backing sugar so, therefore, they can do whatever they want to. It is their business.

Mr. Speaker, the non sugar sector - during 1989 the agricultural sector contributed about \$153 million.

Mr. SPEAKER: The Honourable Member has one Ct minute only.

Hon. W. O. FRANKLIN: Of that \$153 million, Mr. Speaker, the non-sugar agriculture contributed \$100.5 million and sugar contributed \$52.5 million. I would say that the non-sugar sector of agriculture is on the move. We have had some little problems.

Agriculture is subject to diseases. It is subject to rainfall. It is subject to pests. It is subject to bad -*- management. You cannot tomorrow decide that you are going to grow beans, like you decide that you are going to build a road because you put the beans in, the rain does not fall, they do not germinate. You put them in, you get a pest, you do not reap them. These are the difficulties of agriculture.

I would say, Mr. Speaker, that all we in the Ministry, and the Government ask is for the owners of lano, particularly the sugar industry, to understand in this

Government they have a partner and that we have done everything that we can do and expect them to play their part to put agriculture on the road again.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, we have been toiling in this Chamber for a long day. I think it is time that I should repair to my home and all the other Honourable Members, I think, need some rest from this debate.

I therefore move - if the Honourable Member wants to continue we will go and you can carry on, Sir.

I now move, Sir, that the Sitting be suspended until 11.00a.m. tomorrow.

The question that the Sitting be suspended until 11 a.m. on Friday, May 4, 1990 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly. 11.25p.m.

ON RESUMPTION Mr.

SPEAKER: This sitting is resumed.

Mr. L. L. BRATHWAITE: Mr. Speaker, my contribution to this debate will be recorded in my memory as the most satisfying point in my tenure as a Member of this Honourable Chamber. The Prime Minister, erudite as he is, was lucid and confident as he was, in giving his report on the management of the economic affairs of the people of Barbados, fulfilling from a position of pride the task entrusted to him showing that the economy of Barbados continues to be a model of which more richly bestowed countries should take note that it was not attained because of might and power, but rather because of the commitment of our political leader to truth and his courage to deal with issues forthrightly.

Mr. Speaker, since I became a Member of this Honourable Chamber, I recognised that the mystique which used to surround Financial Statements and Budgetary Proposals has been gradually removed, and the presentation which we are now discussing, Sir, is very significant in that the Prime Minister spoke in the kind of language that people who heard and saw the presentation are all agreed that they understood what was being said and they are now more clearly understanding what the presentation of the Financial Statement and Budgetary Proposals is all about.

Mr. Speaker, the Prime Minister undressed the presentation of all this paraphernalia that is usually attached to it and he did this with a specific purpose. What was that purpose, Sir? To inform the country and to report on the * management and to project future goals. In this regard, Sir, it is my view that the Prime Minister scored massively. But

what we found in response, Sir, was that the Leader of the Opposition, the Honourable Member for St. Michael South Central, was quite disappointing to say the least. By now, Sir, that Honourable Member in my view should recognise that the people of Barbados respond positively to what they perceive as being truthful, and to what their better judgment informs them to be genuine. Speaking about truth and informing people, a few comparisons may suffice, and I shall take what I perceive as the abdicated Minister of Finance and the present incumbent as my comparisons.

Mr. Speaker, the Honourable Member for St. Michael South Central served this country as Minister of Finance for a short period of just over one year in which he presented two Financial Statements and Budgetary Proposals. The first one, Sir, to all intents and purposes was entitled the First Order of Business, in which his judgment informed him that a wide ranging relief package was to be instituted if some measure of balance was to be restored in the economy of this country. Thereby a number of measures subsequently referred to as "give aways" were put in place. At Budget time in 1987 the same Honourable Minister of Finance recognised the necessity to raise revenue to sustain and hopefully to develop a stronger economic base. By 1988, Sir, the same Honourable Member abdicated that position as Ministt. of Finance, not because of any of his colleagues having staged any revolt against his reassessment of the economy. The reason that was given by this Honourable Member for leaving that post still remains a mystery to myself and still I cannot understand the truth of the matter. All I have to say, Sir, is that my conclusion of that situation is that the Honourable Member left the kitchen and my conclusion is that it is because he could not stand the heat.

I say that, Sir, because a number of statements have been made by the same Honourable Member from time to time ever since the Democratic Labour Party took up office as Government of this country, and what I heard yesterday seems not to gel with what he had been saying in 1986 and 1987. He had been the person carrying the fight, that the Barbados Labour Party's policies between 1980 and 1986 created a problem for the people of Barbados, and what did I hear yesterday, Sir? I heard him say that the economic management of the country between 1980 and 1986 was satisfactory, not in the same words, but that was my understanding of what he said.

I believe, Sir, that if one understands what had been said yesterday, that I am in difficulty to take his contribution yesterday as being serious, because I took his contribution on previous occasions as being serious and being forthright. The Honourable Member seems to me to have taken a completely different turn as soon as what I perceived as divine intervention resulted in the death of our late and revered leader, the Honourable Errol Walton Barrow. I am saying these things, Sir, because I believe that we as Members of Parliament have been elected as servants

of the people, and I believe that at all levels and at each time when we relate to them we must relate to them in a manner that they can appreciate the position that we take, because they would have to accept them as positions of truth and honesty. Therefore, Sir, what has happened since that first day of June seems to say to me that there has been a complete turn around in the attitude of some people who were members of the Democratic Labour Party. I have said this again, Sir, to illustrate that having supported the policies of the Democratic Labour Party as a Member of Parliament since I came into Parliament in 1986, I am very happy at this stage to be able to support the Honourable Minister of Finance in the statement that has come to this House and what I consider a measure of comfort that has been brought to the people of this country. 11.10a.m.

Whoever said, Sir, that a Budget had to increase taxes? Whoever said that a Budget had to reduce taxation? The whole exercise of a Budget, in my view, and I do not claim any particular economic genius, but a Budget is to give people a report of what the position is, what we are aspiring to and exactly how we aim to do that.

In this regard, Sir, I am very clear in my mind that the Honourable Prime Minister had done justice to his responsibility as a Minister of Finance and Prime Minister of this country to level at all points with the people of this country.

When he came into office in 1987 one of the first things that he made abundantly clear was that while he recognised the possibility of Barbados being able to sustain itself in the troubled waters of world economics he was sounding the warning that all was not well.

Very obviously, Sir, his predecessor would have taken objection to that because he would have felt that it was an assessment of his tenure as Minister of Finance that was being brought into question so that when the 1988 Budgetary proposals were presented by the Honourable Member for St. Michael South, we heard some very serious allegations being made from the Members of the Opposition. Such terms as betrayal, back street abortion, and until very recently, Sir, squandermania were all parts of the charges that were levied at the administration of the Honourable Member for St. Michael South. It is for this reason, Sir, that the ability of the Minister of Finance not to institute any new taxation this year and to give considerable concessions to the improvement of the export sector brings me significant satisfaction.

I believe, Sir, that we must recognise that the people of this country, whatever we may think of them, have become more and more aware of the things which they need for their upward momentum and for their benefit and we cannot continue to pass off on these people whom we call our constituents. We cannot afford to pass off on the many

of the flimsy excuses that we used to do because they expect a higher standard of us.

Sir, on this side, we have shown our capacity and our willingness to say it like it is. Very bluntly, Sir, we believe that proper management of the economy, and that is what we understand we have been having up until now, will help us to ride the tiger that there is and help us to allow the people of Barbados to have greater confidence in the leadership of this country because of our commitment to truth and because of our commitment to being forthright in stating what we perceive the problems are and how we intended to deal with them.

Very obviously, Sir, when I talk about consistency, I would like just to refer to the Financial Statement and Budgetary Proposals of 1987 because I said earlier that I understood it was the Honourable Member for St. Michael South Central who was then Minister of Finance whose judgement and whose responsibility it was to interpret to the rest of us how he perceived the problems that this country faced and how he would go about addressing those problems. Therefore, Sir, at the very beginning of his Financial Statement, I will quote from the 1987 Budget Speech which was delivered on April 7, 1987. The Honourable Member began -

"Mr. Speaker, on the 15th July, 1986, I had the privilege of introducing the first Financial Statement and Budgetary Proposals of the Administration which took office on May 28. The proposals then presented to Parliament represented a bold and innovative approach to the solution of the grave economic and social problems facing the country such as stagnation in growth of output since 1981, unemployment rising from 10.7% in 1981 to 18.7% in 1985 and the relentless expansion of the public sector leading to a misallocation of resources and stifling of personal and corporate initiative."

Continuing he said, Sir:

"Mr. Speaker, our achievement has taken place in a situation where several unfavourable features in the international economy continued to create difficulties for small countries like ours to earn satisfactory levels of incomes from exporting commodities."

Continuing, Sir, he said:

"The unfavourable features of the world economy continued to have adverse effect on the underdeveloped countries".

Yet, continuing further, Sir, he said:

"The result was that while there was some increase in the volume of world trade, the fall in primary commodity prices contributed to a heavy decline in the value of that trade."

Dealing specifically with sugar he said, Sir:

"In 1986 sugar production was 111 149 tonnes, the best since 1980. The increased yield resulted from good rainfall, reduction in cane fires, improved harvesting and factory techniques."

And why have I quoted those passages there? It is because we recognise that the world economic situation has not improved since then and the Honourable Minister of Finance ought to be complimented by all Honourable Members in this Chamber for having taken the economy of this country to a point where we can feel happier than even the International Monetary Fund is reported to have said that they recognise that devaluation of the Barbados dollar is not necessary. But the opposing forces in this country have been frightening the wits out of the people of this country talking about pending evaluation and all that kind of thing.

I believe that the people of Barbados recognise that the Democratic Labour Party Administration is making good effort to improve the standing of the economy of this country and the wellbeing of the people of this country. 11.20a.m.

It is my view that it does not behove the Members of the Opposition to continue to send panic signals to the people of this country. What I believe is absolutely necessary for us, Sir, is for all of us in whatever way we can, I am not saying that we have to come together as a political grouping, but we all understand our goal is to keep Barbadians very, very conscious of what the role of Parliament is and what the responsibility of every citizen of this country is in helping to maintain a stable situation and a stable economy.

Therefore any panic signals which we send out, particularly as leaders in this country must do a disservice to the country and to the people called Barbadians. I think, Sir, that I need not spend any time or even be seen to be defending the presentation made by the Right Honourable Prime Minister and Minister of Finance because, from what I have been able to access, those people who have heard and who have seen his presentation are very happy that he has been able to come up with that type of package at this time in our history.

I wish though, Mr. Speaker, to turn my attention to some areas of concern, not in relation to the presentation of the Right Honourable Prime Minister, but rather, as these

concerns relate to the people who fall prey to their problems.

I recognise, Sir, that almost at every turn, the business sector of this country calls for more and more relief, more and more incentives to make their business undertakings more and more profitable. I have no problems with that, Sir, because human nature is such that selfishness is an innate part of us. So it seems to me that if we ask for things that satisfy us, other people will have to understand. The only problem is that we must be in a position to recognize that if those things which we need for our personal benefit are not readily available, we should not try to castigate other people because they are not available.

I am saying this, Sir, because it is common knowledge that tax relief and further incentives have a cost. I mean a dollar cost. The people of this country expect any incumbent regime to provide the services that it requires for its happiness, contentment and satisfaction. If you are not going to reduce those services which they expect of you, then you need to find money to produce and provide those services.

So, if we are asked to bring more relief to the business sector, to give more incentives to the business sector, Sir, I believe we have to view it in the light of the cost that it is and the resultant restructuring of our welfare programme and the general services programme of this country. That is something I do not know that we can compromise, Sir, because in the final analysis if the majority of people are not satisfied, even business will suffer.

I feel also, Sir, that we have been talking about the fall-off in revenue from manufacturing. We heard a lot of it, Sir. I believe it is time that the business people of this country understand that there are other roads to business development than just importing and distribution.

When I go on the supermarket shelves, Sir, I see a large number of items that have, at the bottom of their labels, produced under licence for companies that used to import from outside the region. I see nothing wrong with Barbados becoming involved in that type of development which helps us to improve our export potential and, to a large extent, reduces the impact of cost for importing the extra regional products.

I believe that, with the kind of CARICOM arrangement that we are into, that Barbados, like all of the other territories in CARICOM, can share the kind of trade practices that help us to help them and them to help us.

I am, therefore, calling on the business community of this country to investigate the possibility of improving their manufacturing of products that they do not really have to import. It is very possible, Sir, that you may say that most of these items that I am calling on them to manufacture will

have an import factor for its base production but, certainly, it cannot be as high as the import factor for a finished product.

Therefore manufacturing in Barbados, even under licence, can produce more employment for the people of this country and, at the same time, steady the financial balance of the reserves of this country. I feel that that is a responsibility, that the people who earn their living off the expenditure of the majority of people of Barbados, if not all of them, have that responsibility to our people.

One other area, Sir, that I am very unhappy about is the threat of the people in the motor insurance industry in telling motor vehicle owners and policy-holders that they intend to increase premiums this year by somewhere between 10% to 15%.

I have no problem, Sir, in recognizing that the level of accidents in this country should cause all of us to sit up and think. However, no case can be made out that the majority of policy-holders of motor insurance are at fault for the rise in the number of accidents that occur and thereby bring pressure to bear on the insurance profits.

I have to say though, Sir, that, at the same time, we are seeing what is considered a boast as to how much money they have to throw around. Therefore, I believe that some sensible approach should be brought to the point of penalizing those persons who are habitually accident prone. Penalize them. Yes. Do not insure them. No problem with that. If you have a record which says that you are a bad insurance risk, then I say, penalize you.

However, Sir, the rest of the people who drive and who own motor vehicles should not be penalized for those few. In any case, Sir, I am of the view that the total insurance industry in this country is one whereby the actual policy-holder is not as much a beneficiary as he ought to be.

Just look in the same motoring industry, Sir, and you would recognize that year after year, your premiums are increasing and even with an increasing no claim bonus, Sir, your premiums are going up. I think it is getting out of hand and I would ask the Minister to have a look at this situation.

One area I think that I would suggest to the Minister is that the possibility should be investigated, where the principal area of motor insurance is the Act policy, whereby the payment of premium for the Act policy can be made at the same time that the road tax is taken and, that in that context, Sir, the Government itself would have some say in determining what the level of insurance premiums for general motor insurance is going to be because of the important legal requirements of the Act policy. 11.30a.m.

Since many of the owners of cars....

Mr. SPEAKER: The Honourable Member has one minute more.

Mr. L. L. BRATHWAITE: Since, Sir, in that regard the policy is part of that comprehensive policy, I believe that some measure of control may be brought to bear. I really think, Sir, I can never overstate my joy and ~~ satisfaction at this presentation of the Financial Statement and Budgetary Proposals at a time when a number of persons were expecting that because of the world situation, the Prime Minister would have to share some heavy lashes but it did not come at this time, Sir. I am very happy and I compliment the Prime Minister that he has been able so to manage the affairs of this country that with this package the people can feel a little happier that they do not have to push their hands in their pockets for anymore taxes.

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. James North.

Mr. J. J. PAYNE: Mr. Speaker, I rise to support the Resolution which is now before this Chamber and I also want to compliment the Right Honourable Prime Minister ^ for what can only be considered a carefully thought-out and — well presented Budget. Before really going into the issues arising out of the Budget, I would like to look at a few preliminary matters. I have noticed from looking at the newspapers this morning and from listening to comments from various persons who have been giving their views on the Budget that the public has given overwhelmingly favourable support to the provisions which were outlined in it. The call-in programmes and the interviews which were held on the street all indicate that the masses of the people of this country have been following the issues which we are r^v debating in this Chamber and we must believe that they all ^ J" understand what we are talking about. I am pleased to note that they have given their approval to the provisions which the Right Honourable Prime Minister has presented to this Chamber.

No doubt in every presentation we will find occasion where some persons will have objections. It is not possible to please everybody. If that were possible, we would not be here. The whole idea of a Budget is to strike a balance and — to make adjustments to the economic situation in the country and to create an environment where as many people as possible in the country would be happy. I think that the Budget has achieved that objective.

If we look at what has been coming from the Opposition side, we will note that they really have not dealt ,-. with the main issues raised in the Budget. We have not been able to hear what were their views on things like thc*^ provisions relating to the computer, software, and

equipment of the duty that was waived in respect of those items. I believe that that is a provision which will have a beneficial impact on the whole community, the business community and the personal lives of the people of this country.

The Budget contains a provision where from June 1st certain companies will be able to increase the time allowed to pay consumption tax from 21 days to some 60 days. This is a provision which will impact beneficially on the commercial sector of this community. Spare parts for use in agriculture will now become duty free and certain pensions and welfare grants have been increased. All these are provisions in the Budgetary Proposals which will impact beneficially on the people of this country. We must recognize that in a Budget it is not possible to cater for each and every sector. But we have to make adjustments where necessary and I believe the Prime Minister has done that very carefully. So that when we look at the Budget we can see that it contains clear objectives. In fact, if I shall quote from Page 2 of the document, the Right Honourable Prime Minister states:

"What I am seeking to do in the interest of all Barbadians is:

- (a) to increase the level of real output of goods and services in the economy;
- (b) to provide more jobs for our people, thereby reducing unemployment;
- (c) to keep the price level as far as possible at moderate levels; and
- (d) to maintain a sound balance in our external sector to support economic growth and development."

These are firm objectives which are set out in the proposals and I have no doubt that we will all agree that any person who is setting out on a journey will first have to make a plan. This is what the Prime Minister has done. This Budgetary presentation fits into a plan which the Government has formulated and no doubt every plan will have short term goals and long term goals, but the bottom line is that that plan is working in the interest of the people of this country. We must recognize that the people are the essential ingredients and essential factors in any presentation of this kind.

So a brief look at the economy will show that the provisions impact positively on these areas. We note from looking at the statistics that tourism has remained the leading sector in the economy over the past year and this has been so in terms of its contribution to the growth of the economy, number of jobs which were generated, and also in terms of the provision of foreign exchange which is so

badly needed if this country is to progress. The Honourable Minister of Tourism has outlined provisions relating to arrivals and has indicated that arrivals have increased over the last year. We recognize that many persons involved in the tourist industry may criticize the Budget because it does not contain provisions focussed directly in that area. But what is important is that only last year, Mr. Speaker, the Prime Minister gave considerable assistance to that sector. In fact, the Hotels Aids Act was amended to give assistance to persons who refurbish and carry out maintenance repairs to their plant. We considered that tourists visiting this country should be able to relax in comfortable rooms and the Right Honourable Prime Minister made it possible that they will get concessions in this area where they can improve their plant to make the visitors more comfortable in that particular area.

In addition to that, he increased the amount of money allocated to marketing abroad. Over \$1 million was allocated for additional marketing and this has paid off because we are recognizing it in the increased number of tourists both cruise ship passengers and those who come by other sources. I believe that the Minister of Tourism should be complimented for the efforts which he has made in this vital sector of our economy. 11.40a.m.

I am sure that if that sector had not performed, we would have been getting much criticism. When we have positive performance, I believe we should allocate some praise, and I would like to record my congratulations to the Minister of Tourism for his efforts in this particular area. We are not here to pat ourselves on the chest because we have made some achievements, I believe that we must recognise that in every economy there are going to be areas where there are improvements, where there is growth, and there are going to be areas where there is decline. This is so in economies all over the world and Barbados is no different. If tourism is one of the areas where we have had improvements, we should praise those persons involved. If there are other areas where we did not have improvements, we should seek to improve in those areas.

One of the aspects of tourism which has been of considerable debate in recent times is the question of beaches. This has been an area of some concern to me, because our beaches attract many tourists. Many people believe that the beaches of this country should be a zone of peace where visitors can relax in comfort without disturbance. Of particular concern have been people engaging in certain activities on beaches, people who are beach vending and people who are involved in the water sports activities.

This Government has already set out its position in relation to those activities. As a matter of fact, we have made it clear that we have no intention at this time of banning water sports activities in this country. We have

made that position clear, but we went further and outlined the position that we will introduce regulations to control those activities, because people who operate water sports activities on the beaches must do so recognising the fact that there are other persons on the beaches who do not want to be disturbed. I understand that Cabinet has already approved those regulations and we expect that very shortly those regulations relating to operations of water sports activities will come into effect.

I believe, Mr. Speaker, that this is an area which will improve the situation. In fact, I have just been informed that those regulations were already laid in Parliament. I think this is a positive sign.

The area regarding beach vending is a matter that the National Conservation Commission has been looking at and I have no doubt that those persons who are involved will from time to time make their representation, but what has been very significant about the regulations relating to these two aspects of beach activity is that the Government has consulted with the various individuals and organisations involved and affected before implementing those regulations and before having them brought before this Chamber. I think that is the kind of procedure which a caring Government should adopt.

I want to go on to issue a warning, particularly to people who are involved in the tourist industry, since this is perhaps one of our most vital industries, because many people in the tourist industry do not recognise that the statements which they make relating to this country, and relating to activities in this country, can affect our image abroad.

We had a statement, for example, recently where one person was suggesting that we are only attracting rubbish to this country. When these kinds of statements appear in the Press abroad they will turn people away from this country. No one wants to visit a country where only rubbish is attracted. If we do not recognise that the statements which, we make can create a negative impression on the part of people who visit this country, we will be failing in our duty as citizens of this country.

Nobody is saying that people cannot criticise a Government, or that people cannot criticise activities which go on in a country, that is the right of citizen, but the point which must be made most forcefully is that criticism must be done judiciously and cognisant of the fact that it affects many other aspects of activity in the country. People who do that not only reflect on the country but reflect on themselves. It must be made very clear that such activity must be done very cautiously.

The situation in the world has changed tremendously over the years. We find, for example, that Barbados now attracts something in the region of almost 600 000 visitors

to this island annually and we must recognise that those persons who visit here from all over the world are able to carry back to their countries a picture of what Barbados is and what we survive on here. Only last year we hosted a very important conference, the 35th Annual Conference of the Commonwealth Parliamentary Association, and we were able to bring to this island a number of influential people who will go back with an image of what Barbados is all about. When delegates from this country go abroad and speak about Barbados these people are able to say yes, I have visited Barbados and I can confirm that what they speak about is true. That is what we want to do, we want to sell Barbados in a positive way, and if we have some difficulties relating to our local situation I think it is important for us to recognise that we can deal with it in an effective way.

Mr. Speaker, one of the great challenges facing the Government is the question of youth and youth development. In 1980 the unemployment situation in this country stood at something like 10% under the Barbados Labour Party. By 1986 the unemployment situation rose to some 19%, in six years. When we took office in 1986 that was one of the great challenges which we had to undertake, reducing unemployment. You heard the Prime Minister on Wednesday, when he delivered his report, indicate that unemployment now stands at something like 15.7%. This Government must be complimented for that effort, because we have done so in an environment where countries around the world are still experiencing a situation where unemployment is constantly rising.

I believe that the efforts of the National Training Board in the Skills Training Programme must be complimented. This is a programme which falls under the Ministry of Employment.

Aside.

Mr. J. J. PAYNE: I understand it is now under the Ministry of Education, but this programme must be complimented. Any effort which a Government makes to provide skills for the young people must be complimented. I have constantly recommended to young people the need to obtain a skill. With a new skill there is much that a person can do. If you have a skill, there are many areas in which you can find self-employment.

One of the things we have to recognise is that statistics continue to show that there is an increase in male employment and there is also an increase in female employment, but there are many women in this country who at one time were prepared to depend on men for support. Today many women are up and looking for self-employment. We have a situation which is changing and* women are looking for employment in areas which were

dominated by men before. This is something that has also impacted on the employment situation.
11.50a.m.

I have to issue a caution here because I have observed a situation where many employers seek to employ females in some of these situations and pay them less wages. I believe that wages for women working in those sort of situations are something that must be examined very carefully. We have too many women in this country who work for less than \$100 a week. I continue to make that point. I believe that wages particularly at the lower level in this society are something that must be looked at very carefully. Women with two and three and four children and working for \$100 a week is something that this Government must examine. We must examine that sort of thing. I believe that over a period of time we must have that kind of situation remedied. I want to go further and say that we have a policy to find full employment in this country as a long term objective. We will not try to convince people that we can do it in five years or three years or over some short term period. Employment is something that has to be dealt with just like any other aspect that affects the economy, and we will deal with it as a progressive and periodic thing.

Now I recognise that my time is quickly running away, and I want to deal with a charge which has been brought against this Government, the charge of squandermania. It is very easy for an Opposition party to get up and talk about squandermania. As a matter of fact, that is what is commonly called Opposition politics. It is expected that the Opposition would bring charges of that nature. But when we examine the charge that is being made, we recognise that the money which we are talking about can be accounted in almost every sector of the economy, we can account for it in every constituency around this Island. This is very important. We have 27 constituencies in this Island, and if we look at them individually, we can see in every single constituency some aspect of governmental work which has been carried out, and I want to focus briefly on St. James North to give some example. This is just to point out by example what is really happening around the country, and I don't want anyone to believe that more work is happening in St. James than anywhere else; but this is just to give some example of what is happening. We have been able to get natural gas extended to many districts of St. James North that have never had natural gas before - Porters, Mount Standfast, The Garden. This is something which is new to those residents of St. James.

The Government in a matter of weeks will be starting a complete complex at Holctown where they will be building a magistrate's court, police station and so on. ^hat we must recognise, Mr. Speaker, is that there are certain institutions which have made this country strong;

the judiciary, schools, the civil service, Parliament, the police, health institutions. We as a Government must continue to support these institutions, and I believe that the project which the Government is setting up, the Hometown complex, is one which is long overdue. We have a situation where there are some residents who have raised some proposals and representations to me, and of course I have passed them on to the Honourable Attorney General and his Ministry, but I am sure that the Attorney General is the kind of person who will accommodate any representations they make if it is possible particularly at this late point, but we as a Government are committed to seeing that projects of this nature are implemented for the benefit of the people of this country. The police at Hometown have been complaining for a complex of this nature for many years, and to the extent that we can accommodate any objections that are made, we as a Government will sit down and look at them, because we do not want people to believe that we are big headed and we do not consider their views. The representations which have been made will be looked at in due course.

We have a situation where the Government has been extending the street lighting programme across the country. We have been having street lights in districts in St. James which have never had street lights before: Hoytes Village, we have a new district up there, and Bagatelle. We have a new development at Garden Terrace, Gibbes and Rock Dundo. All those are districts which have been able to get additional street lighting. Of course, there are many other districts that are calling for street lights, but we can only do it over a periodic time. What must be recognised is that to charge a Government with squandermania for carrying out these kinds of projects would only be unfair in the circumstances, because the people are asking for these kinds of services.

In the area of education, Mr. Speaker, the Government has just completed a new school in St. Peter which was opened last week, and they are in the process of starting construction on a new school at Sion Hill, St. Boniface, in a few months. I am made to understand from the Minister of Education that this project is due to start very shortly, some time later this year. This is an indication as to where and how Government is spending the money in this country. You can't charge us with squandermania for that.

Roads. Mr. Speaker, we have been able to achieve progress in road construction that has never been seen in the history of this country. The present Minister of Transport and Works has formulated a tenantries road programme which is admired by all Members of Parliament. All the constituencies are getting roads done, St. Peter, the City, St. George South, Christ Church East and St. Michael South Central, and we must recognise that the country districts, I have continued to make this point, cannot be left out in these kinds of programme. I have been able to get a road done at Rock Dundo which had been in a bad state of repair

for over 50 years. The people in that district have been walking through mud and big rocks for over 50 years and have been calling on successive Governments to have that road done. I have been able to get that road done within two years of election to this Chamber, and I continue to make the point that the people from those country districts who have given their sweat and blood to make this country strong and put it at the strong position where it is today must be given some of the services which this country is allocating to our people.

We have been improving the bus service around the country. I have fought almost single-handedly to improve the bus service for the residents particularly at Morgan, Greenwich Village, and that service, the Honourable Member for St. Andrew will be pleased to know, has even been extended further up to Baywoods in Orange Hill. I understand from the Transport Board that they are going to review that particular programme to see if they can extend it to Seaview, but Morgan is a district which is set off from Highway I and many persons have to walk uphill and downhill to and from work. We offer a peak hour service during the morning and during the afternoon, and we will be making efforts to have that service improved.

We have acquired a playing facility at Hoytes Village for the youth in that area. For the first time since 1985 the youth at Hoytes Village can play cricket on that pasture. Your humble servant has been working feverishly for the young people in those areas. Of course, Mr. Speaker, as an athlete and as a national record holder for over sixteen years, such activities concerning the youth would touch my heart, and of course, Mr. Speaker, we have to recognise that we have to plan these things progressively. Those are the kinds of things which Government has been allocating and identifying for spending some of the resources of the country, and to make a charge of squandermania would be unfair, because as I have pointed out, that is only a brief look at St. James, but if you look at all the constituencies individually, you would be able to see some area of activity, and some work which has been done to utilise those resources which we have been asking the people for over the years, a very successful Government. I am amazed to see that some of my colleagues who were on this side cannot see the wisdom which we have over here. We have over the years, Mr. Speaker, been able to do so much that if we continue in this vein you would be surprised to know what the next election results would be. 12.00 noon.

As I conclude my remarks, Mr. Speaker, I believe that as we go into the decade of the 1990's and into the 21st Century, we have to make a more developed and more considerate approach to the issues which we face. We have to recognise that the global situation is changing and we as politicians must raise the level of our debate so as to deal

with issues more fairly and to recognise also that we must carry some of our energies into the international arena.

I believe that it is all right for us to fight or contest in debates here at this local level but I believe that our voices will be needed and must be heard in the international arena if we are to make those advances which are necessary to put * this country forward. ^

We are an example not only for the Caribbean but we are an example for the entire world and I believe that we have the talents in this country to make this country great. There are a lot of good things happening in this country and we must focus on some of the good and recognise that good and bad must go together. If we do not recognise that, then we would be on the wrong track.

So, Mr. Speaker, as I said, we must continue to inspire ^ ~ our people and move forward. The Right Honourable Prime Minister in his Budget has set the pace. We must, therefore, join him and support the measures which he has introduced.

We in the Democratic Labour Party have taken up the fight for the people and I have every confidence that they will rally behind us and give us their support when the time comes.

I thank you.

Mr. R. P. BYER: Mr. Speaker, let me begin my address to this Honourable House by congratulating the Leader of the Opposition for his excellent reply to the hodge-podge of measures presented by the Prime Minister and Minister of Finance that passed as a Financial Statement and Budgetary Proposals.

Once, again, as he has always done over the past -^ several years, the Leader of the Opposition has ""^ demonstrated that, except or in addition to the Honourable Member for St. Peter, he alone commands a very excellent grasp of financial matters and the workings of the Barbados economy. Apart from the two of those in this Honourable House, no one else in here measures up to the way how he approaches these measures.

Sir, it was a presentation that struck at the heart of the Prime Minister's Budget and exposed it for what it was, nothing more than a miscellaneous collection of things to satisfy certain interest groups. It was suited for display in the Classified Ads in any one of the leading newspapers in Barbados. I am firmly of that view and it was really pathetic to hear Honourable Members on the other side getting up and saying repeatedly, with some difficulty, what an excellent Budget the Prime Minister presented yesterday. ^

But, Sir, I really do not want to get into dealing with""; the Prime Minister's Budget at this stage. I have some things to say about that which I will say at a later stage.

I want to deal, Sir, with the Minister of Housing and Lands. Now, Sir, yesterday the Minister of Housing and Lands followed the Leader of the Opposition and following the Leader of the Opposition is a very difficult act to follow and it is about time that he realises that and discuss matters relating to his portfolio and not dwell for half an hour all the time in trying to level attacks, unsubstantiated as they are, on the Leader of the Opposition.

Yesterday the Honourable Minister of Housing and Lands came in here, bullish in attitude but moreso like a toothless tiger, trying to heap scorn on the Leader of the Opposition and attacking him in more ways than one. I will deal with specifically two of them today to put him to rest once and for all or until the next occasion because rather than addressing matters relating to housing, he drifted off attending to matters having to do with the financial affairs of this country and in so doing, blatantly misquoted, misrepresented and misinterpreted what the Leader of the Opposition said in relation to two matters which I will deal with.

Yesterday the Leader of the Opposition said that in 1989 Barbados recorded a massive deficit of \$87 million in the current account of the balance of payments and he added that it was the worse deficit since 1982 when a deficit of \$84.1 million was recorded, the year in which this country sought support from the International Monetary Fund. I believe that was the year when the same Minister made his famous IMF speech.

Now, in his confused mind, the Minister of Housing claimed that the Leader of the Opposition said that last year was the first year since 1981 in which there was no surplus in that account and he went on to say that there was a deficit of \$84.1 million in 1982. The Minister, quite evidently, does not understand what he is talking about and, unfortunately for him, the Leader of the Opposition is quoted correctly in both newspapers today. Go and read the newspapers and see what he said.

What the Leader of the Opposition also said was that it was the first time since 1981 that Barbados recorded a deficit in its overall balance of payments to the tune of \$70 million. That is what he said, Sir, and that is correct quotation that I got from the newspapers this morning. I checked both newspapers and he said it because the Leader of the Opposition does not make silly excuses on these small trivial matters.

The Minister quite evidently does not understand the difference between the overall balance of payments and the current account of the balance of payments. That is the first error he made yesterday.

Now, the second thing he went on to say had to do with the old age pensions and he said that when the Leader of the Opposition was Minister of Finance he only gave the

non-contributory old age pensioners a \$2 increase. Sir, taken by itself, that is true but we have to take these things *in toto*.

I want to refer to the Financial Statement and Budgetary Proposals presented by, as he then was, the Honourable Bernard St. John on April 2, 1986. 12.10p.m.

Item No. 24, Non-contributory Old Age Pensions, one column present \$48 per week, proposed \$50 per week. So what we are saying, Sir, is that it was a top up and that over a period of three months, old age pensions increased by \$10 between April and July of that year. These things have got to be taken together and not in isolation to give a distorted picture of what actually transpired. It was an increase on top an increase. Two dollars in three months on top of eight dollars given in April of the same year. Always want to distort things. I do not know if it is deliberate or if it is because you do not understand. But you have got to understand these things.

Mr. SPEAKER: The Honourable Member must... Mr.

R. P. BYER: I withdraw that, Sir.

Mr. SPEAKER: ...remember that he is addressing the Chair.

Mr. R. P. BYER: I withdraw that, Sir. What was particularly distressing yesterday as well is the fact that the Minister of Housing chose to ignore significant points raised by the Leader of the Opposition in relation to housing and housing data that was published in the Economic Report. I do not propose to go into that data in any detail.

One would have thought that the Minister of Housing, the Member for St. Philip South would have taken the opportunity to deal with the comments of the Leader of the Opposition because this information as published at page 21 of this Economic Report relates to housing and the information as we have interpreted it appears to be false. Any Minister of Housing understanding the workers of his Ministry and being on top of the workers of his Ministry would have been prepared to grapple with the interpretation of the statistics as given by the Leader of the Opposition rather than sitting down *sotto voce* tossing from side to side pointing all up and down at the statistics, I would have thought that he would have got up and dealt with that information. But he chose to ignore it, Sir.

Aside.

Mr. R. P. BYER: If the graph is wrong it was his business to get up and explain that to this House. Specific information laid by the Prime Minister a couple weeks ago which he is now saying is wrong. If he is sure about that, he

should have dealt with it, as a Minister of Housing and a Minister who is discharging his responsibility to the people of Barbados and not sitting down just tossing his hand up and down all the time.

Mr. Speaker the position with housing in Barbados is appalling. There have been no significant budgetary thrusts in this area since the measures of 1986 when the Leader of the Opposition was the Minister of Finance.

As a matter of fact, Sir, ever since the Prime Minister took over that portfolio, there has been a reversal. The allowance for the Ministry of Finance has not increased. It has remained the same. Later on I will deal with the low income housing project

In October last year when we had the famous controls placed on credit and so on, what we noticed, Sir, was that the favourable environment which was created for housing in 1986 has been replaced by one hostile to housing development

1. Disposable savings have been reduced by taxation and as a result of that, Sir, we have had a reduction in savings;
2. Interest rates have increased on bridging loans;
3. Credit is unavailable;
4. The costs of building materials have escalated; and also
5. Mortgage money is unavailable due to the interest rate structure. Where it is not unavailable, Sir, it is difficult to get.

I know about these things because in my practice of law, these things come to me every day and I am quite familiar with what I am talking about. That is exactly what the situation is, Sir, in relation to housing.

So that in 1986 when this Manifesto of the Democratic Labour Party was presented to the country, there were twenty-five specific proposals in relation to housing. This is at page 20.1 do not even know if the one at number 20 of that page quote:

"Make grants to chattel house owners for the digging of wells and the construction of septic tanks."

I do not know if that one has been implemented at this stage, Sir. That would seem to me to be the most simple one to implement.

Another thing that I would like to take the Minister to task about concerns his whole approach to dealings in zone

1 water areas. He seems to be saying in his arguments and in defence of what has transpired in his Ministry and his feeble attempts at defence of what transpired in relation to the granting of permission to develop Cattlewash that the Barbados Labour Party Administration did it in St. James. There is evidence that they did it on more than one occasion and therefore he is fortified in that knowledge. Since they have done it, I can do it too. He chose to defend his position to allow building in zone one areas by saying that the BLP also did the same thing. But two wrongs, Sir, do not make a right.

Hon. H. A. BLACKMAN: On a point of order, Sir. I have never given any permission to build in zone 1. The Honourable Member is not telling the truth.

Mr. SPEAKER: So that if it is not true then he should withdraw the statement.

Mr. R. P. BYER: I withdraw it, Sir, and rephrase it another way. What I said, Sir, is that the Minister said that the Barbados Labour Party gave permission to build in zone 1 areas. Sir, as far as my memory serves me the Minister has defended a decision of the Chief Town Planner to permit building in a zone 1 area in Cattlewash. 12.20 p.m.

Hon. H. A. BLACKMAN: Mr. Speaker, on a point of order. If the Honourable Member continues down that road, he will continue to confuse and mislead the House. Cattlewash is not in Zone 1 area. Now talk sense.

Mr. R. P. BYER: Zone 1 and Cattlewash, Sir....

Asides.

Mr. R. P. BYER: Now, Sir....

Mr. SPEAKER: Just one moment. You are withdrawing the previous statement as alleged to have been made by the Minister that Cattlewash was in Zone 1.

Mr. R. P. BYER: No, Sir. I am replacing that statement by saying that he has defended decisions to build in Zone 1 areas and Cattlewash. You see, Sir, I take strong objections to this for a number of reasons because I have on tape where the Minister got at a meeting in Oistins and said that this Member argued in favour of building in Zone 1 areas. Sir, that is a libel on me which I have chosen to do nothing about. To accuse me of breaking the law or advocating breaking the law is a libel on me. But I will choose nothing to do with that.

Now Sir, I would also like to know from the Minister what is the true position with the houses at Bennetts, Brittons Hill. A number of those units I believe, Sir, that have been completed are to be transferred to tenants. I would like to know what is the position with those and

whether it has anything to do with money being owed to contractors or what. What is the true position? He cannot speak again but maybe one of his colleagues can address that. What is the position with low income housing in Barbados? We are told at Page 21 of the Economic Report and I quote:

"The National Low Income Development Project at Rices, St. Philip and Valery, Collymore Rock, St. Michael began during the latter part of 1989. The projects, estimated at \$0.6 million, and designed to upgrade tenancies, include the construction of roads and the provisions of utilities. By December most of the work was completed and approximately \$0.4 million was spent."

I would like to know in relation to that, Sir, what is being done at Valery because all I have seen at Valery so far are a number of roads. I have not seen much of what has transpired at Rices but I would also hope that the approach of these will be followed where attempts will be made to allow people living in the immediate vicinity of those areas to have access to those housing units. For example, I would hope that the people who live at Valery or Brittons Hill would access those units before any other persons as the people at Rices will certainly do.

Now Sir, one other matter that I raised before but I have heard nothing about and which comes under the direct portfolio of the Minister of Housing has to do with the use and occupation of the Wildey Plantation House. That was a matter which was raised in here by the Member for St. Peter and a matter in which I supported him. The Leader of the Opposition raised it again. On the first occasion that it was raised, the Prime Minister promised a statement to clarify the position but so far we have heard nothing about it and it remains a scandal and disgrace among other things.

Sir, if I may move on, yesterday the Leader of the Opposition outlined some aspects of NDP policy in relation to housing and I would like to spend a few more minutes, Sir, trying to expand on what he was saying. Now the concept of 100 per cent mortgage is a policy position of the NDP. In addition to this, Sir, we are actively examining the concept of the equity sharing contract. Exactly what is an equity sharing contract? This concept when implemented by the National Democratic Party will be used as an alternative to the 100 per cent mortgage. For example, in a situation where you have people who are unable to come up with the down payment on a mortgage, a market will be available to allow a third party to enter into a contract with the purchaser to provide the down payment. An aspect of that sharing contract would be to have that property refinanced in 3 to 5 years within the signing of the contract. Now at the end of 3 to 5 years where the property values would have improved and increased the purchaser would be able to refinance the mortgage and then he would pay off the equity sharer principal, interest, and cost. That could be

used as an alternative to the 100 per cent and as an investment tool for persons so interested.

Sir, one other plank of NDP policy has to do with the purchase of plantation tenancies and making 100 per cent mortgage financing available to the tenants of those tenancies to improve their amenities. I would like to make it very clear that it is the intention of the National Democratic Party to make the 100 per cent mortgage finance available to tenants also in the non-plantation tenancies. Those persons in the non-plantation tenancies would not be left out so that they can also purchase their lots which they now have the right to do under the Tenancies Freehold Purchase Act and thus increasing and improving their physical and social amenities as well as helping to modernize and upgrade the tenancies.

Now one other thing, Sir, is that interest rates will be reduced to facilitate the flow of mortgage funds. House spots will be made available to meet demand. Existing units will be sold to those wishing to purchase them and the purchase will also be made at the historic cost of construction, in other words when the house was first built. Also, it is a policy plank that the houses will be repaired before actual sale is contemplated. Old aged pensioners houses will be put in an adequate state of repair and have basic indoor amenities. Sir, that is the kind of programme that the National Democratic Party will bring to alleviate housing shortages and inform housing policy and housing policy direction in Barbados. 12.30p.m.

Now, Sir, what was particularly distressing about the Prime Minister's Budget was that it set out a number of objectives. For example, he said he wanted to stimulate the export of goods and services, page 34, he wanted to raise the level of savings and investment directed at areas that earn foreign exchange or save foreign exchange. But upon reading that Budget, Sir, there is nothing in there that is designed to achieve these objectives; nothing whatsoever. It was a Budget, to my mind, that was riddled with tokenism as, for example, the way in which he chose to address small business development in Barbados. A mere \$1.5 million was given. The Leader of the Opposition dealt with that very adequately when he presented his Reply to the Budget and exposed it for what it was.

The areas of manufacturing and tourism, which in his estimation have shown some improvement, were left without any kind of support. Nothing was given in the Budget. If he is saying that he wants to redirect or have a thrust in manufacturing which was export led, obviously manufacturing would have to be the area he would have to concentrate on. If he wants to bring in more foreign exchange, one would have thought that he would have done something for manufacturing and for tourism to further improve the two sectors which appear to be showing some improvement at the moment.

I want to reply, in rebuttal, to one or two things that were said by some Members who spoke before me. The Member for St. John persisted in his address to this Honourable House in saying that a member of the National Democratic Party spoke at will and said on radio that he was in favour of cutting social services and also cutting and reducing wages. As far as my memory serves me, nobody that is a member of the National Democratic Party has ever made such a statement. It is, to my mind, Sir, a statement that is very far removed from the truth. It does not even sail close to the truth. If anybody in the National Democratic Party had any thoughts like that, they would have me to deal with, because we cannot have any approach in that direction and our policy does not encourage things like that.

Yesterday evening when the Member for St. John started off, he was flowing very smoothly, Sir, and into 20 minutes of his speech I turned to my colleague on my left, the Member for the City, and I said "The Member for St. John is going well. At least he has learnt his lesson, he will not mash the crease, as the Member for St. Thomas said." Whereupon, Sir, he did that. I thought he had learnt his lesson from last year when he came over so badly on television, when he started to lash left, right and centre.

On this occasion, Sir, he was going down that road, very smoothly, very collected, very statesmanlike in his approach to the matters at hand, making what I considered up to then a very good speech, and then suddenly he went wild. He started to make all kinds of unsubstantiated allegations and things like that.

I have never heard the Member for Christ Church East Central struggle so much with a speech, Sir. He was trying with great difficulty to defend the indefensible.

Mr. SPEAKER: One minute more.

Mr. R. P. BYER: Yes, Sir. I have never heard him, what I consider to be tossing and turning, trying desperately to recover a situation which was already lost, and a situation which will further be lost at the end of this evening.

I thank you, Sir.

Mrs. M. BARKER-WELCH: Mr. Speaker, I rise to support wholeheartedly the Resolution before this Honourable House brought by the Right Honourable Prime Minister, Minister of Finance and Economic Affairs. I also wish to congratulate him for the handling of the economy during the past year. In his usual confident, calm and precise manner, he has presented a Budget which seeks to make sure that the economy continues to grow. At the same time he has helped the senior citizens and those in our midst who are unfortunate enough not to be able to help themselves too much.

Mr. Speaker, development must have a human face. Let me repeat that. Development must have a human face if people are to make any significant progress. It is all well and good to think in terms of statistics and percentages, but the real proof of the success of any policy lies in how it affects the ordinary man and woman out there who, for the most part, like many of us in here, get confused when bombarded with masses of figures which, depending on who is talking, can be interpreted in different ways. We know that the economists themselves, the professionals, do not agree totally on this aspect.

Statistics, Mr. Speaker, can be useful indicators, but they have to be used with care. International development economists, while noting the usefulness of statistics, prefer to stress the need for a slightly different index, what they call the quality of life index, to test the true level of a country's development. Things such as health, housing, education, welfare services and the like. This Government, Mr. Speaker, is committed to maintaining for Barbadians the standard of living to which they have grown accustomed.

My measurement too is going to be the quality of life for all Barbadians. In my view this Budget shows Government's commitment to maintaining and enhancing the excellent - and I make no apologies for using the word "excellent" - quality of life of our citizens.

Mr. Speaker, several years ago the Barbadian public did not travel very much, but nowadays everyone travels, a lot of people travel, and I am sure that when they get back to this little rock, so to speak, they compare and contrast what they have found on the outside, even in the well developed economies, and I say that the majority of Barbadians feel confident that our standard of living is among the best in the civilised world. 12.40p.m.

Now, Mr. Speaker, it seems to me that people feel that when one budget is laid that that either wipes out or something happens with what has been going on before. Mr. Speaker, the good measures that were brought in last year are still there. This is only a statement of how we hope to spend the money this year, but all the measures that were put in place for the various activities of Government are continuing. We should try to see the specific aims and purpose of each budget alongside what is going on already in those various sectors of the economy. For example, this budget seeks to give stimulus to the business sector with particular emphasis on the promotion of trade and especially external trade. I was specially heartened by the announcement of the intended appointment of a Commercial Attache to certain designated foreign service missions abroad. Mr. Speaker, this is a very important aspect of our export promotion thrust. This Commercial Attache will be able to gather information; he will be able to relay that information to the home manufacturers so that

they get a true picture of what is happening outside in the outer world, and the Export Promotion Corporation in Barbados would then be able to sift that information and make use of the opportunities that avail themselves because they have had the information coming from the Commercial Attache.

Mr. Speaker, this measure is a very important one, and as I said before, the several measures that have been laid in this budget speech have been overlooked in favour of pushing the statistics and percentages of which I earlier spoke as well. Mr. Speaker, this budget has something for everybody.

I wish to refer now to the sugar industry. Recently there have been many allegations that this Government is not doing enough for agriculture or more specifically for the sugar industry. It is very important to note that the very prestigious study done by Landell Mills Commodities Limited is being given consideration. That report contains what I would call the blue print for the future of the agricultural sector of this community and, Mr. Speaker, agriculture is one of our most important planks in the provision of goods and export material. It is also very important that we earn foreign currency and that we try in some way to feed ourselves. So this report which dealt a lot with the sugar industry is of immense importance. The Government recognises the importance of the role of sugar in our economy, and in this regard I wish to compliment the Government on the steps taken to enhance this industry.

Mr. Speaker, we have other important areas. There was not a lot said about tourism, but this was because we are awaiting a study in that matter, but the Minister of Tourism in his own inimitable style brought us up to date with what is happening in tourism in Barbados and those of us who heard him I am sure can rest assured that all is well in that sector.

Mr. Speaker, a few days ago when I heard of the collapse of the Odyssey tours, I was a bit concerned as I suppose everybody who has the interest of Barbados at heart, but yesterday we were told that things are already in process to have another tour company replace the Odyssey so that the effect on our tourism for this winter season will be minimal in that regard. Now tourism for us, as we know, is a chief income earner and also a very great employer of persons in this community, and so too that had been given concessions last year and those concessions continue into this year, and at the end of that report the Board and the Minister will be able to see in which direction they are going to further promote tourism in Barbados.

Mr. Speaker, everybody gets a little something in this budget. The budget has provided some money for the Barbados Development Bank and the Barbados Development Bank on-lends this money to organisations like Women in Development, and I guess you know, Mr.

Speaker, that this is one of my favourite subjects, the position of women in business, in the professions, in life in Barbados in general. I have been reliably informed by the people at Women in Development that right through the years they have been lending lots of women money for small businesses. I am also reliably informed that the women have a high rate of repayment, something like 80 per cent and above of repayment. Now these women, Mr. Speaker, provide the bedrock of small businesses in Barbados and while I am on the subject of women I would like to pay a special tribute to all those women employed by the National Conservation Commission and the Ministry of Transport and Works who do a tremendous job in Barbados, and who have carried the diligence with which they go about their household chores into the workplace and we in Barbados are reaping the results of their diligent work.

Mr. Speaker, it is very customary for the Opposition to focus in on the figures, as I said before, which confuse a lot of us, but there are some important measures in this budget that deserve consideration. One such measure is to do with the administration, is to do with the collection of taxes. Now that is extremely important. If we collect our taxes as we should, we will not have to impose so many new taxes, because Government would be getting all that belongs to it, and I am very happy to see that the Minister of Finance intends to strengthen this arm of the administration of the public money because we need that money, Mr. Speaker, to get on with the various things that will enhance the quality of life for Barbadian citizens.

In this budget too we have a lot of incentives to the business people. This is very good for Barbados because the business sector then will be able to employ more people and they will be able to be motivated to do more in the interest of their country. 12.50 p.m.

Among those business people who will get the benefit of this Budget are the pharmaceutical people which your Honour, the Speaker, would be glad about and this goes also to help the poor people in Barbados. In paying for their medicines they will be able to get them at a little cheaper rate.

Mr. Speaker, I now turn to what the Opposition likes to refer to as squandermania. I must talk on this subject because if people repeat something often enough, the people who are not inside will think that they are right. But the squandermania of which they speak I am going to dismiss now once and for all.

Mr. Speaker, is it squandermania to work on the tenantry roads of the country? As you know, I am the proud

representative of a rural constituency which for several years had no road repairs...

Aside.

Mrs. M. BARKER-WELCH: Thank you....several decades, Sir, 50 years under the Barbados Labour Party and now we are getting some tenantry roads.

Mr. Speaker, I am not sure if everybody understands what is the importance of these tenantry roads. You will remember that most of these tenancies were formed from the marginal, rocky, muddy bits of land which the plantations did not want and so it has continued to this day that there are several persons living in these areas and their only means of access to the main road is a stretch of road, sometimes just 200 yards, sometimes a bit more, sometimes very much more, what we call a cart road.

Mr. Speaker, these cart roads are now becoming roads. I can list one such road in Sugar Hill called Alley Road. It was a cart road and now it is a road which any Member of this Honourable House would be pleased to drive through.

Mr. Speaker, even, what in some person's estimation would be the most insignificant roads are now being fixed. It is true that the programme has not long started but I know that there is such a programme and that these roads are going to receive all the attention that is necessary.

Mr. Speaker, if this is squandermania, I hope that the Minister of Finance squanders me a bit more because the people of St. Joseph would be able to tell you that they now enjoy several conditions which were not available before. I can name some of them for you.

Mr. Speaker, I am turning on now to the National Assistance Board. In the four years that I have had the honour to represent the people of St. Joseph, several old senior citizens have been able to sleep in peace at night, without fear of getting wet because the National Assistance Board has been doing its job.

Several old persons who had formerly applied for assistance and were not given any, they are now being given assistance and most of these are women. Well, it is because we women live a bit longer than the gentlemen but a lot of them are 83 years, 90, 85 years, these people are now enjoying a reasonable standard of living because they are secure in their little homes and this is done by the National Assistance Board and this work has been ongoing.

The Leader of the Opposition ought to know about it. Someone remarked that the old people's houses were being done for Elections or something. That is ridiculous. The Minister responsible for the National Assistance Board has

himself gone around to those houses from as early as 1987 and I was present I was working in that Ministry and the Minister went along with the Honourable Leader of the Opposition in his constituency to make sure that these houses were well repaired because, Mr. Speaker, I must tell you that the state of repair of those houses left a lot to be desired when the present Minister took up the office so a lot of these people are now able, as I said before, to live comfortably.

Mr. Speaker, this is not partisan repair. This is no repairing of people who could otherwise buy houses as is alleged has happened before. These are repairs to houses of needy persons who are very, very thankful.

By the way, Mr. Speaker, yesterday morning just as I was coming out, an old lady called. I was about to come out and I almost said, I wonder what this is now. You know how it is with us representatives. We are always getting calls all morning. This lady said, "I want to tell you to thank the Prime Minister for the little extra thing he is putting on the pensions." That, I thought was real appreciation.

Mr. Speaker, as I said before, the squandering is doing very well for me. St. Joseph is being beautified in a way that one could not really foresee very well. But we have a Minister of the Environment who has vision and a lot of the country areas are now being made things of beauty.

Mr. Speaker, it is not only that they are being made beautiful. The mere fact that we have a park in a place like Lammings, a beautiful park there, means that the children interact in pleasant surroundings. This is very good for a community and apart from that, on the outside of this park there are benches for the older folk to sit and enjoy the evening breeze. Action.

Mr. Speaker, if you had seen that place before, it is only with vision that you could have seen what a beautiful place it could have turned out to be, dunks trees, huge stones, weeds, it was just like rab land but now it is a vision of loveliness, the park at Lammings. Thank you for squandering that on me.

That is not the only one. We squandered Bathsheba park too. Bathsheba, a most beautiful spot, every single day tourists visit Bathsheba Gardens. It is a vision of loveliness and local people every weekend - I think my constituents told me that they saw the Prime Minister driving through - there as well. It is really beautiful. It is really lovely and that is what I call development with a human face. You see, Mr. Speaker, if we do things for our people they will benefit tourism as well. 1.00p.m.

If we make sure that our people live in these areas of loveliness. And, Sir, Mr. Speaker, St. Joseph has reason to be grateful for this squandermania.

Mr. Speaker, we come to the area of education. I cannot rush in on the Minister's area but I must tell you that we are now having continuing education at Grantley Adams Memorial School. The biggest class is the - wait for it - computer class. So that in the rural area where before nothing too much happened, things are happening in the rural area. I am sure Mr. Speaker, that this continuing education is going to make a great impact on the constituency of St. Joseph.

We have also the caring of this Government. This Government cares for the school children and repairs are going on. The schools that were set up years ago wanted repairing and this Government has repaired the schools.

So we are seeing, Mr. Speaker, a whole lot of improvements around throughout St. Joseph. I know it is not the end. I know I have been given the assurance that the tenantry road programme is continuing and I know that it will continue. But I must tell you about a major work that is now in place and that is the Horse Hill Road. Mr. Speaker, that is another vision of loveliness. When you come on the top of Horse Hill you look over the vista of the Bathsheba area. I am telling you, in another 10 months, I am going to invite all my colleagues to come and take advantage of what is happening in Horse Hill.

Remember, Mr. Speaker, that Horse Hill was very slippery and if a little rain fell, you got trouble on Horse Hill. A lot of vehicles got stuck on Horse Hill. But now that is being done.

Mr. Speaker, I could go on and on because there is no doubt that the Democratic Labour Party Government is a caring Government and believes in development with a human face. The quiet thoughtfulness that goes into it which is the epitome of our Prime Minister, quiet, thoughtful - the hallmark - and dignified, our Prime Minister in whom I have the utmost confidence, and I am sure all my colleagues do too.

Mr. Speaker, we can be justly proud of this Budget. It contains something for everybody. Only yesterday, I witnessed a case where welfare was needed and I was so happy to see that, at least, this person will get a little more and that we are cognizant of the fact that we are our brothers' keepers, and we are going to fulfill that mandate that was given to us by the people of Barbados. I have no doubt that the people of Barbados who are educated people, intelligent people will see through all of the gloss and all of the lovely things that are being said about the other parties and will see through the glitter of what is supposed to be glitter and will see through to the right true mettle and the true worth of the Democratic Labour Party.

In conclusion, they say imitation is the sincerest form of flattery and, I must say, I did not think I would have to make this compliment but I am doing it now. Yesterday's

editorial, some editorial in the newspaper, was very balanced and very analytical and it really showed the Budget for what I think it is worth.

Finally, I end with the last words of this editorial: "It is now up to all of us to get down to business."

Thank you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I now move the suspension of this sitting until 2.00 o'clock today, Sir.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly at 1.05 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member St. George North.

Hon. C. V. WALKER: Mr. Speaker, I rise this afternoon to give my support to the Resolution before this Honourable House. This support is not only coming from the Honourable Members in this House, Mr. Speaker, but as one moves through the country, one will discover and indeed one has discovered that people are actually saying they are satisfied and they are also asking the question: "How come we are hearing about a Budget without increased taxes?" Yet we heard both the National Democratic Party and the Barbados Labour Party saying that we should look out for the worst in this Budget.

Mr. Speaker, they also want to know: "How come the Minister of Finance and the Prime Minister could have presented such a Budget?" And yet we were hearing about an economy that is on the rocks, that is in disaster and that is catastrophic.

Before I deal with the three areas I should like to deal with today, Mr. Speaker, I would like to refer to a comment made by the Leader of the Opposition in his presentation. The Leader of the Opposition yesterday said - and I will paraphrase - that people can no longer trust the political directorate because of the way in which they behaved after they became the Government and he also believes it is partially due to drugs.

Mr. Speaker, I want to make it very clear in this Honourable House that I do not know how anyone behaved before but I believe as the representative of the people of St. George North I behave the same way, if not more humanely in terms of the requirement that I have placed upon me as their representative.

I need no drugs because I behave the same way. I resent anyone who with the slightest iota of connotation leaves that impression on the community. I speak for myself that I was different because it was partially due to any drugs. I say that with a clear understanding, Mr. Speaker, that above all, I have the responsibility in the Ministry of Education and Culture for the youth of this country and if I above all allow that impression to pass in this country then one will have to ask: "What will the young people out there think?"

In some of the schools out there, Mr. Speaker, I know that there are children, and they have been for the last two days, paying attention to this debate. It is part of their development, not necessarily their political development, but part of their social studies development.

We as representatives of this country who are charged with the responsibility of being the morals of this country have to make it clear that we leave no stone unturned in setting a proper example for the youth of this country. 2.05 p.m.

I just wanted to clarify that because we know, Mr. Speaker, things said in here when we get into the hunting season reference is made not necessarily sometimes by the one who made the statement, but by those who feel it in their interest to quote what was said in this Honourable House.

Now Mr. Speaker, we also have the Leader of the Opposition who says that he believes in the policies of the Democratic Labour Party and yet he is the Leader of the National Democratic Party. Now, again, that is something that the youths of this country need a clear direction on and they are asking questions. How come one can say that you believe in the policies of "X" and yet you are enunciating policies of "Y"? Nobody chased him away. He left and he ran like "One-armed Bradshaw" the night of the riot.

Mr. Speaker, we also heard that this was supposed to, have been an Election Budget. The NDP said the election was going to be in November. The Barbados Labour Party was saying it was going to be an election in May. Now they are saying November. The people are saying that it is no Election Budget and the National Democratic Party spokesman, the Leader of the Opposition, gave what he said was an Election Reply.

Now I believe, Mr. Speaker, that what was referred to as this Election Reply was only because he was caught napping. Now a Budget, Mr. Speaker, is based on management, proper planning, and of course you must have the proper consultations. I believe, Mr. Speaker, that in this Budget the whole management planning concept was played out. I believe that the Prime Minister in his wisdom analyzed all the problems and indeed performed a proper problem analysis. At some point he had to make some

decisions and I believe that there we saw again the true aspect of management in his decision analysis. In the end I am sure, Mr. Speaker, he had to play out the final role in terms of the "what if situation better known in management as the potential problem analysis. He did all those things because he is the leader of a party that is sharing and caring.

Now I will not dwell on the details of the figures j outlined in the Budget. Many Honourable Members have done so before and, if I were to attempt to do so, I probably would take it from a different analytical point of view. But however, Mr. Speaker, I would like basically to touch on three areas. I would like briefly to review what is in the Budget. I would also like to look at the dollars that are spent specifically in the area for which I have responsibility, that of Education and Culture. As the Honourable Member for St. Joseph pointed out in her presentation, let me start off by saying I, too, will be asking" ^ _ the question about squandermania. Third area, Mr. Speaker, the one that is germane, the one that is at the base, and the one that is responsible for my being here - and indeed other Honourable Members will have to reflect the same way -things that relate to the people of the constituency which I have the honour to represent. Some of the objectives outlined in the Budget, Mr. Speaker, relate to an increase in the level of output. Mentioned are the provision of jobs, ^ maintenance of moderate prices and, of course, the ever-encompassing improvement of the social conditions of people, especially the people referred to by the Honourable Member as in "the alleys" but what I call "the back roads".

Mr. Speaker, we heard that an additional 1,500 persons were employed in 1989. Realistically, I believe that was even an adjusted figure. But I said earlier that I would not dwell on details of figures, but we were talking about 101,700 people going out of 120,700 with an employment rate of some 15.7 per cent which was down from the 17.3-^ per cent, which gives us a difference of some 1.6 per cent. If "" one calculates that quickly, you get about 1,931 people. Whichever way you go, we are above that 1,500 figure. This is only but one, Mr. Speaker, of the Government's responsibilities as it relates to the management of this country. We heard some of these objectives and we heard some of the comments and requirements as outlined in the Budgetary Proposals by the Prime Minister where he pointed out the requirements of any Government to provide law and order, education, health, roads, water, transport,^, and above all stability within the community, growth within ' - the community, and credibility within the community, credibility with the people, Mr. Speaker, not credibility with the Opposition. We know what the Opposition's role is. I say to the Opposition: Look at the empty seats. Do not in one breath complain about capital spending, squandermania, and at the same time come into thi«-y Honourable House and try to tell the people because you" know that you are before the cameras that we are doing iD) little. You cannot have your cake and eat it too.

Mr. Speaker, I want to quickly touch on a few of the proposals submitted and, as I said, deal with how they relate to children and education. The audio-visual training equipment, Mr. Speaker, is very important in the area of education for the total upliftment of the children of Barbados. Cameras and photo equipment may be perceived to be just dealing basically with people who take pictures. But they say a picture is worth a thousand words. We in the Ministry of Education utilize the visual picture to transplant ideas that are necessary in this modern technological world. 2.15p.m.

The indirect result of the pharmaceutical manufacturing allowances, Mr. Speaker, will have an impact on the condition, the health of the children of this society. And the one that everyone knows is dear to my heart, the whole question of computers, software and equipment. I will have a little more to say about that, - because we have already started to revolutionise, the whole concept of education in this year of 1990.

Enough has been said about old age pensions going from \$55 to \$58, the welfare grants. We know all about the adults moving from \$10 to \$15, disabled persons who were getting \$12, \$16 and \$20 now getting \$16, \$20 and \$25. Enough has been said about that by other people, but the disabled children who were getting \$8 and \$10 are getting \$12 and \$15.

I want to get into this squandermania concept again, Mr. Speaker. Where are we spending this money? I have a responsibility for the Ministry of Education and Culture. We spend the largest chunk of the money within this Budget in the country. We have to make proper representation to the Minister of Finance to justify the spending of this money. Not only do I believe, not only do other Honourable Members believe, but I am sure that members of this society are totally convinced that money spent in the Ministry of Education in the interest of the youth of this country is at the bedrock of any future development of this country of ours, Barbados.

Let us talk shop then. Let us talk about the dollar spending in Education, the largest slice. The 28 068 children in the 95 Government primary schools, the 21 186 in the 21 Government secondary schools and those in the now 14 private secondary schools, all depend on the dollars that we spend in this country. We also do additional things for other schools.

Construction of schools. Before I go on this I want to make it clear, Mr. Speaker, that the Barbados Labour Party will state that they discussed the present project, the second education project of school building. I say yes. I also say they discussed it, it was discussed and settled just before the " election - nothing wrong with that, we are dealing with -government, not with people representing individual interests - we formalised it, we enhanced it, we changed the

design in some instances and we looked after the disabled to ensure that all of these projects we now have included in them facilities for the disabled. That is how a Government is run. If we were to step back a bit, we formalised and discussed the airport and they implemented it, so I do not want to hear any more about anyone saying I am carrying forward somebody else's work. That is the way Government is run.

Now, where is the money going, Mr. Speaker? We have extended school meals to the senior schools. The children who are in those schools are the ones who need it even more than the others, because in many cases they are from homes where they can least afford any support. We have teachers all now under the management in secondary schools, they have all now signed the Memorandum of Understanding and we have peace and harmony as far as their working conditions are concerned, no more Smiths. We have taken the textbook loan scheme into the primary schools, based on the use of the same computers. We have been able to computerise the whole allocation so that we can now, out of the \$1.6 million allocated, introduce textbooks into the primary schools.

Mr. Speaker, teachers are going through training at Erdiston College in special subjects, in specialist areas. We are having classes in secondary in-service two year programmes, primary in-service two year programmes, post-certificate training, all sorts of training in computer programmes and we also have the continuing education programme referred to earlier. All secondary schools are now on a planned pattern of proper computer installations, and not just proper computer installations but proper networks. I cannot go into the details to explain that to Honourable Members, but we will have proper networks within the school system.

The Community College, Mr. Speaker, has associate degrees in some 30 areas. Do we call this squandermania? Can one say the dollars we are spending in higher education, where we have provision for some 12 scholarships, we gave 16 last year and now we have provision for 12, and I do not know what the number will be - any number. We had 21 exhibitions, we had two UWI scholarships, we had some 12 bursaries. These are dollars that we have to pay, this cannot be squandermania, Mr. Speaker. We have seven National Development Scholarships. All of these cost dollars, and we all know that the cost of education at all the universities throughout North America and the United Kingdom is increasing. Day by day we receive notices of the increases and we have to find the dollars. We cannot leave our youth stranded.

I mentioned before the continuing education which has started in four secondary schools. It is our intention, once the community requests it, to provide all the courses that they need. We will make the buildings available.

Mr. Speaker, I briefly mentioned the construction when I made the comment about the continuation of Government. We have completed the Cuthbert Moore School in St. George and the Roland Edwards School in St. Peter. We have under construction now Selah, St. Matthias, Bayleys, Mount Tabor and the St. Mary's Schools. We also have in the works the school in St. James, the school in St. Thomas at Farmers and the school at St. Stephen's. We also have in the secondary area Queen's College and the Wotton School, as well as the St. Thomas Secondary School for which we have already as a party taken enough lashes, not now but way back when - and we intend to implement the construction of that school. The contract has been awarded and it will be built. I am sure the Honourable Member for St. Thomas will enjoy that it is going there.

Mr. Speaker, dollars are spent not only in education, but dollars are spent in roads, water, light and recreation. I want to touch briefly on one point. I know the Honourable Member has an outstanding Question, but I think it has been brought up by enough Honourable Members that I should give not only this Honourable House but the general public in some clear, concise background, the details of what is happening at Two Mile Hill. 2.25 p.m.

It is the Sherbourne Centre, first of all. That is the name. There is a conference hall, an auditorium and then there is the examination hall with a foyer connecting the three. It is a phased approach with the conference hall being No. 1, the auditorium No. 2 with the foyer linkage being part of the phase 1 preparation and the third area then being the examination hall, which will not necessarily be the least of the three, but in terms of the requirements of the country right now, that is the manner in which they exist. We have a seating capacity in the auditorium for some 2 000 people, in the conference we will be accommodating some 400 delegates, there will be the examination hall for some 1 000 students. The cafeteria will seat some 300 people and forms part of the foyer, and the lounge associated with it to seat 120 delegates.

Mr. Speaker, I have the detailed information for the Honourable Member for St. Thomas based on a question before this Honourable House, but I wanted to make it clear that the facilities will be the most modern. They too, Mr. Speaker, will also be computerised. The facilities within the conference room, if one were to visit and now go into the rooms where the translators will be working, you will see the finished product inside. Don't mind what the structure looks like; that is awaiting the finishing touches. I am telling you what is going on inside.

Mr. Speaker, I am sorry that the Honourable Leader of the Opposition is not in his seat, because I want to get back to the dollars that are being spent. It is funny, you know. We heard the word "squandermania" and then the Barbados Labour Party sort of stepped back a little and did not take it.

but we now see this thrust from the National Democratic Party because they believe that it is a word that has caught hold. Now let me say this: I would like to thank the Prime Minister and Minister of Finance and the Minister of Transport and Works for the following work already done, and I want to say this because I want to address this directly to the Leader of the Opposition. They say we have short memories. The Leader of the Opposition presented himself[^] to the people of St. George North in 1976; he told them that --he was there and that they were neglected for too long and something had to be done. Now they did not neglect him; they did something else. But I would only say, Mr. Speaker, that I would like to point out that for a place that was neglected for so long, we are here now four years minus a month. Squandermania? The people of St. George North want to say thanks for all the water mains that went in up there in Lower Estate, Constant, Woodland, Moonshine, Sweet Vale, Applewhaite, Airy Hill. They now have water. Squandermania? The people want to say thanks again for[^] ~ the bus shelters. We know in the country when you are far from the doors and the rain comes down, you get wet, and they want to say thanks for the bus shelters in Jericho, Locust Hall, Taitt Hill, Glebe, Charles Rowe Bridge and Walkers. The people in St. George ask me to say thanks. I have letters from constituents who write me on a daily basis thanking, and I would only paraphrase again the last line in one of those letters which prayed for me and said we pray for your success and continued success to deliver the services for the people. The Honourable Leader of the Opposition set them up. They did not accept him then; but he cannot turn his back on them because he comes from up there, so he cannot talk about squandermania to the people up there.

Mr. Speaker, when we talk about roads, when the Honourable Member for St. Joseph spoke of the alleys, up there we call them the back roads and the three pair of shoes roads. Now the people from Lower Applewhaite,^{-^} Superlative, Rock Hall, Walkers, Moonshine, Walker's[^] "** Land, Walker's Valley, Lower Estate, Constant, Newbury, Glebe, Wood Alley and Cottage Heights are now walking on proper roads. Do you call the spending of that money squandermania?

Mr. Speaker, lights. Lighten our darkness we beseech Thee O Lord. One could not walk for the darkness. You could not ride your bicycle, so you could not walk. Do you [^] know that attendance at the churches has risen in that > constituency? Do you know why? The people can see to come out and we have up there now, Mr. Speaker, from Parish Land to Lemon Arbor, to Wakefield, to Rock Hall, to Jericho, to Lower Estate, to Walker's Valley, to Thorpes Cottage, to Walkers, to Cottage, to Glebe, to the Valley, to Rouens and to the Cole Hole, to Sweet Vale, to Bridge Cot,[^] to Locust Hall, to Belair, Workmans, Newbury and Locust Heights. All these people were in darkness before, and now have street lights and they can see.

Mr. Speaker, I realise my time is running out, but I would say that it is now three years almost four and the people in this country don't want to hear anything about squandermania; the people want to see that they can in their lifetime enjoy some of the services that they see their brothers and uncles and aunts in other communities enjoying, and they want to share in that. Mr. Speaker, the Minister of Finance brought the budget, the Minister of Finance provided the dollars. We as Ministers with responsibility for the various Ministries have to administer and oversee along with the accounting officers the spending of those dollars, and I will close by saying, Mr. Speaker, if this is music for the services of the people, and it be the food of love, play on. Thank you very much.

Hon. N. K. SIMMONS: Mr. Speaker, I guess you can discern in my voice that like so many Barbadians I am suffering from a virus and if perchance my voice leaves me _ during the course of my presentation I will have to stop, but I believe my constituents would want me to speak on their behalf and therefore I have to do so. Secondly, I believe as a Minister of Government I would want to defend the policies of this administration. Having said that, Mr. Speaker, let me begin by complimenting the Rt. Honourable Minister and Minister of Finance and Economic Affairs for his handling of the economic affairs of this country since he became Minister of Finance and more particularly during 1989.

Every international agency which has reviewed the economy of this country over the last year has held the handling of the economy in high praise. And Mr. Speaker, I would ask you, whom would you believe, the Opposition? Or would you accept the objective judgment of those international institutions? There is no doubt in anybody's mind whom they would accept. They have no hidden agendas, they come in without being partial, they are impartial and objective and they have said that they are satisfied with the handling of this economy. As a matter of fact they reckon that Barbados' economy is the best handled throughout this region.

Two days ago when I was returning from exercise, there was a news flash to indicate that the World Bank had accepted Barbados' position that the Barbados dollar would not have to be devalued. I believe this is the first time in many a year that the IMF would not be suggesting that one of the measures we would have to adopt to prop up the economy would be to devalue the dollar. So all of those persons who were suggesting a year or two ago that our dollar would have to be devalued would have to hold their heads in shame.

Since this budget was delivered, most of us have had the opportunity to hear the comments of the people on the 'outside.... Last night I was not here because I was ill and Curing the break CBC television took the opportunity to interview photographers, computer experts, the Chairman

of BEC, the Chairman of the Barbados Manufacturers Association and other people, all of whom were in high praise and grateful. 2.35 p.m.

The one dissenting voice I have heard so far I believe is from an hotelier, could be the President of the Hotel Association.

There are very good hoteliers in Barbados. There are a few, who, unfortunately, believe that they can sit down in Barbados and depend upon tour groups to bring business for them. If one has to succeed in life, one has to work very hard.

I represent the area which is the hotel belt and I believe the Minister of Tourism mentioned last night that there are properties down there expanding, I do not mean spending \$500 000. One property is spending \$12 million, another \$13 million and I am in contact with them and they are working around the clock to make sure that the properties are completed before December 1 because already they are booked up. You get out of something what you put into it. If hoteliers expect to sit down in Barbados and business come to them, well let them sit down and business will not come to them.

I would like to say as well, Mr. Speaker, that since this Budget I have heard a lot of people praising the Prime Minister. As far as they are concerned, he is head and heels above any politician in this country, honest, upright, God-fearing and, above all, somebody whose word they can believe.

We are all politicians and we know what people say about us and when you get people saying "I believe him" he does not have to repeat it. That is something which we have to be proud about. As a matter of fact, I feel this is the type of person who is a real role model that we should follow and that our youngsters should emulate. He does not have to go around telling people how honest, how truthful, how caring he is. He does not have to tell people how much integrity he has.

If you have lived 50 years, Mr. Speaker, would you have to tell somebody that you are honest, that you are full of integrity? This is Barbados, 2x2. People know about you before you are born. You do not have to tell anybody what you are. People decide for you who you are and anytime anybody has to repeat how honest and truthful, how much integrity they have, it is because they know that people do not believe them. It is a simple thing. You do not have to reinforce that.

If you are a nice person, people will say that about you. You do not have to tell people you are nice everyday of the week only because you know you are not nice, only

because you know you do not care, have no integrity, are not honest, are not truthful so you have to try and tell them every day, hoping that by repeating it they will believe you. Barbados is too small for that.

I make mention of this in particular because as Minister with responsibility for Community Services and in particular the youth I am very concerned about the images we portray. I make this because it is important for young people that they understand what real role models are. That is very important and I am saying that in our Prime Minister we have an ideal one.

I just want to refer briefly to the speech made by the Honourable Member for St. George South. He mentioned nothing at all about his constituency. I can only assume that everything is well in the constituency, that he has been well provided for or that he does not care at all about the constituents but no one word about his constituency and that is strange.

I want to get back to the subject at hand and I want us to understand something about Barbados. Barbados is a very small country, densely populated, I believe, about 1 560 per square mile, or 625 per square kilometre. Next to us is St. Vincent about 425 persons a square kilometre.

We have little or no natural resources. Our greatest resource is our people but despite our limitations, we are able to give free primary, secondary and tertiary education, free school meals, free text books, free medical examinations and free medicines for people who attend the Polyclinic or the Queen Elizabeth Hospital and if you are ill and you cannot get the treatment in Barbados, we send you overseas to Canada, the United Kingdom and the United States of America. I believe the Minister of Health might elaborate on that, free bus fares for the elderly. It is true that the Barbados Labour Party refused to let them travel freely during the rush hour but they can travel freely at any time under this administration.

We also have allowed the disabled to travel free on the buses as well. I believe it was stopped under the Barbados Labour Party in 1982. I stand to be corrected. That was stopped, as far as I know. We have started it back this year. Home repairs are free of cost and assistance in kind is given to the aged and the indigent.

I am only saying this to indicate where the money is being spent that it is not a runaway expenditure. We pay electricity bills, water rates for the aged, give welfare grants to needy children, the disabled and in special cases to the able-bodied to look after children in need of care and protection in our Childrens' Homes.

I would like to indicate here that since we came into office the thrust is on foster care and adoption. We have reduced the numbers in Childrens' Homes from 260 to 228

to date. It had gone down as far as 200 but it has just gone back up to 228. 2.45 p.m.

I would like to reinforce the point that although all of those things are free to the recipients, somebody has to pay. That is where all my taxes go. Incidentally, you will notice _ that in the more advanced countries that they spend a lot of money on the services. That is why like Barbados where the infant mortality rate is so low, where the maternal mortality rate is so low. I believe we have got about fifteen infants dying out of one thousand and about twenty-four females dying of one hundred thousand. This compares favourably with any developed country. That is where the money is going.

I have on previous occasions touched, like so many Members here, on this question of squandermania and I had thought that we had put it to rest. But my constituents are 'i happy with the way we spend the money. We have got new roads. Mr. Speaker, up by you too in Wanstead Heights the whole area is barber greened. The cars are driving too fast though. That is the only problem. We have new roads in West Terrace which have just been done. Roads are being cut at Risk Land and Durants Village. Risk Road and Halls Road No. 2 is next in line. There are lights at Thorpes Terrace, Oxnards Crescent, Oxnard Heights, West Terrace ^ Gardens, Husbands Gardens, Piggott Road, Lashley Road, Clarke Road, Durants Village, extension to Chapel Gap No.1. Playing fields upgraded at Thorpes Village. We can see where this money is being spent at least for the first time.

But I want to carry us back to the period 1976-81 and you could tell me if that were squandermania. Go to the Ministry of Agriculture and see the building up there. I understand over \$2 million were spent on the air-conditioning. It has never worked yet. Twenty-six million^ dollars spent on CARIFESTA, \$1.5 million in tents which were never used yet, \$800 000 on the floods in St. Peter. One man got a house that never had one before and he got it because he is supposed to be the watchman for the area.

When we came into office in May, he got it. The contract or whatever it is says he got it because he was supposed to provide security for the area. That is what it says on the contract. The National Assistance Board between March and April they spent the whole subvention \$1.6 million. We had to then go and get \$600 000 more in ^ order that the programme would go on. There are houses which they claimed they claimed they built and we cannot find records of the houses. One particularly in the Pine.

They talk about the pavilions trying to pay money up front for and we had to go and spend about \$150 000 to complete the pavilions. •-

They criticized us because we built the Community^ College that everybody could see. Everybody can see the

work on the Community College today. They criticized us for building Sherbourne. But in time Sherbourne is going to prove its worth.

I want briefly to look at the areas in the Financial Statement and Budgetary Proposals which relate to my Ministry. I believe that at pages 10 and 11, the Minister of Finance referred to the question of employment. He had this to say at page 10:

"One of the objectives of the economic expansion of Barbados is to provide more jobs for its citizens and I am happy to report such an achievement in 1989. An additional 5 000 persons were employed during 1989."

He continues indicating that the unemployment decline to 15.7% from 17.3% in the corresponding period of 1988.

What the Report does not say however is that between 1981 and 1986 under the Barbados Labour Party, unemployment, the number of persons employed dropped from 100 000 to 92 000. They lost 1 600 a year. Of course the Leader of the Opposition tried to make us believe that between 1980 and 1990 only 1 500 jobs were created. But unfortunately in his speech he went back to say that in 1986 when they came into office, over 93 000 people were employed. In other words, between 1986 and today we have created over 9 000 jobs.

I want to compliment the Minister of Trade, Industry and Commerce for the action they took in ensuring that the manufacturing industry started to work again, so that police uniforms are being made here again, customs uniforms are being made here again and not sent to Canada because, when you send them to Canada, they give the impression that our people are not capable of producing the uniforms. We have now brought it back here to Barbados. So the uniforms our policemen are wearing and the uniforms our customs officers are wearing are made in Barbados. That increases the number of employees.

I want to compliment too our Liaison Officer in Canada. When he went there, when he took over 493 people were in the Farm Labour Programme. Last year, it increased to 1 200. He pays particular attention to the women folk. When we came into office, four women were in the programme. Today there are ninety four. This is with the fact that we are up against stiff competition from Mexico and other Caribbean Islands and the Phillipines because he is working and working very hard.

I notice that the NDP is suggesting that they are going to increase employment through agriculture. Do you know that despite the fact that we have got 15.3% people serfiemployed that we cannot get people to go and cut canes, we cannot get people to go and cut cotton? I want to know

what type of agriculture they are going into in Barbados and make sure that these people go to work.

Mr. Speaker, agriculture in Barbados is not a cheap enterprise. If you want a labourer to work for you, you have to pay him \$5 an hour, a labourer in agriculture. That is why we cannot produce any frozen okras to sell to anybody. If we produce them, the basic component in any product has to be labour. What we pay a labourer a day in Barbados, a Guatemalan would get for a month. Can you compete on that basis? We have to look at different areas. 2.55 p.m.

We have gone into computerization. We are looking at computers and data processors. That is how the Minister of Trade, Industry and Commerce is looking for highly skilled labour. This is a basic thing. I do not think that I need to explain that for you to understand, Mr. Speaker. Likewise, in the manufacturing industry too, we have a problem that the wage base is so high. The Phillipines, Mexicans, and Koreans get nothing compared to what our people get. Our average wage is about U.S. \$5,600 a year. These people obviously earn less dollars a year. How can we compete? When manufacturers move out of their country, they are looking for very cheap labour. So we cannot compete at that level. We have got to go to more high tech.

Mr. Speaker, I want to also look at some areas and I want to thank the Prime Minister for increasing the Old Age Pensions. It is really sad when we watched the Leader of the Opposition yesterday. He said that he got goose pimples when he heard the increase of \$3.00. I wonder what happened to him when he increased it by \$2.00. I believe that he would have choked on his own tongue. He increased it by \$2.00. But yesterday he got goose pimples because he does not realize that we do research here. He believes that he can come and say anything and anybody will believe him. He increased it by \$2.00. I was in the meeting when the Honourable Member for St. Michael West and the Honourable Member for St. Lucy begged him to increase it to \$5.00. He said, "No way, cannot afford it." Today he is trying to make us believe that he got goose pimples. He is so sad. That is why I talk about integrity, honesty, truthfulness, and caring. That is what I am talking about. You judge people by their actions not by their lips. But when we look at what we give the old people, I say you must remember that they get free medical attention, free medicine, free transportation anytime of the day. If they cannot afford it, houses are repaired. All that must be included in what they get. You yet only look at the \$5.00 or \$58.00 and no more but medical care is expensive and that is added. So I guess in a sense, if you look at it carefully, probably they get about \$75.00 a week. I do not know.

I want to thank the Director and staff of the NAB, National Assistance Board, for the way in which they repair the old peoples' houses and look after the old people. The

service has improved tremendously. A simple thing. When we went there, do you know the old people were not getting steps? Now most old people have a problem with their vision. They were not getting proper steps. We included steps so that they can get up and down easily and in some cases handrails and lights at the back of the house so they can see properly. This might appear as a small thing, but if an old person falls that may be the end of that person. They only have to fall.

You see, we in this party put people first and that is why we start with the young and the parks. If you can get those children properly trained and disciplined from the time they start to walk, you will not have to worry when they get 14 or 15 years old. That is why we are building so many parks in densely populated areas and we put trained people in there. We train them in human development and growth, first aid, games people play in the parks, and the environment so that when the children get in there they can control them properly. We would not have to worry about them when they get 14 or 15 because they would have had their training by then.

Mr. Speaker, I can see you are looking at me and I only want to say this. Your park is opening tomorrow and, regarding the Honourable Member for St. Philip North, his will be opening on May 19th. The park in Deacons Farm opens tomorrow. I think yours will make the fourteenth that will be opened. We are aiming at twenty-one. Yours will be the fourteenth. In that vein, I must thank the staff of NCC for the good work which they are doing. I believe that it is excellent.

The youth - sometimes we hear that we are not doing much about the youth. The summer camps alone have attracted, not the campers, 600 young people per year to work with them. Two weeks ago we just finished a Human Research Development Programme for 400 youngsters who we believe had low self esteem. We got together with guidance counsellors in the schools and hand picked the best youngsters so they understand something about the world of work. I believe the Honourable Member for St. Michael Central was one of the lecturers speaking on the trade union, how to approach, how to deal with rejection, how to apply for work, how to dress for work, the attitude when you get to work. They are being attached to firms so they understand it. These are youngsters specially hand picked because we know that they have low self esteem. So we have been looking at every area of development in this country.

Mr. Speaker, I am sorry that I have to stop at this stage but I want in closing to thank all members of my staff for the support they have given me. I want to indicate obviously that I am in full support of this Resolution. Thank you, Mr. Speaker.

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

Mr. C. L. TROTMAN: Mr. Speaker, Sir, deeply conscious that I represent a predominantly working-class community, very proud that my life's work is in pursuit of the goals of the working person in Barbados and more recently the working person in the wider Caribbean, am I humbly guided by my early Christian upbringing nurtured by the church, I rise to support the 1990 Budgetary Proposals by the Prime Minister. Led by that charity, Sir, I wish at the very outset to congratulate the Opposition Barbados Labour Party. I am sorry that I cannot say that I wish to congratulate the National Democratic Party. But I wish to congratulate the Barbados Labour Party for being magnanimous enough and gracious enough to openly applaud the Minister of Finance when he unveiled Government's measures for improving the quality of life for all Barbadian nationals and residents. I was very pleased when I saw them indicating that expression of satisfaction.

Now Sir, applauding does not mean that they accept everything within the Budget and I would be very quick to recognize that when I saw them applauding I did not necessarily recognize that to mean that they totally accepted everything within the Budget. But I was satisfied that the Reverend Canon Springer's words on May Day had not, in fact, fallen on deaf ears but already there was a climate in the spirit of reconciliation as clearly as if there were attempts at rapprochement coming from across the other side as the Barbados Labour Party endeavoured to show that whenever the season will come, although there may be differences in terms of the level of debate, that at least the debate is going to be at the highest level and that every effort will be made to recognize that Barbados is a place for all Barbadians and not a place for there being a return to the gutter in an attempt to vilify and denigrate people.
3.05 p.m.

In those circumstances I do support and indicate my pleasure at their action.

I too, Sir, have some areas of concern. Indeed, I would believe that anyone might be expected to have some areas of concern, because I do not imagine that one would imagine that the person delivering the Budget Speech and any other person would be Siamese twins. If he and I were, then when once I have taken the part with the left side of the brain and he has the right side of the brain - and notice I - " took the left side - then there would be the question as to whether we are on all fours in every aspect.

My concerns, among other things, run to the commitments which there are to the sugar industry. I believe in agriculture, Sir. I believe we have to make a commitment to sugar. I believe in the value of a cash crop, such as sugarcane but, Mr. Speaker, I am alarmed at the attitude of the owners and the managers of the sugar lands in Barbados as these

attitudes are reported by the media in our country. I am alarmed at the refusal to plant, as was reported, I am alarmed at the reports of refusal to reap, I am alarmed generally at the suggestion that unless Government is prepared to give a foolproof guarantee to the industry, then the sugar barons will go on strike.

J My advice against that kind of "whitemail" is that not all strikes can be justified. The sugar lands of Barbados represent part of the commanding heights of our economy which both parties that have so far formed the Government of Barbados have indicated that they are committed to use for the welfare of this community rather than for private profit. This has been the stated position both of the Barbados Labour Party and it has been the stated position of the Democratic Labour Party. One day we may know what is the position of the National Democratic Party in this matter, but it has been the position of the two other parties, ^-fcs indeed it is the commitment and the goal of the Barbados Workers' Union in its rules and regulations.

Consequently, Sir, when we examine the question of the sugar barons going on strike, we have to be able to recognise that what that in fact represents is a question regarding the use of part of the commanding heights of our economy. Any party or any parties going on strike must be able to recognise and to understand the cost of their action and the benefit of their action.

The organisation I have the honour to work for and to be a member of, the Barbados Workers' Union, has led strikes from time to time and we may have occasion from time to time to lead other strikes. But before we are prepared to lead a strike we have to be satisfied that our cause is just and we have to be satisfied that our chance of success is assured.

I ask the question, Sir, is it just for the sugar barons to expect to continue to expand and to spread themselves at the cost of the Barbadian taxpayer? Must we succumb to the apparent demand for a cost plus guarantee for sugar coming from the sugar barons? If that is what the demand is, what are the benefits to be derived by the Barbados taxpayer? I note that Government is putting \$19.2 million as Government's first effort into the rehabilitation exercise, and then I note that Government is prepared to guarantee another \$44 million and I feel that on present performance within the industry that guarantee will represent, or may -represent, in fact a commitment to pay another \$44 million. If that is so, then the question I have to ask myself is what is the Barbadian taxpayer hoping to get back and likely to get back from the sugar lands and from the sugar industry?

Mr. Speaker, I do not say no to any attempts to improve and upgrade sugar, because as I said earlier I am ^"very conscious of the pivotal role that sugar plays within Oe economy of Barbados. I say no to any attempt being made to blackmail the people of Barbados and the

Government of Barbados. When I say no to that effort, I also say that it is very evident that we, the people of Barbados, are going to have to be able to recognise the need urgently and up front to get out from the sugar lands something which the taxpayer will recognise as being his part in the equity of the industry.

Some of our plantation workers have worked for very many years, as many as 50, for as you know plantation workers work for very long years in the industry, they have worked for very many years in the sugar industry and on sugar lands, and many of them do not own a square metre of land within the entire country of Barbados. If this is part of the exercise we are doing now, and I do not deny the need to do something, then it is obvious to me that the time has come for some of the lands in the sugar industry, the rab land, which might otherwise be used by those people in the sugar industry who are going to be getting rich at the benefit of the taxpayer, to give over that land now to the Government of Barbados by negotiations so that the thousands of people in Barbados who are looking for house spots and are in need of house spots may as a rapid and urgent need be able to benefit from house spots, and a programme of providing housing and house spots for our people might in fact be satisfied with greater urgency.

J note, as I comment on this, my earlier comment in this matter and I am very aware that the Minister of Housing and Lands is endeavouring to assist me in an area in St. Michael Central where I have had concerns of this sort, where on the Waterford Plantation those people who have lived on that land for very long periods find themselves on the verge of being exploited because the land might be sold to other persons. Thanks to the efforts being made by the Ministry and the Minister of Housing and Lands, we are endeavouring to put paid to those efforts to exploit the people at Waterford and Station Hill.

Another concern of mine, Mr. Speaker, lies in the action plan for agriculture where that seeks to review the Sugar Workers (Minimum Wage and Guaranteed Employment) Act, Cap. 359. It may not generally be known, Sir, that the workers in Barbados are experiencing difficulties arising from the non-implementation by the industry of the provisions of this Act. That is a fact, and therefore it should be recognised that my trade union colleagues and myself will be very concerned to be involved from the ground floor level in any discussions which may take place on this matter. 3.15p.m.

Sir, still with the matter of concerns, there is that matter of the principle regarding the continuation of levies introduced by the previous administration, promised for removal by this administration, and still in place. My position on levies was then, still is, and is not likely to change, that levies are a form of taxation which impose greatest hardship on the very poor. It is therefore my hope

that the Government would yet act in this area and that in 1991 in the Budget the matter will be addressed.

My concerns apart, Mr. Speaker, I laud the 1990 Budgetary Proposals. I commend the goals within those proposals. I appreciate most of the measures within those proposals. The aim at page 69 of the Budgetary Proposals, Sir, is most gratifying, the aim being there to lead Barbados and all Barbadians towards a life that is more satisfying, both quantitatively and qualitatively, both materially and spiritually. The aim is to put Barbados and all Barbadians nearer the just society, and my question which I will endeavour to answer for myself is, of what does a just society, consist? What in fact is the just society that the Democratic Labour Party would seek to build for the people of Barbados. I see a society, Mr. Speaker, where persons have equality of opportunity, where people have equality of rights before the law. I see a society where people are housed, fed, educated and retired in dignity and in respect. I see a just society as being a society where the people in the villages benefit from street lighting, road repairs and road pavings, natural gas facilities and other amenities no less than their counterparts in the gardens or on the terraces or on the heights, and judging, Mr. Speaker, from the programme of the Democratic Labour Party so far, I am satisfied that all our peoples in Barbados recognise the work in the areas listed and accept that efforts are being made towards the building of a just society. Included proudly in those numbers, Sir, are my constituents in St. Michael Central who have derived some benefit and who, together with me, Sir, are hoping that my on-going representation will lead to even further work in continuing to present a just society not only for the people of St. Michael Central, but for all the peoples of Barbados. I have assurances, for example, that my request for certain works at Nurse Terrace in Mansion Road are being addressed urgently, as well as that my request for certain work at Dash Gap, at Sealy Land, at Perkins Road and Olivies in the Kew and Hill Road and Quarry Road will be addressed in the not too distant future. But how, Sir, will that just society be built? I am of the view, Mr. Speaker, that a just society will only be built if those persons who have will share their substance to help those who do not have or who have very little.

The benefit to be derived by those persons who will give of their substance must be seen in much the same way that developed countries see their role in the development of the economics of poor countries, and that is summed up in part of the *raison d'être* for the coming into being of the International Labour Organisation, the tenet that universal and lasting peace can be founded only on the basis of social justice; or put in simple language as we are accustomed to saying, Mr. Speaker, in the trade union language, that poverty anywhere is a threat to prosperity everywhere.

The point I am making, Mr. Speaker, is that if we are endeavouring to build a just society in Barbados, then we

must be very conscious that if we are prepared to accept pockets of under-privilege, if we are prepared to accept areas where people are living in abject poverty without the wherewithal to buy the goodness of life, or the necessities of life, then those of us who have some of the goodness of life will never be able to enjoy it, and we therefore must be very conscious that what we have will be threatened as a direct consequence of their being those persons who have nothing, and that a just society therefore must be built on the tenet that universal and lasting peace can be founded ~ only on the basis of social justice.

I am of the view, Mr. Speaker, that when one examines what the Democratic Labour Party has been trying to do and has in great measure succeeded in doing one would recognise that the just society which I have been careful to describe is a society which is being addressed in the programmes that have been spoken to by my colleagues and on which the programme is on-going. That just society, Mr. Speaker, when it is recognised that it has to be based as well on other social amenities as well as on the important tenet of job security, must be seen as being carried forward to a very great extent by the Democratic Labour Party. The factor and the fact of the numbers of jobs which have been created might be argued away by people who might seek to use specious bits of arguments here or there, but the information which one is able to get from the Government Statistical Department will speak loudly and clearly for all ~ and sundry to recognise and furthermore the commitments of the Democratic Labour Party ought to be recognised where our positions are taken, and we have got to be able as members of political parties and as members of this Honourable House to speak loudly and to speak clearly giving what our position is on important social matters which are before the electorate of Barbados.

I speak particularly for example, Sir, of the matter of job security, the matter of there being the need for people to have employment. I have heard several different proponents - of various kinds of economic salvation for the people of Barbados propound different kinds of theories, and as you are perfectly aware, Mr. Speaker, you would know that if there are nine economists there are likely to be ten or eleven different economic theories. Notwithstanding the number of economists or the number of theories however, we are concerned with where we stand on the matter of the provision of jobs for our people, and why we would consider the provision of jobs to be all important. We have given you that social justice demands the provision of sufficient jobs; we have given you that the entire fabric of the society, the well-being of the society depends on the provision of jobs and the removal of poverty from within the confines of our community, and yet, Sir, we hear very many of the experts at the University and around political parties who will from time to time call for a reduction in the number of jobs within the public service. I believe that some of them in noting that efforts in that regard have been made in neighbouring countries have thought that we in Barbados

should do likewise, and I understand that in one area there has been a call for as much as a 35 per cent cutback. That is supposed to have come from right up the hill at Cave Hill. 3.25 p.m.

I just want to suggest to you, Mr. Speaker, that if there is a cut-back of that size or a cut-back of any size, that the people who are going to suffer, the people who are going to lose their jobs will not be university lecturers. The people who will lose their jobs are not going to be permanent secretaries nor, indeed, engineers and, in fact, far from that they are going to retain their jobs fully at 100%.

The people who are going to lose their jobs are going to be maids, porters and general workers in some instances up to as high as 50% and what that will do, Sir, is that it would remove any efforts that anybody is making at any level to institute the just society of which I have been speaking and will create a society in which there will be abject poverty and we have already established that if there is poverty anywhere it will constitute a threat to prosperity everywhere.

I have, Sir, very quickly in the time left to me to refer to two other things. I think the clock jumps, Sir.

I want to make reference firstly to the computer measures which have been referred to in the statement as well as to the grants for the aged and the indigent.

Organised labour, Mr. Speaker, has been working feverishly to make its leadership computer literate and we are hoping that in doing so we might be able to establish Caribbean linkages to make the Caribbean a closer place, one nice community especially given the efforts being made at the political level to have Caribbean integration.

We are currently running training programmes even here in Barbados in that area with the very gracious assistance of our international colleagues, especially from the Commonwealth Trade Union Council and in doing that we are trying to prepare the Labour Movement in Barbados, not just the Barbados Workers' Union, the National Union of Public Workers, and the Barbados Union of Teachers, but the family within the Caribbean Congress of Labour is preparing everyone for our wider involvement in the activities of our community because we are recognising that the day is coming when correspondence even among our neighbours will have to be done with the aid of the computer.

We as representatives of the workers were fearful in this regard that computers would come into our societies in the Caribbean and would re-establish a society of classes brought about by those who would be able to afford Computers and those who would only be able to look at them for the few hours they might be at school and would

not be able to make themselves *au fait* with this new very important tool for education that is the computer.

However, Mr. Speaker, the Budget covers this move in what I consider to be a revolutionary and very revolutionary means and as a matter of fact, when one goes back from free education it is going to be very difficult if one examines the full dimensions of what this means to be able to understand any single piece of social legislation which will have as far-reaching an effect as this one piece of legislation is likely to have.

If the Prime Minister, Sir, is to take credit for nothing else he can take comfort and satisfaction from the fact that by making this concession he is going to make available to the very poorest of Barbadian families and Barbadian people, to all of the working people in Barbados over time - I do not mean tomorrow - the possibility for us not to bring back a "classness" in society where only some will progress and some will be relegated forever to digging trenches but the possibilities for education will come as the possibilities came when free education was made possible in 1961.

Of course I expect, Mr. Speaker, some to scoff at that but those who will scoff at that are the same people who scoffed at free education in 1961 because they did not want poor people like me and my family and you and your family to benefit from free education and I want it to be very clearly understood that that little toy as it might appear to be at the moment, the computer, is not a toy anymore but is going to become the very pivotal point of all commercial, educational and, cultural activity within the shores of our country over the next 10 to 15 years.

Jobs are going to be in that area and already we see the evidence of the provision of jobs in that area and that it is very important that we recognise the possibility for coming to grips with the new jobs that might be possible.

Finally, Sir, I want to address very, very quickly the matter of pensions and grants. I have made the point before now that in an effort to remove the "footballery" from old age pensions we should move to the course of tying the old age pension either to the negotiations within the public sector and to give the increase that goes to the very bottom of the ladder within the Public Service or that we should index the pension and then pay an increase based on cost of living movements annually.

I think if we were to examine the increase on this occasion it might be argued that it represents a movement towards an unofficial indexing arrangement.

What I am pleased about, Sir, is that the suggestion which I made in 1988 and again in 1989 regarding the grants for persons who have not received any increases since 1985 and 1986 have been spoken to by the Prime

Minister in his Budget and, therefore, 10 836 people who are either welfare grantees or disabled or children who are depending on Government for a little subvention, have been able to benefit in this Budget from increases in the allowances which go to them.

I am very pleased to note this, Sir, because although the amounts are small, an increase from \$10 to \$15, it is not a small increase to them. It is an increase of 50% but it is \$5 and for the children from \$8 to \$12. Although we are at those levels of figures those of us, and I am able to refer to St. Michael Central, who have these kinds of beneficiaries within our constituencies, know how important those small sums of money are every week.

In some families, Mr. Speaker, I am ashamed to have to say that those little sums of money represent the only income and that the families struggle to be able to upgrade that income from week to week. That is one of the reasons I am glad that the amount has increased and that the Government is also moving towards efforts which, according to the Prime Minister in his Budget, are geared towards trying to capture more business to bring more jobs because, in the final analysis, our people in Barbados do not need to have hand-outs. They want to have the independence and the dignity of working for their own wages and for that reason I compliment the Prime Minister and support his Budgetary Proposals. 3.35p.m.

Mr. D. A. C. SIMMONS: Mr. Speaker, Sir, the Member who just sat down began his presentation with language which was rather economical of the truth. He took advantage of the fact that the cameras in this House do not focus on all of us as we are speaking and it is his word against the known facts on this side that we kept our arms firmly where there were, Sir, that is beneath the table because we were all shocked and astounded at the Prime Minister's presentation on Wednesday afternoon.

In truth, Sir, this Budget has been contrived delivered by a man reposing blissfully on an easy pillar of a serene innocence in fiscal matters and thorough oblivion of the national suffering, a combination, if you like, Sir, of Rip Van Winkle and Walter Mitty.

I have to put this Budgetary Presentation in the context set for it by the Prime Minister himself. He began on page 1, Sir, with these words:

"It is with a sense of satisfaction and accomplishment in the fact that the people of Barbados were able in the year just ended to maintain, defend and increase their standards of living that I rise to present the Financial Statement and Budgetary Proposals for 1990."

There is an assertion of self satisfaction and accomplishment and on page 4 he used language to indicate

that Barbados enjoyed another good year and he spoke in the context of a 3.5% growth though lopsided. Indeed this attitude of self congratulation was carried to extreme limits in today's issue of the NATION newspaper. Douglas Leopold Phillips - popped in here late last night but did not stay - even described the Prime Minister's presentation as a stroke of genius, indicative of the excesses that one associates with yardfowlism. ^

The real question to be addressed in this debate, Mr. Speaker, is whether those claims of the Prime Minister and his personal yardfowls and Douglas Leopold Phillips are indeed justified. We have got to ask what was the true position of Barbados' economy in 1989. To do that it would be entirely unfair to just deal with 1989. We have to deal with 1988 and 1989, the two years in which the Prime Minister of this country had an opportunity as Minister of Finance to set out his strategy for fiscal management and the Budgetary process. <^V=

In those two years, 1988 and 1989, the Minister of Finance levied on the taxpayers of Barbados approximately \$160 million. In two years! In that time, Government's revenue moved significantly and as at 1990 we have Government's revenue moving from \$818 million to \$1 billion this year. Of course, Government's expenditure has also moved significantly. From 1986 when we went out of office, when it stood at \$663.1 million, Government's^ expenditure under the Democratic Labour Party for four years has risen equally to \$1 billion, \$999.9 million. Call it \$1 billion, Sir.

The Democratic Labour Party won an election on the assertion that Barbados in 1986 was overtaxed, that the Barbados Labour Party was taking twenty seven cents in the dollar from the people of this country. By his own admission last year, the Prime Minister conceded that under them that tax take is now thirty one cents in the dollar. -^

Sir, the foolishness that has been paraded by the Democratic Labour Party is that it is great that no new taxes have been levied and ignores the fact that the Minister of Finance admitted over taxation last year. So that the non-imposition of taxes this year only means that we continue as we were, that is, we continue to be overtaxed. We have reached the mountain top in taxation. There is only one way to go, over the cliff and down. He could not go any higher this year so he had to freeze. Yet in the light of those incontestable facts, those Members of the Democratic- ^ Labour Party on that side beat their chests in a glorious triumph of misunderstanding and insensitivity.

I wish to hear from them, those who speak after me, are they satisfied and happy with what appears on pages 11 and 12 of the Economic Report tabled last week? This is what it says, Sir. Not one of them has had the courage/** deal with it:

"The average rate of inflation rose to 6.2% in 1989 due to higher import prices and increased indirect taxes. Nominal wage settlements however have generally been lower than the rate of inflation."

That is a message being sent to the unions. I will be dealing with that later on in my speech. Wages have not kept pace with the cost of living in this country. That is all it means. In there is a negotiating starting point for the unionists of this country.

I wish to ask, are they satisfied that the only statistics we have had officially from the Government Statistical Department on unemployment have come in 1988 and the first quarter of 1989 and not since? Are they satisfied that this document, the Economic Report for 1989, which in all previous years contained tables showing trends in unemployment, this year significantly has omitted that table? There is nothing in here about unemployment statistics. We have had them in the past. Why? They must explain to the country why they have not had the courage to tell the country the true statistics on unemployment. They parade a figure of 15.7% which has no statistical authenticity. It does not emanate from across the road, Sir. The Central Bank tried to get the figures from the Government Statistical Department and could not have them verified.

But just as the Honourable Leader of the Opposition exposed the bogus figures in housing, I am submitting to this House, Sir, that the figures on unemployment are bogus. Why are there not any? There have always been figures. 3.45 p.m.

We want the true level of unemployment in this country at the end of the year, Sir.

Mr. Speaker, are Honourable Members on the other side really going to tell us that they are satisfied with the movement of food prices in this country? There was one item that has moved most dramatically in the last four years, a 25 per cent increase. It is in the Central Bank's Statistics. What is the position in Barbados, Sir? In 1986, a pound of pork costs \$2.99. Today, it costs \$4.50 for the worst cut or \$5.50 for the best cut. Stewing beef cost \$1.99 when we left. Under them today it is \$4.60 or \$5.34. Sweet potatoes in 1986 35 cents a pound, under them 90 cents a pound. Vegetable oil, 3 litres of it, \$8.99 in 1986 - today, \$11.54 or \$12.20. Toilet paper 49 cents now 69 cents. Sardines 89 cents in 1986 - today, \$1.32.

Asides.

Mr. SPEAKER: No interruptions.

C Mr. D. A. C. SIMMONS: That is not an interruption, Sir. That is assistance being rendered.

Mr. SPEAKER: Neither interruptions nor assistance.

Mr. D. A. C. SIMMONS: Corned beef, Sir, \$1.99 in 1986 - today, \$2.85 or \$3.12. They are happy to beat their chests after a presentation that does not in anyway address those figures, Sir.

Mr. Speaker, in the Economic Report on Page 12 there appear these words: "In 1989, housing, food, medical and personal care were the major contributors to the increase in prices." Housing, food, medical and personal care, basic needs, went up dramatically in this country under the Democratic Labour Party and it is congratulating itself and the Prime Minister today. The Budget of 1990 does not address the problem of spiralling food prices.

They say we do not tell them what to do. I am not telling them what to do. It is well known in Barbados that Government controlled commodities tend to cost more than others. When there is a sharp drop in food prices in this country, that is because of the competition among the supermarkets and the play of market forces. So that it is amazing to hear two unionists and another to follow me and the Prime Minister himself....

Asides.

Mr. D. A. C. SIMMONS:... has to toe the Cabinet line. It is amazing, Sir, that the Prime Minister in his Budgetary Presentation said that he was removing the controls from motor cars in the hope that market forces would force down the price. In the face of an Economic Report which says that food prices went up dramatically last year, could not this same Prime Minister who says that he is so caring and sharing have reduced or taken the controls off a basket of goods to reduce the cost to the poor people of this country? He did it for motor cars, inanimate objects. What about poor human beings, Sir? Could he have not done it? I will show you how he could have done it in due course, Sir. He could have done it because at the time of the preparation of Estimates and before the preparation of the Budget the Prime Minister found himself with \$59 million in hand. There was a debt saving, because Barbados' debt service commitments this year were not of the same magnitude as previously. He had \$59 million in hand and the Honourable Member for St. Peter pointed out that there was another \$7 million which was available to him. That is \$66 million before he considered the question of reclassification. The reclassification cost \$33 million. Even if you take that from \$66 million, he still had \$33 million in hand. He has returned none of that to the broad mass of people in this country. Can he really be satisfied in his heart? Can they be satisfied in their hearts that the Government pensioners - those teachers, retired civil servants who have worked and sweated so hard in this country and manned the bureaucracy and the administration of this country - have not even got one cent increase in this Budget that they are praising? The Prime Minister found himself even allowing

for reclassification with \$33 million that he could have given back. He has given \$6 million of \$160 million that he took in two years - disgusting and disgraceful.

Can the people of Barbados be happy with the performance of a Government which boasts that in its ranks three members of the Barbados Workers Union? When you look on Page 37 of the Economic Report, you see Levies. This is what has happened to Levies, Sir. In 1985/86 when we went out of office, the total quantum of levies taken amounted to \$28.1 million. In 1989/90, do you know what those people over there have taken, Sir? \$83.6 million. The take from levies has trebled under those caring and sharing Dems. Can they feel comfortable with that? Can they feel comfortable that we took \$2.3 million in Training Levy? They are taking \$10.9 million in Training Levy and they are returning to the Training Board \$5 million. Of \$10 million they take, they are giving back for training \$5 million. Presumably, the Minister of Education would tell us that the other \$6 million that is going into the Consolidated Fund is up there in Sherbourne, Two Mile Hill at the museum of madness.

Health Levy - we took \$13 million in Health Levy. They are taking \$34 million. This Report still says, "Notwithstanding the levies, the cost of medical care was one of the major contributors to the increase in prices last year." The Minister of Health has to speak after me. Explain that for Barbadians to understand. Are they happy? Is the Minister of Finance himself happy that for the first time in the history of Barbados since we have had a Central Bank - he, the Minister of Finance, who prides himself as being the one and only unique, singular, special person presided over the Central Bank for which he has responsibility - that he caused that bank to lose \$4½ million? Do you understand that, Sir? The Central Bank - that is the central regulatory authority for banking in this country made a massive loss under this Prime Minister whom they on that side are offering to the country as some good manager. 3.55p.m.

The Central Bank made a massive loss under this Prime Minister whom they on that side are offering to the country as some good manager.

Sir, I am not going to get into the reclassification today, because it is my understanding that of about 25 000 public workers, only 6 000 have been helped by the reclassification exercise, so the vast majority have not reaped any benefit whatever from that exercise.

I wonder if Members of the Government have considered in their gloating simple anomalies that should have been addressed by the Prime Minister in his presentation. If you are a small printer and you purchase printing equipment for less than \$100 000, you pay 15% stamp duty; but if you purchase printing equipment for

more than \$100 000, do you know what you pay, Sir? Ten dollar bills, bare ten. Can that be right? Can't that be corrected?

I wish to submit this, Sir. The Prime Minister will presumably find himself in a very anomalous situation where he is encouraging professional photographers to come and register and get the benefit of the- concessional What about the printer who is bringing in a camera? You ^ have guillotine, .printing press and camera. I want to see how he is going to deal with that. It may well be discriminatory for a man who has a business of printing, relying on that as a means of livelihood, not to treat him in the same way as you have treated the ordinary commercial professional photographer.

Now, Sir, I am not happy that well knowing - perhaps I should not say that, I am attributing knowledge to one_ who does not necessarily convince us that he has it - the "^^ Prime Minister ought to have known that there are masses, thousands, of young people in this country who have the greatest difficulty in buying gear for sports. All of us in here have the experience of helping youngsters equip themselves, clubs and so on, and we ought all to be aware of the impact of the cost of sporting goods and equipment.

Similarly, it does not affect so many but it impacts^ negatively too, on, musicians who have to buy musical instruments. The Prime Minister eased the professional photographers. I believe that there are thousands more playing sport and involved in music than practising the art of professional photography. Could he not have eased them, Sir? He had \$33 million on one side. Couldn't he have given them something from that?

I wish to tell this House and I wish to tell the nation of Barbados, and so I shall express myself with linguistic care;" The Barbados Labour Party's policy is to abolish totally the* taxes, duties and other imposts on musical equipment and sporting goods. I want the young people of Barbados to mark, learn and inwardly digest that policy. It is important that I do it, Sir, because on 31st October, 1989 I filed in this House this Resolution:

"WHEREAS it is imperative that the youth of Barbados be encouraged to participate fully in cultural, sporting and recreational pursuits; -

AND WHEREAS the costs of musical equipment and sports goods are extremely burdensome and constitute a disincentive to the development of the full potential of the youth in this Island;

BE IT RESOLVED that this House calls upon Government to take such measures as are appropriate to reduce the present burdens being placed on tq youth."

It had to be framed in that way, Sir, because of the Standing Orders having to do with taxes and so on.

From October 31, 1989 we sent a strong signal, more than a hint, to the young people of this country that we were concerned about the burdens and we would want to do something about them. I was therefore a little disappointed that two of my colleagues in the NDP in February and April this year, five months after I had given the first notice, saw the sense in the Resolution and have themselves called for it. I do not accuse them of any intellectual piggy-backing, Sir.

Mr. Speaker, I have examined some of the problems of 1989. I have not even had a chance to go into the figures on vegetable production and so on. It would be significant that we did not even grow a peanut in Barbados in 1988 or 1989, except the one in Christ Church East who is to come forward shortly, but the prognosis for 1990, according to the Central Bank's Report, at page 17 is for very poor performance this year. Already in the first three months of 1990, the calendar year, we have had a 20% fall off in construction activity, a 10% decline in tourism, a decline in the distributive sector which is related to the credit squeeze, and agriculture is continuing in decline despite the Minister of Agriculture's performance last night, frothing at the mouth and flicking his tongue on TV like some wounded iguana.

Mr. SPEAKER: I am sure the Honourable Member would not want to have that recorded.

Mr. D. A. C. SIMMONS: I was describing him, Sir, as it struck me.

Mr. SPEAKER: With the knowledge that I understood. You saw what I saw.

Mr. D. A. C. SIMMONS: I saw him, Sir, and I heard when he was offered water.

Mr. SPEAKER: I did not see that.

Mr. D. A. C. SIMMONS: Have you ordered me to withdraw them, Sir? If you are ordering me, I will comply.

Mr. SPEAKER: There is a better way of describing it.

Mr. D. A. C. SIMMONS: I do not have time, Sir, with the intellectual gymnastics
4.05 p.m.

Mr. SPEAKER: I assume the Honourable Member has withdrawn the words.

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Mr. D. A. C. SIMMONS: I will withdraw the words.

I just want to finish, since you have indicated, by saying that the Honourable Member for St. Michael Central who preceded me was happy that after two years of calls 10 800 children have been granted a little pittance in this year's budget. Do you know what that is, Sir? It means that 10 800 hapless young children in this country have for four years not been the beneficiaries of the caring and sharing of the Prime Minister and his Government. Rip Van Winkle has been asleep for four years, now promising to bring legislation to control stray animals and praedial larceny. You promised that in the manifesto in 1986 and we have had a modern Animals Act on the book since 1982. The Government is behaving as if Barbados is some big bay house and everybody is having a fine time. Even the Minister of Housing last night was pleased to disclose Cabinet secrets in here in breach of the Official Secrets Act.

Sir, last night the Honourable Member for St. John in a carefully crafted style reminiscent of the late Tom Adams 'but bereft of the intellectual power of that great man admitted that the 1986 fiscal measures were erroneous, so the Government had no difficulty in reversing them. The Prime Minister's financial policy this year reverses himself on 1988 and 1989 because he said in those years that his fiscal policy required a current account surplus. He has now got a current account deficit of \$33 million. I say to them, Sir, and I say to this House, beating your chest in enjoyment of narcissistic complexes will not obliterate the image that I and thousands of Barbadians have of you as men who in four years have skinned countless cuffins and have landed upside down with your heads enveloped in the sand and your feet firmly planted in the atmosphere. I am obliged to you, Sir.

Hon. E. E. GREAVES: Mr. Speaker, I have had an opportunity to be a Member of this Honourable House since 1971 and a Member of the Senate from 1971 until 1986, and never in the course of my parliamentary experience have I heard an Honourable Member behave in the way that the Honourable Member for St. Thomas who preceded me did, and the derogatory way in which he described Honourable Members in this Honourable Chamber. I would like to think, Mr. Speaker, that the standard of behaviour and certainly the level of speech which take place in this Honourable Chamber would be of a higher standard, especially in this day when we are talking about role models, when we are talking about lawlessness, when we are talking about setting an example. Certainly the Honourable Member for St. Thomas did not set an example in here this afternoon. Let me say, Sir, that the Honourable Member for St. Thomas made reference to inflation.....

Mr. SPEAKER ordered that certain words spoken by the Honourable Member for St. Thomas be struck from the record.

Hon. E. E. GREAVES: Mr. Speaker, I know that the Honourable Member has a good memory, but he would

remember when he was sent out of this Honourable Chamber. But let us deal

Mr. D. A. C. SIMMONS: On a point of order, that is not to go down in the records of this House. I am a well behaved person. I speak with emphasis, but I have never been sent out of this House, Sir. He must not confuse me with people more eminent like Sir Grantley and Mr. Tom Adams, Sir.

Hon. E. E. GREAVES: Mr. Speaker, I think that the members of the public would be able to judge from the standard of behaviour which has been exhibited by the Honourable Member. But let me proceed.

On the question of inflation which the Honourable Member has made reference to, he referred to the Economic Report of 1989 and indeed, Sir, in this Report at page 4 it is reported as follows: "The rate of inflation in the region quickened during 1989, but still remained moderate in many countries. The fact of the matter is that there was a trend, as the report is pointing out, in the region where inflation quickened somewhat. Barbados was part of that. Indeed, Sir, the areas where he has indicated that inflation took place, housing, food, medical care and personal care, are areas where there is a high import content, and it is clear that the prices of items which are imported into Barbados and into the region would be quoted at a higher price; so that will lay to rest that particular argument.

On the question of the Prime Minister's strategy of removing cars from price control with the hope and certainly with the understanding that the price of cars would be reduced as a general policy of removing items from price control, let me say, Mr. Speaker, that this administration has from time to time and particularly more so within recent months been looking and indeed we have been removing items from price control. I would want to indicate that quite recently we removed patent medicines from price controls, we removed a number of milk and milk products from price controls and there are a number of others which are under consideration. So that I think this ought to be very clear as a policy which has been pursued by this administration.

On the question of reclassification, the Honourable Member for St. Thomas displayed his ignorance even further, because we have made the point over and over again, and as anybody who has the slightest understanding of what a reclassification exercise is all about would know, that a reclassification does not necessarily involve everybody in a particular area. So to make the point that 6 000 people in the public service have benefitted from the reclassification and the remaining 19 000 persons have not benefitted is absolutely no case. A reclassification is not a salaries revision.

On the question of an anomaly which he has raised relating to a camera used by a printing press and the duties

which may or may not have to be paid on it, if it is an anomaly I am sure that the anomaly will be dealt with as all anomalies have been dealt with and will continue to be dealt with. So to make what we consider to be those swipes are in our view not points which are worthy of mention, but at least we have to answer them because we would not want the public to be misled by the comments made by the Honourable Member for St. Thomas.

Let me therefore proceed to congratulate the Rt. Honourable Prime Minister on the presentation of his 1990 Budget. It is a budget in which the Prime Minister demonstrated quite clearly that he has been listening and in many ways reacting positively to the many suggestions made in his many contacts with various groups within this community. 4.15p.m.

I think it is a very important characteristic when we have someone of the calibre of the Prime Minister who is prepared to sit down, to discuss, to listen, to weigh representations which are made to him and to come up with a Budget.

The Budget illustrates more and more, certainly, once more, the deep commitment and the unswerving dedication of this administration to the promotion of exports and, certainly, concerns for the poor, disabled and, generally speaking, the broad masses.

At page 33 of the Budgetary Proposals, the Honourable Prime Minister had this to say:-

"I expect however that there will be a greater national commitment to the concept and the practice of export-led growth."

The private sector of this country, Mr. Speaker, ought now to be in no doubt about the direction of this administration if, indeed, they were in any doubt before. In short, not only must the private sector not be in any doubt but the state corporations, public servants, trade unions and Opposition politicians should clearly get the message which this Government is sending forth.

In the recent past, Mr. Speaker, there have been attempts to run down this country to say some of the worse things about the Prime Minister and the Cabinet. Since becoming Prime Minister, the Honourable Member for St. Michael South has had to contend on no less than four occasions with rumours about devaluations, all started and fuelled by the Leader of the Opposition. These, in my view, were deliberate attempts to undermine confidence locally, regionally and internationally in this administration.

Sir, one of the effects of these rumours was and, certainly, whenever they came up what was happening was "that businessmen were adopting the attitude that the^ believed in rumours and they were paying for their goods

up front and cash. On one occasion one businessman said to me that the country, in his view, lost about \$40 million in this trade.

Dr. R. C. HAYNES: On a point of order, Sir.

At no time did I initiate or propagate any rumours relating to devaluation in this country.

Hon. E. E. GREAVES: The Honourable Member would tell this Honourable Chamber that at no time has he ever said that devaluation was imminent and that he anticipated and expected that there would have been a devaluation in this country. The Honourable Member is telling this Honourable House this? Everybody in Barbados knows that the Honourable Member has been forecasting devaluations in this country and I am saying that on no less than four occasions the Honourable Member was a - purveyor...

Dr. R. C. HAYNES: On a point of order again, Mr. Speaker.

I challenge the Honourable Member to produce to this Honourable House a copy, a record of any statement that I have ever made. All my statements that I have made on the subject were that devaluation was not necessary and that devaluation is never an inevitable economic tool.

Hon. E. E. GREAVES: Well, Mr. Speaker, I will leave the public to judge the Honourable Member and to judge me. Obviously what the Honourable Member is now saying is that he does not believe that there will be a devaluation and he stated very clearly that he never believed in a devaluation and, certainly, if he ever did say it, he is now separating himself from that.

I think it is very important that we put this matter in its proper perspective because that kind of rumour is very damaging to this country and I am saying that people who are purveyors of that kind of rumour know what they are doing. They know the kind of damage which it will cause. They know the confidence which it will destroy in this country. It is unpatriotic. It is wicked and it is vicious for any person to behave in this particular manner.

This administration, however, in spite of all of these problems stuck resolutely to the task which we had and today Barbadians can feel proud of the stability, the growth and positive signs which are emerging in our economy and society at large.

The Leader of the Opposition, and maybe he would want to deny this, in his feeble attempt to reply to the Budget said, among other things, that "the DLP policy on manufacturing has been a total failure." Those are words of [^]tiiQ Honourable Leader of the Opposition.

Now, let me look at these policies and let us see what these policies are. Let me say, at the outset that the fundamental principle which guides any policy of the Democratic Labour Party is, certainly, to create jobs, to increase exports and to earn foreign exchange.

There are policies which not only remove duties, which not only provide grants but also provide the framework within which the manufacturing sector can operate and in this respect I would like to outline a number of these policies which have been put in place by this Democratic Labour Party administration.

In the first place, a protective regime for the garment industry was revived and brought more up-to-date. Secondly, this administration removed stamp duty on imports from CARICOM countries thereby facilitating a return to CARICOM trade where, in the...

Dr. R. C. HAYNES: Sir, I rise again. I believe that in these debates, as I said last night, that one tends not to interrupt Members in televised debates unless there is a gross distortion of what you have said. As a matter of fact, Sir...

Mr. SPEAKER: But the Honourable Member...

Dr. R. C. HAYNES: I am making my case, Sir.

Mr. SPEAKER: There is no case to be made.

Dr. R. C. HAYNES: I am speaking on a point of order.

Mr. SPEAKER: If you rise the rule says simple state your case. If you are making a speech now...

Dr. R. C. HAYNES: I am not making a speech, Sir.

Mr. SPEAKER: Well, simply state your case.

Dr. R. C. HAYNES: The interpretation on what I said on manufacturing is headlined in the newspapers today "Success in Manufacturing". What I said was that in respect of a reduction in the trade deficit that the policy has been a total failure in respect of the reduction in the trade deficit and that is clearly set out there.

Mr. SPEAKER: Point.

Hon. E. E. GREAVES: The Honourable Member has stated that the Democratic Labour Party policy on manufacturing has been a total failure and I am trying to demonstrate to the Honourable Member the policies which this Democratic Labour Party administration has put in place and then I will demonstrate to him the beneficial effects which this society and, certainly, the manufacturing sector have derived from those policies so let me continue, Sir.

The removal of stamp duties on the imports from CARICOM countries was designed to revive CARICOM trade which had practically gone dead and you would well remember that. In 1988 the growth in CARICOM trade was about 14%. In 1989 CARICOM trade recorded a further growth of 27% and it is anticipated that in 1990 a further growth of 35% will take place.

We removed stamp duty on raw materials and packing materials which are imported from extra-regional sources. Machinery and equipment for use in the manufacturing sector were granted exemption from import and consumption taxes.

All of these, Sir, are designed to respond to the many requests from the manufacturing sector which were made in light of the pressures which they were experiencing and were designed to make them more competitive, to give them an opportunity to retool and to upgrade their plant. 4.25 p.m.

Of course in this year's Budget there were a number of other measures which have been put in place, the whole question of spare parts for machinery used in the manufacturing sector, the removal of duties on computers and software, the removal of duties for the pharmaceutical industry and of course the whole question of the possibility of the payment of consumption taxes in a longer period than previously existed, that is, moving it up to the possibility of sixty days pay. All of these, Sir, and more were policies which were put in place by the Democratic Labour Party administration.

But let me further say that we have taken a decision from the point of view of the Export Promotion Corporation to establish a design centre and if you check the newspapers you would find that already there are advertisements in place for the staffing of this particular sector.

The Prime Minister has also announced that trade attaches will be attached to a number of the key embassies abroad with a view to giving assistance in that particular area, the area of exports and certainly in the area of assisting to attract investment. Encouragement has been given to the expansion of the data processing sector in many ways. Certainly the Prime Minister in his Budgetary Proposals agreed to amend the Income Tax Act which deals with export allowances to include data processing services. When this is tied in with the concessions which have been made in the most recent Budget, that is, this Budget which we are discussing, to the importers of computers, software and other things connected with computers, one would see clearly a strategy emerging, a strategy which is saying that we recognize that the information industry is a growth industry, one in which there are a lot of opportunities for Barbados and Barbadians and one which we are prepared to grasp fully.

We are not only providing an environment for investors to come and to set up their businesses and to expand their operations, as is happening with a number of companies which are operating here in this particular area, but we are moving a point further to establish also a teleport which will be another step in the direction of planting Barbados fully into the computer and the data processing, era and in my view placing Barbados right into the twenty-first century. I think this is very important and it is critical. - It will certainly, when the teleport is established, give Barbados that cutting edge in addition to the work force which we have here which, from all reports, has been performing at a high level.

Indeed, Sir, I had the distinct pleasure of meeting with an employer who runs one of the operations here who is on the brink of bringing another aspect of data processing into Barbados to hear him describe the Barbadian worker as extremely productive and that the level of accuracy by the Barbadian worker was in excess of 98%. I think this is a tribute to the Barbadian worker and shows very clearly what is in store for us.

This Administration is moving to ensure that not only do we provide the environment but we also ensure that the computer literacy which everybody is talking about is put in place. Certainly you heard from the Minister of Education - today, you heard from my colleagues on the backbench, both in terms of what is being done in the schools, what is being done in the trade unions and the kind of effect which these will have on the future. As a matter of fact, as has been described, this is one of the most revolutionary steps which has been taken within the last 20 or so years because - that is the whole question of the computers - it will make it possible for us and for people to become literate in an area which is growing. One of my colleagues described the computer as the textbook of the twenty-first Century. I think this is going to be very important. J*

One only has to think of what this will do for productivity in the workplace whether it is in the garment factory or other areas where the computer can be applied with effect.

Sir, if one were to move on to state that not only have we been operating and providing a climate for the manufacturing sector through concessions and through administrative arrangements - and talking about administrative arrangements, let me make the point that it has been pointed out by some businessmen that they have difficulty at times in getting things done, there are delays and all sorts of problems arise of a bureaucratic nature. As a result of the initiative which was put in place by the Export Promotion Corporation and the Industrial Development Corporation in collaboration with the Ministry of Trade, Industry and Commerce, we have brought together all the agencies in Barbados, whether these are Government

departments or other statutory agencies which impact on the whole question of manufacturing, to try to work out a strategy which will ensure that things are done much more quickly and much more efficiently. I think this will also tie in with the whole question of the administrative arrangements which the Prime Minister described in his Budget. So that it is concern which this Administration is demonstrating to providing the kind of environment and providing the kind of support which is necessary for the manufacturing sector to get off the ground and certainly to be able to take advantage of the opportunities which exist in Barbados, in the region and beyond the region.

Let me say further that at the regional level and at the international level, Barbados, along with its other partners in the Caribbean and other parts of the world, have been making our impact, we have been making our contribution towards the whole question of creating a climate for exports.

I do not think that anybody would be able to say that on the level of CARICOM that Barbados has not played its part in revitalizing CARICOM trade as I have pointed out earlier. I will demonstrate just now the way in which Barbados has been able certainly to benefit from that at the CARICOM level and at the level of the ACP, the African, Caribbean and Pacific states. In the negotiations which were conducted for the Fourth LOME Convention Barbados also played a significant part in this in that we have been able to lead the negotiations particularly in the area of trade. We have been able for example to get a reduction in the value added criteria which under LOME III was 60% reduced to 45%. We have been able to get a situation where there will be an easier arrangement for accessing the European Economic Community. We have been able to put in place a number of systems which would assist manufacturers in this particular respect.

We have also been instrumental in the whole question of the development of the CARICOM Export Development Council which has been established here to assist manufacturers not only in the region but in the extra-regional market.

So that the Democratic Labour Party has been playing an active role in trying to create the climate and the environment for exports from this country.

Now, Sir, we have therefore to - in substantiation of the point which I have made about our exports to the region - it is a fact that exports did begin to fall and did fall significantly. If you were to look at the figures' and look at the breakdown of the figures as the Honourable Member for Christ Church East Central said last night, you would see ..,that the major component in 1983 and 1984 when we reached that peak of about \$420 million in export, about

over \$200 million of that was electronics, mainly INTEL and the other electronics companies that were operating here. 4.35 p.m.

This was shown very clearly when Intel pulled out. We lost not only significant foreign exchange, but we also lost a considerable amount of jobs. This is now being stabilized and it was because of the efforts of the Democratic Labour Party that we have been able to stabilize this. Certainly, in the area of CARICOM, we are seeing a reversal now. So that in 1989 what one found was that the exports from Barbados to the CARICOM region increased by 33.6 per cent and in 1989 it increased by 40.4 per cent. We topped \$100 million in exports to the CARICOM region in 1989. The only time before that when we went over \$100 million was in 1983. So that these things take time. I think that as a very carefully nurtured plan on the part of the Democratic Labour Party we have been able to begin to see some direction as we govern, •which is a positive direction and one which will certainly ensure that we continue on this path.

Now Sir, I think that I should just further indicate the growth in this particular area because the Central Bank of Barbados in its report for 1989 substantiates the point which I am making. It says at Page 4 under Manufacturing:

"Output in the manufacturing sector rose by 5.4 per cent in 1989 compared with 6.9 percent in 1988 as firms responded to the removal of trade restrictions by some CARICOM countries in 1988."

If this is doubled by the Honourable Members because it is a Government publication, let me quote from the Barbados Light and Power Company Limited Annual Report for 1989 which states as follows at Page 3:

"Considering that the average increase in the use of electricity was 5 per cent in the preceding 5 years, 1989 showed a higher growth of 7.3 per cent arising principally from greater power requirements of manufacturing and business enterprises which increased their usage of electric power by as much as 10 per cent in 1989 over 1988."

At least you may believe the Light and Power Company. The fact of the matter is, Sir, that we have been making an impact and contrary to what the Honourable Member for St. Michael South Central, the Leader of the Opposition, and the Honourable Member for St. Peter have said, the manufacturing sector has shown some signs of growth. We are convinced that the measures which have been put in place and the administrative arrangements which we continue to put in place will have a positive impact on the manufacturing sector. We would like to suggest that the business community respond in a positive way by the very clear direction, signs, and initiatives which

this Government has taken. We would like to think that they will all put their hands together and assist us in this particular respect.

Sir, just let me make two final points and I will do it in less than two minutes. On the Small Business Development at Page 56, the Prime Minister indicated that he will provide \$1.5 million to the BDB for assistance to small businesses and this move was praised by the Caribbean Association of Industry and Commerce in the newspaper today stating very clearly that this was a move in the right direction.

On the question of squandermania which the Honourable Member for St. Michael South Central and the Members of the National Democratic Party and the Members of the Barbados Labour Party seem to be making such heavy weather of, it has not caught on because as we have been able to demonstrate quite clearly, if they want to reduce expenditure, what they are saying is that we should not provide more roads and I certainly would not agree with that. As I have said, if it is squandermania for me to get some roads in St. Lucy whether it is in Rockfield, Harmony, or wherever, then I am for it. If it is squandermania for some old people whether it is the Miss Griffiths, Mr. Brathwaites, Mr. Greaves, Mr. Bowens, or whoever they are to get additional benefits, then I am for it. If it is squandermania for people in the districts of Checker Hall, Josey Hill, Pie Corner, Rockfield, and all throughout St. Lucy to get additional street lights, then I am for it. If it is squandermania to build a sports and recreation centre at Checker Hall, then I am for it. If it is squandermania, Sir, to build soon a recreation centre and a playing field in Crab Hill as promised in the Manifesto of the Democratic Labour Party along with one which was put up in the Valerie, then I am for it.

So that, Sir, what we are saying is that this Government has tried carefully to deal with the public's money and deliver value for money. You only have to look at the work of the National Conservation Commission, around St. Lucy's Church in the round-about there, and the work which they are doing in River Bay and in a number of other areas where beautification programmes are going on. These are matters which are of concern to us and add to the plant we are developing here and give ecstatic beauty to our country not only for the enjoyment of visitors but also for the enjoyment of the locals.

I would want, therefore, to commend the Right Honourable Prime Minister for a Budget which we are satisfied will redound to the benefit of this country and also will put us further into the area where exports can continue to be the sector that will be fuelling the growth and development of this country. I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. Michael East.

Hon. D. G. BLACKMAN: Mr. Speaker, this annual and somewhat tedious exercise is often regarded as the centrepiece of the parliamentary activities in this country. I myself have enormous difficulty for the way in which these debates have historically been conducted because my mind does not work in an atomistic way. I prefer to locate issues within some conceptual framework than to employ a methodology in which people pick out bits -and pieces," numbers here and there, and talk about them as if they were totally devoid of any contextual meaning.

This debate is also taking place at a time when there are cataclysmic events in Eastern Europe which impinge upon the thoughts of elements in this country whose cooperation is necessary in order to effectuate the objectives of this Budget. The events in Eastern Europe which saw the disintegration and collapse of state capitalism also known as communism have led certain right ^ wing elements in this country to promote the ideological-belief which has now become an article of faith with them that the state is dead. That is why it is absolutely necessary to locate any discussion of the proposals in this Budget against this background and within this context because the success the proposals therein presuppose a degree of cooperation which I have grave doubts will materialize. 4.45 p.m.

Let me start off, however, by indicating certain features of this Budget which I consider to be extremely positive. The Budget as an instrument of fiscal policy, when presented over the years, has occasioned turgid harangues inflicted upon jaded listeners by Ministers of Finance, and at the end of the exercise the public of Barbados is no wiser than when it commenced.

The Minister of Finance, the Prime Minister, is therefore to be congratulated for the beginning of a departure from this inglorious tradition by demystifying the content of fiscal analysis of proposals. He took a grave risk, because there is any number of people out there willing and ready to level the charge of economic illiteracy, since mystification is deemed to be an indispensable attribute in these kinds of presentations. To his credit, he sought to make intelligible some fairly simple issues in an economy such as Barbados which is small and where the economics is not all that complex. It is the other dimensions which must be allied to economics which make the operation of the society a complex one and not the economics simpliciter.

We had the first thing, a departure from the tradition of mystifying listeners. The second thing about it was that he remained faithful to the enunciated policy of the ^ Democratic Labour Party in pursuing consensus Government by carrying out extensive consultations witi* the private sector.

Now I am going to say some things about the private sector and I hope that these criticisms are taken in good faith. In 1987 when I supported the budgetary presentation at that time, I stated clearly that I was supportive of a vibrant private sector in Barbados, and that view still remains. However, I recognise that the private sector in Barbados, whose co-operation is vitally necessary in the critical and what I regard as the key component in the budgetary presentation, that is the boosting of exports, this private sector is by no stretch of imagination capitalist. For the private sector to be capitalist and to be operated by capitalists, it has to be capable of the internal dynamic which will make it creative. What we have is what Frantz Fanon, Caribbean thinker, as celebrated 25 years ago, described as a national bourgeoisie, who ape and imitate what he called the colonial bourgeoisie, that is the real, *bona fide*, authentic, capitalist class in the metropolitan countries, and the things that they are best capable of - imitating are things relating to conspicuous consumption.

We therefore have a Fanonist national bourgeoisie within the private sector rather than a capitalist class. A capitalist class is a class which is a ruling class in every sense of the word, in that it sets the values and the tone of the society its hallmark being creativity, and its values effuse and permeate the entire society, the capitalist society and the culture bearers. The culture bearers here are poor, black working class people, not the national bourgeoisie. Vulgar accumulation, which is the most negative aspect of capitalism, and blind and critical imitation are their hallmarks. That is the Fanonist view and it is replicated in the national bourgeoisie in virtually every Third World country. That is an objective fact and it has nothing to do with whether I dislike or like anybody at a personal level within that particular class.

It is absolutely important that now that this Government has created the conditions and improved the conditions for export and the earning of foreign exchange, that the dynamism which is necessary to make that environment pay off for this country, it is absolutely necessary that this class show this creativity. So far my information from Export Promotion offices indicate that there is no particular rush or sense of urgency on the part of the private sector here to export. Requests for orders go unanswered and there are long delays experienced in meeting orders.

I say that to say this, Mr. Speaker. Very often when proposals are made at this level and on these occasions, the erroneous impression is conveyed that the Minister of Finance, impersonating the Almighty, has spoken and therefore if anything goes wrong it is his fault. I myself do not believe in the sterile exercise so often indulged in this Jorum in which persons are constantly saying that because production rose in a particular year and some Government

by chance was in power, some party was in power, then of necessity that indicates the fact that this party's policy in that regard was successful.

To establish causal relations in these matters requires a great deal of research. I therefore want to emphasise that it is necessary for the public sector to act. 4.55 p.m.

But the public sector will only do its work, this creativity will only be developed if all of the parties support the proposals and support the programme. There is no doubt that where persons within the private sector see visions among politicians that they exploit. It is my view, it is my duty to bring this to the attention of this House.

I have in my hand, Mr. Speaker, a document called the National Resource Mobilisation Conference. Its authorship is attributed to the Barbados Chamber of Commerce and Industry in association with Ernst & Young. Some dangerous things are included in this document, and the Honourable Member says they are our supporters, yet I find it strange that on page 11 of this document which is a document of the House, under the rubric "Policy - What Next", we see them say "Encourage Opposition parties to present pro-business Bills in the House." They did not say encourage the Government, they say encourage Opposition parties. I find it passing strange, Mr. Speaker, and highly curious that supporters would believe that the atmosphere in the two parties over there is congenial to the kind of backward troglodytic proposals which I propose to indicate to this House, and I believe, Sir, that both of those parties would be doing a duty to this country as nationalists: demonstrate your civic responsibility by dissociating yourself from it, or stand condemned as being the conspirators with this group of people! This is why I sound a tocsin, Mr. Speaker, that it is absolutely important that all of us get together in the interest of Barbados to deal with this issue of improving our exports.

Take the issue of Government expenditure on which much was talked this afternoon. We hear hyperbolic statements about squandermania, but this sensationalism and the dire warning on the part of the Opposition to reduce expenditure sound uncannily like what I read here under the rubric of Government expenditure; and one of the objectives of reducing Government expenditure is to eliminate free tertiary education. It is proposed here. All of you over there whom they are seeking to use as instruments and whom they probably have good reason to believe can be instruments of their nefarious programme must say whether you want to abolish free tertiary education, that means, university education. All of the young men and women in Barbados whom this Government supports are to be denied education which is absolutely clear....

Mr. SPEAKER: Order, please. Just one moment. I have allowed all other Honourable Members to speak in as

much quietness as I can. I have also asked Members not to interrupt or shout across the Chamber. The same holds for any other Member who is speaking that other Members observe that position.

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, the truth stings and makes people very uncomfortable, so you must forgive them. What would it mean in its specificity, Mr. Speaker? It means that \$3.5 million in respect of tuition and maintenance for on-going and new scholarships, exhibitions, bursaries and enabling grants "gone through the eddoes." These people whom we are producing are to become again hewers of wood and drawers of water. The first proposal to set the clock back. It shall not happen, Mr. Speaker. \$248 075 for Barbados Scholarships gone, 12 Barbados scholars gone too, because they are not qualifying it. It is said, eliminate free tertiary education. The obsequious pandering by politicians to this group of men has emboldened them to make these kinds of proposals and that is why they can write with confidence that they will use the political parties in the opposition as instruments carrying the hands of the clock back. Twenty-one exhibitions at a value of \$398 025 gone. UWI Exhibition awards, \$25 919 gone too. Bursaries gone, a total of \$4 266 871 in bursaries, awards, scholarships, assistance with passages, all of that "gone through the eddoes."

That is not the only diabolical proposal. They are talking about reducing the scope of welfare services including health. The old age pensioners "gone through the eddoes." Polyclinics gone. In every society where people have to pay for health, you find a situation where people are dying on hospital steps and cannot be admitted. They are sending us back into the Dark Ages. Introduce entitlement programmes - means testing - that mean a senior citizen who reaches the age of 65 cannot get any pension any longer; there would be a means test. Redirect \$50 million per annum. It is not a one shot operation of existing expenditures to business activity. If you put it in a bank that is activity too. Eliminate wasteful and unnecessary capital expenditure, and do you know what they chose, Sir? The police band building.

Privatisation. Now the persons over there think it is a joke, but they are making proposals with respect to all the policies that both Opposition parties have noisily adumbrated within recent months, not only limited expenditure, privatisation. Here is what they have to say about privatisation. "Targets for privatisation..." You hear the word - "targets". "Targets for privatisation should include both profitable and unprofitable enterprises and should be extended to central Government services. Profitable enterprise should be used first..." You know they would go after the profitable ones first, "so as to demonstrate early success. Suggested targets include CBC..." They are using the same language as the proposal of the Honourable Member for Christ Church West. 5.05 p.m.

The Honourable Member for Christ Church West - they are using the same language as your proposal. "CBC, Dairy, Transport Board, Insurance Corporation, BNB, Arawak Cement, BMC, IDC factories, Revenue Collection, Barbados Mills, Port Authority." Everything that the genius and innovativeness of the public sector created they now want to sit back and take over, a parasitic class of people, if ever there was one.

Not only that. They had the temerity to say that the Government should continue to initiate projects but whenever Governments

Mr. SPEAKER: Order, order.

Hon. Dr. D. G. BLACKMAN: I know this makes people uncomfortable, but, please, do me the courtesy of listening. You have all night to soothe your pain with Bengue's Balsam or some such analgesic. They said~ "Government may still have a role in initiating large scale projects in the future but their divestment should be planned in advance." So Government is to make the projects for them and plan for them to take them over. That is what I tell you about a public sector devoid of creativity - a classic example of Fanon's national bourgeoisie.

I hear some dangerous things and I would exhort in all seriousness the parliamentarians in the name of Barbados to take this business seriously. "Endorse a political party that adopts the private sector agenda." That is what they are saying. There are men who are confident that they could use some of us in this room who wrote this. This would not have been written if persons were not confident that they could have used some of us in this room.

They do not include anybody in the Democratic Labour Party and that is patently clear because they said "Encourage Opposition parties to present pro-business Bills in the House." Both Opposition parties have been" stigmatised by this document in a way but you must repudiate publicly.

Aside.

Hon. Dr. D. G. BLACKMAN: Illogical? In the "Business Investor" a candidate of the Barbados Labour Party in St. Michael South Central is attributed to report that people are getting too big severance payments and severance payments are interfering with productivity in the work force.

I heard a strong pro-labour intervention today from the Honourable Member for St. Thomas. How does he reconcile? Read the "Business Investor" for this anti-labour statement by the milkman.

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

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(Certain remarks made by Mr. D. A. C. SIMMONS were order expunged from the records by Mr. SPEAKER).

Hon. Dr. D. G. BLACKMAN: Sir, the people of Barbados will not tolerate a Janus-face approach to politics. Where the Honourable Member for StThomas is making pro-labour noises in here and in the business column his •colleague and running mate in the constituency of St. Michael South Central is inveighing against the benefits that workers get...

Mr. SPEAKER: Will the Honourable Members give the...

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, I am somewhat heartened by the fact that the Honourable Member for St.Thomas has *sotto voce*...

Mr. SPEAKER: They have earned you an additional three minutes.

Hon. Dr. D. G. BLACKMAN: repudiated this view. They are so anxious to denude the political directorate of power, so consumed by arrogance as a result of the aid and comfort given to them by politicians, that they want to talk about prepare and publish alternative estimates. You ever heard the consuming arrogance?

These men have no responsibility to the electorate of Barbados and they want to prepare and publish alternative estimates, establish a private television station. This is identical to the views of the Honourable Member for Christ Church West. He must dissociate himself from this. "Establish a call-in programme". One begins to wonder who runs these call-in programmes.

"Business persons to volunteer as mentors for journalists responsible for business reporting". No wonder there is so much anti-Government propaganda in the newspapers. "Massive public education programme to explain the benefit of market forces in the economy." I am sorry I do not have the time to deal with that.

Mr. Speaker, in conclusion, I went through that because I want to say through you to the country of Barbados that the Prime Minister and the Minister of Finance has done his work. He has done the extensive consultations that they complained for before. He has set the conditions down but this particular programme that emanates from the private sector seems to me to be the very antithesis of goodwill towards the Government of Barbados.

This is a programme which is aimed at usurpation of ^/he authority of Government and effectively reducing politicians in office to the status of an executive committee

of the business sector and that is why I believe that this is just the beginning of the struggle to ensure that our foreign exchange needs are met.

Only recently I saw an effusion in a local newspaper by one of the moguls that published this nefarious document and in it this mogul who has been for years associated with a company that is a consumer of foreign exchange rather than an earner of foreign exchange had the temerity in effect to say - this is the substance of what he wrote, among other nonsensical paragraphs - that the private sector is in business to maximise profit and it is the Government's responsibility to earn foreign exchange. 5.15p.m.

We are going to have to do more. In fiscal proposals this is as much as a Minister of Finance can do but ultimately, as has been pointed out before, it rests with the country and all of those persons involved.

I will scrutinize carefully the kind of co-operation we get and if it entails my conducting a one man crusade to enlighten the people of Barbados to the serious and ominous threat posed to them by political cavemen who suffer for nostalgia from a period long gone and never to come again then I would do it myself.

In the meantime I would congratulate the Prime Minister on a job well done and I hope we continue to get many more clear and lucidly expressed Budgets from him in the future.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move, Sir, that the sitting be suspended for 20 minutes, Sir.

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

The question was put and was resolved in the affirmative without division and Mr. SPEAKER suspended the silting accordingly at 5.20 p.m.

ON RESUMPTION

Mr. SPEAKER: The sitting is resumed. The Honourable Member for the City.

Mr. P. J. M. MILLER: Mr. Speaker, after listening to the Honourable Member who just took his seat I have to make it clear to all and sundry that the NDP has no knowledge of that document. We know very little about the contents apart from what he read out. Let him attack whom he wants to. It has nothing to do with us. But what we do know is that one of the major contributors to that document, as read by him, is a firm of accountants. One of the main partners is a gentleman who is the main canvasser for the Honourable Minister of Trade and the Chairman of the EPC

that much we do know, the Export Promotion Corporation for those who do not know what the acronym means.

But it is interesting also, Sir, that the Prime Minister informed us that he met with these same private sector groups and that several of the measures in this Budget would benefit some of these same people. That is interesting.

Computers, the inter company loans, professional fees, photographic equipment, I saw that contribution as a stinging attack on a Budget which was supposed to respond to those special interest groups. Let us not forget the benefit to MOBIL.

Mr. Speaker, the reality today is that the Barbados economy is in a state of recession due to the combination of over taxation and the excessive credit control. The area of the economy in which these policies have had the most disastrous impact has been in the construction sector in which a 13% decline for the last five months of 1989 was recorded in last year's Economic Report.

It is evident that, in the first quarter of the year, the slide in the construction sector continued and this was compounded by an almost 10% fall in the tourism industry, continued stagnation in agriculture and the decline in the distributive trades and tourism which are by far the largest sectors.

The Right Honourable Prime Minister's financial policy this year is in fact a reversal and contradiction of the policy which he adopted for himself in 1988 and 1989. He said that sound precepts of financial management required that there should be a surplus on the current account. As the situation now stands, after the Budget, the Government is going to have a current account deficit of over \$33 million before the cost of salary increases. There is no possibility of this deficit being financed by commercial bank credit, unless Government is prepared to devastate the private sector, as it has done over the last nine months.

The financing of this deficit by the printing of money, as was said by the Honourable Leader of the Opposition, by the Central Bank is merely going to deplete Government's scarce foreign reserves in following the logic of the policies adopted by the very Minister of Finance to provide loans for Government to maintain its draconian credit policies long after any justification for the credit policies can be found.

Mr. Speaker, let me emphasize the financial policy announced on Wednesday is in fact a reversal of the policy the Honourable Minister of Finance set for his Administration in his Budgetary Statements of 1988 and 1989. It is in fact the second time, Sir, he has reversed the DLP policy since 1986. First in 1988 he reversed the 1986 policy. He is now reversing his own policy.

I know you would find it difficult and I appreciate your difficulty. He committed himself in 1988 and 1989 to a policy whereby Government in all circumstances would run a current account surplus. This policy, he said, was based on sound financial precepts as I said before. This Budget commits his Government to that \$33 million. If running Government's operations since there is always a... current account surplus is sound management, then the ^ Minister of Finance inferred that by definition his policies -are in fact unsound.

Quite clearly the Right Honourable Prime Minister does not understand what he is doing. This is evident when he read his Budget Speech and stated that capital expenditure was \$97 million when in fact it was \$797 million. Surely a Minister of Finance who knew what he was doing would instinctively know that that had to be an error.
5.45 p.m.

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Now Sir, I believe that over the past day and a half other persons have dealt at length with those fiscal measures or lack of fiscal measures. Sir, no one would want to go down a path of reporting and telling the country what one feels should be happening to take this country forward and not dwell on saying what the Administration is not doing. One has to respond to nonsense when one hears ,-t nonsense. The Honourable Minister of Housing yesterday criticized the Leader of the Opposition for fulfilling the DLP Manifesto policies, I do not know if any Honourable Members in here realized that. In April 1986 the Barbados Labour Party Administration increased pensions for old aged pensioners from \$40 to \$48. In fulfillment of a Manifesto pledge, Sir, at Page 23 of the Democratic Labour Party's Manifesto which is already a document of this Honourable House, it states of the elderly: "The minimum National Insurance Pension will be increased with immediate effect to \$62 per week and the non-contributorjX^ old age pension will be increased to \$50 per week."

All that was happening in July 1986 was a fulfillment of that Manifesto pledge. In fact, in 1986 the old aged pensioners got an increase of \$10 and not \$2 as the Minister of Housing continues to rant and rave. You have to remember too, Sir, that if in fact you want us to carry that argument to its absurd end, are you saying that they got \$2 in three months time?

Then they got \$8 in twelve months if you want to -"* argue that kind of nonsense. But you and I will not indulge in those kinds of arguments or discussions. The rate of inflation at that time remember too was 1.3 per cent. The rate of inflation now is 6.2 per cent and they are getting \$3. The mathematicians can work that out.

I believe that the Minister of Housing clearly excelled himself on that occasion and I will have more to say afibut that. I will demonstrate, Sir, before I am finished this C

evening why he would say things like that. I will demonstrate it by the way he continues to treat these poor black people that we keep hearing him talk about, but I will get to that later.

Now Sir, we sat in here over the past couple of days and we listened to a number of people congratulating themselves. It was strange that most of them really did not address the Budget. In fact, what most of them talked about were roads and lights. It seemed to me that some Ministers are doing a far better job than the Minister of Finance. Nobody seems to have a problem with roads and lights. But that is a matter for them to deal with, Sir.

Sir, let us deal with export manufacturing because you see every time in the last three Budgets when the Prime Minister gives us what he thinks passes for his Financial 'Statement and Budgetary Proposals, he continues to repeat over the past two years that we will only be able to see any real growth if we get the foreign exchange earning sectors moving. But you will see, Sir, from all that has gone on here that nobody has been able to satisfy anybody and no tangible assistance has been given to these sectors.

Let us look at export manufacturing. Again as in the past this sector was put on the back burner. You see, Sir, what we have seen, as was well put by the Honourable Leader of the Opposition in a beautiful response, for an export manufacturing sector to really work - follow me carefully those of you who really do not understand much about this - you must have a firm, sound domestic base. That is the first thing. Everybody knows, everybody who wants to avail themselves will know, that one of the things that exacerbated the problem in the domestic manufacturing sector in particular was the removal of those Stamp Duties that the Honourable Minister of Trade keeps boasting about. Yes, it caused problems, severe problems. Check the shelves. Compare the price of goods coming here from Trinidad to those produced in Barbados. Start there. Tell me why they would need more assistance when at the same time you put on a credit squeeze that exacerbated the problem, as I said, of the local manufacturing sector.

So that the Prime Minister cannot continue to pay lip service to this sector while giving the public at large the impression that something is being done to encourage growth. No relief was given to the local manufacturer who was hard hit by the removal of those Stamp Duties as I said. These people are the ones who provide this valuable foreign exchange either by way of savings from import substitution or by way of earnings from exports. The Honourable Prime Minister himself admitted in his statement that the food processing sector and the wearing apparel sector have ~ suffered most of all. These are the two job generating - Sectors and great foreign exchange earners. So clearly, it was no relief for that sector.

Mr. Speaker, when one talks about export manufacturing, one has to be extremely clear. I know that there is a lot of difficulty in that Administration as far as clarity is concerned with export manufacturing. The Honourable Minister of Trade got up in here today and spoke for a half an hour and really did not tell us anything more than we knew before which was nothing about what this Government is going to do to assist export manufacturing. I am not talking about the tokenism that we have seen in this Budget. I am not talking about that. We are talking about tangible and serious assistance to that sector. Some years ago, two years ago I believe it was, the Honourable Prime Minister gave us his word that one of his famous studies was being done on this whole question of an export trading company for locally manufactured goods. Do you know that we have heard nothing more about that study? We have heard nothing more about the export trading company. As a matter of fact, it has been reduced to a person or a desk at one of the embassies or consulates called a Trade Attache. What is he or she going to do any more than what the IDC or EPC is currently structured to do? But again you have a problem. You have that problem where no serious thought has really been given. There is a lot of lip service and this is why everyone has been able to punch holes in this Budget for the past two days.

' Well, let me move on because time is running and I do not want to spend a lot of time on the technical aspects of these things. There will be other times and places to deal with that. In closing on that matter, just let me say to this Honourable House that the NDP is cognizant of these kinds of problems. You say we do not tell you anything. Well, let me tell you something. Two things we would do immediately. (1) We are going to look and pursue a venture capital fund and security for it to assist these export manufacturers and in particular the small manufacturers and (2) We are going to look seriously at the rationalization of the EPC and IDC so that they work for the best interest of Barbados in regards to foreign exchange earnings. But I will say no more on that for the time being, Sir. 5.55 p.m.

Sir, I mentioned the Honourable Minister of Housing before - I am sorry he is not in his place now - but I have a very serious problem. A year ago, to be exact on 17th March, a month before last year's Budget, the Honourable Minister sent me a note after I had asked a question during the Estimates, about the fate of those persons residing particularly along the northern perimeter of the sewerage plant. Those persons who were promised by a previous Democratic Labour Party administration that they were going to be moved did not get moved, they had been promised by the Barbados Labour Party and did not get moved, and have been promised by this Minister of Housing from 1986 - a front page story in a newspaper - that they would be moved immediately. He wrote me last year and if I have to make this a document of the House there is no difficulty, but this is what he said:

"The cause of the recent delay is that we are trying to identify land in St. Michael where we can keep the 14 houses together and not put three here, four there, two yonder, etc. Money is in the Estimates..."

last year's Estimates,

"... for this relocation and the work will be executed in the coming financial year without fail.

(SGD.) Blackie."

whoever that person is.

Sir, sad to say the people are still there and a whole financial year has passed. I got the impression when he said "this financial year" he meant the present one, the one we were dealing with last year. One came and went since then. The people were told by him they were going to put them at Valery. That was changed. Then they were going to put them in Passage Road and the Honourable Member for St Michael West reminded him that they had a priority in that area for a playing field, so they could not be located there. Now they are between a rock and a hard place, not knowing where they will go next, but rather than address these kinds of problems, this caring and sharing administration, the Honourable Minister would come in here and shout and rant and carry on about all kinds of things rather than address the problems that he has responsibility for. The people will decide who is this caring and sharing administration that we keep hearing about.

Another thing, Sir, this administration continues to tell people and us on this side that they do not believe in squandermania. In fact, they act as though it is some foreign word, but if you will observe, Sir, during the debate so far each and every one of them has got up and boasted about how much money is being spent, and that is the sole index of their performance. Spend, spend, spend; deny, deny, deny; the basic ingredient of those overcome by squandermania. I will deal with that Sunday night when we will have more time.

Another thing, Sir. It is a matter of great regret that the Honourable Minister of Agriculture gave the public the impression that the sugar industry did not include revenues from certain crops in production costs. The truth of the matter is that the production cost of sugar was done by highly reputable international accountants and based on the requirements of the 1982 Sugar Act.

Hon. W. O. FRANKLIN: Sir, on a point of order. I never said that. I said there was always a difference between the Ministry and the industry about the contribution of non-sugar crops to agriculture.

Mr. P. J. M. MILLER: As I was saying, Sir, it is a matter of regret that he did not inform this Honourable

House that revenue from the pure star crops is not included because of the high cost of growing and other very high risks that are involved. It is a tragedy that a reputable industry and a reputable firm of accountants should be subjected to that kind of conduct when in fact they are conforming to the law of this land.

Now, Mr. Speaker, in the 10 or so minutes I have left I.. would like just to touch on a few issues close to my heart. ^ Last night in a very well made speech the Honourable Member for Christ Church East spoke at length on the problems facing fisheries more than agriculture this time, but there were some burning issues that he did not have time to touch on. He did not have time to touch on them, but they are in my constituency, so I believe he figures that it is only right that I should bother myself with them and not him.

I want the Honourable Minister to tell us and U^ explain to this Honourable House how he is going to explain this to the fishermen in Barbados. Part of the arrangement with Trinidad is going to allow 350 tonnes of fish into Barbados. Let us say that these 350 tonnes were flying fish. About three flying fish weigh a pound. You should know, Sir, because I see you at Pile Bay quite often. This then translates to 2.3 million flying fish a year. Let us say an ice boat will bring about 20 000 flying fish. You will see right away that that is about 115 boat loads. Even if we " are generous and say that a boat averages 40 000 fish, you are still looking at the equivalent of over 50 boat loads. When you juxtapose that with the very serious problem that was clearly enunciated by the Honourable Member for Christ Church East last night, I would like him to explain that to the fishermen of Barbados.

I would like the Honourable Minister to pay close attention to this. Many fishermen have been coming to me and asking whether the complex down there in Bridgetown is a harbour, a fishing complex or a market. There is ^ serious legal problem here. It may sound like it does not matter what you call it. That is not true. If it is still not a market, how come persons cannot sell fish within the two mile radius as they would not be allowed to do if it is a market? That is one question. If it is in fact now a market, how can they be stopping the fisherfolk from putting their vessels out to sea on public holidays? If they want to say that they can do that because of the regulations at the complex, what compensation are you giving them for the loss of revenue when you are charging them berthing fees? ^T

These are a couple of questions they have asked me to ask you on their behalf.

If I can just touch quickly, in the two minutes or so I have left, back on the Honourable Minister of Housing, I believe that when one looks at that side, one will see clear^* that apart from the Honourable Minister of Labour ai^d Community Development, with whom I have no time" to

deal today, the Honourable Minister of Housing is probably doing the second worst job. 6.05 p.m.

The Honourable Minister of Housing when speaking about the old age pensions gave us the impression that he had all of this care and love in his heart for these people. I want him to give me some assurance - I can hardly face these people anymore - as to what is going to happen and when the problem facing those people in Chapman Lane that I alluded to before is going to be dealt with once and for all. I believe that if you are going to tell people that you care for them and love them so much, justice must be seen to be done. I am obliged to you.

Hon. P. M. GREAVES: Mr. Speaker, the Financial Statement and Budgetary Proposals presented here two days ago by the Minister of Finance has won universal approbation except, Sir, from a few who are politically biassed, a few with sectional interest to promote and defend, that is another form of bias, and not necessarily different from the first one, the politically biassed, and a few malcontents, Sir, who will always complain at whatever is presented. But by and large it has been accorded overwhelming support from the halt, the lame, the maimed, the blind, the able, the healthy, the not so healthy, the old, the young, in short, Sir, just about everybody.

Despite this, Sir, I have sat and listened for two days now to the woes of the politically biassed who if they have any commitment it is to the adversarial form of politics that we perpetuate and practise in Barbados. As if believing that they will never ever again have an opportunity to speak in a Budget debate in this Chamber, they strolled in and like blind Elder they proceeded to swipe. The charges have been effete leadership and Government squandermania.

Mr. Speaker, two basic problems developed in the economy in 1989. It is not tourism. That performed at an unprecedentedly high level registering records in stop over visitors who were up by 9 per cent and we had the totality of the number of those visitors yesterday evening from the Minister for Tourism as well as cruise ship visitors. That too increased, Sir, by 12.1 per cent, and yet we are hearing the woes of those on the other side about tourism. That, Sir, is the story of tourism and no amount of detraction can erase that.

When the Leader of the Opposition was the Minister of Finance he gave incentives to tourism. Last year the Minister of Finance gave substantial incentives to tourism. The incentives that had been given previously, whenever they were given, were not given to tourism for the first time by that Minister of Finance, now Leader of the Opposition. — They have got incentives for years over time; those incentives have not been removed and the incentives given the Minister of Finance last year are accumulative. So that the tourism industry is enjoying a fair share of

incentives which in my opinion enabled them together with the high level of visitors, stop-overs and cruise ship visitors that visited Barbados, to do well last year. But people will still complain. That is the nature of people.

The problems to which I refer, Sir, just now are problems of the decline in savings in the commercial banks, as well as a decline in foreign reserves, and I stress commercial banks because, according to the reports that I have read, the Central Bank Report and the Economic Report, there has not been any significant decline, if at all, in deposits with trust companies. There has been a decline in savings in commercial banks as well as a decline of foreign reserves. The Central Bank Report refers to these problems. On page 9 of the report, this is what the Central Bank has had to say on this issue. "Demand deposits at commercial banks, which had grown by 15.6 per cent per annum during the past five years, declined by \$71.4 million." But it did not stop there, Sir, it went on to give a reason for the decline, and it said that the reason was "the fall in demand deposit was partly the result of increased construction activity."

Sir, there was far greater activity in the construction industry in 1989. People were building houses, people were repairing houses, people were improving houses, people were buying motor cars, people were buying micro-wave ovens, consumer durables, all of this at an unprecedented rate in the history of Barbados. That, Sir, is where the savings went, and if you know anything about the behavioural patterns of Barbadians, you will know that they will not commit themselves to debt, not the average Barbadian, unless in his opinion there is a need. He will use his available savings first. So that when the commercial banks are not receiving the deposits of Barbadians or when the Barbadians are withdrawing their savings from the commercial banks, some of them, of course, put them in trust companies according to the Central Bank Report, but they have been using their savings to finance their construction, they have been using their savings to finance their renovations, and their additions, to buy motor cars and if they need any extras to do it, they will men borrow. But Barbadians are not prone, the Barbadians that I know and I think I know the Barbadians quite well, to jump into debt easily. They are not those risk takers among the population in Barbados. They have been doing these things because they have been better off; they have been paying more levies because they have been better off. I am sorry the Honourable Member for St. Thomas is not in his seat. They have been paying more levies because they are earning greater salaries, they are earning greater pay. They are paying more levies because there are more persons employed today than there were when the Honourable Member quoted those figures, but we were not the author of these levies. Some were marginally increased. As far as I know and as far as I can remember, the Minister of Finance to my left never increased any levies. 6.15 p.m.

But the principal reason for the amount of levies collected today is, let us face it, that the levy is a payroll tax introduced by the Barbados Labour Party Government so that if the payroll increases, the levies will also increase. It is very simple so it is very glib to stand up here and talk about an increase in the amount of levies as though there is not a reason for the increase in the takings of these levies.

The savings of Barbadians went into making life more comfortable for themselves. We on this side do not want to take that away. I do not know what the Honourable Members on the other side would want but, certainly, we would not want to take that away.

I invite the Honourable Members to take a drive through the countryside and view the number of houses that are under construction, view the number of houses that are under repair, the numbers that are being converted from wood into stone, the number of rooms that are added to the houses there in place. All these are tremendous improvements to the economic base of the country.

But a solution to one problem brings with it other problems. This is well known. So too prosperity has its price and in this case the casualty is our foreign reserves. Our consumption appetite, Sir, has been whetted. We yearn for those good things of life that are, unfortunately, not manufactured or produced in Barbados.

We the consumers purchase the commodities using our currency for that purpose unmindful of the fact that the persons from whom we buy in the first place had to pay for them in foreign currency. This is one reason why the foreign reserves fell.

I think this is consistent too with what the Central Bank Report states. There were other reasons. The Honourable Minister for Trade gave one reason. I do not want to go over that again but it is true that there have been rumours circulating in Barbados fostered by the Opposition about devaluation of the Barbados currency even though the Minister of Finance denied it from time to time. I believe it is about the third denial in his three years that the parity of the Barbados dollar will not change in its parity with the United States dollar, but yet, I am positive another two months from now we are going to hear those rumours all over again. These things erode confidence in one's country and, if confidence is eroded, persons who have access to foreign currency seek to move it from the country and that is simple.

But that is not the full story. There are other reasons as well for the decline and fall of foreign reserves. We seem to have developed some kind of a love, I do not know if love and mania mean the same thing in some respects. Some refer to it as mall-mania. We seem to have developed a love for the mall.

Have a look at the Barbados landscape. See what has happened to our country in 1989. See the number of malls that have been established within the metropolitan area and far outside the metropolitan area. Estimate the amount of money that has been spent in constructing those malls in the first place. Estimate the local content of what goes into those malls, value it. Estimate the foreign component of., those malls, value it, and you will see that the mall *iir* Barbados is doing, as far as I am concerned, incalculable harm to the foreign reserves of Barbados.

But I said in the first place, because there is yet another place, those persons who have taken positions in malls as business people, stock the malls with 90% of goods brought in from outside.

I am not saying that we should restrict the importation of foreign goods. We cannot. We have to try and have an[^], exchange and flow of trade as free as we can, but if you look at the trading in the malls, when I say "brought in from outside" I do not at all mean from within the Caribbean area. Most of it is brought in from outside of the CARICOM region. That is a fact. That, too, Sir, is doing tremendous harm to the foreign exchange reserves of Barbados.

That explains our problems of liquidity and our problems of foreign-reserves. It has absolutely nothing to do with excessive or runaway Government spending. It has nothing to do with squandermania.

I have had to deal with that question of squandermania during the Estimates and I do not want to repeat what I said. I think several persons who have spoken here this evening, yesterday and this morning have spoken to the issue of squandermania. I may only in passing make reference to that matter because persons outside of this political arena here have taken up what has been said in here. They have not examined critically whether, in fact, there is any substance in the charge of squandermania and they have glibly repeated the charge of squandermania on the part of the Government.

I want to repeat here, Sir, that there is no squandermania in the Government of this country. I want to repeat something that I said. I can say of the present Minister of Finance it is absolutely inconsistent with his [^] character for there to be any squandermania under him as - Minister of Finance and Prime Minister so I want to leave that aside. 6.25 p.m.

Yesterday, we were told by the Leader of the Opposition that he was at a loss to know what the aviation--* policy of Barbados is. Sir, our aviation policy is very simple. We can almost summarize it in one line. Our aviation policy aims at maximizing the benefits of air

transportation and applying it, Sir, to the economy of Barbados.

But I would go a bit further on this question of aviation. The sectors of our aviation policy are air transport passenger services, regional air transport passenger services, charter services, air taxi services and there is also structural development. If I may deal with the last one first it is very simple. The question of infra-structural development is that we work out first our bilateral relationships that we work out first of all and enter into them with other foreign countries, including countries in the region whether it be Trinidad and Tobago, St. Vincent, St. Lucia or what have you, it also includes countries such as the United Kingdom, the United States of America, Canada and Sweden. Sir, we have bilateral relationships with a whole host of countries. We do this in order that we can maximize our benefits.

The agreements are not with the airlines. The agreements are with the countries. If an airline of a country wants to fly into Barbados and there is no bilateral relationship, then we ask that country to enter into a bilateral relationship with Barbados and it is done on a reciprocal basis. We may not have at the moment an aircraft but the time might come when we do have one. We reserve our right to send an aircraft in to those particular countries.

I do not think I need to say much, Sir, about the international air transport passenger services. There are scheduled services and there are non scheduled services. The non scheduled services are mostly charters. Eastern Airlines has ceased to fly into Barbados since last time we met and a few charter services have ceased to fly into Barbados. Our regional service is LIAT. I want to tell you about our services. The policy of the Government is that there should be a cargo service which would be in a position to move the transportation, to move locally manufactured goods as well as raw materials. I have already outlined to this House the problems of the airline that we already have. I have given a paper. I have made a Ministerial Statement on the question of CARICARGO.

I want to correct something I saw some time ago in our local press and to state here now to the *cognoscenti*, the *incognoscentii*, the *ignoranti* that at no time did I say that the CARICARGO losses up to 1986 were \$2 976 435. What I said in my statement was that, at the end of 1985 - and this is a document of the House, the company's loss for that year was \$2 976 435, for that year alone.

Remember that we became the Government in 1986 and I also said that the debt profile in 1986 showed that the company that is CARICARGO owed \$20.5 million to the Barbados National Bank, \$2.1 million to the National Commercial Bank of Trinidad and Tobago, \$6.3 million to Caribbean Development Bank and \$10 million to other creditors. Included in that \$10 million, is \$649 000 owing to

the Airport Manager. This is what I said about the debt of the company in 1986. I think it is very clear and precise and those who want to understand it can understand it. I never said that debts to the company then were only \$2.9 million.

During the Estimates, Sir, I gave some indication of developments which are to take place at the port. I gave then a solemn promise to the Member for Christ Church East about the fishermen in the shallowdraft area. The Member for Christ East made me a promise in return that he would speak to the fishermen in that area and let them understand that their fears were unnecessary. Yet, despite that, the problems with the fishermen persisted but it is my understanding now that all is well, in fact, that the fishermen understand now very clearly what the position is and that they fully accept the developments that are taking place which incidentally are in their interest. I understood that from the lawyer. That is what the lawyer told me. I know that. That, Sir, is in the interest of the fishermen. However, Sir, I would not go over that again.

Just suffice it to say, Sir, because time is so short, it is against us. Our plan, Sir, is that we would develop the shallowdraft area for the fishermen of that area remembering, of course, that they are not permitted to sell fish from that area. They are only permitted to moor their boat there because of the agreement that we have with the Inter-American Development Bank. They are not permitted to sell fish in that area. That is the position, Sir.

I said earlier that nobody owes Barbados a living. We have got to take the initiative for ourselves, develop our own resources, and do not allow others to pass us by because others are there waiting in the wings to capture what we have because in their opinion we have something that is good. If we stand by and allow this to happen, I do not think, Sir, that the generations to come will forgive us.

Therefore, we have plans to develop the passenger terminal at the Port. The time will come very shortly because I should like work to commence soon, Sir, people would be arriving here in the sheds and that is exactly what it is at the Port. It is a shed. If we are in the twentieth century, if we are at the position, Sir, where we are moving forward with the age of communication, for example, with welcome concessions for the computers for persons to enter into the twenty-first century, why do we lag behind in other respects which are vital to our economic well-being? That will not be the case, Sir, not as long as I remain the Minister and I would be taking steps to bring about an improvement in these particular matters.

On Tuesday, I performed an act in this Chamber which seems to have escaped the press. I think they were so deluged by the words and the rhetoric of Honourable Members that they failed to recognize that the watersports regulations that they had been calling for - their Editorials have called for them, the hoteliers have called for them,

everybody has called for them - they seem not to understand that those regulations are now the law of this country. 6.35 p.m.

They are already made by the Port Authority and signed by me as my approval and those regulations are now the laws of this country. Those regulations provide, Sir, briefly for governing the operation of the speed boats including jet skis. There is an Order, Sir, which sets out areas from which the water sports activity must take place and no other places. There must be registration of all speed boats. Those who operate these Swish crafts will require to have licences and there is an age limit for this. But crafts under 3 metres in length will not require to have licences. These are the jet skis but they are required to be instructed in their use by a certified driver. Those crafts, Sir, must be insured. They must be equipped with life jackets. In other words, anyone who is getting onto a jet ski must wear a life jacket if he is to ride on that jet ski. There are areas that are bordered off for swimming and no motor boat of any kind will be allowed into those bordered off areas. The crafts, Sir, if used for water skiing must proceed at a speed not more than 5 knots per hour up to 75 metres and then the water skiing can be done out there. If the jet ski operators want to operate, they must proceed upwards along the corridors that will be set and bordered and out to a distance not exceeding, Sir, 200 metres. I see, Sir, you are nodding your approval, Sir, of the regulation.

Mr. SPEAKER: And the time as well too.

Hon. P. M. GREAVES: My time is coming to a close, Sir. In a minute, Sir, I will wind up.

Nowadays, Sir, people want to place their own failures at the doorstep, Sir, of the Government. This is true, Sir, in agriculture and I do not think that these people should be permitted. So long as I am a Minister, I will always speak out against anyone who wants to place their own failures at the doorsteps of the Government. People have been in agriculture for years and years and have been making a living out of agriculture. Now that they have fallen upon bad years, they are not blaming the weather. They are not blaming their own techniques of fertilization. They want to blame the Government. Sir, I will have to say more about that on another occasion.

In closing, Sir, I want to acknowledge some benefits on behalf of my people in Grazettes, Airlie Tenantry in Hinds Hill, Reservoir Road, Bartlett Tenantry, Well Gap, and Eden Lodge. I want to acknowledge, Sir, some of the lights, roads, hard courts and all of these things that are done. I also want to thank the Minister of Employment and Labour Relations for his plan, Sir, which will begin in ten days for renovating the pavilion at Grazettes, Sir.

Mr. SPEAKER: The Honourable Member for Christ Church West

Hon. H. deB. FORDE: Mr. Speaker, Sir, the constituents of St. Michael North will acknowledge the gracious way in which the Honourable Deputy Prime Minister has said farewell to them from the House because they will not be hearing him again from this House for another Budget as he said, Sir. ^

Asides.

Hon. H. deB. FORDE: I know he is running, Sir, but he is also running last Now Mr. Speaker, Sir, the foreign reserves problem of which I warned this Chamber at the beginning of August last year has now been fully and freely admitted by the Prime Minister and Minister of Finance and by the Deputy Prime Minister after so many months of strenuous denial. The underlying problem in this economy** -is the balance of payments. It is a structural problem, Mr. Speaker, that threatens to undermine the standard of living of all of our people and if not seriously and urgently dealt with will deliver us into the hands of the IMF and commit us to the debilitating cycle of devaluation after devaluation despite the assurance given us here by the Minister of Finance.

Even the Prime Minister admits that for the first time since 1981 there is an overall balance of payments deficit. But in 1981, Mr. Speaker, the world economy was in its worst depression since 1929. Today the world economy is buoyant and it is obvious that the present situation is entirely due to the Government's and particularly the Minister of Finance's mismanagement of our economy. To deal with the balance of payments problems of which the Deputy Prime Minister has just spoken, he must both reduce Government expenditure and stimulate the export sectors of the economy. ^

This is a Budget that addresses none of these things. It has nothing to cushion tourism against the worst effect of inflation despite the fact that we have just come through one of the worst winter seasons in years. It does nothing to reduce the cost of manufacturing and in the circumstances the concession on spare parts, even the Minister of Trade would admit, is a mere sock. It reserves for agriculture, Mr. Speaker, the promise of an action plan after four years in Government in which the policy vacuum has succeeded in___. bringing a once proud industry to its knees. The dictum that- "action is action and vision is vision" has now become action is action and vision is vision and never the twain shall meet.

I submit, Mr. Speaker, that the lack of vision and that incapacity to take decisions that has characterized this-^ Administration up to the present time is the most serious* threat to the recovery of this economy from the throes^ the recession into which this Government has got us. Mr.

Speaker, it constitutes the single greatest obstacle to the delivery of jobs for all of our people and particularly for our young people. Yes, I agree that unemployment is a very serious matter confronting this country today. But what is happening in the country? At the height of the winter season when hotels are usually taking on more workers, they have had to put regular on week-on and week-off. The -
 ^Government's own publication, Mr. Speaker, tells us of the lost of 2,000 jobs in the Government and service sectors. The IDC Report, the Minister is there, which the Government has not published shows the loss of 319 jobs in the industries which the Ministry of Trade and the IDC are supposed to assist. Garment manufacturers are laying off workers. Agriculture provides no new jobs and the crop is almost over. Mr. Speaker, the credit squeeze was introduced to put a damper on construction and distribution, the two areas that employed large numbers of people. 6.45 p.m.

Dr. King called it putting employment on the back burner. Let us face facts. The credit squeeze was introduced to throw people out of work and it has succeeded in doing just that. Layoffs on Broad Street and in the construction industry have become the order of the day. The question among workers is, which one of us will go next? Indeed, Mr. Speaker, if the present trend continues, there will be nobody left to send home from construction in another three months.

The record of unemployment claims made on the National Insurance Service further evidences this situation of rapidly escalating unemployment in this country. Let me give you the sample of them, Mr. Speaker:

First Quarter	
1988	2466 claims
1989	2309 claims (6.3% decrease)
Second Quarter	
1988	2772
1989	3069 (12.75% increase)
Third Quarter	
1988	2797
1989	3304 (18.13% increase)
Fourth Quarter	
1988	1650
1989	2749 (66.61% increase)
First Quarter (1990)	3110 claims (34.69% increase)

I submit, Mr. Speaker, that there is every sign that unemployment is getting back to the levels of 1975, the "only time when 22% of the labour force has been out of •Cork. Those are much more accurate figures than what we are getting in here on unemployment from the Government.

Mr. Speaker, this is not all. Prices are spiralling in this country. The policy of the Barbados Labour Party did not only hold down prices, they produced negative inflation of 0.5% in 1986 and prices actually fell in this country under us consistently, right up to the time we left Government. The policies of this administration have done just the opposite. Every tax imposition has been directly reflected in the rise in inflation in this country. The imposition of \$59 million in new taxes in April 1987 led to an inflation of 6.3% in 1987. In 1988 there was \$110 million in new taxes, an inflation of 4.8%, and the imposition of \$55 million in new taxes in 1989, inflation of 6.2%.

Mr. Speaker, it all adds up. Today one only has to watch the housewife at the cash register in the supermarket as she politely requests a subtotal and then returns to the shelves the goods she used to be able to afford. I shop at supermarkets and I see it, Mr. Speaker. She cannot any longer afford them under this Government. The lunch money for the children, the cost of outfitting the children whether for school or for church, the cost of upkeep and repairs to the house and to the car, every cent of expenditure is now being keenly felt. The young couple earning \$1800 a month can no longer afford to purchase a house for \$60 000 because that same house now costs \$90 000, and those ear ing enough to qualify for a mortgage cannot find the mortgage because the funds have dried up in the community.

As to the small businessman for whom the Minister now provides, after strong representation from the Opposition, \$1.5 million, and we asked for more than \$1.5 million, his back is to the wall now, just as it was 15 years ago when the present Minister of Health, then the Minister of Trade, was arguing in the Press with a Mr. David Scale even as the Minister's policy was closing the doors for 400 small businessmen in this country.

Overtaxation, particularly when based on indirect taxation, drives up prices and the effects are felt by everybody, including the middle class. The rise in the cost of living has fallen, however, with particular severity on the poor and the vulnerable groups in this community, particularly the unemployed, the pensioners, the handicapped and the disabled. The Prime Minister should be ashamed that it has taken him and his Government four years - no congratulations for this - from 1985 to give the disabled a mere pittance, less than 60 cents a day, and that cannot even buy a Coca Cola that costs 75 cents now. That is what the Honourable Members over there get up and congratulate themselves on.

Mr. Speaker, I am aware that I am painting a picture which is not a pretty one for Barbados, and it is entirely different from the one being painted by the other Members on the other side, particularly the Minister of Finance. There is good reason for the difference. It is not, as the Deputy Prime Minister would have us believe, because of

adversarial politics. I face the issues squarely. On the other hand the Prime Minister avoids the issues and he provides us with information that I submit to this House is misleading either because of its inaccuracies or its omissions, or because of both. In this way he seeks to support the view of an economy which he takes through his rose tinted glasses.

Let me open their eyes for them and briefly illustrate, Mr. Speaker, the misleading information. He blames rising prices abroad for the rising inflation. I think I have already shown and demonstrated that inflation is being caused by Government's taxation. He claims that the inflation rate is moderate. I say that that is nonsense when contrasted with the negative inflation achieved under the Barbados Labour Party in 1985. He uses the unreliable figures of the Government Electrical Engineering Department to support the preposterous claim that 4 180 houses were built in 1989. He could have used the only reliable information, that prepared by the Town and Country Planning Department, which would have given a true picture of housing starts and given the lie to the preposterous claim. He could also have been guided by the Central Bank Report and by the Quarterly Statistics on Housing published by the Ministry of Housing which both report a decline in housing construction. This document is freely available in Barbados in the ISER or anywhere and there is one for September 1989 at page 21. This is what it said:

"Expected levels of housing construction appear to be on the decline. Leading indicators as measured by the number of applications submitted, and particularly those approved, suggest a slackening off of new housing construction. A 12% drop from 614 to 539 applications approved for new residential construction was recorded during the quarter."

Aside.

Hon. H. deB. FORDE: The document is The Quarterly Statistics on Housing prepared for the Planning Unit of the Ministry of Housing and Lands. It is freely available to statisticians in this country. Indeed, Sir, the Minister could have used his common sense and used his own report. If he had done so he would have got the truth.

At page 20 of the 1989 Economic Report, there were 1 040 units started, and in 1989, 1 453 housing starts. We assume for the purpose of this argument that not one of the 1 040 units was completed in 1988. 6.55p.m.

Assuming that the 1 453 started in 1989 were completed even if they started on 31st December, give them all the benefit of the doubt, the maximum completion you would have had for two years would have been 2 493 houses. Now, Sir, what are they telling me? Are we taking more than two years to build a house? What is the

Government saying? It is obvious that those are bogus figures and that is why I cannot accept the word of the Minister in this document and these reports.

The Prime Minister also presents an increase in Government revenue as a matter of simple growth in revenue, but he ignores the fact that there would have been, substantial growth in the revenue by letting taxes as a share of GDP remain at approximately 29 per cent as it was from 1980 to 1987. By increasing the tax take to 33 per cent in 1988 and 34.2 per cent in 1989, he overtaxed Barbadians by \$110 million in 1988 and \$150 million in 1989.

Now, Sir, he explains the Central Bank losses, the first in the history of that institution, purely in terms of \$3.5 million in additional expenditure in short term borrowing. He omits to mention the fact that the Central Bank loses money as a result of having become Government's chief lender by holding Government securities at 4.6 per cent, 4.4 per cent and 6 per cent. This trend began under him in July 1989 and by February 1990 the Bank was holding \$170 million in Government securities which it should otherwise be lending the commercial banks at 11.5 per cent.

Mr. Speaker, the Opposition contends that that is money which fuels squandermania.

He paints a rosy picture of employment, by omitting from his presentation any discussion on the first three months of this year or indeed the last three months of last year, although he has the information. Moreover, since the third quarter of 1988 he has stopped publishing quarterly statistics on employment, and he chooses to rely on six monthly figures. He then compares the six months figure for April to September 1989 with the second quarter for 1988. The two things cannot be compared. Any intelligent school boy would tell the Prime Minister that you cannot compare like with unlike. We cannot accept his figures. The Prime Minister may choose to mislead himself and the Cabinet with this kind of information and seek to fill the country with a false sense of security, but his game plan is clear. He is seeking to take advantage, Mr. Speaker, I submit, of those in the society who feel that a budget that contains no new taxation is a good budget, and run on that in the hope that if re-elected he and his Government will then be able to come with a taxation budget immediately after the election. But it is a tactic that will not succeed. The people have already decided to bring the Barbados Labour Party back to Government to free them from the burden of inefficiency and mismanagement by this Government, brought about by an administration that has no vision and has no capacity for decision making and executing little jobs that they have to do, Mr. Speaker.

Mr. Speaker, one of the most important obstacles to real progress is the lack of confidence in this administration's capacity to manage the affairs of the country, and the situation has not been helped today by the

performance of Ministers in this budget debate. They have criticised, they have said that the Opposition has been criticising their spending on things like roads and school buildings. That is not so; that is capital expenditure. What the Opposition is asking them to do is to justify the increase in current expenditure from \$630 million in 1985-86 to \$1 billion in 1989-90.

Now let me deal briefly with a few Ministers in the limited time allowed to me. The Minister of Housing makes no attempt to satisfy the public's need for house spots or housing units, but he regales us of stories of two buildings built ten years ago with full planning approval. He does not tell us that the buildings straddle both zones 1 and 2 and that the toilets are in zone 2, nor does he tell us that if anything went wrong it would be the honest error of an official and not a politician. He is totally unconcerned with the threat to the public health posed by the developments ^Ahat have occurred in zone 1 in the Belle and elsewhere. He will leave public life as the Minister who cut up good agricultural land at a time when agriculture is in serious trouble, and whose perceptions of housing do not extend beyond the inability of the Venezuelans to deliver houses to prospective purchasers and the rape of the environment by permitting a housing settlement on our east coast.

The Minister of Tourism is now not here, Sir, but he _ has given no answer to Mr. Cornell's assertions relating to the loss of the ARC yacht race and he shows no understanding of the need for a marketing strategy to halt the slide in the North American market which is our biggest and most important market, and the Government can only offer a study after four years. The Minister sometimes makes me wonder what he knows. He never told us that Government is considering a plan to move the Ministry of Agriculture and the "tenants off Worthing and the Stream in my constituency in order to give a Swiss company called IMG a golf resort to operate without that company putting ~^up a blind cent by way of equity, and I say again, Mr. Speaker, I warn the Government of another CARSICOT in the making. I warned them about CARSICOT, I am warning them about IMG.

The Minister of Trade talked a lot about the increase in exports within CARICOM, but his outstanding achievement, Mr. Speaker, is to have inherited exports at the level of \$496.5 million and to have reduced them to \$214.5 million by 1987.

Mr. Speaker, I am not going to say too much more about the other Ministers. I want, however, in the limited time to look to the future. The budget is the principal instrument of economic policy, and I wish to indicate at this stage some of the positive things that the Barbados Labour Party has in store for this Government when we are — returned, within whatever time they call elections, as the Government of the country. Time does not allow me a lot, mil I will make it brief.

Sir, we believe that the sugar industry has to be sustained and we will give adequate and timely support for the sugar industry for a limited period of time. We will recapitalise the industry urgently and in this regard we believe that the debt to the BNB must be rescheduled and arrears of interest written off. We will give grants to assist with the mechanisation and retooling of the industry, and Mr. Speaker, the position of the small farmer must be protected, and part of the grant - there are 3 600 of them and they are being wiped out - will be directed to ensuring that it is used for the purposes of sustaining a small farmer class, mostly the black people that the Honourable Member likes to talk about, and this Government is doing nothing beside verbiage to see that it is not wiped out of this country.

In tourism, Sir, we believe that it is important to have the basket of goods critical to the commodities of food and beverage inputs in the industry so shielded from consumption and other taxes that they can assist the industry. This basket would be protected from the adverse impact of indirect taxes. Now we believe that the tax relief on refurbishing which is now a matter of discretion for the Minister must be a matter of right in the industry, and we give the undertaking, and I will repeat it, that Mobil Oil will have to move and that the site there will be used as the necessary Convention facilities which are needed badly for the industry, and we will forego the monstrosity, the museum at Sherbourne, as the Honourable Member has called it We will have a development and marketing plan for the industry, both a medium and a long term plan put in place, and we will not spend years to deal with the problem on the beaches of harassment and jet skis, and when we come in here merely lay a document and the Deputy Prime Minister says to Members that we should know what that document is. 7.05 p.m.

Sir, in manufacturing, the Honourable Member for St. Peter has already spoken. My party's policy is an export development fund which must be established to assist exports.

We will provide allowances for quality control and for product and process development just the same way as we give it for research and development. We would establish a research development fund to encourage new designs and development of ideas because we recognise our young artists and designers, people with ability who want the opportunity to see their ideas marketed and put into effect. It is time to recognise the need to finance technological change in this sector.

Mr. Speaker, we believe that the credit squeeze should be brought to an end immediately. In its place there should be selective controls and the reserve requirements for the commercial banks should be restored to the levels obtaining at May 28, 1986 and this would make the \$48 million of

which the Honourable Member for St. Peter spoke immediately available to the private sector.

In rural development we intend to establish a capital fund for the modernisation of rural Barbados to permit a community development including housing and basic amenities in each community. The growth of enterprises in rural areas would be encouraged particularly agro-industrial enterprises. The concept of two Barbadoses must be banished forever.

Sir, on the cost of living, we will establish a basket of goods vital to the needs of the ordinary man so selected as to shield his necessities from the burden of taxes.

On the land tax we have already said and I repeat and give my undertaking to the country. We will abolish land tax in a phased period over a period of years with the first beneficiaries being the small land owners with properties under \$100 000 in value particularly those people living in the plantation tenancies.

Mr. Speaker, Sir, we believe that we have to take tax reform in a large but imaginative measure. When (he Prime Minister spoke on it he made the statement of overall administrative reform. We think more than that is called for. We believe that people should be encouraged to pay up immediately all arrears of tax which is due and to encourage that we will waive the penalty, and interest that is outstanding provided that payment is made within a set period of time to increase the government revenue.

We will establish a graduated system of taxation and give a benefit to those persons and firms which earn foreign exchange and particularly to the small enterprises in Barbados and the small businesses which we believe should not be made to bear the same level of taxation as is borne by the bigger companies.

Now, Sir, we believe as well that there are some Government enterprises and I am not going to run away from it, which must be made to operate efficiently and if the Government genuinely believes in black enfranchisement or economic democracy, they must put their money where their mouths are and I challenge them to bring into the mainstream of ownership of this country the people in the co-ops, and the credit unions and we intend to give them shares in the National Bank, in the ICB and widen the ownership and privatise it properly. Why do not the Government do something about that instead of talking all the time?

We have taken necessary measures when we were in power to widen the property ownership class in this country. We dealt with the bonus shares. The Government came down here and said they are going to increase the amount by 75%. We believe that the full value of any bonus converted by an employer into shares for an employee

should be made tax deductible, 100% and any bonus payment granted to an employee should be made tax free for one month provided it is converted into shares.

As a further incentive, Mr. Speaker, to individuals to invest in companies the tax concession now available on the purchase of new shares should be extended to all first time shareholders. We can only widen the ownership class, not by the spectacle of simply going on board, there must be true and genuine ownership of the resources and, therefore, Government's fiscal measures and monetary measures must be so directed to widen that call into ownership. That is why we believe that if you give first time shareholders the right to come into owning shares, the share-owning class in this country would encompass the mass of people.

I particularly revert again to an area that we have promoted, the Co-ops and the credit unions which w\$T stimulated and we have now seen the benefit of our proper ideas.

Now, Sir, I believe likewise as part of the economic enfranchisement of which I speak in this country that double taxation on dividends should be abolished. It is time that that go. There is no point taxing the company and then taxing the income in the hands of the companies.

Mr. SPEAKER: Now, the Honourable Member has gone over his time but I will give him at least two minutes to finish off.

Hon. H. dcB. FORDE: Thank you, Mr. Speaker.

Mr. Speaker, I recognise that speaking from the perspective of a party 52 years old in this country, the oldest party in this country, it is difficult for the public to^ understand why I should only have such a limited time bih it is not the length that matters. It is the quality of the argument and the quality of the people that we have in the Opposition and on our side, so let me tell you that, Sir.

Now, Mr. Speaker, Sir, I want finally to say that this is not an exhaustive statement of our proposals but merely an intimation for your benefit of our conviction that only the best is good enough for Barbados as, indeed, the best will be good enough for St. Michael North West. T

They will, of course, Sir, be criticisms from those who have no vision for this country and who simply cannot understand our proposals, Sir. There will be vehement objection, no doubt, from the pork barrel politician today's^ conditions ought to make it clear to everybody that arrived at the point when we must be prepared to way. To afford our very high level of social services we

must be able to pay our way in this world through prudent management.

Mr. Speaker, Sir, the main beneficiaries of this Budget ought to be those at the lowest level of the socio-economic ladder. But I regret to say that it appears to be the Mobil Oil Company, the main beneficiary to whom the Democratic - labour Party has now given \$3 million and no doubt they have their reasons for so doing.

Finally, Mr. Speaker, there is one little matter of which I want to make the last statement here and it is of the Prime Minister abandoning his principle of budgeting. He has told us time and time again that he faithfully follows the principle of producing enough revenue by taxation to have a surplus on current account, the housewives principle. On his performance here on Wednesday and on the information he himself has provided, he will be having a deficit of, at - last, \$33 million on current account. Where has the housewife principle gone?

This could have been what was occupying his mind as he sat there last night and did nothing when one of his Ministers breached the principle of confidentiality as recognised in the ministerial form of Government as they regaled the public with who was asking for more than \$2 for the old age pensioners. But, of course, the Prime Minister could do nothing himself because I have seen him in this House breach the same principle of collective responsibility by coming to this Chamber and repudiating the July 1986 Budgetary Proposals approved by the Cabinet of which he was a member and trying to allocate responsibility.

Mr. SPEAKER: I am also doing my best to give you more time.

— Hon. H. deB. FORDE: Yes. And Mr. Speaker, Sir, in the best spirit I will wind up with this last statement. My task and that of my party when we win the next election will be not only to restore confidence and credibility to the Government, not only to give hope and provide employment for the thousands of women and young people of Barbados, not only to get the economy moving again particularly the export sectors, but to restore responsible behaviour and collective responsibility in its true sense and high standards to Government.

2,15 p.m.

I invite you, Sir, to join us and the public in its thousands at Dalkeith in St. Michael South on Sunday night as we continue our discussions on the Budget of 1990. Mr. Speaker, Sir, I regret to say that whilst we are discoursing with the electorate, the Prime Minister will then be on a slow boat to China.

Mr. SPEAKER: The Honourable Member for St. Michael West.

Hon. B. M. TAITT: Mr. Speaker, Sir, we are coming to the end and I was not sure if the Leader of the Barbados Labour Party was being brave in comic relief because he started out being very sober and very serious and I was told that he was going to be functioning at the level of statesmen and then, at the end, he reverted and it was the same as usual, except that this time he managed to put some statements into the record which require me to respond to a few of them.

I have no doubt that when the Prime Minister and Minister of Finance and Economic Affairs responds at the end that he will do as he has always done with the Honourable Member for Christ Church West. He would take care of him. But in the meantime there are a couple of things which he said which I think require immediate response.

Mr. Speaker, the Honourable Member said that the Prime Minister and Minister of Finance is leading the country into a false sense of security. He said the game plan is clear. They are going to run on that and then, if elected, they would have an immediate Budget.

Mr. Speaker, Sir, the Honourable Member is harping back to 1981. He should have had the decency to have added on to that, as we did, because in 1981 he was part of the Barbados Labour Party Government that left the people of Barbados without any knowledge at all that they had not a single cent. I challenge him or anybody from the Labour Party to get up and say it is not true, that the Barbados Labour Party did not let the country know that we had run completely out of foreign reserves, so he would expect the Democratic Labour Party Government to behave in the same way.

He goes further, Sir, and has the temerity to talk about tourism and what they are going to do. I notice, Sir, that he now has a basket syndrome. For tourism he has a basket and also for the cost of living, he has a basket of goods. For both of them he has created a basket of goods. I say to you take your basket and go. I am saying to you and to the Government that that was a Government who in 1985 brought tourism to the lowest low that it has ever been from the time this country was discovered in 1625.

I am saying, Sir, that that was the time, and the people of Barbados cannot forget, that that was the time when we had week on, week off as the norm. That was the time when the summer season was grim. That is when the summer season was the worst news for anybody in the tourism industry whether as an owner, a manager or as a worker but especially for the workers. That was the time when bankruptcies in this country were the norm and receivership was a word which everybody had become familiar with.

I do not understand how the Honourable Member would have us believe that he is old wine in a new bottle or

new wine in an old bottle, I never know what kind of wine he is anyhow. But, Mr. Speaker, he would come here and try to give the impression that the people have forgotten that it is only yesterday the Barbados Labour Party had its heavy boot on the heads of the people of this country. They cannot forget. They would not forget so easily. If the Honourable Member believes that he can go and drag up any old honourable person from the past and bring them back and then say, here we are fresh and we have new ideas, the people would not forget. Mobil Oil would have to move on, he said, and put up a Convention Centre. How come the Barbados Labour Party did not understand that Barbados needed a Convention Centre for all of the ten years, they were the Government?

I have to remind him because I went personally out into the cold. I went to Canada, to the United States and to Europe. I went on behalf of the Democratic Labour Party Government. We revived tourism in this country and that is something that cannot be taken from this Government. The Honourable Minister of Tourism has continued and increased, multiplied and improved. You heard him with a litany of things that would happen in tourism.

The Honourable Member comes in here and he is talking about beach harassment. Beach harassment started in this country primarily because of the arrogance of the Barbados Labour Party that had people working in hotels in this country, had people believing that you could not go on the side of the beach nearest to the bar and get a glass of water. A lot of the antagonism in this country was brought about by attitudes on the part of management. That has to be said because constantly when we talk, Mr. Speaker, about beach harassment, we only see one side of it. There are some beach bums in this country who are not fit to be called Barbadians. That is true. But there have been some Managers brought to this country to work who are not fit to be called human beings. That is part of the problem. That is not discussed in this country honestly and fairly and it ought to be discussed by Honourable Members in this House.

The Honourable Member for Christ Church West should be embarrassed to come in here and speak in those terms about beach harassment. I am not embarrassed to say, Sir, that the beach harassment in this country has been laid at the feet of the ordinary people and there are people who talk about criminals in this country, as if all of us are criminals. The beach harassment has been arrested by the Honourable Minister responsible for Employment. He started a strike force. They started work on December 21, 1989 and everybody in Barbados who has anything to do with the hotel industry would tell you that it has been successful.

Sir, let me not spend all of my time talking about the Honourable Member, except this, Mr. Speaker, so that you would know that I am not talking merely to rebut argument.

I am talking because he has mouths that say different things at different times, Sir. I am saying this because I have always said it about him. If he is speaking about the law I listen to him with careful attention because in that field he is a student, a good student. But when it comes to other things and when he is aspiring to political leadership, he loses all sense of equilibrium. Hear him today: "The world economy is buoyant today." I quote him, exactly as he said it.

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I do not brag about the contacts I have had over twenty-five years of public service but in North America I have friends who still send me material information. This was faxed to me today, Sir. It says that the bottom faxed of the Honourable Minister of Health, and it called my name. This is a summary of what is happening in one of the G7 countries, Canada, and I am going to crave your indulgence to read a part of it. Statistics Canada said: "The economy shrank in Canada for the second consecutive month as high interest rates continued to take their toll. The last time the GDP dropped two months in a row was in June and July of 1982." But economists said that it is still too early to conclude that the economy has tilted into a recession. 7.25 p.m.

"Bank of Canada, Governor John Crowe, and Minister of Finance Michael Wilson are using a tight monetary policy leading to high interest rates to combat inflationary pressures."

Here is what they say now, Sir:

"Consumer and business bankruptcies across Canada soared 29 per cent in the first three months of 1990 adding weight to fears that an economic downturn is at hand. There were 11,421 bankruptcies in the first quarter compared with 8,846 a year earlier when the first quarter figure remained about the same as it had been in 1988. Bankruptcies in March alone were up 35 per cent from the same month in 1989 hitting 4,104. - Globe and Mail, April 27."

That is the seventh time this country Canada that was good enough to give Barbados a loan and then "forgive" the loan of \$40 million. He comes here today, Sir, and tries to give the impression that what the Minister of Finance has done is not important because it would have happened anyhow because the world economy is buoyant. I say in the concept of logic if you can demonstrate that one aspect of an argument is false, then the whole argument falls to the ground. It is so as he went on to talk. You see how I am talking and looking at you and I do not have to read this. I do not have to read it, Sir. For a half hour, I do not have to read it. I do not raise any questions. But when they come in here with their closed documents and notes which they follow very closely and then wish to give people the impression that they are imbued with some special knowledge you and I know better, Sir. But we will not spend anytime

on that. He went on to say that under the Barbados Labour Party there was continuing lowering of the inflation rate -my words. But Sir, it is an incontrovertible fact that when the Barbados Labour Party came to office in 1976 the inflation rate at the time was 3.2 per cent. Is that correct? The Leader of the Opposition cannot remember now. The Leader of the Opposition suddenly has a lapse of memory. But let me help you because we said it so often that I know it by heart. I know that you have a better memory than you are now presenting and you used to boast about your memory until you moved over to the NDP where you too are also reading your notes closely. But Sir, it was 3.2 per cent and by the end of that year they had taken it to 5 per cent and the following year it went up to something like 8 to 10 per cent and it continued rising up until 1981. When the inflation rate was lowered, it was lowered because there was no growth in the economy. If there is no growth, how can there be any inflation? All right. The Honourable Member who is a textbook economist just caught me making a slip, so you see him running for the pen now. I withdraw that statement, Sir. If there is zero growth, the chances are that the inflation will slow down.

Asides.

Hon. B. M. TAITT: The premise is not wrong. The premise is that you were misleading the House. That is the premise.

I am not going to spend anymore time on him, Sir. I am saying, Sir, that the approach by the Prime Minister and Minister of Finance for this year's Financial Statement and Budgetary Proposals is one which frankly I can applaud unreservedly. My appreciation is heightened by the fact that that approach embraces a methodology which I have been recommending for as long as I have been a member of the Democratic Labour Party and in this Parliament and which I commended to the Honourable Member, the Leader of the Opposition, when he tarried in the Ministry of Finance for a short while. It is a method which deals with administrative reform as a function of revenue collection, a method which recognizes that if in fact the revenue collecting agencies were functioning at 80 per cent of efficiency that the amount of revenue which they would collect based on the laws which were in existence the amount of money collected would be sufficient to advance the country by \$20 million, \$30 million, or \$50 million.

- *Asides.*

Hon. B. M. TAITT: I beg your pardon. Yes, I will need the notes. I do not need to read them. I need to see what is the next point.

The Current Expenditure for the Ministry of Health is
 •- \$147 million. That is in keeping with about the same
 -Amount which we had last year of \$147 million including
 ""the \$11 million which we had for Supplcmcntarics. We are

going to demonstrate that the concept of squandermania as it applies to the second largest spending Ministry in Barbados, the Ministry of Health, has to be false and invalid because over the last two years the actual increase of this year's expenditure over last year's is something like -1 will tell you exactly now, Sir. It is 0.35 per cent. The increase which has been asked for by the Ministry of Health for this year 1990/91 is exactly \$521,000 over what was asked for last year or 0.35 per cent. It must be noted that the Personal Emoluments account for \$90,854,582.00 or 61.53% of the total estimated expenditure comprising the following:

Statutory Personal Emoluments.- \$53.6 million
 Other Personal Emoluments - \$31.6 million
 National Insurance- \$5.3 million Transport Levy-
 \$196,066.00

Now Sir, the major elements of our total expenditure can be broken down as follows:

Queen Elizabeth Hospital - \$55,256,287.00
 Sanitation Service Authority - \$16,016,422.00
 Drug Service- \$15,055,360.00 Psychiatric
 Hospital- \$13,357,097.00 Geriatric Hospital-
 \$7,073,295.00

Now I want to ask the Honourable Member for Christ Church West or the Leader of the Opposition or any Honourable Member over there and especially the Honourable Member for St. Peter who mentioned \$3 million going to the Sanitation Service Authority as part of the squandermania which of those services they are recommending we should cut back in. You have to tell the public. You have to say to the public - we do not wish the people in the Geriatric Hospital to have the high quality services which we are providing as part of this sum of money. I invite the entire Barbadian population to go to the Geriatric Hospital and see the quality and standard that we have introduced for the people of Barbados, the kinds of people that give the Honourable Member, the Leader of the Opposition, goose pimples. You should get goose pimples when you realize that all during the time you were in the Opposition that the urine was dropping through the floor of the Geriatric Hospital into the food which the old people were eating. That is why the Honourable Member for St. James South came to the Cabinet, you can accuse me of putting out Cabinet secrets now, and said that we must change the floor immediately. We gave the money to change the floor and soon thereafter when I became Minister of Health and they went to look at the roof it occurred to me that we must implement the programmes which the Democratic Labour Party had always said they must implement - the programmes of caring and sharing. We are sharing \$7 million, Sir, with the Geriatric Hospital and invite everyone in Barbados to go and see. It is your money, Sir, and the money of all the people in Barbados. You are entitled to go and see and you are going to discover that it is described as the best facility of that kind anywhere

in the Caribbean and possibly in the western hemisphere. I want you to go to the Queen Elizabeth Hospital and see where we are spending the \$40 million as part of the IADB project. 7.35 p.m.

Next month we are going to open a new Accident and Emergency Department that will cost \$7.2 million, exclusive of equipment. It is part of the money that we are squandering on the people of Barbados. We are going to open it and I give the people of Barbados on behalf of this Government a commitment that the long waiting and the disgusting methodology which formed part of the Casualty will disappear, not because of any magic, but because of the application of management principles. We are training every single person who works in there, from the Maid to the Orderly, to the Nurse, to the Technicians, to the Consultants, and we are not going to train them in the recycling of gloves of which the Honourable Member, the Leader of the Opposition, manages to forget that when he was Chairman of the Medical Staff Committee they used to vulcanise gloves in the Queen Elizabeth Hospital to do operations, and sometimes the surgeons' hands used to break the gloves in the operating theatre. The NDP, of such great integrity, walked around this country giving the impression that to recycle rubber gloves that were sanitised to move bed pans was a threat to the public health, but the Honourable Member could not remember that as Chairman of the Medical Staff Committee during his time they had vulcanised gloves, and he knew about it.

Dr. R. C. HAYNES: On a point of order, Sir. The National Democratic Party has addressed the question of the recycling of disposable gloves. Rubber gloves were manufactured and designed to be recycled and reused.

Hon. B. M. TAITT: I leave you to the public. I have nothing more to say about him and that I leave him to the public, let the public judge like how he could not remember that he only gave \$2 and then came in here with some specious argument that Bree had given four, so he gave two. Two plus four are six. Everybody can add. What the Honourable Member said, which you should have remembered, because you sit right next to him, Sir, was that when he comes to give \$2 he gets goose pimples. He knows that we quarrelled over that.

Dr. R. C. HAYNES: On a point of order, Sir. I never made that statement.

Hon. B. M. TAITT: I misunderstood him, Sir. I thought he had said that, as did all the other 75 000 people in Barbados who saw him say it. We thought he had said that, but we obviously misunderstand him because you will remember he was speaking in a foreign language at one point and it is entirely possible that we missed it. I apologise if I misinterpreted what the Honourable Member

said. Suffice it to say that we understood him to be saying that the giving of \$2 caused him a lot of pain. I agree. Indeed he said he got goose pimples when he heard it, and we just reminded him that the getting of goose pimples is a new phenomenon because not so long ago the giving of \$2 did not create any goose pimples.

Dr. R. C. HAYNES: Mr. Speaker, for the record I said that the vulgarity involved in election year of giving small increases to pensioners, is the kind of conduct that gives me goose pimples.

Hon. B. M. TAITT: I, Sir, will have to spend a lot of time with the Honourable Member during the election which he is calling, so I am going to wait until then to deal with further matters of that kind. What I wish to say is that in all of the squandermania of the Ministry of Health - I am using the Ministry of Health just as an example - we have been able in this financial year and the one before to start a training programme for the nurses in the system. Would you believe, Sir, that in the face of massive shortages of nurses this Government was still able to keep its promise? In spite of those shortages, the almost daunting task of getting blood out of stone, we have been able to allow more than 40 Nurses to be away from the Queen Elizabeth Hospital in pursuit of one kind of training or another.

I go on to say further, Sir, that we have created opportunities for more than 100 Nursing Assistants who are going to become professional registered mental nurses at a time when many of them had given up any hope of advancing beyond the plateau to which the Barbados Labour Party Government had consigned them. The same attitude has been brought to the advancement of physiotherapists, chiropodists, audiologists, and all of the other related fields. There has been more training in health care personnel between 1986 and now than in all of the ten preceding years.

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We have been able at the same time to move ahead and press ahead with the establishment of a halfway house, which I invite everybody in Barbados to visit in due course. I will go on record here, Sir, of being appreciative of the Honourable Member for St. Peter who, in a forward looking position, said to the public of Barbados and assisted in solving the rather unfortunate issue which was about to be fanned - I told him I would say it publicly that I appreciated the stand which the Honourable Member took in St. Peter - , when he told the Press that he was supporting the halfway house. The halfway house is part of a methodology for the curing of Barbadians of illness. The people in St. George have now understood, and indeed the community support for the halfway house in St. George is second to no community support anywhere. I am very grateful to all the people of St. George and the people of Barbados for understanding this forward looking approach to solving

problems.

The halfway house at St. Peter will be available for the public to see shortly. If we did not have the problem with the GEED, it would be open by now. A magnificent job has been done. The St. Joseph Hospital is going to be a masterpiece when it is finished. We have already got a number of high quality medical personnel who have agreed that they will work in the St. Joseph Hospital. The Board has been appointed and gazetted and it has been published. ^ The work has been going on. We are spending the money which Parliament gave us in such a way that anybody can go and examine it to see if it is squandermania.

In the final analysis, Mr. Speaker, the Ministry of Health has undertaken a review of its entire development needs and we have been able to do these things without increasing the budget before 0.35% of the year before. It is not fair for anyone to be talking about squandermania in the light of that large sum of money, \$147 million. We will have a little increase over that coming with the reclassification because some of the people in the Ministry of Health got reclassified. The Ministers got reclassified downward apparently, that is neither here nor there, but in the Ministry of Health the personal emoluments will go up a little more.

I also want to touch very briefly, Sir, on what has been happening with the massive problem of AIDS, and to start — by denying categorically, absolutely, with every fibre in my body that I ever said what was reported in the Nation on April 30 on the front page, and I quote from that platform: "Taitt contended that no one in Barbados was carrying AIDS that the Ministry was not aware of." I would have to be a total and complete nitwit to make a statement like that. I may be either total but not complete. I never made that statement. I never made that statement. What I said was that it was foolish for anyone to be discussing AIDS in terms of a cover up.

—~ The reason is simple. There is only one single, solitary source for the testing of AIDS in Barbados. It is at the Queen Elizabeth Hospital. It is done by the Senior Consultant Pathologist, who is Dr. White. He is the only person in Barbados. 7.45 p.m.

There is no other equipment in Barbados for testing Aids. The confirmation is done at Carec, Port-of-Spain in Trinidad and Tobago. Therefore the information which the ^National Advisory Committee on Aids gets is from Dr. White at the hospital; they do not test themselves, so there is nothing to hide. Whenever somebody is tested positively, there are only two people in all of Barbados who know that and who know the totality of persons who have full blown Aids. That is what I said. There are only two persons, Dr. White is one and the other one I am not even going to ~name. I do not know. The Chairman of the National Advisory Committee on Aids does not know. I want to say there is something wrong with a society that can look at the

Professor and Dean of the Medical Faculty of Sciences, the retired Chief Pathologist, Dr. Dos Santos, the Chief Medical Officer, also Dr. Ellis, I am not calling him pejoratively, the Chief Welfare Officer, Mrs. Roach, a representative of the Barbados Youth Council, a retired nurse who was until recently one of the top nurses in the Queen Elizabeth Hospital and the psychologist in the Ministry of Education - these are the people in the National Advisory Committee on Aids - and say that they are covering up. They have nothing to cover up. You don't get a big A in your face when you have HIV positive; nobody knows who is positive in here, out there. You do not know, but what we have said is that Shlosberg, a 35 year old man whose specialty is diabetes who came out to Barbados for six months comes into Barbados and insults that crowd of people I just called. I say now to you, Your Honour, that anybody who comes to Barbados and looks at that array of persons and insults them when I have responsibility has to take me on as well. Those persons are among the most committed people I have seen. They work for nothing, they are not paid. They have volunteered their services and it is a travesty for people in Barbados to be on the telephone or on the radio putting out rumours about why X or Y might be withholding information on Aids. Aids is not a thing to withhold information on, and only a nincompoop who does not understand the enormity of the danger of Aids would go about saying that somebody is trying to hide it up or hush it up or cover it up. What we have to do is make sure that whatever the people from overseas have been saying - they say that Aids was started by black people, they say it was started by me Haitians, they started saying it was the Africans and there are certain persons who put out information suggesting that Aids is a black phenomenon - we know Aids did not start in Barbados. The first case was brought from the United States. The first case in Barbados came from Florida where somebody who was a St. Lucian, and I don't say that pejoratively, living in Barbados went to Florida to cut canes and prostitution in Florida was the vehicle by which Aids came to Barbados. The first case we can find out was 1984. There is nothing to hide. The doctors who are functioning in the National Advisory Committee were functioning before the National Advisory Committee was formed. They were functioning out of a sense of duty, and here without in any way dealing with the politic^ of the situation, I think the Leader of the Opposition will join me in that regard. Therefore I am saying to the people of Barbados - he has to, he has no choice; the Honourable Member says he does not remember; he does not remember anything except that he has a lot of integrity

Mr. SPEAKER: The Honourable Member has one minute more.

Hon. B. M. TAITT: I am saying, Sir, that our mirror image requires of us that we examine to make sure that the hit men who come from outside of Barbados to cast aspersions on us will not in any way diminish the quality.

As for this business of somebody being fired, Shlosberg, I got permission to call his name, had a six months' appointment with the Ministry of Health on December 11, 1989. He was assigned to the Sir Winston Scott Polyclinic where he performed the duties of a clinical medical officer. His appointment was due to expire in June 1990. However he requested that his contract be shortened to end on May 19, 1990. He planned to take two weeks holiday due to him from April 30 to May 11 and to work the last week from May 14 to 19. Following the release of his letter on April 22 he was allowed to proceed on leave and he was paid up to the period ending May 19. Attached is a copy of Dr. Shlosberg's curriculum vitae. I am not going to read it, but I will tell you this. On 90-04-20 he received a letter from his Medical Officer of Health who is his boss which read:

"Dear Dr. Shlosberg,

You have been asked by the Chief Medical Officer not to release the letter to the press. Doing so would be in breach of your contract."

That was before he published it. It is signed by Dr. Maheswaram and it is copied to the Chief Medical Officer. He went ahead and published it. They asked him not to go back in the polyclinic if they did not do that, I would have asked them not to go back in the polyclinic. I will tell you further, Sir. He went to the newspaper, indulge me, Sir, he went to the newspaper and he told them "publish this exactly as it is or if you change it you go into an agreement to pay me \$100 000". Ask the newspaper if that is not true. They told me so. Mr. Speaker, as a Christian, that is what they told me and it is therefore unfair to this country for the Shlosbergs of this world to come into this country and to make a mockery of all of us. I will not have it. Thank you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I beg to move, that this House be suspended until 8.45 p.m.

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

The question was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 7.55 p.m.

RESUMPTION OF SITTING

Mr. SPEAKER: This Sitting is resumed. The Right Honourable Prime Minister.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, we have had a long debate on this 1990 Financial Statement and the Budgetary Proposals and I think that the highlight of that

debate has been the very clear and the very positive proposals which have been enunciated for the economy for this year and also into the long term.

I identified in terms of judgement what I believe should be the concentration for the further growth and development of our economy. I identified that as an approach based on export-led growth and I have indicated some of the steps which we are taking and other steps ^ which we propose to take.

There has been general acceptance of that particular approach and I think, Sir, judging from my own assessments that the majority of people in this country are satisfied that the approach set out by this Democratic Labour Party Government for the economy of this country is the correct approach.

The only persons whom we have been unable to satisfy are a disgruntled Opposition who continue to preach gloom and doom and who cannot get out of that gloom and doom syndrome. That is their major contribution to the development of this country and it really is a disservice to the country that the only aspects of our development, the only aspect of public affairs that they can concentrate on is to spread gloom and doom throughout the country, and based not on fact, Sir, but on impressions.

As for the leader of the Minority Opposition, apparently he has such a pre-occupation with the question of leadership that every time he starts to speak he has to talk about leadership and the more he talks about leadership, the more leadership slips from his own grasp. He could not even realise, amidst all the talk about leadership, that he was losing leadership of the official Opposition in this country.

Sir, I would advise him I have told him on a number* of occasions, I will take care of him and I think the time has" " come when he should heed that advice and realise that the offer is a genuine one, because I recognise that the Barbados Labour Party has a rightful role to play in this country as the Official Opposition and if you wish a leadership position, you can continue. I do not have any objections to that at all. Continue as the Leader of the Opposition. We are happy to see you in that particular position.

He has found another role, Sir. He has gone into what- . I call the prophetic role. He is seeking to make predictions. I do not know, his name is Forde and I have heard of another Fordc, a Doc Forde. I do not know if he is consulting in that particular area to get his information but, Sir, he is making predictions and all of his predictions, obviously, have not been of any help to him because if he knew the date for the Financial Statement and Budgetary Proposals, it did nothing at all to enhance the presentation that he made to this Honourable Chamber.

Sir, I say very little about the Leader of the Opposition. He is best left alone because he is digging his own grave and I really have nothing else to say about him except to ask him not to spread untruths in this country. It is not befitting the position that he holds. It does nothing for his sagging reputation to get up in this House and say that I made no mention at all about cotton, simply because he wanted to say something adverse about cotton in this country. It is a total untruth to say that.

I said quite clearly in my presentation that cotton and sugar declined in this country and I pointed out that my presentation was based both on the official documents available namely the Annual Report of the Central Bank as well as the Economic Report and in there the information is given in addition to my open statement that cotton declined during the year. If he wants to say something adverse about Spotton, he is free to say so but do not tell an untruth that I made no mention of that particular subject.

That is at the same level, Sir, as those who go around saying that there were two instruments for the appointment of a Governor-General in this country and no apology to anybody at all in this country for that other untruth. That is not the stuff of which integrity is made. It is not the stuff on which integrity is based. I think, Sir, that this country deserves better. I would hope that some kind of change would be manifested by those who spread that kind of untruth in the country.

Sir, there has been talk about the balance of payments. I believe I have to correct some of the false impressions which may have been conveyed during the debate. I have dealt from time to time with the question of the balance of payments and at pages 4 - 8 of the Financial Statement and Budgetary Proposals, I highlighted the positive performances which were recorded in several of the major sectors of the economy.

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I also acknowledged openly that there were some problems and those who talk about leadership must understand that the shoulders of leaders have to be broad, genuine leaders I am talking about. Criticisms now are part of the stuff of our political system and that, indeed, is how it should be.

I am accustomed to criticisms and leadership, particularly moral leadership, is based on the platform that "you take responsibility if anything goes wrong so long as you have the responsibility for the particular matter. I have admitted if there are errors or if I make an error and it is drawn to my attention, I am ready and willing at anytime to admit it. 8.55 p.m.

~ I believe it is this kind of relationship between a leader and those whom he or she may lead, to have that kind of transactional relationship. So that has no problem for me. I

have pointed out that our economy during the past year recorded by standard measures of performance a successful year. I pointed to one standard of measure, the growth in the economy. I also related that to the components of the growth. I pointed out the situation in respect of inflation and the price level, another standard measure of growth which was retained at moderate level. I pointed out the situation in relation to unemployment and employment, another standard measure of growth and pointed out that we made advances in the previous year. All of these things were pointed out, Sir. I added that we had some problems, experienced problems in our balance of payments and in the position of the international reserves.

I also indicated that because of those problems we introduced a package of measures including credit restrictions to seek to control that particular position. During my presentation I indicated that I have that particular matter under study and in consultation with the Central Bank of Barbados by the 1st of June there would be some modification of those policies. From time to time, I have the situation under review and I have to take corrective action where it is needed and I have to take other kinds of action depending on the circumstances.

One cannot at all times come with the kinds of proposals that would satisfy everyone. That is not the stuff of leadership because, as has been said on more than one occasion, you cannot please all of the people all of the time. But I would make this point, Sir. The major criticism that I heard from the Opposition Benches is that I consulted interest groups. Apparently in a democracy that seems to be a crime as far as the Opposition is concerned.

They complain that I consulted interest groups. But if I am guilty of that, if I am guilty of talking to the different interests which compose this society, the agricultural interest, the manufacturing interest, the business interest, the commercial interest, if there is something wrong with that, then I am guilty. But my style of Government in this country is one of consensus Government. I have said that on more than one occasion. I make no apologies for it. Because if this particular Financial Statement and Budgetary Proposal has met with the widespread support for the people of this country as indeed it has, it is due to the fact that I do not come in like others and pontificate. I talk, I listen, I discuss, then I come to my conclusion.

The greatest level of consultations ever in the history of this country was carried out by me prior to this particular Financial Statement and Budgetary Proposals. That is where we are at on this particular matter, Sir. So I do not have any apologies to make. If I do not spend much time on the contributions of Honourable Members over there it is because I believe they have been caught napping, Sir, to the extent they have no idea at all in spite of the fact that they have no ability to predict. They can predict dates. But they could not predict content. They had absolutely no answer to

the kinds of proposals that were put forward because, Sir, in our circumstances those proposals were well-crafted to deal with the problems confronting the country to position our economy to relate to those problems and to seek to maintain our growth and development

It was therefore somewhat distressing, Sir, to hear talk about recession. I am not sure whether the talk is being used in a technical sense or in a loose sense. I think it would have to be the latter, Sir. The information is not available for the first quarter, far less the second quarter because that has not been completed.

On incomplete information, there was talk about a recession. The economists speak about a recession in terms of significant reduced output over at least two quarters in a calendar year. I do not know if the information is not complete yet for one quarter how we can talk, not only of a recession but of being in the throes of a recession. So it would have to be very loose talk coming from an economist to get up in here and make that kind of statement. I think that is part of the desperation that the Opposition is confronted with, because looking for targets and not finding targets they were reduced, like the Barbadian saying goes, to swiping like blind Elder. They talk all kinds of things except concentrating on the issues facing this country.

What was wrong with the proposals that were put forward one by one? I understand the Member for Christ Church East I do not have any problems with him. I do not think he has any problems with me either. He brought in his pack of okras and he said that Barbados can grow the okras and he believes that that is the solution for agricultural problems in this country. He wanted everybody to read these okras. He wanted to make them a document of the House. That is understandable. He wants action.

I do not have any problem, with him. I do not have any problem with the Member for the City either. Because here it is I am trying to put forward some proposals which would further assist the manufacturing sector and he has to try to position himself in such a way. He cannot come out openly and say that these are good measures because that would offend his Leader. 9.05 p.m.

But he has to find some kind of dodge, shift or manoeuvre in order to make the speech that he had to make.

Asides.

Rt. Hon. L. E. SANDIFORD: He did not make the half hour. Again, Sir, with the Member for St. George South, I have no problem with him either. He, Sir, gave me some advice once on electoral matters and we have an understanding. So I am not saying anything else on that score. We have an understanding. It was good advice yes, winning advice.

Asides.

RL Hon. L. E. SANDIFORD: No, no, he has a problem with the other McClean because the other McClean has more influence in his party than he has. That is the problem that he has - the other McClean. That is the problem that he has over there. As for the Leader of the Opposition, well I have spoken about him already and I said that I am not saying anything about him.

I, Sir, wish just to correct a few matters that have been misrepresented. I have spoken on a number of occasions about the Balance of Payments. As early as November 15, 1989 in a Press Release, I indicated that we were experiencing difficulties with the Balance of Payments and I gave the reasons why. In addition, at Pages 34 and 37 of the Financial Statement and Budgetary Proposals, I dealt with problems in the Balance of Payments and stressed the need for greater exports to deal with this problem. I pointed out that my proposals were directed at setting the stage for a concerted effort to expand our exports and to increase our foreign exchange earnings. There is no other way, Sir, and I think the people of Barbados understand it. We have got to understand that in this country when we sit down at a table we do not produce the plate from which we eat in this country. We do not produce the knives, forks, cups or the glasses in this country. They are all imported. In order to maintain a style of life that would use such utensils, we have to be able to sell something so that we will have the foreign exchange to buy them. It is as simple as that. •

So we have to export in order to maintain our standard of living and in order to increase our production. I do not think that I have to go through the arguments again. I hope there is unanimity not only in this House but in the country on the need for exports. To get up and try to make niggling debating points which were most of the contributions of the Members from the Opposition because they could not say anything substantial to say, I think that is a disservice to debate on public affairs. I am very pleased, Sir, that all of the Members over here of this Government made positive and telling contributions during this debate not only in support of the Resolution but as part of that process of mobilizing national opinion behind the work, proposals, and the aims and objectives of the Government in order to keep this country moving. That is as it should be.

Sir, we have a very serious responsibility here. said, we are not endowed with an over abundance of resources. We have to utilize our resources as effectively and efficiently as possible in order to maintain an improved output in the country and to spread equity and justice in the country. Whenever we can, we have to take the steps to put this country on the next plateau for development. That is what we have been able to achieve, Sir.

Last year we were told that this country would collapse and all kinds of dire things would have happened

in the economy. It did not turn out so, Sir, in spite of the ability to predict. We had growth in the economy and our growth in 1989 was well above the average for the decade. Our unemployment rate did not increase. It decreased, Sir. More people found jobs. Our rate of inflation was not at the excessive level of 14 or so per cent that it was sometime during the 1980s. The Economic Report sets out all of the statistics. Six point two per cent I seem to recall is the figure, Sir, and these are achievements we should all be proud of. But that is of no concern to the Opposition. They are only concerned in being less than constructive. But that is not the way of this Government. We have a responsibility to the people of this country to manage our economic and public affairs in such a way that this country continues to advance and we have been successful in that particular regard so far.

— There was a time, Sir, when they used to say that we had no Development Plan. I do not remember where they said they were going on Sunday night, Sir. My people will give you a patient hearing but that is all you will get. No votes, just a hearing. You will get the hearing. Remember the border is just across the road. I will take care of you. You should be very careful. Not you, Mr. Speaker. There is another constituency just adjoining as well and the two of us will take care of him. That is how it will go, Sir.

- So when there was the talk about inflation, Sir, there was some doubt cast on my statement that we imported inflation from some of our trading partners. The rate of inflation in 1986 was 1.3 per cent and it was 6.2 per cent in 1989. But I pointed out in my Financial Statement and Budgetary Proposals that the moderate rate of 6.2 per cent was mainly the result of higher prices in our major trading partners. For example, if we look at the figures, in the United Kingdom in 1986 their rate of inflation was 3.7 per cent. It went up in 1988 to 4.9 per cent and in 1989 to 7.7 per cent. ' .m.

For the United States 1.1% in 1986, 4% in 1988 and 4.7% in 1989. In Canada 4.2% in 1986, 4.1% in 1988 and 5.2% in 1989. In Japan approximately 0% in 1986 - inflation was almost non-existent in that country in 1986 - 1.2% in 1988 and 3.2% in 1989.

Sir, the rate of inflation has increased and we make purchases, we import from those countries. If we import from those countries, we must import some of their inflation. The prices at which we buy will go up if there is inflation. It tends to go up if there is inflation in those countries, and we cannot escape that. That is exactly what I meant. If we have inflation, part of the cause for the Increase in inflation, which remained moderate - I must stress that - was due to the fact that there was increasing inflation in our major trading partners.

Now, Sir, to all of this talk about goose pimples. When one gets up and tries to give the impression that something has been done, I think for political purposes, to the extent that it gives one goose pimples. One may get the impression that this is some kind of one shot affair. It is nothing like that. On each occasion that I have introduced a Financial Statement and a set of Budgetary Proposals in this Honourable House, I have never forgotten the need of the senior citizens for an increase which at least matches the rate of inflation.

I would like to point out that when we talk about inflation, part of the cause may be any increase in taxation, which is part of the inflation. It feeds into that, it is part of it. To come to give some kind of mystical explanation that something will not take care of inflation is patent nonsense. That is the only way I can describe it. The fact is that the people of this country, and the senior citizens of this country, know that this Democratic Labour Party Government is a caring and compassionate Government and it is this Democratic Labour Party Government that has taken the decision to make sure that for our senior citizens, the handicapped, the disabled and those who are in need we try to develop the safety net that the Member for St. John spoke so eloquently about in his presentation last evening. That was a very masterful presentation, not only of the dialectics of debate, but the scope of outlook and the way in which he was able to project a kind of social philosophy of this party was also one of the highlights of this debate, Sir.

Let me not forget the Member for St. James South. Sir, he came from his sick bed. He was ill, sore throat and suffering from the effects of influenza. I am not sure that my statement will coincide with that of his physician, but he came to make his contribution to the debate, and I am certain that his constituents will applaud his courage and his determination to be present here with them. A valiant representative!

Sir, the increase in inflation for the old age pension, 5.5%, I think we take care and we will remember all of the persons in our community.

This particular set of proposals has to be taken against the background, against a Budget that has introduced no new taxes. That is what I said quite openly, no new taxes. I listened very carefully to the contributions of the Opposition Members and most of them were asking for some additional thing to be done. They want to control expenditure, but in the contributions of each one of them there was some statement which had a price tag attached to it. They wanted us to spend more money.

Sir, it is a simple fact, and I am not accepting any argument, though it has been advanced that it is the right or duty of the Opposition to oppose. That is not my view of how our system of government should go. I believe that if there is something positive one should get up and say that

something positive has been done, and if there is something that should be criticised, get up and make the criticism, but I do not accept any kind of political statement which indicates that it is the role of the Opposition to oppose, to oppose and to oppose. That is division and that is what the Deputy Prime Minister referred to as adversarial politics gone to an extreme.

I think we have to be more constructive in this country, to realise that the Opposition should play a constructive role. If you find something infelicitous, say so, but this Government must have done something good some time in the period it has been in office. What about the rate of growth? Do you mean no person in the Opposition could say that this is a good sign? What about the reduction in the rate of unemployment? Do you mean no Member of the Opposition could say anything positive about this?

Sir, it is time in this new order that we cast aside those old bottles of division and seek to have a new approach to the style and content of politics. I think those who have been looking for some new approach in politics must be very disillusioned by the style and stance of that Official Opposition.

If I turn to the question of sugar, at page 13 of the Financial Statement and Budgetary Proposals, and at page 47 of the Economic Report for 1989 I set out the years in which lower receipts from sugar were received. 9.25 p.m.

At page 13 of the Financial Statement and Budgetary Proposals and at page 47 of the Economic Report for 1989, I set out the years in which lower receipts from sugar were received than in 1989. That seemed to have been lost. Let me point it out. In 1976 we only gained \$46.9 million from sugar; in 1978 \$47 million, in 1983 \$38.7 million and 1989 it was \$47.1 million; so we have three years, 1976, 1978 and 1983 where the receipts from sugar were smaller than the receipts in 1989, and yet there was no big song and dance at that particular time. For all of those who are talking about the balance of payments and the illiquid Multi-lateral Clearing Facility, that particularly facility was not created under the Democratic Labour Party Government. It was created under the Barbados Labour Party Government, and the way you would hear them and others talk about these illiquid funds and how you can include them in the reserves and all kinds of criticisms, you would think that that is something that we created over here. I think these things have to be said, and I think it is time that we take the mystique away from all of these issues.

Sir, just as I can take criticism and I can take the adverse comments, those who have the reins of Government, those who were leaders before must be able to take the criticism, or should be able to take it, Sir. But, Sir, I suppose that is the way that they approach their politics,

and I think they have seen on this particular occasion that they found themselves in such a position that they did not know how to respond to the Budget and the Financial Statement that they floundered and they fell flat on their faces. It was the worst presentation ever by the Leader of the Opposition in any debate in this House. I am not responsible for that, Sir, and he will have to stew in his own juice. But what I am responsible for is to ensure that country continues to have prudent management of its finances and every time they make their predictions, we will get on with the business of managing the affairs of this country, both as far as the economic sectors are concerned and in terms of the infrastructure and in terms of our human resource sector.

I have already dealt with the question of cotton, and I have pointed out that it was a blatant untruth for the Honourable Member for St. Michael South Central to say that I made no reference at all to cotton in my presentation[^] I do not propose to go over that ground. As far as tourism is concerned, Sir, I stress in my presentation that the sector will continue to enjoy the duty free concessions which they have been enjoying for some time. Nothing has stopped, Sir; they will continue to enjoy those concessions, and I made it clear and I repeat it now, that a study was launched with World Bank assistance. We are paying for that study, and that should soon be available to Government and to the industry and I indicate that when the results become available to me I will study that particular presentation and that will be the basis on which policies will be formulated in those areas where new directions are indicated. If that is not so, if there are no new directions, we will have to formulate our own strategies in addition to those strategies which are now in place. But it should be remembered, Sir, that the Board of Tourism gets a substantial subvention from the Government for its activities, including its promotional activity. That is not the case in some other areas of Government or in relation to the private sector, so when you talk it is not the budget alone that you have to take into account. You have to take into account the Estimates of Revenue and Expenditure, and sometimes when we discuss these public affairs, we seem to forget that because we have a dual system in which at one time of the year we do the Estimates of Revenue and Expenditure and then at another time of the year we deal with the Financial Statement and Budgetary Proposals that it is not part of the same exercise. The two things have to be taken into account, and I think I should point that out. There is nothing more to say about it. I have said that, when the study becomes available, the Government will examine the study and we will seek to implement those proposals which in our judgment are in the interest of the industry, the sector and this country. There is nothing to be concerned about in that particular matter.

As far as manufacturing is concerned, Sir, concessions were granted to the manufacturing sector in 1988 and[^] 1989, and then this year further concessions have been

granted in respect of spare parts and in respect of computers. Concessions have also been granted to the soft drink industry.

Sir, what we are seeking to do is to position ourselves as a country, both to save foreign exchange and to earn foreign exchange, and that means that we have to keep our KJCal production at a level to meet desirable demand, we have to position ourselves to benefit from opportunities within the CARICOM market, and we have to position ourselves to benefit from the extra regional markets. That is the path that we are on, Sir, but I do not think that I need to spend much more time. There is really not very much to respond to from that side. If I speak it is for purposes of the record, and to speak to the good people of this country who are satisfied with the presentations that have been made from this side.

•wi There was one question relating to housing completion and this is a big matter.
9.35 p.m.

The fact is that having got up and said that locks have been placed on the doors of the banks and all kinds of extreme statements, at least those who made those statements could not but be shocked when it was recognised, and the figures are in, that 1989 was one of the - toest years in housing ever in the history of this country, both in terms of the number of houses that became available as well as in terms of the amount of money available for mortgage lending. Those are facts and then you have to go and look for some typographical error or something like that to make someone believe that there is a major problem.

The fact is that one section of the chart should have shown the information for 1989, that the number of houses completed was 4 180 and that is the figure in the Economic Report based upon electrical inspections. Electrical . "mspections tend to be used, I am advised, because sometimes you have housing starts - and I am sure all Honourable Members know this from their constituencies - and the official bodies which should know of the start of the houses sometimes do not know. Some start without permission.

But I am told that is one reasonable way of looking at it because most people who build new houses use electricity. I am told that that is why that particular - information is used. Instead of showing the 4 180 houses which is the figure in the Economic Report, it shows something just over 3 000 houses completed which was a projection and it was purely in the graph but the matter in the Report was quite accurate.

Sir, I do not think really that there is much more for "me to say. Employment growth and economic performance, }>ave dealt with the concept of recession and so on. But, Sir, I think we are now at the end of this debate and with all

of the predictions that have been made you can now make further predictions. I do not have any to make at this stage.

All I would say is that the Government has presented its Financial Statement and Budgetary Proposals and it is now for the Government, the private sector and the private households in this country to make use of the opportunities available so that they may seek to improve their economic conditions. We all must work together.

This Government is a Government that holds out its hand to all of the interest groups in this country, to all of the people in this country who are interested in ensuring that we move forward as a people. That is our major concern and, Sir, we rededicate ourselves to that particular task.

Aside.

Rt. Hon. L. E. SANDIFORD: Listen to me carefully. Whenever that bell is sounded, be prepared.

I thank you, Sir.

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

Ayes: Rt. HON. L. E. SANDIFORD; HON. P. M. GREAVES; Hon. B. M. TAITT; HON. M. A. KING; HON. E. E. GREAVES; HON. W. O. FRANKLIN; HON. H. A. BLACKMAN; HON. N. K. SIMMONS; HON. W. W. HALL; HON. DR. D. G. BLACKMAN; HON. C. V. WALKER; Mr. L. L. BRATHWAITE; Mr. C. L. TROTMAN; Mr. J. J. PAYNE; Mr. R. L. MORRIS; DR. E. A. SIMMONS, Mr. C. A. NEBLETT; Mrs. M. BARKER-WELCH and Mr. D. J. H. THOMPSON - 19.

Noes: DR. R. C. HAYNES; Mr. R. P. BYER; Mr. P. J. M. MILLER; Mr. E. BOURNE; Hon. H. deB. FORDE; and Mr. O. S. ARTHUR - 6

Mr. SPEAKER: Order No. 6.

Before you speak, may I indicate that television broadcast is at this point closed.

RESOLUTION TO APPROVE THE BORROWING OF 20
MILLION RENMINBI YUAN APPROX. BDS \$48.5
TO SIO.7 MILLION FROM THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC OF CHINA
FOR THE ACQUISITION OF COMPLETE
PLANTS, TECHNICAL ASSISTANCE
AND EQUIPMENT FROM THE
GOVERNMENT OF CHINA

Dr. R. C. HAYNES: Mr. Speaker, I wish to register my very strongest objections in this matter. 9.45 p.m.

Since last July, almost every matter relating to significant borrowings by the Government have been done late in the evening. I remember the \$50 million Resolution was done around 7.30 p.m. 8.00 p.m. when the press was not here. Another one was done at the end of the day. This particular Resolution has only come to our attention - I am not even sure, I have not even seen it - but I gather that it was circulated or purported to have been distributed yesterday but I have not seen it. I think it is highly improper in a matter where a Government is borrowing money to be springing this kind of Resolution on us like that. I take very strong objection to it and I will not participate in the debate.

Mr. SPEAKER: The Honourable Member used the statement highly improper. The Rules of the House clearly demonstrate that that is not the case. The notice of this Resolution has been given in accordance with the Rules of this House and therefore although the Honourable Member has been right to make his objection, it is not fair to say that it is improper, since it was properly placed before the House, according to the Rules.

Mr. SPEAKER: The Right Honourable Prime Minister.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, earlier this year, the Vice Foreign Minister of the Peoples' Republic of China paid a visit to Barbados and during that particular visit, Sir, he indicated that the Government and people of the Peoples' Republic of China would be very happy for a visit to be made to their country, an official visit, and that during that visit efforts would be made to strengthen technical co-operation.

I do not think that there would be much disagreement over this matter. It is not the first occasion. This is the second loan that would be coming from that particular source. During the visit, the Republic of China has offered and I propose to accept an interest free loan of \$20 million Renminbi Yuan to Barbados. These are the terms of the loan, Sir. The loan will be provided within five years from July 1, 1990 to June 30, 1995. It would be used by the Government of Barbados to acquire complete plants, technical equipment and/or assistance from the Government of China. The specific projects would be discussed and agreed by the two Governments.

The loan is to be repaid in annual instalments with export commodities and or convertible commodities, as agreed upon by the two Governments in a period of ten years from July 1, 2000 to June 30, 2010 and each instalment would be one tenth of the disbursed portion of the loan. This loan would be available during the period 1990 to 1995 and repayment does not commence until the year 2000 and should be completely paid off by the year 2010 when again we hope that all of us would be here.

What we are seeking is approval for this particular loan. It is the second such loan to be offered by the Peoples' Republic of China and I can say that I would be setting out on a mission which would include business to Tokyo for discussions with the financial sector there, discussions in the Peoples' Republic of China and also to Hong Kong where we would be having discussions with some business interests in that country. >S

I also expect that on my return I would hold discussions with financial interests in London and with communities in New York on the way home. -v

Sir, I beg to move that this Resolution do now pass.

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

Mr. SPEAKER: The question is.....The Honourable Member. ^- _^

Hon. H. deB. FORDE: Mr. Speaker, I really could not allow this occasion to pass without adding my voice to those who would have to say to the Democratic Labour Party that they are now the beneficiaries from the far-sighted policies of the Barbados Labour Party in recognizing the Peoples' Republic of China.

When I took over responsibility for the Foreign Affairs of this country, the Democratic Labour Party then followed the principle of recognizing Taiwan and treated Taiwan as though it were the Government of the whole of China. x_

Hon. B. M. TAITT: On a point of order, Sir, the Honourable Member is misleading the House. We always had a two China policy. We never had any recognition Taiwan versus Republic. It was always a two China Do not mislead the House.

Hon. H. deB. FORDE: The Honourable Member of course always had a two China policy which existed only with them because neither the Peoples' Republic of China nor the Government of Taiwan which was the Republic of China ever accepted that there was any such thing as a two China policy. So the Honourable Member had a confused policy, obfuscated by his failure to understand the basic facts of international life. S^v

Fortunately for the Government they now have, on their side, one of the people who like myself had the foresight to recognize that China was an outstanding leader in the Third World and there was no point in following a retrograde conservative foreign policy dictated by Dean Rusk and the people in the State Department. ~*
9.55p.m.

Therefore, I am glad to see that there are some young people in here who have to be educated on these things and not merely mournings, Sir. But I had once again to demonstrate to this Government that those of us who believe in progressive forces will rally the right foreign policy whether it was towards South Korea, North Korea, Far East, communist countries, or the Middle East and elsewhere. That is so, Sir. I see distinguished authorities who spoke before us on international relations, - but nobody can fault the outlook and outstanding policies followed by the Barbados Labour Party in its foreign relations during the time that I had the honour to provide the leadership in Foreign Affairs in this country. It still goes down as one of the most memorable and outstanding leadership roles played by Barbados in international affairs at that time.

Now Sir, during the ten years of Democratic Labour Party's recognition of Thailand, there was never any real outpourings of generosity. The Taiwanese sent a few people here who went up at Kirtons to plant cabbage and when they had gone one was no wiser as to what technical assistance they had given. I will say, Sir, that I am very happy to congratulate the far-sighted people of the Peoples' Republic of China of showing that despite the fact that Barbados has a per capita income way and above the average per capita income and that in many respects the Average Barbadian is in economic terms better off than the majority of Chinese people, that they recognize the potential of the resources they have and they can make interest free loans to Barbados which is helping us not only in the area of sports. We are now the beneficiaries of a modern gymnasium which hopefully will start construction during this year. They are helping us at the Community College. They have helped us in handicrafts. They have the capacity to help us both in relation to the use of our resources particularly in the part of St. Andrew with the sort of sands that we have and the clay which we have. They are outstanding in that respect and certainly they can help us develop rapidly our cottage industries.

Now Sir, I recognize that this need not be a one-sided affair in trade although we do produce things similar to those produced by the Chinese. If you are in parts of China, particularly Southern China, you could at times be back in the Caribbean. The bamboo is there. The canes are there. They produce sugar like ourselves. But they are extremely good in some areas. Fishing - the Honourable Member for St. Andrew would wish to know that the technical assistance that they can give us in fish farming would really be quite outstanding. The Prime Minister spoke about understanding criticism. I got more criticism for the foreign policy which I was following and let me admit the Honourable Member for St. Michael East made a substantial and significant contribution too. I got more criticism and more personal investment than anybody could get at the time but I took it, Sir.

Asides.

Hon. H. deB. FORDE: Not from Tom Adams. I got it outside from all sorts of people. I am not calling names in here, Sir. But I got all sorts of criticism about the foreign policy which I followed, Sir. The same far-sighted Democratic Socialists and revolutionary leadership which I gave then and despite the labels of conservatism which they have heaped on me from day one when I came into politics will be shown. I have undertaken the future in relation to the economic policy which I am a convinced Democratic Socialist, Sir. I have never moved from it from day one, Sir. I was born too poor in the area of Christ Church like the Honourable Member for Christ Church East Central and the Honourable Member for Christ Church West Central, only a couple of yards from me, not to understand the necessity for helping poor people. So I know that, Sir.

I want to say to the Prime Minister, Sir, that I am sure that he will find the Chinese the most hospitable of hosts and the most understanding of people. Despite the difficulties that they may have had recently in some of their own internal policies, I believe that when it comes to the Third World they have shown the greatest magnanimity in the policies that they have pursued in relation to their technical assistance. One cannot forget the real way which they built in Tanganyika at the time, now known as Tanzania, when most countries were turning away from helping in those circumstances.

The Honourable Members want to go home, Sir, perhaps at some stage. I wish the Right Honourable Member a happy and successful visit to China, Sir. I look forward to his return, Sir. He need not hurry back, Sir. I can tell him that whilst he is away that I will make sure that his Cabinet behaves itself, Sir, in the last few remaining days sitting in the Government.

Hon. B. M. TAITT: Mr. Speaker, Sir, the Honourable Member has made it necessary that the record be put straight. I want to make a statement that will surprise him. He does not know but I have to tell him that one of the few areas in which I have some expertise and knowledge is China. When I did work at Brooklyn College, I did honours in Chinese History and I have no hesitation in discussing China. I wish we had time so I could explain to him why some of the things he said make no sense. But what is necessary for the record is to establish a couple of things. First of all, the Democratic Labour Party's Prime Minister of the day in the 1970's together with the other three Prime Ministers started the Caribbean Community at Chagaramus on July 3, 1974. It was the courageous decision by the four leader of the CARICOM that opened the gateway to China.

Asides.

Hon. B. M. TAITT: You better listen to this because it is important. When the four Prime Ministers declared at

Chagaramus that they would recognize, that was the beginning of the opening of the gateway to China and it was the Nixon administration with the then Secretary of State Kissinger who went on a secret mission to China because the United Nations had been moving from the two China's policy for about 8 years before that and they had reached the point where the African countries in the United Nations had driven the United States to a point where they recognize that they would fail at the General Assembly if they did not change radically the policy that they had adhered to for well over 20 years. This is not a matter of play-play discussion. These are the serious facts. While Richard Nixon has a reputation for being a bit of a myopic person with regard to domestic policy, there is no question that he was the most progressive President of the United States in terms of his foreign policy. Richard Nixon - yes, Richard Nixon was the person who started having discussions with the Chinese long ago based on the relationship he had established back when he was a Congressman.

Asides.

Hon. B. M. TAITT: I beg your pardon. No, I do not advise him but I think the record needs to be made clear if the Honourable Member for Christ Church West is going to get up and start talking as though he made some revolutionary input in the policies regarding China. I think history will consider me a wicked person if I sat here and did not speak on this matter. The question of China is not a matter that you discuss in terms of playing draughts - you eat one here and eat one there. The question of China is a long term policy and, therefore, the African countries in the United Nations must get the credit for helping the Americans to begin to see the light and Richard Nixon himself is the one who opened the gateway to China. I know you are not going to agree with me because you are part of what they call the red line state. But there is someone whom I cannot recognize who will be able to enlighten you as to what I am saying. He is sitting in a distinguished visitors gallery. He will be able to enlighten you that we were discussing China way back down the road. In 1965 we were discussing a two China's policy. The two China's policy never failed to recognize the Republic of China.

Hon. H. deB. FORDE: On a point of order, Sir. If the Honourable Member could kindly state this distinguished person he cannot recognize, he would tell him that in 1958 before the distinguished person was even qualified I was discussing China and its right to be recognized properly throughout the world because I invited and persuaded the distinguished person to do International Law.

Hon. B. M. TAITT: We want to go home now, Sir. If he wants to talk about 1958 he can talk about 1958. He wants to come in here and give the impression that he made some foreign policy initiative that started the whole thing.

I am saying to you, therefore, that the two Chinas policy was a recognition that, while China had jurisdiction, the policy of the Barbados Government at the time was that all States that had persons in control of territory were entitled to be recognised as a State and therefore since the people in Taiwan had territory it was recognised. I recall Oliver Jackman putting the case. The two Chinas policy was a policy which the Government had as a conscious position. ?•

I rest, Sir.

Mr. R. P. BYER: Sir, I shall be very short, if it is of any comfort to the Member for St. Lucy. I would want to associate myself with the remarks made by the Leader of the Opposition in relation to the debate on matters pertaining to the borrowing of money. This is not the first time it has happened. Obviously the Prime Minister knew that he would be going away some time before and we could have had the occasion to debate this matter fully. & know that eventually the money will be borrowed, because it is being lent on concessionary terms, but to get into the actual debate about China and so on would have been helpful and we would not be confined to very short interventions by the Member for Christ Church West and the Member for St. Michael West. I myself would have liked to contribute something to the debate, especially in light of the Tiananmen Square massacre. All of these things one would have liked to discuss to find out what is the Government's position, foreign policy wise, in relation to China since that happened. I know the Chinese have 'been attempting to perform a brain-washing exercise. They publish their own things in Barbados and they have circulated their tracts and information and so on to rewrite history. These are all things one would have liked to discuss, given the opportunity of the approach to the Chinese for a loan, but the opportunity is being lost because the Prime Minister wants to travel tomorrow and we do not really have the time to do it.

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That is all I would like to contribute to the debate at the moment, Sir.

Mr. O. S. ARTHUR: Mr. Speaker, I will not tarry the House too long on this matter, just to suggest a convention that will probably take a lot of the hiatus and the controversy out of matters such as this. I really think that to the extent we are finishing a budget debate that there ought to be a discussion and an agreement on Government's overall borrowing requirements each year. Parliament should approve that, Sir. Parliament should also, I think, be told about Government's borrowing strategy so that when these matters come they come with the full understanding that, given the course of this year, Parliament is asked to approve Government's borrowing X amount abroad, with a strategy to minimise debt service or whatever we would be seeking to get, some portion from this place and portion from that.

My contribution to the debate is that our budget presentations in Barbados, our budget debate, is lacking in respect of the fact that the Houses of Parliament never ever get the opportunity as a Parliament to approve Government's overall foreign borrowing requirements. We never get the opportunity to discuss and approve Government's overall borrowing strategy, and I feel that we must put back Parliament at the centre of matters such as these.

My own view, Sir, is that the raising of \$10 million in a generous, handsome loan from China is a matter that should not divide this House. In fact, Sir, I would want to say to the House that this is a remarkable loan in the context of the financial situation that Barbados faces internationally. We could not get this loan from other countries more developed than China, from multilateral restitutions, and I would be remiss in my responsibility as the person who in this House has last been a guest of the Peoples' Republic of China not to say how very grateful I am on behalf of the people of St. Peter that the Chinese Government has again sought to express its generosity in a manner that surpasses that of multilateral institutions and even larger Governments.

I have intervened, therefore, to say those two things. Let this House restore the primacy of Parliament in relation to our financial affairs by agreeing on our overall borrowing requirements year by year, hear the elements of our borrowing strategy and agree on those, so that these things would no longer become controversial. In relation to this loan I believe that it is part of a wide and handsome approach to any relationship between countries in the North and countries in the South.

I am obliged to you, Sir.

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

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, I rise to move the adjournment of this House. Before I do so, I must thank the staff of Parliament, which means the Clerks, the Marshal, Reporters, all those who control the electronic equipment, the Policemen and all other persons. I would like to have included the Press but they have been absent so often throughout this debate, including now, that I cannot in all conscience add them to my list.

With that I move that this House do now adjourn until Tuesday, 22nd May, 1990 at 12 o'clock noon.

Hon. B. M. TAITT: Mr. Speaker, in rising to second that I would wish to thank you, on behalf of all of us, for the patience you exercised and the guidance which you gave to this debate. I think it is fair to say on behalf of all Members that Your Honour did us proud once again.

Applause.

The question that this House do now adjourn until Tuesday, 22nd May, 1990 was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly. 10.15p.m.

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