
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday, July 30, 1991.

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock.

PRESENT

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

His Honour T. C. ESTWICK, (Deputy Speaker)

Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.), J.P., (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

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

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

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

Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Labour, Consumer Affairs and the Environment)

Hon. N. K. SIMMONS, (Minister of Justice and Public Safety)

Hon. H. A. BLACKMAN, B.Sc. (Econ.), (Minister of State, Ministry of Finance and Economic Affairs)

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

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

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

Hon. E. E. GREAVES, B.A., Ed.M., (Minister of Housing and Lands)

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

Mr. C. LeR. TROTMAN, M.A.

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

Hon. D. J. H. THOMPSON, LL.B. (Hons.) (Minister of Community Development and Culture)

Mr. H. B. St. JOHN, Q.C., LL.B.

Mr. L. R. TULL, Q.C., M.A.

Mr. DeL. O. BRADSHAW

Mr. J. O. TUDOR

Mr. D. W. BOWEN

Mr. G. W. PAYNE

Mr. R. C. EASTMOND

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in Session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, July 23rd, 1991.

Hon. B. M. TAITT: Mr. Speaker, I move that the Minutes of the Meeting of July 23rd, 1991 be taken as read and confirmed.

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

MESSAGES FROM HER EXCELLENCY THE GOVERNOR GENERAL

Mr. SPEAKER: Message No. 2 1991 from Her Excellency the Governor General to the Honourable the House of Assembly.

Her Excellency The Governor General has the honour to inform the Honourable the House of Assembly that on the recommendation of the Prime Minister, after consultation with the Leader of the Opposition, under Section 3(1) of the Ombudsman Act Cap. 8A she proposes to reappoint Sir Frank Milton Blackman, KA, KCVO, OBE, JP, to the office of Ombudsman, established by Section 2 of the said Act.

Her Excellency proposes that Sir Frank Milton Blackman, KA, KCVO, OBE, JP, shall vacate the office of Ombudsman on attaining the age of 67.

Her Excellency further has the honour to seek the approval of the Honourable, the House of Assembly for the proposed re-appointment pursuant to Section 3(2) of the said Act.

PAPERS

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

1. The Customs Tariff (Amendment) (No. 2) Order, 1991.
2. The Customs Tariff (Amendment) (No. 3) Order, 1991.
3. The Customs Tariff (Amendment) (No. 4) Order, 1991.

Hon. B. M. TAITT: Mr. Speaker, I am commanded to lay the following:

1. The Road Traffic (Amendment) Regulations, 1991.
2. The Barbados Industrial Development Corporation Report and Statement of Accounts for the period 1st April 1989 to 31st March 1990.

ORAL REPLIES TO QUESTIONS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I beg to give notice that reply to Parliamentary Question No. 1, asked by the Honourable Member for Christ Church West is now ready.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

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

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

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

GOVERNMENT BUSINESS

Order No. 11 was called – To move the passing of a Resolution that an humble address be presented to Her Excellency the Governor-General approving her proposed appointment under Section 3(1) of the Ombudsman Act, Cap. 8A of Sir Frank Blackman KA, KCVO, OBE, JP to the office of Ombudsman, established by Section 2 of the said Act.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am happy to move the Resolution in the terms that it has been

presented to this Honourable Chamber and to express the wish and the hope, and I am certain that this is so, that this particular Resolution, seeking the appointment of Sir Frank Blackman KA, KCVO, OBE, JP to the office of Ombudsman as established by Section 2 of the Ombudsman Act, Cap. 8A.

I am sure, Sir, that this Resolution will get the approbation of both sides of the House. I have certainly proposed it and the Leader of the Opposition has given his approbation and Her Excellency, the Governor-General has now made her own recommendation in this regard and it is in this context that we are being asked to present the humble address to Her Excellency, the Governor-General, approving her proposed appointment.

Sir, whatever words were said on the appointment of Sir Frank Blackman when he was first appointed to the post still hold. As far as I can recall, all of us were happy to support the appointment of Sir Frank Blackman. He has given long, dedicated, and distinguished service to this country in a variety of ways in the Public Service and in other ways as well. He has carried out his duties with impeccable impartiality and he has, Sir, all of the qualities that are required for the performance of the office of Ombudsman.

12.30 p.m.

I, therefore, beg to move the following Resolution:

"BE IT RESOLVED THAT a humble Address be presented to Her Excellency the Governor-General approving her proposed appointment under Section 3(1) of the Ombudsman Act, Cap. 8A of Sir Frank Blackman, KA, KCVO, OBE, J.P to the office of Ombudsman established by Section 2 of the said Act."

Hon. H. deB. FORDE: Mr. Speaker, Sir, my intervention on this measure will be very brief. Obviously, in accordance with the provision on the legislation governing the appointment of Ombudsman, I concur in the recommendation which has made for the appointment of Sir Frank Blackman for a period of time. I wish to say, however, that I would have wanted Parliament from time to time to take the opportunity to discuss the recommendations which the Ombudsman has made within the last five years on the working of the legislation under which he operates. In some respects, his hands are tied in that the legislation limits him in some areas to enquiring into some areas and there are areas that we should now probably seek to review and give him wider scope to look for maladministration wherever it occurs.

I would expect, Mr. Speaker, Sir, that as people become more conscious of their fundamental rights they will need not only to resort to the Courts to defend those rights but also to use the powers of Ombudsman for defending those rights. It is not only in relation to

maladministration in Government offices *per se*, but in other aspects of public affairs. In England today, people talk about the Citizens Charter and people are becoming more conscious of their rights as consumers, borrowers from banks, and in many other respects of people who consume, for instance, electricity services, telephone services, and a whole mass of services provided to them either by monopolies or by quasi-public bodies.

I believe that we should review this legislation. It was a far-sighted piece of legislation brought to the House by the Barbados Labour Party during the period of 1976 to 1981. In some respects, Sir Frank Blackman has operated in a very quiet manner and perhaps the work that he has done has not brought the publicity that it deserves. I believe that we should ask for the use of media to help publicize the importance of the post and the work that it performs. I should hope that in the parliamentary calendar for the coming year whenever his next report is laid that we will have an item on the parliamentary agenda so that Parliament will get an opportunity to discuss in detail his findings, strictures, and his recommendations and that Parliament will be able to focus the public's mind and attention on this very important post.

Mr. L. R. TULL: Mr. Speaker, Sir, I missed the entire introduction of the Right Honourable Prime Minister as he introduced this measure. But I have a number of questions to raise in relation to it. I have no difficulty in supporting the concept of an Ombudsman. Indeed, I was part of the original decision to establish the post of Ombudsman in Barbados. I am still of that mind that perhaps the post of Ombudsman can be a useful one in Barbados in normal times, Sir.

There are two things that trouble me, Sir. This measure is brought before Parliament today in a rush. I received the Papers in relation to this matter on Saturday. The Government had five years in which to bring this matter before Parliament because they knew the extent of the appointment of Ombudsman. He is appointed for five years and five years ago they knew that the period of his tenure would come to an end on a particular day, which I believe is tomorrow or the day after. Therefore, Mr. Speaker, this is just another example of the incompetence, mismanagement, and sloppiness of the way the Government is conducting the affairs of this country. To come and rush this in here with a day's notice even though they knew all along that the appointment will have to be made whether it was A or B, I am just showing you in a very clear way that the Government is not in control of its business.

There is another point, Sir. I said in normal times the post of an Ombudsman is one in which I have no difficulty. In normal times, the Prime Minister does believe that people working at MTW should be working. In normal times, the Prime Minister thinks that people at NCC should be working. In normal times, the Prime Minister believes

that the QEH Hospital should have its full complement of surgeons and so on. In normal times, the Prime Minister believes that the schools should be properly staffed with enough teachers. But when the times are not normal, Sir, as these times, you have to start looking at some areas. The question arises, Mr. Speaker, that when MTW workers have to go home because the Government has to strip the Public Service...

Hon. B. M. TAITT: On a point of order, Sir. I am loathed to interfere with the debate or to suggest interference with the debate of any Honourable Member. I humbly submit, however, that an address to Her Excellency is in response to a message from Her Excellency. I wish to submit that the Honourable Member is straying beyond the mark as he discusses this particular measure. I am sure that he can find other opportunities to raise the questions which are burning in his breast. But I submit that the Honourable Member is choosing the wrong time.

Mr. SPEAKER: I would just point out that I did not consider the Honourable Member making a debate on the questions. He was just to my mind identifying a number of areas without extension of debate. I was waiting until he has finished or when he gets to a point when I think that he is debating the matter beyond the context, then I will intervene. But I understood that he was making a series of comments without any extension.

Mr. L. R. TULL: I appreciate your ruling, Sir. I am sorry that I had to be interrupted when I was in full stride because the Honourable Member felt a little uncomfortable with the things that I am saying.

Hon. B. M. TAITT: On a point of order, Sir. I feel no discomfort whatsoever.

Mr. L. R. TULL: As I was saying, Mr. Speaker, Sir, I share the concern of every right thinking person in Barbados about these things including the Honourable Members on the other side. The Honourable Members cannot ask for consensus and ask this side to accommodate them in what they are seeking to put things right in this country and then do not want to hear us when we have suggestions to make.
12.40 p.m.

I am dealing with the re-appointment now to the post of Ombudsman and I am asking them – whether the Members of the Government feel comfortable with my question or not, that means nothing to me – if they are comfortable with the retrenchment of people at the lower end of the Public Service who cannot afford it, and come easily in here and ask for the re-appointment to a post of Ombudsman which, in my submission, is not a post of tremendous urgency or moment in this particular period. That is why I said "in normal times". I am not comfortable with it and the Government had better understand that the

Honourable Member for St. George South is not comfortable with it.

I have no quarrel with the gentleman mentioned by the Right Honourable Prime Minister, I have no quarrel with Sir Frank Blackman, I have a quarrel however with the concept of the Government continually appointing people to posts in the Public Service, after they are retired, and giving them an additional salary that is equal to what they were working for before, in a period when there is retrenchment and when there are a couple of hundred university graduates in Barbados who cannot get work. There are at least 200 graduates in Barbados who cannot find employment in Barbados and I am uncomfortable, Mr. Speaker, with this particular measure.

The Government has to start.....

Aside.

Mr. L. R. TULL: It is no point telling me it happened in the past, because these are unusual times, these are not normal times, these are times when people are being asked, unofficially so far but officially later on about salary cuts, and yet there can be the re-appointment of someone who has been a Public Officer at the highest level and who in retirement comes back now and is employed in a post that younger people can do, and the whole concept of re-employment of retired people is causing some social concern in this country.

I do not know where the Members of the Government hang out, but if they were hanging out in the right places they would hear that these are concerns expressed by people all across this country. Young people all around the place cannot find jobs. I am not laying everything entirely at the door of the Government – a lot, but not all – and they want to know, and they are asking me, and they should be asking Members on the other side, how can the Government continue to appoint people in high profile and high paying jobs, whether it is in Washington or London or Culloden Road or the senior echelons of the Senate.

Aside.

Mr. L. R. TULL: You want to know?

Certain remarks made by Mr. L. R. TULL were ordered by Mr. SPEAKER to be expunged from the record at this stage.

Mr. L. R. TULL: I believe, Mr. Speaker, that I have made my point. I am not making it as a political point, I am making a point as the genuine concern of people of every ilk in this community over this kind of development. I believe the Government should start lending an ear to what people are saying, and indeed lending an ear to what

the Opposition is saying if they want us to work together in this particular period of abnormality.

I thank you, Sir.

Hon. B. M. TAITT: Mr. Speaker, I wish to lend an ear to what the Opposition is saying. I wish to listen to what the Opposition is saying and I wish to listen to what the people are saying, but I also have a duty and a responsibility, as I believe the Honourable Members of the Opposition have that duty and responsibility too, that not everything everybody says they have to get up and accept and trot out because of certain circumstances. There is a level of leadership which is required in this country, and it is just short of cheap, Sir, to be taking an office like Ombudsman and relating it... Is he saying that we should lay off the Ombudsman?

Mr. L. R. TULL: On a point of order, Sir. I am objecting, in the most strenuous terms, to the Honourable Member saying that I am just trotting out what other people say and that it is just short of cheap. If to make a reference to the Leader of the Senate was in Your Honour's ruling not complimentary, what the Honourable Member is saying is insulting.

Mr. SPEAKER: I suppose the question of cheapness may have crossed the line of parliamentary decency in some sense, but I am sure that I have always asked Members, when they are on the borderline, to rephrase their statements in such a way that they convey the meaning that they want without any kind of misinterpretation.

Hon. B. M. TAITT: Sir, that is why I said it was short of. That is why I particularly used the phrase "short of". I did not take the opportunity to say how I feel, because I am in Parliament, but I am satisfied that there are certain roles which we must play and sometimes we have to take positions which may be contrary to what the entire community might be saying at a given time.

Now, this Parliament, unanimously, five years ago determined that we needed an Ombudsman. The role of the Ombudsman was expressed and I believe that if any peruses the reports which were put out in 1988, 1989 and 1990 they would see that many of the down-trodden people in the society, who fall within the ambit of areas that the Ombudsman can and should investigate, have felt justified that the Ombudsman brought to them a measure of justice. The reports are here, they are here for the Press and any Honourable Member to read, and for anyone to use the opportunity of hard economic times to suggest that if people are being laid off in MTW or NCC, or wherever, that there is something infradig about re-appointing the Ombudsman, I say is open to some very serious questioning at the level of morality, Sir.

Is the Honourable Member saying, when he attacked the concept of the Ombudsman being retired, that we should have a younger Ombudsman? Is he now saying that there should be some kind of Litmus Test that includes or requires a certain age limit for Ombudsman? The next thing we are going to hear is that we need young Judges. 12.50 p.m.

What we need is a certain level of sombreness, a certain measure of wisdom. On both sides of the House in here, if there is an officer who has earned and received the respect of every single individual in this Honourable House and beyond, it is the person who has been chosen as ombudsman. Sir, we cannot discuss the Honourable Member's statement without reference to the holder of the office. If the Honourable Member were saying that this office had become the object of political patronage, the Honourable Member would probably be on safer ground. If the Honourable Member could cast his mind back to the time when the Barbados Labour Party blatantly and without let or hindrance appointed a number of persons to right the wrongs imagined by the then Leader, and appointed persons who have been described elsewhere in terms that could never touch the terms that the ombudsman has been described by both sides of the House. If he were to discuss some of the patronage that has occurred in this country in the political life, and if he were saying that this ombudsman is the result of patronage, there could be some weight to what he is saying. However, on both sides of the House it has been agreed....

Asides.

Hon. B. M. TAITT: You wish me to say that? I am talking as straight as the Speaker would allow me. If the Honourable Member were saying that this job was a result of political patronage and that he objects to political patronage being blatantly handed out at this level, in these times, one could understand. I believe that any righteous indignation, feigned or otherwise, which might emanate from persons who don't know better can be acceptable, but where they come from persons whom I know know better, I am satisfied that it is just another political statement made in the context of the expediency of the circumstances.

The Honourable Member for St. George South is worthy and capable of a higher standard of thought. He has always been an honourable man and when he says what he feels, sometimes, Sir, I, as an honourable man, have a lot of difficulty believing that that is what he feels. Sir, as he said, we are in strange times. We have seen the newspapers and we have seen all kinds of people trotting out all kinds of statements, and I believe the Honourable Member felt that this might be the only opportunity he would get to make an unreasonable statement. He feels that if other people are making unreasonable statements, he might as well make one too, lest people think that he is not capable

of making unreasonable statements. I think he has chosen the wrong issue at the wrong time.

On the question of the speed with which the matter arrived here, Sir. These are not the kinds of things that the Government spends its time wondering over a five-year period who we will make ombudsman next. Sometimes, Sir, these things come upon us. The public officers have a schedule. They make their inputs and from time to time, as the Barbados Labour Party demonstrated throughout its ten years in here, we miss a schedule. This is a simple case of a missed schedule. No harm has been done. This does not compare with taxation before legislation that went on. Maybe the Honourable Member was responsible for their not appointing an ombudsman five years after legislation was passed. The real reason why an ombudsman was not appointed was because the legislation had been brought by the Leader of the Opposition and the then Prime Minister was against the legislation. Everybody knows that the then Prime Minister was violently, intellectually opposed to the now Leader of the Opposition and his cronies, whoever they were.

The fact is that that legislation... I said it all. I do not wish to quote myself, but I invite the Honourable Member to go and read page 443. It was in fulsome praise that I spoke of the now Leader of the Opposition. I spoke of the role which the now Leader of the Opposition had played in his capacity as Attorney-General. I did not have an opportunity to speak of the role which the Honourable Member for St. George South had played as Attorney-General. When that opportunity presents itself I shall do a similar thing, Sir. As soon as the subject comes up on which I can speak honestly and fairly about his great role I will speak of it. I was able to speak about the Leader of the Opposition at that time in his capacity as Attorney-General and how he had brought the kind of legislation of which the ombudsman was one. I was also able to speak about how the then Prime Minister, the late Member for St. Thomas, pilloried – those were my words, Sir – the then Attorney-General, and as a matter of studied indifference refused to appoint an ombudsman for five years. You can have an opportunity to read it. He used to treat him with a kind of... I am sorry he is not in his chair because although I am not speaking ill of the Honourable Member, I would have liked him to hear what I am saying because I am not necessarily sure that when it is reported to him by his colleagues that they will have the same accuracy as if he had heard it himself.

Mr. L. R. TULL: On a point of order, Sir. The Honourable Member for St. Michael West knows of what he speaks because that is exactly how the Rt. Honourable Member for St. John treated him in and out of here.

Hon. B. M. TAITT: Sir, I understand how you are saying to me without saying it to leave him alone. I understand what you are saying that this debate does not

warrant that kind of attack. I will leave him for another time.

Asides.

Hon. B. M. TAITT: The Honourable Member is free to attack whom he wants to attack and I am free to attack whom I want to attack, but we don't attack in here, Sir.

Mr. SPEAKER: Because there is no referee in here. Secondly, I don't think that is the purpose of the Chamber. It is to debate a resolution, as I understand, on a particular issue.

Hon. B. M. TAITT: That is why I am not going to attack him. Quite seriously, Mr. Speaker, I am disappointed that the Honourable Member would leave the impression. Perhaps he didn't quite realise what his words would do, but I want out of the abundance of clarity to ensure that no impression is left that the position of ombudsman is something to be interfered within the context of a political football. I do not wish to see the position of ombudsman fall prey to the kind of discussion that when you are cutting the first thing that should be cut is the ombudsman. That was the tenor of the Honourable Member. I say that that, Sir, is unworthy of this Chamber. It is unworthy of the politicians of this day who tell the people that an ombudsman is necessarily a part of the ensuring of their freedom and then suddenly attack the concept of ombudsman in the terms as suggested that we must not discuss reappointment of the ombudsman when it becomes constitutionally due because we are in hard times. If the office of Chief Justice becomes vacant, we can leave it vacant for five years according to that logic. We can leave it there for five years because we don't want to appoint a Chief Justice or any of those higher echelon people while we are in tough times.

Sir, there is another way we could have saved a lot of money over the five-year period. We could have kept them to 24 seats. If we had 24 seats, we wouldn't have had all this.
1.00 p.m.

I think the Honourable Member if he wants to calculate how many hungry people are not getting money, according to his logic, he could calculate how much money it has cost the country to have an additional three seats. All of these are the kinds of non-arguments that can be trotted out and are better suited for the Call-In Programmes where everybody can say what he or she feels without reference to logic, or reference to anything.

Aside.

Hon. B. M. TAITT: The Honourable Member does not have to tell me that I am cussing the people. The

Honourable Member knows that when it comes to my relationship to people they understand me and I understand them. When they stop understanding me I will stop understanding them or *vice versa*. Again that sort of approach of "you are cursing the people" to say that the Call-In Programmes...

Aside.

Hon. B. M. TAITT: The Honourable Member from his seat would suggest that.

Aside.

Hon. B. M. TAITT: If the Honourable Member from his seat would suggest that to say something of the Call-In Programmes would somehow offend the people, I would merely say to him that is the mark of the leadership which he should be supplying to the people. When something is wrong he should be saying it is wrong whether the people wish him to say so or not. I have heard some statements made on Call-In Programmes which make me feel a little embarrassed that they were said in an open forum in Barbados, not because of the sentiment being expressed...

Mr. SPEAKER: I would not like you to widen that aspect talking about that.

Hon. B. M. TAITT: I take your point, Sir. I will not carry it to the Call-In Programmes. The point I am making is those in public life whether you are president of a regional organisation, whether you are the president of the Jaycees, or president of some non-governmental organisation, whether you are a priest or politician, you have a responsibility that is above and beyond the ordinary. Once the leadership or membership of this House calls upon you freely and fairly your duties and responsibilities are moved to a higher level and though the people at Ellerton are free to raise the questions which the Honourable Member is saying they might be raising, the Honourable Member's duty extends beyond merely listening to the people of Ellerton and using their voices in a manner that is not uplifting to them.

The Honourable Member has a duty to come here and say to his people and to the rest of Barbados even though the circumstances might be tight, the position of Ombudsman is one which we need in Barbados and which we require. Therefore, as his leader said, we are going to support this. I am disappointed, Sir, but then I understand these matters. Later on I have no doubt that the opportunity will be provided to discuss them in greater detail. For the time being I hope no other Honourable Member would feel bound to discuss this humble address in the terms which the Honourable Member for St. George South in part discussed this humble address which I am pleased to say I am supporting.

I am very happy that the distinguished gentleman whom her Gracious Majesty found to be worthy of knighthood not once but twice, one of the few persons living knighted by the Queen twice in a lifetime, whose competence cannot be questioned and who has led the way by demonstrating that he can meet the deadlines which are laid down in the Act, he has produced reports and in these reports he has demonstrated that his office understands its mission, its role and it has been performing. I think the matters raised by the Leader of the Opposition are matters which will be dealt with but I find no difficulty whatsoever in supporting this measure, Mr. Speaker.

Mr. DeL. O. BRADSHAW: Mr. Speaker, the Opposition is not opposed to the Resolution before the Honourable Chamber. The Leader of the Opposition has already indicated that he is giving, on behalf of the Opposition, his support to the proposed appointment. But because the Leader of the Opposition and the Honourable Member for St. George South have found it possible to debate and make certain observations in this debate, the Honourable Member for St. Michael West chooses to advise the Honourable Member about his comments.

I want the Government to understand clearly that this Opposition is very responsible and the duty of the Opposition is to oppose. I am sure that we are not supposed to govern. We are to oppose and if the Government is doing its job and they understand the role of a government they would listen to the views of the opposition parties and from those views try to come up with concrete and workable solutions to the country's problems.

I want to make it abundantly clear that I am fully supportive of what the Honourable Member for St. George South was saying. I do not want anyone to think that he is in this by himself, a boy on the burning deck. We have sat down and discussed it and I have heard the concerns as expressed by my colleague said out there. I have heard them. That is why I feel that the Opposition should listen from time to time. It is all right trying to put down the Opposition for making certain inputs. We are not critical of the holder or the proposed holder of the post. We are satisfied that the person is competent. He has demonstrated this over the years. We have worked with him and know of his competence and his ability. What the Honourable Member is seeking to do is to ask the Government to look at some alternatives. I would think that if this Opposition was in Government I would expect that and I would have put it to them too.

Mr. SPEAKER: The Honourable Member must now pay attention to what is being said. We are not looking at alternatives. The Resolution does not seek to do that. I

cannot entertain any discussion on alternatives. If you read Rule 28(2) a Member must confine his speech to the subject under discussion. I do not want to say this all the time but we are all capable of keeping within that context. I do not think I have to rule on everything. Certainly, there are no alternatives to be discussed in this matter. It is a very simple resolution as it stands.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am not talking about alternatives to the proposed person for the job.

1.10 p.m.

I am not speaking in that context, Sir. I am talking about alternatives to proposals or view points as expressed in this Chamber. That is the context in which I am talking about alternatives. The Government must listen, because concerned people have been saying things and I am concerned when I hear these things, Sir. And, the salaries, Sir, when you are thinking in terms, that there are other people who could be considered because it is a cost to the Treasury and we are thinking that other persons could be considered so that other people could be employed. That is all the Honourable Member is saying and I support that. But, you see ...

Mr. SPEAKER: I am sure the Honourable Member knew that I would intervene in a matter like this. I am not dealing with what I have not heard, but I think we should uplift the Chamber some times and the kind of happy spirit is good but we need not carry it to the point where it makes the Chamber look otherwise. So let us keep a balanced keel. Will the Honourable Member continue?

Mr. DeL. O. BRADSHAW: Mr. Speaker, as I was saying, we have no objection to the appointment, but we do hope that the points raised by the Member for St. George South are taken and considered by the Government of the day if we are supposed to come in here and because there is an appointment, or because it is a Resolution, and we are not supposed to say anything, then there is no use for us to come in here. I am not sent here by the people of St. Michael South East to rubber stamp anything. They have views and I am supposed to articulate their views in this Chamber, provided, Sir, that they meet with your approval and they follow the Rules of this Honourable Chamber.

For me to hear them express views, and for me not to come in here and not to express those views, I think I will be falling short of my responsibility as a representative. I want the Government to understand that is one of the very reasons why I am in here, because the Government must listen to these alternative views. They are very helpful. In these times we must accommodate opposing views. We will support the Government. We will support recommendations that we feel are worthy, but, at the same

time we must not abandon our responsibilities to say and to speak out on matters which concern us. We have to do that, Mr. Speaker. No amount of the Government trying to ignore this will stop us from making these points.

The Report, as I see here, by the Ombudsman, reveals there are some concerns and I would hope that when the appointment is made that some of the recommendations that are made in this Report by the Ombudsman are taken very seriously. There are areas that have left much to be desired.

Aside.

Mr. DeL. O. BRADSHAW: That is what I am concerned with. The Report of the Ombudsman that is before this Chamber. This Opposition is calling for adequate staff in order to enable the Ombudsman to carry out his duties more effectively. That is what I am saying. We do not feel that the staff is adequate for the amount of work, especially when Government is becoming so complex and there are so many changes taking place from time to time. So I am saying ...

Asides.

Mr. DeL. O. BRADSHAW: The Government would not listen, that is why we are in this trouble today. I am saying that there are areas where we need staff to do the work and there should not be any cut. That is the point.

Hon. B. M. TAITT: Is the Honourable Member saying ... I did not quite get what he was saying. Is the Honourable Member saying that the Ombudsman should have more staff?

Mr. DeL. O. BRADSHAW: Mr. Speaker, to the Honourable Member, if he cannot hear he does not understand. We are saying that the Ombudsman does not operate alone and we know it is no sense appointing an Ombudsman and putting him there just to make reports without having certain backup staff. We understand from this side what is required. It is left for the Honourable Member to try to understand what is required. If he does not, too bad for him.

I have said that we cannot and we will not be coming in here and rubber stamp any proposal or any resolution. That is not part of our responsibility and in every contribution made by members of this side we do that with a view to letting the Government know there are certain areas which need not be left unaddressed. We do not want to hear the criticisms from time to time. We don't like it. We would like to see less of the criticisms of the Government because it affects all of us and I will hope that Honourable Members from that side understand, quite clearly, when there are opposing views, especially from this

Opposition, that we understand what is going on and we are going to give them the support. They too must bear in mind that they need to listen very carefully to what we are saying and don't think that we are going to sit down and allow them to put us in positions that we should not be in.

We are supporting the Resolution, Mr. Speaker. We feel the point made by the Honourable Member for St. George South must be taken into consideration. I am sure the Honourable Prime Minister who introduced this Resolution, sits and he listens and I am sure he will take corrective measures, but there are other people who do not listen and I think that if they used to listen they would be much better off and I am sure the Prime Minister would be much more informed and lots of the criticisms which he is getting today will be reduced significantly. I thank you, Mr. Speaker.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I did, in introducing this Resolution refer to an humble address that would be presented to Her Excellency the Governor General and I would wish to state, Sir, that that address approved by this Resolution, should be in the normal terms which is as follows:

Address by the Honourable, The House of Assembly to Her Excellency the Governor General:

"This Honourable House presents our humble duty and is pleased to approve the proposed re-appointment by Your Excellency in terms of your Message of Sir Frank Milton Blackman, KA, KCVO, OBE, JP to the Office of Ombudsman for Barbados, established by Section 2 of the Ombudsman Act Cap. 8A."

Mr. Speaker, I do listen to debates in this Honourable Chamber. I not only listen but I observe the facial expressions, the body movements and all other expressions of Honourable Members when they are speaking and when they are sitting, Sir. I believe that to get a total understanding of what is taking place one must be aware, not only of the individual idiosyncracies of Members but also what exactly they are getting at.

Now, one question raised by the Honourable Member for St. George South, and let me say that of all the Members on that side of the House, let us say, apart from the Member for St. Michael South East.
1.20 p.m.

I listen to him very carefully and I watch him very carefully because I know that he is capable of making some very telling points and that he is also capable when he is off target to make some very bad speeches as well. I would say, Sir, that today he has fallen into the latter category. I watched him very carefully, Sir, and I can tell

you that there was no logic in his argument. There was no high seriousness in what he was saying and the speech itself had no grace or taste in it. It was a most surprising expression. I, therefore, had to come to the conclusion on this particular occasion, because I know what he is capable of, that the purpose of that speech cannot be taken solely in terms of what the Honourable Member said. This is the Member for St. George South.

Sir, we have here a motion before us. There is a proposal to reappoint the holder of the post of Ombudsman for a further period. The matter went to the Leader of the Opposition and it is my understanding that his approbation was given. In this Honourable Chamber, the Leader of the Opposition gives his support. But what you have is some of his junior shadow Ministers getting up and calling into question the judgment of the Leader of the Opposition.

Mr. L. R. TULL: On a point of order, Sir. The Right Honourable Gentleman like the...

Mr. SPEAKER: Now I prefer Members to come straight to the point. No preamble as the Rules state. You have risen on a point of order for me to adjudge.

Mr. L. R. TULL: Mr. Speaker, Sir, I am asking for your assistance because all I said was the Right Honourable Gentleman and you call that a preamble, Sir. Guide me, Sir, because I really do not understand. That is all that I had said, Sir.

Mr. SPEAKER: If that is the beginning of your point of order, continue.

Mr. L. R. TULL: Sir, you are in charge. Go ahead. All I said was the Right Honourable Gentleman and I got stopped, Sir, at that point. That is a preamble. I cannot deal with that, Sir.

Mr. SPEAKER: I am saying to you that I was not accepting a preamble. If you think that is your preamble, then fair enough. But I said continue your point.

Mr. L. R. TULL: Mr. Speaker, Sir, I am finding it extremely difficult in circumstances as now obtain where the first four words out of my mouth in making a point of order must somehow be branded as a preamble. I find it difficult to operate within that particular context, Sir.

Mr. SPEAKER: My position is very clear. If you have no point of order, then say so. If you have a point of order and I say that I am not accepting any preamble, it does not necessarily mean that you have to make one. It is a very clear statement that I want you to come straight to the point.

The second point was that, if you want to rise on a point of order, the Rule strictly says what point of order.

Which number are you going on? I wanted to say to the Honourable Member that if he is rising on that point of order then continue. That is all I want to put to the Honourable Member because I can rule on the point of order that he wants to make. But I want him to come straight to the point.

Mr. L. R. TULL: I have nothing more to say.

Mr. DeL. O. BRADSHAW: On a point of order, Sir. Mr. Speaker, in my contribution as a shadow Minister of the Opposition, I did say that we support the Resolution and the concurrence of the Leader of the Opposition. Therefore, the Prime Minister's suggestion that we were on different ships, I take objection to that, Sir.

Mr. SPEAKER: Now may I ask the Honourable Member on which Standing Order is he objecting? State the Standing Order.

Mr. DeL. O. BRADSHAW: Mr. Speaker, all I can say is that I am objecting and I am stating that the Honourable Member is misleading the House. That is the point that I have risen on.

Mr. SPEAKER: Which Standing Order is that?

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I will give him time to research the point, Sir. If I may continue, Sir, that is precisely the point that I am really making. We have had some words and the Resolution, which the Opposition states that it is supporting, calls for the reappointment of Sir Frank Milton Blackman to the Office of Ombudsman. It does not say anything about short time. It does not say anything about sending home or anything like that. It does not say anything about old age. That is precisely the point I was making, Sir, that we are having a lot of words but behind the words there seems to be some hidden agenda.

Asides.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, that is where we are, Sir. This Resolution does not talk about short time. It does not talk about sending home people. It talks about the appointment to the office of the Ombudsman and the Opposition here has been caught, Sir, in a situation of no man's land. They are saying that they agree with the Resolution but they have to find something to criticize instead of agreeing with the Resolution. If on a simple matter like this where we cannot get agreement on this matter, how can we get it on wider matters?

Hon. H. deB. FORDE: The Honourable Member must not try to mislead the House. The Opposition's view was stated by all three Members who have spoken that we are in favour of the Resolution which is going to Her Excellency the Governor-General. But it is mistaken for the

Right Honourable Member to give the impression that on any Resolution, even if there is agreement, that there are not aspects of the functioning of the particular office that can come up for some sort of discussion and suggestion.

Rt. Hon. L. E. SANDIFORD: In this case, Mr. Speaker, the situations are mutually exclusive. You cannot talk about people going home after they reach the age of retirement and also say that you are supporting this Resolution. This is why I say that they have been caught in no man's land and that their arguments lack logic.
1.30 p.m.

Rt. Hon. L. E. SANDIFORD: I do not really wish to hold up the House any longer on this particular matter, the question of the Ombudsman. On this question of the matter coming up late – this is the main point being made, that the matter has been late in coming to this Honourable House and that we had five years to do it.

Aside.

Rt. Hon. L. E. SANDIFORD: I think myself and the Honourable Member get on very well, Sir, but something is troubling him. I cannot tell what it is. Here it is he is complaining that something came in late. He had ample knowledge of the time when this House was meeting today and he came into the House late.

Aside.

Rt. Hon. L. E. SANDIFORD: His personal business keeps him from coming in here on time. That is what is being said.

Mr. L. R. TULL: On a point of order, Sir. I don't know why I am being attacked without protection. All I am doing, Sir, by coming in a few minutes late.....

Mr. SPEAKER: I may soon ask you to come in with bullet proof wear. Can you state what protection you want?

Mr. L. R. TULL: I want some protection, Sir. The reason why I was a few minutes late is that having agreed to give up part of my salary to accommodate the Right Honourable Prime Minister, I am trying to earn it out there. I was only a few minutes late. Are you going to kill me for that?

Rt. Hon. L. E. SANDIFORD: The Honourable Member is not accommodating me, Sir, it is public business we are dealing with here and he has complained about that. His personal exigencies and the exigencies of public business determine that this matter should be dealt with at this particular time. This is no major matter to call for this lengthy debate. I have been in this Chamber and

we were discussing the raising of a loan on the London market, the loan had already been signed when we were late in seeking the approval of this Honourable Chamber.

Mr. SPEAKER: I would like the Honourable Member not to get into that direction with this debate. I am asking that he confines himself within the perimeters of it.

Rt. Hon. L. E. SANDIFORD: I abide by your ruling, Sir, but the Member for St. George South is looking for one of those epic debates that we have had in the past together, but this is not the occasion for it.

This measure has the support, as I understand it, of both sides of the House and I beg to move that this Resolution do now pass.

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

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

ORDER NO. 4 – THE STABILISATION TAX BILL, 1991

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I stand before you and the Honourable Members of this Chamber to introduce for consideration and passage the measure cited as the Stabilisation Tax Bill, 1991. This is a measure arising out of the Financial Statement and Budgetary Proposals 1991 and therefore it is already part of the policy of the Government.

I would like to make a few comments on this measure. One of the prime functions of my Government, and indeed of any Government, is to ensure that the economy performs at optimum levels in terms of output, in terms of employment, in terms of price levels, in terms of the balance of payments, and that is true in good times. When times are unfavourable, it is equally the task of Government to identify the problems and seek to correct them through appropriate stabilisation measures, particularly through a combination of fiscal and monetary measures. No one will deny – certainly I don't think anyone in this Chamber – that the world, not only Barbados and other countries in the Caribbean, in North America, in Europe, in Africa and the Far East – is experiencing unfavourable times.

All of us know that Barbados is a small developing country with an open, fragile economy and we in Barbados depend upon trade in goods and services with the rest of the world, both in terms of our imports as well as in terms of our exports. It must be recognised that so long as we trade with the rest of the world, as indeed we must, it is not only open for us to take advantage of the opportunities that that trade with the rest of the world opens up for us,

but we also open ourselves to the disadvantages, the external shocks and economic disturbances that impact upon us adversely as a result of our participation in the international economy.

Some things will work for us and some things will work against us. They will work in those ways at some times with advantage and at other times we are subject to external shocks and economic disturbances. Those external shocks and economic disturbances which can impact upon us as a result of our trade in goods and services with the rest of the world include the impact of the world business cycle, and since, I would say, 1973, we have experienced at least three international recessions.

Secondly, Sir, commodity prices may rise and fall with corresponding impact upon us as a country. Thirdly, exchange rates may fluctuate, they may rise sharply, Sir, and indeed at times they can be very volatile. Fourthly, interest rates and/or inflation can go up or down with corresponding impact upon prices, upon our payments, and indeed, in other ways.
1.40 p.m.

So, Sir, these external shocks transmitted through international markets for goods and services or through the international capital markets can lead to a fall in our exports and in our earnings from exports. They can also lead to an increase in debt servicing, in amortisation payments and they have an impact on the servicing of loans which we may have borrowed some time in the past. In addition, Sir, there are, of course, internal factors, including a fiscal deficit that is insupportable or from whatever cause the deficit may spring, instability may be triggered or exacerbated. The important thing is, Sir, that when such instability is exhibited, corrective action must be taken.

I have consistently advocated to this country, in this Chamber and out of the Chamber, that we should seek to contain the fiscal deficit. Indeed, as far back as 1988, I believe, I did indicate that we should try as far as possible in terms of our current account – I am not talking about the balance of payments – to have revenue and expenditure more or less in balance, and that our capital expenditure we may seek to raise from loans or from other sources for the financing of that capital expenditure. There are, Sir, economic arguments and there are times when it may in fact be inappropriate to seek for that fiscal balance, but that is an economic argument. I believe in our circumstances that it is an ideal, perhaps, which we should aim at but depending upon circumstances. The cardinal principle is that we should seek to contain the fiscal deficit on current account as far as possible. I believe those who listen carefully to what I have been saying and who read what I have said, not what others say I have said – not my lips.

Asides.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I have consistently drawn two problems to the attention of this Chamber and to the attention of the general public and the last occasion on which I drew it to the attention of this Chamber, as far as I can recall, is on April 2 when I delivered my financial statement and budgetary proposals and I drew attention to two major problems facing the economy. I referred to them as the twin deficits – the fiscal deficit was one and the other was a deficit on the current account of the balance of payments. I said that these two deficits would have to be corrected. I have never tried to give anyone the impression nor have I said at any time that there were not problems endemic in the economy of Barbados. Never!

Sir, I perhaps am the most avid reader of my own speeches because they try to misquote me so often and to distort what I say and what I do that I have to go back to the record.

Asides.

Rt. Hon. L. E. SANDIFORD: This is not a question of any narcissism. I am not in love with myself. I have a good appreciation of my own capabilities but I am not in love with myself. I know my limitations too, Sir.

I have consistently tried to give a picture to this country and to this House of the state of the economy. What I have said, Sir, is – and which cannot be controverted on the basis of the indicators – that in the year 1989 – and I challenge any one to find it otherwise, that in that particular year we registered significant advances in this country in a number of areas. It is a fact.

Asides.

Rt. Hon. L. E. SANDIFORD: I never said anything about any... You see he wants to put words in my mouth. That is exactly what I am talking about. I never said anything about the beginning of the recession in 1989.
1.50 p.m.

Sir, when I hear these statements about "a little earlier", "a few months ago" or whenever it is I said we never had it so good, those are not my words.

Aside.

Rt. Hon. L. E. SANDIFORD: Yes, I can say that. I knew there were problems. I have been saying that and I have been seeking to draw these problems to the attention of the country but every time I seek to correct these problems those who must find avenues for disagreement find ways and means not to agree with the measures that

my Government take, then these things build up and it is the last straw that breaks the camel's back.

We are in a recession, Sir, and the recession is not limited to Barbados. There is a worldwide recession. It is affecting different countries in different ways. If we recognise what it means to say that Barbados is an open and fragile economy, we would realise that recession in the international economy will impact adversely upon Barbados. That is exactly what has happened.

We have twin deficits which we have to correct. The stabilisation tax is one of the measures brought in order to raise revenue as well as dampen aggregate demand so that the resources which would normally flow into imports and help to worsen the situation would be contained. We have the stabilisation tax and that is working reasonably well. I believe that by the end of the financial year we may reach the target. I am not sure at this stage how close we will get to the target because there are other factors at work as well which may affect the yield of the tax. But, certainly, so long as you agree with the diagnosis that the solution to seek to dampen aggregate demand is not a prudent one in the circumstances.

I indicated that there was a fiscal deficit on the current account which should be removed and that the financing problem should be solved by means of a higher level of taxation by taking some of the resources out of the economy. I am saying now that it is my own stance. If one were following the Keynesian approach, then, perhaps, one might seek that in order to get out of these problems to stimulate the economy. That, certainly has been recommended in circumstances when it was felt that this was the solution for a large continental economy. It cannot really apply to our situation because to do that would exacerbate and make worse the very problems that we may be trying to solve.

Sir, I really do not think it is necessary for me to go through the details of this. The Stabilisation Bill is before us. It is the policy of the Government and this has become law. What we are doing is seeking under that particular law now to pass the Bill which would make it more permanent. We are within the four-month period that has been allocated for bringing the specific legislation before us.

Before I sit, Sir, there are a few points I would like to make. I saw an extract - I think the Honourable Member for St. Peter was kind enough to pass across here one of the very wise statements that I made some time in the 1980's when Barbados was faced with severe economic problems. I do not know who are the researchers for the Barbados Labour Party but I see some of them smiling. They dug up my every word and they have found a statement that I made to the effect that the Government was not taking Parliament into its confidence. I think it

was around the time when things were very difficult. I am still of that view. I am a very firm believer in the role of Parliament. I have always said that consensus government is a plank of the policy of this Government. Sir, perhaps my failing is - and I am not afraid to speak about it - that I take these things seriously. There can be no consensus without consultation. Sir, I think it is well known that the Government of Barbados streaked to the IMF in 1982. 2.00 p.m.

Asides.

Rt. Hon. L. E. SANDIFORD: In 1982, Sir, Sir, on that occasion ...

Mr. SPEAKER: I want to warn the Honourable Member that if he introduces this aspect into debate ... I hope the Honourable Member will be conscious of that. I read the rule that you must be relevant, that is what I am sticking to.

Rt. Hon. L. E. SANDIFORD: Sir, I will not go down that line then. I will stick to the stabilization tax on this occasion. I am going to say here, Sir, that this Parliament will be kept fully informed of developments relating to the economy. I think I will limit myself to that, Sir and I take your intimation and indication and I will leave the matter at that particular point.

This particular Bill, Sir, the Stabilization Tax Bill, I wish now to move that this be now read a second time.

Hon. B. M. TAITT: Mr. Speaker, Sir, I am going to second that and reserve my right to speak. It is now a couple of minutes after two and I believe this would be a good point at which to break.

SUSPENSION OF SITTING

Hon. B. M. TAITT: I beg to move that the House be now suspended until 3 o'clock.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: This sitting is now resumed.

Mr. O. S. ARTHUR: Mr. Speaker, I should like to begin my contribution to this debate by extending, Sir, a challenge to the Prime Minister and Minister of Finance and Economic Affairs, through you. The Minister of Finance, in the course of his presentation, referred to the fact that Barbados is a small open economy and subject to

the vagaries of external demand on its economic performance. He sought to convey the impression, Sir, that the problems that Barbados is currently facing are problems associated with the existence of an international recession. That the international recession has impacted on the Barbados economy as it ordinarily would, Sir, in terms of reducing demand. It has led to a reduction in international demand and it has affected all small open economies.

Rt. Hon. L. E. SANDIFORD: I rise on a point of elucidation, Sir. I wish to make it abundantly clear because I have been misquoted so often that I wish what I said to be understood, and understood clearly. I said there are two problems; two major problems – one external to do with the deficit on the current account of the balance of payments and the other one, the fiscal deficit. One internal and one external. Thank you.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am grateful for the elucidation by the Honourable Prime Minister, but I still want to issue the challenge, Sir. If the Prime Minister and Minister of Finance believes that Barbados' economic problems, Sir, are due to the workings of international recession, the facts are, that from the best information available, the international recession is beginning to bottom out. On the theory that as the economies of the rest of the world improves, so will the Barbados economy, I am challenging the Minister of Finance, Sir, if he believes what he is telling to the House, if he believes that our problems are in the largest part, Sir, caused by international recession, allow the recovery in the international economy to solve our problem for us and desist from the course of action on which Government, Sir, is now embarking.

I say that, Sir, to say this, Sir. I fundamentally disagree, and I say this in no partisan context, Mr. Speaker. I fundamentally disagree with the diagnosis of Barbados' economic circumstances which would have us accept that Barbados is today suffering from a touch of influenza. Barbados, Sir, is suffering from deep seated structural problems, a very deep seated structural problem, the full dimensions of which, Sir, we would do well to understand if a correct course of economic action is to be chartered for this country. It is not suffering, Mr. Speaker, from a touch of economic influenza, caused by the contemporary international recession and I really believe, Sir, that this House must grasp the full dimensions of Barbados' economic structural deep seated problems, Sir.

First of all, as I said in 1990, Barbados is now an economy that is in many respects living on past accomplishments. In the specific sense, Mr. Speaker, that a large part of our productive capacity is productive capacity that was installed in the 1970s, 1980s. Sir, it cannot compete with the economies that have retooled or restructured themselves, or we have not attracted capital in the main sectors as we must recognise, Mr. Speaker to

begin with that Barbados' productive system is living on past accomplishments.

I ask the question today, Sir, as I asked before Sir, when last has there been a major investment in Barbados, in agriculture, of any national consequence? When last has there been any major investment in Tourism? When last has there been any major investment of the scale of Intel, such as to give us the assurance that we can tell the young people of Barbados that we know that through the process of capital formation that we can create three thousand jobs by bringing three Intels to Barbados. Barbados is living, Sir, on past accomplishments.

Secondly, Sir, Barbados has become more of a mono-sectoral economy, reversing a whole post war process of economic diversification. We have come to the end of a development strategy without putting a new strategy in place. And what do we mean by that, Sir? The whole emphasis of economic development in Barbados since the war has been to diversify Barbados away from its dependence on one sector – Sugar.

In the course of the last five years, Mr. Speaker, Barbados has come to reproduce one form of monoculturism, a former dependence upon sugar, with a new form of mono-culturism, a dependence upon tourism. The Government, Sir, would do well to ask itself what are the implications of an economy like Barbados, Sir, coming to put all of its eggs in one basket. That, Sir, is one of the most important structural problems that this country has faced in the course of the last five years.
3.15 p.m.

Thirdly, Sir, anybody who wants to understand the nature of the economic problems of today must recognize that since 1985, and I make that point again since 1985, Barbados has been remarkable in the extent to which too large a proportion of our national consumption has come to be financed by short term commercial borrowing. Since 1985, this has been an important problem. Since 1985, Barbados has been using short term commercial balance of payments support loans in order to bridge the gap.

Mr. Speaker, Barbados from time to time since 1981, for example, has used a balance of payments support loan. But it was not part of our economic circumstances that balance of payments support loans were normal to Barbados. Year by year, however, we now find ourselves in the position where this country is borrowing commercially to support consumption.

Aside.

Mr. O. S. ARTHUR: Mr. Speaker, I heard the Minister in silence and I would appreciate...

Mr. SPEAKER: That is exactly what I want to say and I do not think that you need to say it twice.

Mr. O. S. ARTHUR: Mr. Speaker, the point that I am making is that I am not seeking to establish that balance of payments support loans are foreign to Barbados or were not known before 1985. That is not the point. The point is that balance of payments support loans have become one of the chief means by which this country has been kept stable since 1985 in contrast to the past. In the past, Sir, this country used to borrow commercially to support capital investment. Barbados has had to borrow since 1985 almost \$100 million to finance consumption. The same thing that has happened to you has happened to the country. If each month you had to go to the bank to borrow to finance your consumption and you do this over an extended period of time, Sir, you would have a structural problem and eventually you would have to put in place a series of very important measures to stop that trend. That, Sir, is what has happened to this country. It is rooted, Mr. Speaker, in the fact that despite the growth in this country's GDP, which the Prime Minister likes to refer to, foreign exchange earnings have declined as a ratio of our GDP.

If I may elaborate the point, Barbados is faced with the problem of a declining ratio of foreign exchange earnings to GDP. Our total national income may be expanding but incrementally, so smaller and smaller proportions of that national income are generated by the expansion of our export sector, Sir. Sooner or later a small economy that lives on exports will find itself in a deep seated structural problem if it does not reverse the trend whereby one's export earnings constitute a smaller proportion of one's total income. When I speak of a deep seated structural problem, Sir, I say so with no view to create any partisan thing. But we must see the problem not as just being caused by a temporary shortfall international demand. We have come to the end of the development strategy that has been in place for twenty-five years and what is necessary now is for this country to go on to a different developmental path. I, therefore, was disappointed that in the face of the overwhelming evidence to the contrary the Minister of Finance would have us discuss Barbados' economic problem by reference only to a change in international demand.

Indeed, Sir, our problem is so fundamental and so pervasive that Barbados' producers have now lost the capacity to compete even at home against people at a similar level of development in the Caribbean. When you reach a situation where you cannot beat a man in your own home, you are with problems. Barbados has now reached a situation in the Caribbean where any variety of goods produced in Jamaica or Trinidad will out-compete Barbadian produced goods in Barbados. Countries that are at a similar level of development are out-competing us in our own country. The problem, therefore, is fundamental and I am suggesting to the House that any approach that

treats it in terms of a temporary aberration caused by variations in international demands, Sir, is an approach that is going to take us too wide off the mark.

I am saying, Sir, that I also believe that important decisions have to be taken about the structure of the Barbadian economy. The issue is whether those decisions should be made to conform with a doctrine and a dogma to be applied in all trends, places, and circumstances such as we have come to see applied by the World Bank, IMF, and IADB or whether we, too, can evolve a concept as to the kind of structural adjustment that we want for Barbados that is relevant to its circumstances. I will come to that point now, Sir, because I support the need for structural adjustment. I do not support the pursuit of structural adjustment in accordance to economic theologies that are meant to apply irrespective of the time, place, or circumstance.

Having said that, Sir, it becomes easy for us to be able to understand why the Democratic Labour Party and the Minister of Finance are so misled. They have misled the country especially when he goes back to 1989 as a record year. He keeps making the point over and over again. He said that 1989 was a record year, Sir, in relating to GDP. The rate of growth of GDP in 1989 was not exceptional. It was 3.5 per cent rate of growth in 1984. In 1986, Sir, Barbados' economy grew at 5.1 per cent rate of growth. In 1979, it was 7.9 per cent rate of growth. But more to the point, Sir, he cannot show that it was a record in terms of the rate of growth of GDP. It is a non-point to say that GDP in 1989 was higher than any other year in nominal terms since from the time there was a Barbados. In each succeeding year, nominal GDP is higher than any other year. In addition, Sir, if the Minister would go beyond the aggregate, for example, he threw out the number that you had a record rate of investment in Barbados in 1989. But if you would go beyond the aggregate, Sir, and look at the composition of investment, what he would see is that increasingly more and more of the Barbados' investment funds were going into either real estate or the distributive sector but not enough of it was going into those areas of the economy that could deal with the trading problems of this economy. To tell us that in 1989 we had a high level of investment and a record level of investment without dealing with the fundamentals and that the investment was going into areas to support speculation and to consume foreign exchange that we do not have and hence contributing to the structural problems that we agree now are fundamental, Sir, is merely to misrepresent the economic circumstances of this country.

I began this debate, Mr. Speaker, by asking the question: "To what extent can a stabilisation tax of the character envisioned by this legislation satisfactorily address itself to the issue of how are we going to bring about meaningful structural changes in this economy, given the widespread and deeply pervasive nature of the

structural problems that are at work in Barbados?" Is the stabilisation tax, Sir, relevant? Can it help us to get the job done? Mr. Speaker, in that capacity, I want to say that as pure taxation - I might be repeating a point that I made in the Budget but it is worth emphasis - this tax is obnoxious in the sense that it offends the basic principles of public finance that a tax should be easy to administer, have a certainty of incidence, and have built into it an element of equity.

3.25 p.m.

Those three basic principles of public finance are all offensively breached by the structure of this tax which, in my submission, would neither be easy to administer.....

Aside.

Mr. O. S. ARTHUR: I am going to elaborate the point. As regards equity, Sir, it does considerable violence to the principle that there must be an element of equity built into our taxation system, but I shall come back to those points.

The tax, however, from a macro economic point of view is designed to give effect to an economic policy which goes as simple as this. The Government is now saying that in Barbados' economic circumstances there is a need on the part of Government to protect the balance of payments by reducing disposable, personal income and that the chief way to do that is to take out taxes from the income system. That is the theory, the economic principle, behind this, that Barbados has reached a level of economic difficulty where the society is consuming too much, that one of the ways in which you can deal with the problem of over consumption is for Government to take the wherewithal that people use to purchase goods out of the economic system, and to do that you raise taxes.

In the budget debate, Sir, I have already pointed to the fallacy of it, that if you take money from one pocket to put into another pocket to spend, then you are not going to solve the problem. If Government recognises that there is a problem of over consumption in the economy, it would be a fallacious strategy on the part of Government to take money from the private individual and put it into Government's pockets so that Government can spend it, because Government's spending will have the same impact on the balance of payments as private spending. When Government buys a case of sardines for an old persons' home it has the same balance of payments implications as if I were to purchase it, so that increase in taxation in support of increased public spending is a self-defeating strategy. That is the point we have been trying to hammer to Government that the Government has consistently refused to accept.

More to the point, Sir, one is struck by the tremendous difference in this philosophy now and the

economic philosophy which got this country into a lot of the problems, beginning in 1986. Mr. Speaker, if you will recall, in 1986 Barbados was gripped by an economic philosophy put by the Democratic Labour Party that we had to find a way of increasing domestic spending and domestic demands, and that one of the ways in which we had to do this was to cut taxes, because by cutting taxes you were going to put money in people's pockets, and as they spent more the manufacturing sector would expand and as the manufacturing expanded so would domestic employment, and that all of the problems of the Barbadian economy would have been solved by a tax cut designed to do precisely what this stabilisation tax is designed now to correct.

Mr. Speaker, it is very important that we read things into records so as to allow us in the future to avoid mistakes of the past. The position taken by the Democratic Labour Party in 1986 was supported by a lot of voodoo economics, by some persons in this country who should know better. I want to make a document of the House a paper called "Some Neglected Aspects of Wages Policies in a small depressed economy". These things ought to be read in public. It was written by a senior lecturer in the Department of Economics at the University. I want to read parts of it into the record. Here is some of the argument that was put to this country in the early 1980's. This paper was presented at an NUPW conference to convince public servants then that there should have been no restraint on their wages, precisely because any argument to the effect that there was a relationship between domestic spending and the balance of payments in Barbados was a fallacious and wicked argument. This is what the paper said, Sir:

"In the case of Barbados, the public sector wage policy response to the recession has stressed the necessity for cost cutting measures with particular emphasis on wages and salaries. Such belt tightening measures as have been advocated were deemed necessary to protect the country's balance of payments by restricting the fiscal deficit and the leakage of domestic expenditure into imports; another rationale pertaining to the necessity for protecting our competitive advantage in attracting foreign investment."

So far, so good. He has established that the party in power then, the Barbados Labour Party, said that there should have been wage restraint so as to establish a sensible working relationship between domestic consumption and imports.

This was his destruction of that argument, Sir. He says:

"Policies which are articulated on the premise that general cuts in household expenditure should be

effected in order to reduce the level of private consumption of expenditure on imports are deficient, and they are deficient to the extent to which they fail to recognise that the import content of private consumption expenditure varies substantially between and within expenditure groups."

He went on, Sir, to say:

"Another familiar argument advanced in support of wage restraint is the necessity to protect jobs. This argument is dangerous, because it rests upon an untested theory of production and cost. In times of depression in small economies the 'cut wages to save jobs' argument is even more wrong headed because it fails to take cognisance of objective reality. In a context of uncertain profitability generated by recession, investors will be reluctant to invest. Consequently, low wages will not be an incentive to foreign investors because the investment climate is bad, but they are a disincentive to investors producing for the domestic market, because the corollary of the declining real wages is declining effective demand."

If I may put that in sensible English for the benefit of the House, what he is saying in this argument is that we should never in Barbados cut wages to protect jobs, because where the domestic investor is concerned, when you cut wages you are going to reduce domestic demand, so they have less business, and in a recession foreign investors will believe that the investment climate is bad and they will not invest anyhow. So no matter what the level of wages is, the change in wages will not affect the level of investment. He went on, Sir:

"Our discussions of the issues have cast doubts on the efficacy of wage restraint policies in small, depressed economies. We have argued that it is desirable to cushion the decline in purchasing power of the domestic market in order to protect local industry and minimise the adverse effects of recession upon the tax base."

So that the Democratic Labour Party was led then....

Aside.

Mr. O. S. ARTHUR: The author, Mr. Speaker, of this paper is a gentleman called Mr. Frank Alleyne.

Hon. B. M. TAITT: On a point of order, Sir. I submit that the Honourable Member is misleading the House. The Honourable Member has not yet vouchsafed the author. He said he would make it a document of the House. He went on to say it was a senior lecturer at the University of the West Indies. Then, as he comes to the conclusion, he says the Democratic Labour Party. I want to make the point that the Democratic Labour Party has never held office at the University of the West Indies.

Mr. O. S. ARTHUR: Mr. Speaker, I agree that the Democratic Labour Party has never held office.

Mr. SPEAKER: I still want to maintain my position on points of order. I think Members would do well to read that Standing Order. Say what you have to say without any introduction.

Mr. O. S. ARTHUR: Mr. Speaker, I want to agree with my friend, the Honourable Member for St. Michael West, when he said that the DLP has never held office at the University of the West Indies, but it has held court and out of that court has come....

Hon. B. M. TAITT: On a point of order, Sir. As a former President of the Democratic Labour Party and an officer, I wish to state categorically that we have never held court at the University of the West Indies.

Mr. O. S. ARTHUR: Anyhow, Sir, the essential point I am coming to is this, that we are now hearing the argument being put by this same gentleman with full force that an incomes policy is relevant to the circumstances of small open economies.

3.35 p.m.

The public of Barbados is very cynical about the seriousness with which their economic affairs are being handled. They are cynical precisely because we had the same person viewing the economic circumstances of the same country with a small, open economy affected by the same economic interrelationships, Sir, telling you one thing in 1983 and speaking with the full authority of his profession, pretending that a small open economy does not need to manage the relationship between its spending and the balance of payments; that you can let wages rise and rise. He said that in 1983 and is now coming in 1991 to the same small, open economy to ask the public of Barbados to accept the validity of an income policy and a wage cut as relevant to the situation. Will the public, Sir, believe you?

Sir, I want to make this a document of this House because it is the greatest piece of voodoo economics that has ever paraded in this country, and the person who wrote these neglected aspects should have been allowed to remain neglected. They were neglected because all other serious commentators would never have permitted themselves this kind of foolishness.

Asides.

Mr. O. S. ARTHUR: I would urge the Clerk to keep this document safely so that future generations of Barbadians may see how one should not put an economic argument before a free people.

Asides.

Mr. SPEAKER: Order, please.

Mr. O. S. ARTHUR: I have already told him and warned him in the Election that these are stormy, economic times and in all storms, Sir, small craft should keep close to port. My tongue will be sharpened on both sides for him.

Mr. SPEAKER: No Member in this Parliament.

Mr. O. S. ARTHUR: Mr. Speaker, I would go so far as to say this. In one sense there was a reduction in the level of intellectual pollution in the country in the last six months when that person was not commenting on economic issues. I would urge him to let the country remain free and...

Hon. B. M. TAITT: On a point of order, Sir. I take objection to that as a matter of principle. The Honourable Member has made the document which he quoted a document of the House by definition and implication the name of the person now appears. We know whose name it is and I think for the Honourable Member to then make that remark is contrary to the Rules of the House which say that a person ought not to be referred to in a particular way. I need not expand. I just want the Honourable Member to refrain from what he is saying because it would be contrary to the Rules of the House to attack a person in his public capacity in the way the Honourable Member is doing.

Mr. SPEAKER: My only comment on that was that you have to be very careful when you are speaking of incidents that are not present as quotations and things of that sort, that we ought not to try to stifle an opinion based on a past incident. If it has any relevance on the present situation in respect of the person's position, then I agree that the Rules will be difficult to administer.

Mr. O. S. ARTHUR: The Government of Barbados is, from what we can gather, bent on introducing measures that are novel and that will be painful. It is my honest, sincere representation that it will have to introduce measures that are painful and far-reaching. In my humble submission, Sir, it would be better for the Government to have these measures and policies announced by persons whose track record on the issue involved can bear public scrutiny. It cannot help the Government to have a person who was so categorically opposed to wage cuts and wage restraint, within the context of the economy in recession in 1983, now arguing in support of a similar tax cut in 1991. The public will judge the efficacy of those policies with reference to the contrasting position taken by the person who appears to be the author thereof.

Asides.

Mr. O. S. ARTHUR: Be that as it may, Sir, I want to establish the point that this House will pledge that never again will the economic affairs of Barbados be guided by a search for economic rainbows. We must pledge that never again should any Government in this country commit this country's economic stability and the livelihood of thousands of people in this country to the search for the myth that this country can be driven by domestic demand, such as was implied by the 1986 tax proposals of the Democratic Labour Party. To the extent that I am hearing from across the Floor about a Richie Haynes. I also want to say for the record, Sir, that the person who was most patriotic in his onslaught on me for my strictures against the 1986 proposals was not a Dr. Richie Haynes, it was a Mr. Errol Walton Barrow, who went so far as to condemn my judgment, not upon the basis of the substance of the judgment, but by saying that he went to the London School of Economics but I went only to the University of the West Indies, so who am I to comment – if you will recall, Sir – on policies that he did not say were Richie Haynes' policies but which he said that the entire DLP working for seven and one-half months with all of their experts put together.

Hon. B. M. TAITT: The Honourable Member, Sir, is misleading the House, I submit. As you will recall, Mr. Speaker, for five years, maybe four, he sat with the same Richie Haynes over there and said not a word, in fulsome praise of Richie Haynes, and only now he is out of the Chamber...

Mr. SPEAKER: That is no point of order.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am very grateful to the Member of St. Michael West for the intervention because if he observed that there was no antagonism between the Member for St. Peter and Dr. Haynes when they were on the same side over here, I must bring to the House's attention that it was remarked upon very often in the 1986-91 session that there seemed to have been a working relationship between the Member for St. Michael West and the same Richie Haynes to the point where he himself never rose in this House and attacked the same Richie Haynes on any issue, to the point where we even bet that he was to be run as a candidate for the same Dr. Richie Haynes.

Hon. B. M. TAITT: On a point of order, Sir.

Mr. SPEAKER: I am not going to allow this debate to go off target. I will allow the Honourable Member to make a point of order but I will not allow it to be irrelevant to the Rules of the House. Make the point of order quickly.
3.45 p.m.

Hon. B. M. TAITT: Mr. Speaker, the Honourable Member is misleading the House in that he knows that

throughout all of the time I always indicated from this side of the House that the person being referred to, the former Member for St. Michael South Central, who was a member of the Democratic Labour Party, had walked with us and that I had no intention of behaving in a particular manner. Sir it is important that you allow me to make the point of order to show how...

Mr. SPEAKER: Yes, but it is not in conformity with the Rules.

Hon. B.M. TAITT: I need to show how he is misleading the House, Sir. I crave your indulgence. The point I am making in why he is misleading the House is that from this side we always accused the Honourable Member for having an unholy alliance with the said Richie Haynes.

Mr. O. S. ARTHUR: If the Honourable Member would take the assurance, I was given a christian upbringing. There is no virtue in my attacking Richie Haynes because my parents...

Mr. SPEAKER: But that is not part of the Bill, Richie Haynes. I do not see anything about that. If I allow Members to make a casual comment, fair enough but that cannot be the topic of debate. Order, please. Let the Honourable Member continue.

Mr. O. S. ARTHUR: I give the Honourable Member the assurance that I was the beneficiary of a christian upbringing and my parents have always taught me to respect the politically dead so there is no point my attacking Dr. Richie Haynes.

Mr. SPEAKER: Get on with the debate. Carry on.

Mr. O. S. ARTHUR: Be that as it may. Mr. Speaker, can I enjoy your protection?

Mr. SPEAKER: You would not listen to me. I do not hear them. I do not know why you are hearing them. I have called on you to continue the debate.

Mr. O. S. ARTHUR: Mr. Speaker, the point of substance that I am at pains to make is that inward-looking policy on the belief that we should turn Barbados inward rather than have Barbados be operated in accordance with export given policy is one of the fundamental reasons why Barbados is facing the economic problems it faces today. Five years of that kind of approach trying to stimulate domestic demand, trying to give excessive protection to domestically oriented sectors rather than creating incentives for exports have brought Barbados to the stage where the kinds of problems to which I have alluded are now such an important part of the landscape.

It would behove Government to understand the overall contribution which the nature of the policies that were pursued between 1986 and 1987 and, to some extent, 1988, the nature of the indirect taxation by affording too high a level of protection for people today on the domestic market helped cause some of Barbados' economic problems. I say that because one of the fundamental things Barbados must do is to create an environment that is conducive to exports.

It is against that background that I want to deal with this matter of taxation. The Minister of State in the Ministry of Finance would at least have access to a Paper entitled "Trends in Personal Income Taxes during the 1980's". It is a Paper that refers often to the concept of horizontal inequities, a concept that we heard in this House falling from the lips of the Honourable Member for St. Philip South amidst much mirth from his colleagues. That concept is built into this Paper. I will make this Paper a document of the House. It is a paper that was presented at a public forum, the Barbados Economic Society Seminar at the Caribbee Hotel on May 24, 1991. The Paper's conclusion is important. It says:

"This Paper succeeds in quantifying – what most analysts believe, that the middle class carried a disproportionate burden of personal income taxation during the 1980's. The evidence also suggests that the high income group benefited most from the tax measures from the 1980's, particularly the 'reform' package of 1986. Trends in the average effective tax rates among the income groups indicate that the income tax structure...."

I want to stress this point, Sir.

"...changed from being steeply progressive in the early 1980's to being somewhat regressive by the end of the decade."

I really want to begin there as my line of departure in discussing this legislation. The analyst is saying that up to the early 1980's Barbados had a progressive income tax structure, that as incomes rose the tax rate rose at a faster rate. A steeply progressive income tax structure is a way in which we make sure that the burden of taxation does not fall upon the persons who are poorer. I am saying as a principle of proper public finance administration that one seeks to build to the extent possible as much progressivity into the income tax system. The analyst is telling you that up to the early 1980's Barbados had a steeply progressive income tax structure, that the income tax system was in point of fact complying with one of the principles we expected from an income tax system that it should shield the poorest in the society from the burden of the income tax.

His second point is that it had become regressive by the end of the 1980's...

Aside.

Mr. O. S. ARTHUR: The Honourable Member can answer his question himself. I am ignoring these asides.

The point I am making is that by the end of the 1980's the income tax system rather than protecting the poorer people was asking them to carry a larger burden of the taxation take. Why he asked? Precisely because the nature of the income tax adjustments that have been made in Barbados since 1986 have...

Aside.

Mr. O. S. ARTHUR: The nature of the adjustment and charges on incomes – we here must include levies, have been such as to treat all classes of incomes in the same way so that if you are earning \$10 a week you pay the same rate of levy as if you are earning \$150 000 a week. To that extent, Mr. Speaker, the reliance upon instruments such as levies – let me make the point now – the removal, for example, of the condition that levies could be treated as deductions for income tax services, and we move now towards this stabilisation tax which does not have within it different rates of taxes for different income groups must of necessity, after a while, bring the taxation system to a state where persons at the bottom are disproportionately making a greater contribution to the tax payment. It is obviously, Mr. Speaker, a trend that is worth reversing. We can reverse it in many respects.
3.55 p.m.

There are now direct charges on income. In the past levies were earmarked funds in the same way that NIS contributions were earmarked funds. The NIS contributions do not go in the Consolidated Fund until it is earmarked. In the past levies were earmarked for roads and so on, now the levies, Sir, go into the Consolidated Fund, directly so, and a distinction can no longer be made between any levies and income tax. In the same way, Mr. Speaker, that there is a recognition that we would not charge the same rate of tax to different income groups, to that same extent, Sir, it should apply that you should not charge the same rate of levies to different income groups if it is taxed. Rather, Mr. Speaker, that is an earmarked fund. The strongest possible case exists, Mr. Speaker, for Government as part of its overall review of the taxation system which must take place, Government has committed itself to reviewing the income taxation system.

For Government, Mr. Speaker, to look at the structure of the levies and make such sensible adjustment to them as would remove from our existing system the block, in my view, of our now being cast by a professional economist, with no axe to grind, as a country which has changed from

a sensible progressive system of income tax to one which can now be regarded, Sir, as being regressive.

Obviously it has to change, Sir. But, Barbados, Sir, no matter what our economic circumstances are, no matter what is the nature of our structural adjustment of the future, it is not to Barbados' credit for us to be able to have to say that we are a country that is now following a precept of regressive taxation. Leave that for people like Ronald Reagan. Let those kind of people who believe that you must cut capital gains taxes and things like that as part of their tax reform, let us leave that kind of backward approaches to fiscal management to those kinds of people, but it is not to Barbados' credit to have this system in place.

The Barbados Labour Party, Mr. Speaker, went so far in our Manifesto to say that as circumstances allow, we believe that persons below the official poverty threshold should be relieved of the burden of paying levies as circumstances allow. I subscribe to that view, Sir, because the levy is just a form of income tax. If we believe, as a matter of economic philosophy, that there must be people in this country whose income is so low that they should not be subject to income tax, Sir, it follows by natural extension that as circumstances allow, we should commit ourselves to the view that, as you can afford it, take those persons off it, Sir.

Mr. Speaker, it is a very serious problem. It has to do with my reaction, Mr. Speaker, to this stabilization tax. I know, Mr. Speaker, of experiences in my constituency this year where persons got one day's work in the crop season worked for \$38.00 in a week and had to pay 54 cents in stabilization tax.

Now, 54 cents, Mr. Speaker, does not mean a lot to me or to you, but if you had to live on \$38 in a week, every penny means something to you. There are people in Barbados, Sir, whether you want to accept it or not, who have to manage families with two days work a week, three days work a week, Sir. It is easy to say 1.5 per cent is not a big deal but if you are earning \$100 a week, Sir, to raise two or three children that \$1.50 that you have to pay to the Government in the form of a stabilization tax means something to you that is not the same thing as if you are earning \$10 000 a month and paying the same 1.5 per cent.

In the context of our situation, Mr. Speaker, where seasonal variations in employment is becoming more the norm today, Sir, I believe that this stabilization tax of 1.5 per cent is hurting more than the Government wants to acknowledge, Sir. There are people in Barbados, Sir, who more so, as the recession deepens are working for money that does not allow them, even in advance of the stabilization tax to sensibly make ends meet.

It is a tax, Sir ... It is a sad tax. We, who, as I said, Sir, have access to a better standard of living may feel that a \$1 here and \$2 there is no big deal, Sir. It means something to somebody who has to raise three children on \$100 or \$125 per week. I feel that it is wrong in principle to bring this kind of legislation to the House. I really feel so.

I understand, Mr. Speaker, and I say this deliberately, I understand what guides Government in wanting to take some of the spending power out of the economic system. I have consistently – to the point where I have been accused of giving the same speech for five years – preached that the way to manage a small open economy is always never to allow domestic spending to get out of line with foreign exchange earnings. I have kept making that point, Sir, because it was worth making in principle. Therefore, Mr. Speaker one cannot fly in the face of the reality that in the context of a circumstance where Barbados is facing a problem of over consumption that a restraint on consumption in some respects has to be used as a national policy, but this instrument is too blunt. The instrument of the stabilization tax, Sir, is too blunt. It does not recognise that different classes attach different utility to their income, Sir.

Mr. Speaker, Sir, having said that, and without the Government having yet consulted with us, I want to develop an argument that I have started to deal with.

Barbados is facing a situation right now where we have to deal with the problem of consumption. The country has been living above its means and there is no guaranteed way by which the country can, over the course of the next few months, increase their earnings from exports, so in that context, Sir, it becomes necessary for the country to look to some reduction in the level of consumption as a way of maintaining the country's economic survival. It would however, Mr. Speaker, be bad policy and bad form for Government to believe that the only way in which you can introduce consumption reducing measures is either by massive increases in taxes or serious cuts in wages.

Income, Sir, is either consumed or saved. If the Government is of the view that the level of consumption is too high it does not mean, as a matter of course, that the only solution to that is the knee jerk situation that you have to cut wages, that it becomes relevant in the context of Barbados, Sir, that a deliberate and carefully constructed set of policies to stimulate savings becomes relevant as a means of helping to take some of the spending power out of the system. The question that arises is, has the Barbados public shown itself to be a public that responds to incentives in the area of savings, Sir, and the answer is yes. We create incentives for saving in credit unions, the public responds. You create incentives for saving through the issue of shares, Sir, the public responds.

Those persons, Mr. Speaker, who would want Government to commit itself to a draconian cut in wages as a solution to this country's economic problems, Sir, have not looked at the full equation and recognise that you can reduce consumption by also increasing savings. I am saying, Mr. Speaker, that the wages cut policy, at all costs, as a solution to over consumption, has to be analysed with greater finesse that has been the case to date.

Mr. Speaker, wages cuts in the public sector, I suppose, will be rationalised on the grounds that it is necessary to reduce the deficit, but there are sections, for example, of the private sector, where a cut in wages is not going to affect the competitiveness of the Barbados economy. Take the Nation Newspaper, Sir, the enterprise is already profitable. A cut in the salary of persons employed at the Nation as a reporter is not going to affect the competitiveness of the Barbados economy. The way you can deal with that person's situation is to widen the range of savings that persons like that have in order to make sure that their current income does not spill off into imports and increase the dividends to the shareholders. 4.05 p.m.

Mr. Speaker, this issue is vital and relevant because Barbados has only begun to scratch the surface in relation to innovative ways of generating savings. The more developed societies of the world have a very vast apparatus of instruments to encourage people, Sir, to restrain from consumption ranging from retirement plan to a whole range of things that Barbados has not yet begun to address. The time is perhaps now opportune and a great opportunity exists in this country for us to convert what appears to be a national crisis into a national opportunity for the future by dealing with the problem of over consumption in terms of increasing the level of savings, Sir.

I know, Mr. Speaker, that this does not fit into certain economic dogma which has applied wage cuts in other countries as the basis of structural adjustment programmes. It has now evolved as part of the Government's theology to pursue with certain institutions that the way in which you structurally adjust an economy is to allow everything to reach its real market value. If labour is abundant, then the price of labour has to be cut. If capital is scarce, interest rates have to be increased. If foreign exchange is scarce, the rate of foreign exchange has to be changed. A structural adjustment model based upon the notion that all products including public services have to be allowed, Mr. Speaker, to fetch their real market price is at the base of an economic programme that has been applied without reference to time, place, or circumstance.

I am of the view, Mr. Speaker, that if Barbados is interested in increasing its international competitiveness that it also has to recognize that a draconian cut in wages will only in many respects succeed in transferring resources from labour to capital and can work against adjustment by

meditating against people's desire to participate in the production process. We have to bear that issue in mind that in the same way that capital needs incentives to be productive, labour needs incentives to be productive too. If you were to check, Mr. Speaker, the experience of all of those countries that have relied upon the wage cut as the basis for the adjustment, you will find that it has been very difficult to bring about the adjustment precisely because of the inequalities in the society in and of themselves lead to a fall in national productivity. It happened in Jamaica. The Government of Jamaica is now extremely unpopular, Mr. Speaker, because there can be no doubt that the nature of the adjustment processes that have taken place in that economy have transferred too much resources too fast from labour to capital when they were not both vital partners in the production process.

Mr. Speaker, I am making that point because there are going to be certain interest groups in Barbados, like certain interest groups in other countries where structural adjustment models have been applied, who will argue in support of wage cuts, Sir, but will not pass on the benefits of those wage cuts in the form of declining prices. I want to deal with that point, Sir.

In 1985, certain groups came to us when we were in office, Mr. Speaker, and said that we had to make Barbados more competitive in tourism by cutting your consumption tax on wine. We said no problem gentlemen. We cut the consumption tax on wine, Sir, and the next year they were asking the DLP to do the same thing without changing the price of wine. The Government should know that in 1989 or 1990 the Minister of Finance came to this House and introduced cuts, stamp duty, and other things on packaging materials for the soft drink industry in order to make it more competitive. But as you know, Mr. Speaker, the prices of soft drinks have remained at the same level despite of the fact that the consumption tax and stamp duty had to be removed from the packaging materials. The private sector of Barbados must be told now in no uncertain terms, Sir, that you cannot talk about wage cuts unless you talk about price cuts at the same time. I am not hearing any discussion at all about the nature of the price cut that will become consequential upon wage cuts that will give us the guarantee that wage cuts will make Barbados more competitive, Mr. Speaker. I am not hearing that. I am only hearing one thing – let us have wage cuts. But the history is against it in this country.

The Minister of Finance must know why I have brought this legislation to this House, Sir. I am not going to stray far.

Mr. SPEAKER: I quite agree with that because I think that you should share a few thoughts with me on the Standing Orders. I am having difficulty as to how wide this debate should go. Now Standing Order 44(2) states:

"A debate may arise covering the principles and general merits of the Bill."

There is also a Standing Order dealing with specific matter that says:

"The debate thereon shall confine to the general principles of Government policy and administration."

Now we are in between those two Standing Orders.

Mr. O. S. ARTHUR: This is part of a general strategy that is based on a policy principle and I am dealing with the policy principle.

Mr. SPEAKER: That is only established if you are dealing with the Appropriation Bill where it says: "The general principles of Government policy". But a straightforward Bill may not be considered in the same vain as an Appropriation Bill. I am just saying it to you to help me to help you as not to let the debate go too wide.

Mr. O. S. ARTHUR: Mr. Speaker, I am always trying to help you by saying...

Mr. SPEAKER: I am not making a ruling but I did it for observation.

Mr. O. S. ARTHUR: I understand your difficulty, Sir. All I am really saying is that this piece of taxation is part of a general policy on the part of Government to try to find a way of reducing consumption in the economy. I am dealing with the general issue raised by the legislation as to the efficacy of this measure as constituting part of their general policy, Sir. I will submit respectfully, Sir, that in that context the debate is not straying.

Mr. SPEAKER: A little too wide.

Mr. O. S. ARTHUR: Not too much at all, Sir. The point I really want to make and emphasize, Sir, is that the multi-faceted adjustment that must take place will never succeed if the burden of the adjustment is cast too entirely on one factor of production. It cannot work.

I cannot lend my support, Mr. Speaker, to any adjustment package which does not accept the fundamental principle that the contribution of the human resource of Barbados is going to be as vital to Barbados' survival as any other factor of production. The Government will be well advised, Sir, not to over react to the problem of excessive consumption and introduce economic policies within and of themselves are self-defeating and that is the danger. It must not in its over reaction, Mr. Speaker, do those things to the Barbadian economy and above all, Sir, I am using the opportunity of this debate to urge upon the Government, as I started last week, Sir, to undertake a comprehensive review of the taxation system of this

country. It really is now clear that in many respects some of our more fundamental economic problems arise out of the nature of our taxation system. For example, most people would agree that our taxation environment does not create a sufficient incentive for people to want to produce for export. The system is loaded too heavily in favour of protecting the person who makes a profit from selling on the Barbados market, Sir. That system has to change in the interest of developing the Barbados economy.

4.15 p.m.

Our income tax system also has to change fundamentally, in my view. For example, I believe that in respect of agriculture we have to use fiscal measures as a powerful means of encouraging people to want to go into agriculture and stay there. For example – and I revert to the Barbados Labour Party manifesto – it is my view that we could usefully without endangering the Treasury abolish taxes on the sugar cane bonus. It doesn't make a substantial difference to the Treasury, but to the person who is in agriculture, Sir, to pay tax on the sugar cane bonus, it's nonsense.

You will read on our manifesto, Mr. Speaker, where it is recognised that a person in the sugar industry may not earn \$15,000 a year but during the crop season he may earn more than \$289 a week. As a result, Sir, he pays income tax on his income and he has to wait until he submits his income tax returns in order to get the refund on the taxes although in the course of his income year he has not earned more income than that which would attract the tax. There is a way in which you can deal with that. Given the seasonal nature of employment in that industry you can develop a special regime for agricultural workers whereby a part of their income earned during the high season of the sugar crop is treated as a rebate. Let's say, sixty per cent. If you earn \$500 a week, \$250 is a rebate in recognition that for the rest of the year you are only working two days a week and you will pay tax on the balance – \$250. It would resolve the problem that exists in the sugar industry where people work for less than \$15,000 a year, pay the tax when the income is high in the seasonal period and then in the rest of the year when they would have wished that they had the money that they contributed to the Treasury to have to live on two and three days a week. It would provide a rebate to it. Let the rebate earned on the income earned during the crop season be the way by which the sugar workers of Barbados know that they will have all of the income earned in the crop season to help them during the hard times. All of those kinds of amendments are necessary if we are going to bring back some sense of balance and some sense of equity to our income tax system.

There are other fundamental ways, Mr. Speaker, as I said last week in which the indirect taxation system has to change. I am also of the view that the whole question of our relation through the tax system to companies operating

under fiscal incentive has to change. For example, the Government would be familiar with a study done by the World Bank which argues very strongly and very persuasively against the indiscriminate granting of tax holidays. It is simply a means by which income is transferred from the developing world to the developed world. The argument is simply that if a foreign-owned company earns a profit in say, Barbados, it doesn't reduce its tax liability if it reports its income in the States. If it doesn't earn a profit then the grant of a tax holiday is no benefit to it whatsoever. That is a powerful argument. In fact, Trinidad has been the one Caribbean economy that has been a large industrial-based, but Trinidad does not grant tax holidays. There have been only eight tax holidays granted in Trinidad in the course of the last fifteen years. Trinidadians use other indirect taxation means.

I want to conclude, Mr. Speaker, by saying that we have fundamental objections to this taxation. I understand, and I say so sincerely, the motives that guide the Government. The Government recognises that it has a problem of excessive consumption and wants to take some of the excess consumption out of the economy and to do so it is taxing. There is no point first of all, as I said earlier in the Budget, to transfer funds from one pocket to the next if you are going to spend both. There is no point in increasing taxes to support increased government expenditure. Our argument to Government all along for the last few years that it control its expenditure has been based precisely on that. All you are doing is taking from one hand to put into the next hand to spend.

Secondly, Mr. Speaker, Sir, we are of the view, and I want to impress the point that the problem of excessive consumption is not only resolved by just bluntly taking money away from people. It can also be resolved by putting in place creatively a set of incentives that could entice people to use a larger proportion of their income, not for consumption, but for savings. I am not hearing enough of that alternative from the Government and to that extent, therefore, its approach entails, in my view, that it will deal with the problem of excess consumption by just taxing or cutting incomes. It is too blunt. It is monolithic and it will serve in my view the counter-productive purpose of not being as effective as the next alternative, which is to make the people who have the income feel that they are part and parcel of a productive process.

The final objection to this legislation, Sir, is that we really have carried the debt system too far. The income tax system has gone too far in the direction of the burden on the poor and to add to it as this legislation purports to do now, is just worsening an already disastrous situation. The legislation is intended to make Peter pay for Paul, but there are many instances in which Peter sometimes can better afford it than Paul. I am saying that in the context of Barbadian society where people are on short time and more people are being put on short time as a deliberate part of

Government policy to have these kinds of tax measures introduced where you treat every dollar earned as having the same worth to its earner is a policy that is truly without intrinsic value. Much as I know what is driving the Minister of Finance, I really could not in all conscience support a piece of taxation that in today's world is as badly designed as this taxation is.

Mr. R. L. MORRIS: Mr. Speaker, as usual I listened carefully to the Honourable Member for St. Peter. When he speaks as an economist there is always something very useful to hear in his presentation. When, however, he carries out his battles with another person who is not here represented, sometimes he tends to move away from that standard of discussion which I would expect of him. He seems to lose his cool and his balance at the same time for some reason, but generally, I would say that his presentation was a useful addition to assessing the situation that faces the country at this particular time. It seems to me, Mr. Speaker, that one of the things we can be very happy about in Barbados is that our standard of information gathering and reproduction for public consumption is extremely high. I am extremely happy that the kinds of information that we can get from the statistics available from the official sources are very useful to those who seriously want to follow what is happening in our country. 4.25 p.m.

Sometimes you would hear people saying that we do not know enough or we have not heard enough about what is happening. I would like to say if the individual person on the streets says that, perhaps, there is some justification. There is really no major institution in Barbados that cannot chart the path of our economic development with a good degree of information and knowledge of what is happening.

We recognise that there are different sources of information. There are, of course, areas where we as laymen would not have the same details as a Minister of Finance or a Minister of State in that Ministry or a Governor of the Central Bank. There will be details behind the general information that is provided for the public. I say that because the Honourable Minister of Finance has made it quite clear in his Budgetary presentations that his two major concerns have been the fiscal deficit and the deficit on the current account of the balance of payments and a corollary to that, of course, is our foreign reserves.

Sir, I have been tracing these foreign reserves by looking at the Economic and Financial Statistics and the performance of the reserves, open information for anybody in Barbados. About two Budget Debates ago I took up the whole issue of trade and traced the problems we were facing at the time in relation to the shortage of foreign receipts that we had been experiencing at the time of the drastic fall-off in the mid 1980's in investment, particularly American investment in areas like Intel, Carcom, etc. At

the same time the bottom of the bucket fell out with the Trinidadians and, in fact, the CARICOM situation.

Let us recognise, Sir, that when those two things came against us in the mid 1980's, our economy did not have the flexibility and the virility to turn around rapidly to confront this situation. I want to go to some statistics here. I am using May as a bench mark period. I am using the Economic and Financial Statistics, June 1989, to start. The figure for May 1987 showed that our total foreign assets was \$368.5 million. In May 1988 it was something like \$264.1 million. May, 1989 it was \$230.2 million; May 1990 \$256.2 million and May 1991 - \$176.9 million. I started at 1987 but I am sure I can go further back. These figures are available to all of us. One could have charted the gradual decline in our foreign assets held in the Central Bank.

A particular area of concern was if one also looks specifically at the assets held in U.S. currency we recognise that of the \$176.9 million, \$115.3 million would have been related to the CMCF and that in fact, that would have been a book entry. It would not have looked at matters like interest that would have to be capitalised and so on. There is no one in Barbados who would not have recognised the difficulty that the country would be facing. I say, Mr. Speaker, it is not a question of casting blame or anything like that.

I agree with the Honourable Member for St. Peter. We are dealing with severe structural problems in economies like our own. That is a fact. This problem started from 1973. The Barbados Labour Party regime handled the situation basically by borrowing. The Democratic Labour Party basically had to do the same thing but you reach a time, quite frankly, where time has run out to a large extent. Let us understand that. There is a growth pattern for all of these small developing countries like Barbados.

I want to make it clear that our paths of development are not set by us. When the G-7 countries sit down and decide how not only the Western world but the entire world is going, we have to receive the effect of these decisions. We have to understand that very clearly. You are not too small now to escape the scrutiny of those people who manipulate our fortunes. Once you reach a certain stage of development it seems as though we are not expected to go past that plateau. There seems to be some concern that we should never break out of the ring of poverty, that when we try to break out we have to be pushed back down to start again. We have to understand that.

Do not let us get in countries like Barbados and start blaming those who have tried to manage this economy. I have made this point all the time that casting blame at ourselves all the time is not going to answer all the questions. There are larger considerations. That does not mean that to some extent we do not have to take blame

because there are domestic considerations in how we manage the economy too. I do not want to move away from that.

We have to recognise that our economies do not perform in a vacuum. More and more we are being drawn into a global economic framework that works ineluctably, directly and with certain constraints that are pulling us into a pattern. It is as though there is somebody there waiting in the slips just for you to make a mistake and somewhere, some group of people are saying "Ah, we have you now." No matter how well you bat, one day you will make a slip and it seems as though there is some great wicket-keeper out there that is waiting for you to make that error. I say that, Sir, because we need to recognise that there is a connection between a lot of events and where we are today. Now, I believe that at the back of all we do there must be a philosophy and a range of ideas about where you want to go but they must be based on practical considerations of how you get there.

When the late great Errol Barrow used to talk about people having champagne taste and mauby pockets, or having a cadillac mentality with a bicycle economy, you will recall these were statements that were made in the 1960's fairly frequently. They were made by thinkers who wanted to tell the people of the country, "Look, here are certain things you can achieve" but you have sometimes to move slowly in trying to achieve these things.

They were not so much dampers to people with ambitions as there were attempts to warn, caution and to let people realise as they would have told you also, there is no free lunch or drink of water. Sooner or later you have to pay the cost of what you are doing. When you are operating in an easy and liberal situation, you do not recognise that. When things become very difficult then people look around for scapegoats to blame. In fact, you are really at a cycle of things that you are doing. Eventually you have to pay some price when you get there.

I want to speak in these broad terms about the situation because I have no doubt that as a trade unionist I will have to be addressing the issues and the Honourable Member for St. Peter talks about a deafening silence about the labour movement. Labour will speak. Labour has always spoken but labour will not speak to anyone's agenda. We have a constituency. We have to address that constituency at the appropriate time when we have looked at all of the matters under consideration. We cannot go for adventurism and making uninformed comments. When we have something placed before us we will respond. We cannot go out there and respond to things that are not placed before us when we are not sure. We can hear four or five persons speaking on the economy but we recognise the right of one particular person. When the Minister of Finance speaks I am sure he is quite aware that we are willing to engage in dialogue in response to his statements

so do not think that labour's voice will be silent. Labour will speak at the appropriate time.

Sir, let me just address the attack on some person who is a Senior Lecturer, Department of Economics University address, by the Honourable Member for St. Peter. I think it is slightly unfair for him in trying to condemn a piece of writing that is really a good and solid piece of advice.

Aside.

Mr. R. L. MORRIS: Yes, I think so. I think you were unfair to him. I do not know why you would want to do that. Quite frankly if you read the concluding paragraph from this, and I am going to read it slowly, for the information of the House, Sir:—

"Our discussion on the issues has cast doubt on the efficacy of 'wage restraint' policies in small depressed economies. We have argued that it is desirable to cushion the decline in purchasing power of the domestic market in order to protect local industry and minimise the adverse effects of recession upon the tax base. We have shown that the arguments advanced in support of tight wage restraint are fallacious..."

4.35 p.m.

We will have to put this one in brackets. "(With the exception of the linkage between the fiscal deficit and the balance of payments)". You have to underline that if you are going to be fair to the man's analysis. But he goes on:

"We suggest that it is socially desirable to manage the 2 balance of payments problems ...".

Listen to this.

"...through selective credit and import controls; re-examination of policies pertaining to property acquisitions;"

He was talking about privatisation, earlier in the text. Yes. Go back to the text. This is Dr. Frank Alleyne, he was talking about privatisation early in the text. He said that he could see no difficulty in Government selling off certain areas of the activity.

He said also,

"Strengthening of revenue collecting systems; and provision of improved incentives to save, rather than through 'wage restraint'".

He goes further.

"This discussion would have served its purpose if it acts as a reminder to the public sector of the necessity to avoid 'stop-go' expenditure policies, as well as commit all parties to wage negotiations to reasonable negotiated settlements informed by moderation on both sides."

One of the areas that he left out in this summary paragraph, but he mentioned earlier, was selective policies in terms of import quotas and licences and some price controls. In other words he was giving a mix, he was saying, don't let everything fall on wage restraint, but there was a package of proposals that could be used. I think in all fairness, as he said on page 2 of this document,

"the obvious question arises whether the specific objective would not have been more effectively achieved through a mix of import quotas and licences and selective consumer credit controls".

You have to be fair. The man said on one hand you are calling for wage restraint. He is saying, I am not sure that is going to be effective in what you want to do. He says, I can tie in wage restraint to things like fiscal deficit and balance of payments, but he said there are a number of other things that have to be done. Clearly, if you are going to be fair to him you have to suggest that, in fact, this mix of policies is one that you, yourself will support. You are saying the same thing today, that you do not support all of these wage cuts. You went further and you adumbrated some of the things here, but also things about savings and so on. You and the man are not too far apart. As two professing economists, leave out the animus, the personal thing, but as two professional economists both of you are giving advice that will not be based on any one particular method in dealing with this situation. It is unfair. You know you respect each other as economists.

Mr. O. S. ARTHUR: My approach was not whether his argument Sir, was multi-faceted. My approach, Sir, is that he was in 1983 saying that wage restraint was fallacious and wrong-headed and therefore, Sir, he is taking an entirely different view. My argument, Sir, is the consistency of his position on the wage issue. Not the multi-faceted nature of the other points that he answered.

Mr. R. L. MORRIS: Mr. Speaker, as recently as Sunday, I heard the same gentleman speaking and his position has not changed on wage restraint. In 1988 when he did a review of the economy he also mentioned the question of wage restraint. The gentleman has said here in this particular article here that he would suggest wage negotiations that are reasonably negotiated, informed by moderation on both sides. He has always gone for wage restraint through moderated negotiations. He has not changed from that, so let us be fair on that particular one.

I am fully aware that he will defend his position and that he is quite capable of doing that. I thought that in this

Chamber that the Honourable Member for St. Peter has been a bit unfair and he should not have taken this opportunity, when he had so much more to say to divert himself to attacks that are really quite frivolous.

I would like, Sir, to address this question of salaries and wages in our country, Sir. I have always been concerned about the lop-sidedness of the debate on incomes in our country. I have always been concerned about that. There are about one hundred and ten thousand persons employed in Barbados, of whom, approximately just about thirty thousand fall within the trade union net, negotiated either by the Barbados Workers Union, the National Union of Public Workers, the BUT or BSTU – these trade unions.

We always hear about salaries and wages in this country. We need to recognise that in many instances, when you look at the total wage bill of an enterprise, sometimes the indirect labour component – you might have twenty something clerks and managers – might be as much as the direct pay of component. You might have one hundred workers and the hundred workers are the producers, they are the primary producers, but when you talk about cutting, you are talking about cutting the primary producers, that is one of the difficulties. Then outside of those thirty thousand that fall within collective bargaining, there are work places out there where we do not have any public information about the wages and salaries that obtain. But, even more so, Sir, I am saying that we have drawn a cloud of secrecy over the income of people in the private sector in this country who will get and make political football about how much the Prime Minister works for, or a Minister, or a Parliamentarian. I am saying there are junior managers in many establishments in this country that work for more than the Prime Minister or any one of these Ministers. I am saying that cloud should come off. We need to know in this country, the level of salaries and incomes that are enjoyed by the people in the banks ...

Asides.

Mr. R. L. MORRIS: Frank Walcott's salary? That is no problem. You all discussed that. That was discussed in the Investigator already, to people's shock and shattering when they found out how little he was working for. That has been discussed already. That has been fully ventilated. We have no difficulty in letting you know how much we work for in the Union because we don't work for that much, so if you are going to share information let us share information.

The same way that in America or in England you can know how much people work for, from the Queen right back down, all the big millionaires with the big companies, it is time that we discuss these things openly in Barbados. I am saying this; policies that want to throw the brunt of adjustment on the people whose salaries are negotiated and

therefore known as against the people who really use up the foreign exchange... It can't be otherwise. I am speaking from a philosophical position. I am not afraid of anybody. It is when we start discussing how much the lawyers, and the doctors, and the bankers, and the David Seales, and so on, make when the year comes, that we can get full informed discussion of salaries, wages and everything in this country. That is what you all have to understand. I will not be part of any discussion that takes a Prime Minister's salary, or a Member of Parliament's salary, or a Minister's salary and put all over newspapers and make fun of it. I will not be part of that kind of discussion because I will not trivialise the institution of politics and the institution of Government. Let us talk, let us open up discussion, let us find out what the bankers are working for, let us understand what the real estate men are working for. Come on, open up the information and if you want to cut the money of the poor workers that I represent, you have to cut their money too. When there is going to be sacrifice in this country, let there be real sacrifice. Let us understand, giving \$20 is a real sacrifice for one person but giving up \$20,000 might not be a sacrifice for some. Let us be very clear about these matters. Poor people in this country are not guilty of capital flight. Poor people in this country don't leak foreign exchange out of Barbados. Poor people in this country don't use up foreign reserves by overspending. These are matters that have to be discussed in every possible forum. There has to be a way forward.

4.45 p.m.

Structural adjustment is facing us. We can't get away from it, but there has to be a context in which all this is discussed and understood and on which we may act. You cannot call on the poor people in this country to make sacrifices each time and they can look around and see certain groups through thick and thin pulling through all the time and getting better off. You can't fool the people all the time. We have to be very clear on these matters. There shouldn't be any political enmity because both of these parties started as social parties. We would be foolish to believe that there aren't sectors in this country who are diametrically opposed to the policies that we pursue. No sweetheart relationship with them.

I don't intend to get into the question about cuts, because these are matters that will be dealt with rational analysis of the prevailing circumstances. One of the things that I am sure about is that the debate for now and the future of our country has to do with productivity. That is going to be vitally important. We have to get the tradeable sector of this country rolling. We have to get agriculture going. We have to get tourism going. We have to get manufacturing going. The Honourable Member for St. Peter says that. We all say it. That is true. We can hammer that all the time. Unless it becomes a litany that is understood in the country, unless it moves from being

litany to practice that everybody thinks and acts in that way, we will not move forward.

There is going to be no artificial support for Barbados. We have to pay our way in this world. Those people who comprise what is known as the private sector – and I believe strongly in a private sector component of our country – have to move away from griping and complaining, have to become creative and aggressive. I am not here talking only about a small group of big companies or anything like that. I am talking about creating a private sector ethos of risk taking and looking to move forward; structural change even in our thinking; that our young people have to be trained to think in terms of going into a business. Black people in our country seem to have a fear of finance and related areas different from people who come from Pakistan and India, who have no difficulty in thinking commerce and finance. We can think like good academics. Our people are facile, easy to become academics and professionals. We have to go a step further. We have to do like the Japanese. We have to start urging young people to move forward to become entrepreneurs. We have to be very serious about this. There has to be a policy moving in this direction and I am saying that training in matters relating to productivity become vitally important.

It seems to me that people feel that being productive will come easily. All of the good countries that one can think about have set up productivity counsels and have pursued scientific approach to productivity. The United States of America. You look at people like Duran? and what they have been doing in the United States of America and how their methodologies have been adopted in Japan. You look at what Japan is doing. You look at Israel as a new industrialising country. They spend a lot of time on productivity awareness and it must permeate right down. It must go through the country.

I hear people talking about wages and I say all the time. If I am making widgets – just a symbolic item – and I can pay one person \$50 for giving me 100 widgets, another person \$100 for giving me 100 widgets, somebody else \$200 weekly for producing 400 widgets, obviously I will pay the person \$200 a week because I am getting the 400 widgets. What I am suggesting here is that we talk about salaries and wages. Barbadian wages are high. I have to relate those wages to productivity. It is going to be very important in the future to try to get as much as possible out of the wages that we pay workers. I am concerned really about policies that will try to roll back wages all the time. To me, it is not a sensible thing. To me, the obverse side of that really is trying to move your productivity. I am saying that this is something that will not happen accidentally. It has to be planned. When I am talking about productivity, I am talking about productivity, not only in a place that is producing mattresses or shirts or anything like that. I am talking about the costs of a school

measurable. Everything is quantifiable. If we are looking forward and are competing with people who are doing just that – that's what the Japanese are doing. They are measuring. The Irish are measuring. Everybody is measuring.

You look at the United States of America. A good object lesson in the importance of productivity is the steel industry. The old American smokestack industry of steel used to dominate the world in the 1920's. In came Japan – the Honourable Member for St. Peter talked about retooling relating to our sugar industry which for a long time really was dinosauric. An old factory at Portvale for which \$30 million was spent on something that cannot be considered new. They cannibalised other factories; put the things together and then called it a factory. This is dinosauric. The rum-producing area too has been the same. Remy Martin is coming in now with some dynamic new approaches.

Asides.

Mr. R. L. MORRIS: This is bringing in some foreign exchange, but while they are here they have to operate at the highest level of productivity and efficiency. You might be right that the time will come when they might not be here, but the situation is that they are still here, still employing people and still bringing in a whole lot of foreign exchange, and that is still true. If I have to criticise the people who run an industry, I will do that too, as I have done before.

The question I am talking about is the question of retooling. If you are moving forward in terms of productivity there will be times when you have to look at the industry with which you are connected and see to what extent you have to recapitalise and retool in order to move forward. We have a tendency in Barbados that if you have to spend money that this is considered some kind of a loss; it is not spending money in order to move forward and bring gains in the future. They are frightened to invest and put out money. That can't be an approach. In the United States of America you move out an entire plant and you set up a new plant because you know you are going to recover its costs. You will move forward and you will be getting ready for the future. I agree that has to happen, not only in sugar, but in the hotel sector as well. As a hotel plant gets older, it is going to be less attractive to the kinds of people that will be coming to Barbados. We all are tourists at some time. At some time we have to travel and the most depressing thing is that you go away and you come to some place that is run down or not up to the standards that you expect. That will have a direct relationship to your ability to attract the people to come here and spend money. These are the things that we have to do from time to time. We have to look at where we are; take stock and move on. While you are moving out your materials and equipment, you are looking at the people involved too. Are the people

in place carefully at the position in time to deal with the destinies of that particular sector? We take things too personally in Barbados. If I were to make a comment that most of the people in sugar are retired people... I sat down in front of them this morning with my colleagues and most of them were not only retired but brought in from outside of sugar into sugar. That is a true comment that will now be taken to say that I am criticising the sugar people.
4.55 p.m.

Mr. SPEAKER: I have always cautioned Members about calling names in this Chamber.

Mr. R. L. MORRIS: I withdraw those names. I was not criticising them. I was just stating a fact that at the top of one of the leading industries in this country are several retired persons, several drawn from nothing that had to do with sugar, but that is an area that has a tremendous impact on the entire country. You would hear criticism of the political directorate. They would point fingers at anyone of us as politicians but I believe the type of people that are attacking...

Mr. SPEAKER: The Honourable Member has one minute to go.

Mr. R. L. MORRIS: ...are not retired people. I do not think I see any in here. They seem to be very active in the area where they have professional competence. This is not to attack any sugar industry. The day when our country will move forward, I believe, is when we become capable of opening up really informed discussions, bringing about the information that is available right now in the public arena. A lot of information has to come out so that decisions can be made in this country based on a background of fact and knowledge. I am saying that the private sector had too much of a shroud of secrecy and that, therefore, they operate from an unfair advantage when certain people can write articles about "Rich Man, Poor Man" attacking the public sector but you are not in a position to attack them because the information is not available in the same vein. That gives a skewed analysis to what happens in our country.

Sir, I just want to end by saying that the sabalisation tax – I spoke on it when it was introduced and I said very clearly what the main reason behind it was. It could not have gone far enough and we were told, in fact, that we might have to come again. I believe we are in a very serious situation now. Clearly I would hope that tax did have some impact in terms of bringing in the additional revenue that was necessary. I do not think we would have gone far enough to have got anywhere near a zero deficit position but I am sure this debate is going to be continued and is going to be picked up in the weeks ahead of us. I thank you very much, Sir.

Mr. L. R. TULL: Mr. Speaker, the very high tone of this debate so far has been due to the contribution from the Honourable Member for St. Peter who set this debate in its proper context. I listened to the Honourable Member. He has given the kind of explanation of the issues that we should be concerned about not only in this debate but in this particular period of our history. I am going to follow along the line which he set.

Before I do that, Sir, I want to commend the Honourable Member for Christ Church East Central for putting a very strong and well argued case against this business of requiring labour to bear the brunt of these adjustments when we should be taking a look more at the people who are the owners of capital and trying to find out whether they are playing their part in the overall development of Barbados.

Now, I want to say some things that may be hard but I do not shy away from saying hard things. At this point, Mr. Speaker, I believe that the Government is merely tinkering with what is going on. This talk about structural adjustment is nothing that we do not understand. Structural adjustment that the Government is talking about means nothing more or less than a reforming of the forces in this society that operate to develop the wealth of the country.

What the Honourable Member for Christ Church East Central was saying about the role of the private sector and whether they are pulling their weight, he seemed a little reluctant to deal with the people in sugar, for instance. We have the Landell Mills Report that literally says that you must sweep out the cobwebs from the sugar industry. If the sugar industry is to get a rebirth, you have to deal with the personnel first of all because the personnel represent a kind of antediluvian thinking that is inconsistent with the kind of development that we should be pursuing today. The Prime Minister and the Minister of Finance is just playing around with these things.

The people in the sugar industry at the top are people who are resistant to change. What we need today is a new class of entrepreneurs if we are to be serious about our policies. We need a new ownership profile of resources in Barbados but none of this is doing that. Taking away a few dollars every week from people who are paid low incomes is not creating a new ownership profile in this country. The ownership profile in Barbados will only be changed if you have an aggressive, positive and forthright political leadership. This is a perfect time for the change. It is always difficult, Mr. Speaker, to change when things are flowing. People want to know why you disrupt the flow.

Aside.

Mr. L. R. TULL: When things are flowing it is difficult to disrupt. When times are as they are now everybody

expects a Government to take revolutionary decisions with respect to the direction in which we are going. There is no point in trivialising these things. We have to deal with them. When I say, Mr. Speaker...

Mr. SPEAKER: Protection. I would like to say this as well too. I think I endorse the speaker's opening remarks. It has been really an experience in this Chamber for myself for a little while to see the quality of debate that is coming out. That probably is because we have all been listening so I want you to sit and listen as well. Show that the debate remains at the high standard. There is no need for me to chastise anybody.

Mr. L. R. TULL: You see, Sir, even this speaker is fired up by the tone of the debate up to now. When we are talking about creating an entrepreneurial class in Barbados and to change the ownership profile in this country, a lot of fundamental changes have to be made. They have to be made, for instance, in our educational system. It is time that the children of the representatives of this Chamber, for instance, be the leaders of industry. They have demonstrated their competence and the ability in almost every endeavour in this society and it is time that they come in to their own in other areas. But it cannot be done and it cannot be achieved unless Government is willing to make the kind of decisions that would transform the thinking and attitudes in this country. You cannot cut education now, Sir.

You need the type of establishment in education that has the equipment, the dedication and the support that would create a different kind of ethos among this generation of school people.
5.05 p.m.

When the Government talks about cutting back in relation to education, I think they are doing a very serious disservice to this country. It is not easy to quantify the benefits of education. For this country or any country in the world to keep up with the blinding pace of change, particularly technological and information change in this world, there must be a sharp, alert, well equipped, education system that will deliver the goods. It is for this reason that I have a quarrel when I hear about ten per cent cuts and so on in the Ministry of Education.

They need, Mr. Speaker, to be a number of other considerations in this period of time and I am going to deal very quickly with direct aspects of the stabilization tax, Sir. I don't want to dwell on it because the case has been put very competently by the Honourable Member for St. Peter. When a Prime Minister, in my view, wrong-headedly, in the Budget, decides that everybody in Barbados must share the pain – as I said then, everybody in Barbados does not share the benefits. When we drive through Navy Gardens, in fact, Bay Land, Sir. When we drive through Bay Land, all the roads are paved.

Hon. B. M. TAITT: On a point of order, Sir, the Honourable Member is misleading the House. There is no such place called Bay Land, the proper official name is Bayville. The Honourable Member is perniciously and viciously insisting on Bay Land.

Mr. SPEAKER: That is no point of order.

Mr. L. R. TULL: I like that Sir, because it was the Barbados Labour Party that changed the name from Bay Land, with all the connotations that were involved, to Bayville.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, there is a district called Bayville which is in the constituency of St. Michael South. I have been a representative of the good people of that particular district and some Members of Parliament have lived at some time of their lives in that particular district, including the member for St. Michael South East. I merely wish to get the record straight that the name of the district was changed from Bay Land to Bayville during the time of the Democratic Labour Party as far as I recall. That is just by the way.

Mr. L. R. TULL: I heard the Right Honourable Prime Minister, but his memory and mine, they don't coincide. I still stand by the point that I made that the name was changed during the incumbency of the Barbados Labour Party, but we won't waste time on that. Sir.

This stabilization tax, Sir, I was making the point that the Prime Minister feels that in certain cases all the pain must be shared. Everybody must bear a little piece if we are in difficulty. I maintain, Sir, that when the benefits are being shared out, that all the people in Barbados don't benefit from it. I am not going to develop the details of that because I am sure everybody agrees with me, but what the Prime Minister said in the Budgetary Proposals and I am quoting, Sir, from page 23, the document. This is under the section dealing with the stabilization tax.

"I prefer to take action now and to seek to avoid a structural adjustment package imposed from outside, massive lay-offs, painful spending cuts in the public sector, devaluation of the Barbados dollar and rising interest rates."

He goes on to say —

"Nor do I intend to preside over massive lay-offs in the public sector."

Now, it is in the context of the stabilization tax that those revealing words were spoken and one was left to believe that the stabilization tax ... It was intended to bring in \$30 million. I think that is what the Minister of Finance said. We would like to believe that these measures would have stabilised the economy of Barbados and therefore

avoided the escape — if I may recall the words of the Minister — the disorderly adjustment imposed externally. That is what he said, but he has failed. He would have done himself a great deal of credit if he started off in introducing this measure by saying, I have failed. Since he has not said it, I will say it for him. I have failed. What I set about to do I have not achieved. Look at the price that people are asked to pay. Little children pay stabilization tax for selling newspapers on Sundays.

I am hearing, Mr. Speaker, Sir, they are not paying. It just bears out the point made by the Honourable Member for St. Peter that when he imposes a tax it must meet three criteria. One he said was ease of administration. So, if you can't collect the tax as Honourable Members on the other side seem to suggest that it is not being collected, it strengthens the argument of the Honourable Member for St. Peter that it is a tax that has no serious social utility. They can't get it collected and when you collect it, it is working a hardship on people who should not be asked to bear this hardship.

Mr. SPEAKER: Order, please.

Mr. L. R. TULL: In the first year of an economics class, people like the Honourable Member for Christ Church East, who perhaps spent a year learning some ... Well he said three years, Sir. He does not sound as if he learned that much, Sir.

Asides.

Mr. L. R. TULL: The first thing you learn, and they always give almost in a list or schedule, of the benefits of what is regressive taxation, *vis-a-vis*, progressive legislation.

I remember, Sir, not that I was a student of economics, but one reads these things. I did not have a term, Sir. I studied other things, Sir. I developed the humanities so that I can analyse the issues. I don't need to have to go and sit down and learn the basics to be a talker. I can analyse, Sir.

The Right Honourable Prime Minister would have done himself greater credit if he had said that he is a student of the humanities, where he could analyse and understand and articulate rather than trying to tell the people of Barbados that he studied more economics than anybody else. He would have been on a better wicket.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise on a point of order. The Honourable Member for St. George South is misleading the House and there have been so many distortions, so many things attributed to me that in those areas where I can correct them — like in here, Sir — I will seek to correct them. I have never told anyone that I have studied more economics than anybody else in Barbados or elsewhere. I studied the humanities like him.

I also studied economics and I studied political science. I went a little further than he did.

Mr. L. R. TULL: The Right Honourable Member, now, would like me to withdraw that he has said that he has not done any big study in economics ... I have just said, Mr. Speaker, Sir, that I am a student of the humanities which allows me to be able to hear what people say and interpret it. Therefore, I am interpreting what the Rt. Honourable Prime Minister has just said. I am not a blotting paper that I must reproduce every exact word he said. I am saying how it came through to me.

Mr. SPEAKER: I am getting a little bit concerned about the interruptions now. I am asking Honourable Members to give the Honourable Member an opportunity to make his contribution.
5.15 p.m.

Mr. L. R. TULL: Thank you, Mr. Speaker.

Mr. SPEAKER: ... but this is no Court as such.

Mr. L. R. TULL: In relation to this stabilisation tax, I want to finish it quickly, but I am getting held back...

Mr. SPEAKER: You will be afforded time. The extra time you will get. So don't worry.

Mr. L. R. TULL: I have half an hour, Sir. I would need more, but to put it bluntly, it is a blunderbuss approach to the problem that faces Government – swipe wildly, and whoever gets hit, gets hit. It is the Japanese wide-sea fishing net that catches everything. That is what this particular measure is doing and in doing so it represents a dangerous blot on the social development policies of three decades. It is not a fair tax by any stretch of the imagination. It is equivalent to the poor tax in Britain where even students have to pay, where even the people drawing unemployment benefits have to pay. It is as misguided as that. Rather than gloss over these things with a lot of high-sounding phrases from the other side, I believe the Prime Minister could do himself and this country a great service by ending this tax in the way in which it is structured; that provision has to be made for people at the lower end of income earning, and they should not be saddled with this kind of new impost at this particular time of difficulty in this country.

There has also been in the iniquitous nature of this tax a means of preventing people from claiming for losses. So, if you are self-employed and your income was x dollars last year, your stabilisation tax is based on what you earned last year. If you suffered a massive loss this year, no consideration is given to that fact. That can't be reasonable, Sir. That can't be reasonable even to the most strident supporter of the Democratic Labour Party. It is in these areas that I believe that the Rt. Honourable Prime Minister

should direct his attention and bring back the equity that the Member for St. Peter is talking about in this particular tax.

I am going to move off that, Sir, because I will leave that to the conscience of the Government. The Government has made some remarkable reverses in its policies.

Asides.

Mr. SPEAKER: You are interrupting your colleague who is speaking.

Mr. L. R. TULL: The Government argued with a great deal of vehemence and volubility in 1986 and shortly thereafter the policy that people's money should stay in their pockets and that the best way of getting growth in this country was to allow people to have their money and spend it. They argue now, a short period after, in terms of these things, the exact opposite, and they do it without blushing. Blushing always connotes a sense of shame, among other things. They have not even blushed when they make a right-about turn on this. The Prime Minister says that he is misquoted all the time. He wants me to remember the exact words now. I will try: He watches the faces and the body movements of people when they are speaking and when they are sitting down. I watched the body movements and the faces when they are standing and when they are sitting, and I did not see anything to suggest a blush. When there is a right-about turn, there is no explanation. Taking people's money out of their pockets was the big heresy of 1986. "People must keep their money and spend it". Now, they are saying the exact opposite. Take away their money and prevent them from spending it. That is the new heresy. If that does not represent a U-turn – apostasy. That is the word. Pass around the dictionary in here.

Mr. Speaker, Sir, the Government has to treat the Opposition and the country with more respect than what they do. We are asked to support them in a number of new measures relating to the economy, and you will get some support in some things, but we are not supporting a cut in wages of the people in this country, particularly, those people whose incomes are hovering around subsistence level and those are a lot of people in recent times. As a matter of fact, Sir, not only will we not support the Government on that, we will pillory them on it if they try to do that.

The Government also has to understand that when they are talking about cutting people's salaries to reduce over-consumption – the point made by the Honourable Member for St. Peter is an extremely valid one – and even the unschooled and uninitiated can understand that if you cut the income of people in Barbados, you are going to work a hardship on domestic industry. The other point, as a corollary of that, is that you dampen expenditure on consumption by providing the proper mechanisms for

people to save. In the Budget the Minister of Finance saw the point, but then ran from it. He gave allowances to people who were buying land and buying houses that were already built and he did not give that allowance to people who were building houses. That read at the time that he didn't want to have the money outflow for the external components. He saw the point. He did not demonstrate at the time that he had the will to solve the problem in its early stages. What has happened is that he sat back, allowed the situation to get completely out of control and now is playing that he is slapping shut the stable door when the horse has bolted well out into the middle of the field. Now he can't tell us that we are supposed to support you in all that.

5.25 p.m.

When the Honourable Member for Christ Church East Central gets up and in his usual eloquence says you must not apportion blame, Mr. Speaker, we are going to splash the blame all across every nook and cranny in Barbados. That argument holds no water. That is a "Boos" argument. I am surprised to hear the Honourable Member for Christ Church East Central finding himself in such company. We are not only going to apportion blame. Unless you say where the fault is you are not on the way to correcting it. We will tell the people of this country where the fault is.

The Honourable Members can go back to 1973, or 1943. As far as I am concerned, the Barbados Labour Party has told the Government on many occasions over the last four years that it was heading for a precipice and political considerations caused the Government to lend a deaf ear to the arguments and the recommendations from the Barbados Labour Party. If they were not deaf, Sir, they were stubborn and the people of this country, the same people of Ellerton in St. George that the Honourable Member for St. Michael West dismisses as less important than an ombudsman, are being asked now to pay a heavy price because of the insensitivity, the stubbornness and the political machinations of the Government.

Aside.

Mr. L. R. TULL: Anybody who says that "machinations" is unparliamentary really, Sir, did not learn much.

Mr. SPEAKER: It is not unparliamentary. It is the essence of how Parliament functions that I have said before that Members are here as individual representatives of people and not of any party or any group.

Mr. L. R. TULL: Now, I want, Mr. Speaker, very quickly to pick up another point raised by the Honourable Member for St. Peter in relation to this business of tax holidays for businesses. As long as 20 years ago I have expressed my instinctive views in relation to tax holidays. At that time it was all in the grades and the Honourable

Member for St. Michael West was the Minister of Trade, a man who went around the globe extolling the virtues of tax holidays. Something that was the product of my intellect told me that seemed not to have been an answer to the problems in Barbados that apart from the fact, as the Honourable Member for St. Peter said, which is now refined in good language, the way he put it, it was not so refined but it was as good an idea as any, that you were transferring resources from your own country to other people's country. It also in very large measure over the years allowed inefficient companies to show a profit. They used the benefits of tax holidays which Bajan companies could not get to hide the inefficiencies in their companies and make a profit.

I am agreeing, Sir, because a lot of literature has been written in recent times on this business of tax holidays. What I have been reading over the last six, seven or eight years in these areas suggest to me that it is an allowance that, perhaps, has negative effects on the country that is giving them. Therefore, the Government has to come up with different and new strategies in the area to attract participation by overseas companies in manufacturing in this country. Excellent opportunities are available and the Government seems reluctant to avail itself of them.

The Honourable Member for Christ Church East Central in one of his important points says that Government seems almost shy about spending money in areas where the money should be spent.

Mr. SPEAKER: One minute more. You have been given extra time as well.

Mr. L. R. TULL: Yes, Sir. I will wind up on this point. The developments in LOME, the developments in the Caribbean Basin Initiative and the new Enterprises of America, make it possible for companies in the Pacific Rim countries to get into useful joint venture operations in places like Barbados that would bring foreign capital into Barbados, create many more jobs and also assist both Barbados and those companies to have access into those preferential markets that we cannot avail ourselves of at the moment because the level of our manufacturing industry has not reached the type of sophistication like this talk we are hearing about that we have to export more to earn foreign exchange. That is talk, Sir. I am sick and tired of all these cliches. Everybody has been saying that for a long time, export more, without any clear consideration of our capacity to export. What are we going to export?

Are we prepared here in Barbados for entry into extra-regional markets? My answer is "No". The Honourable Member for St. Lucy who was just Minister of Trade, he can tell you that if he is honest and the Honourable Member for St. Michael West....

Mr. SPEAKER: Your time has expired.

Aside.

Mr. L. R. TULL: ...I am sure will agree with me that the development of manufacturing at this particular stage does not set us for a take-off into export of manufactured goods into extra-regional markets.

Thank you, Sir.

Hon. H. A. BLACKMAN: Mr. Speaker, the debate on the Stabilisation Bill has ranged far and wide. I suppose that was to be expected since the Opposition obviously had some things to say and they felt this was the opportunity to say them. The impression given by the Opposition was that the Minister of Finance said that the stabilisation tax would solve all the problems in the Barbados economy. I am sure that no one on the Opposition benches believes that neither does anyone on the Government believe that and the Prime Minister certainly did not say that.

Aside.

Hon. H. A. BLACKMAN: You can form your own opinion. I can form mine. The Honourable Member for St. George South read a part of the Budgetary Proposals by the Honourable Prime Minister where the Prime Minister said he would not like to see certain things falling on the economy of Barbados, therefore, he was using this measure as one of the things, not as an answer to every problem in the Barbados economy.

Furthermore, Mr. Speaker, I would like to just let the Honourable Member for St. George South know that on this occasion I did not interrupt him at any time. I did not see the reason to. The point is that the stabilisation tax was introduced across the board because the Government felt that every person in Barbados should make a contribution to stabilising the economy. That was the thinking of the Government. I still believe and I find it hard to understand but I guess, being politicians, one looks wherever an advantage presents itself.

5.35 p.m.

In all the debate you keep hearing about the person who is getting a hundred dollars a week with four and five children. During the Budget debate I made a statement in here about horizontal inequity and it was laughed at by the persons on the other side, not the persons on this side, and I am going back to it again. If you are going to mention the person who is getting one hundred dollars or two hundred dollars a week with four children what about the person who is getting the same two hundred dollars or the same hundred dollars a week and has no one else but himself? That is where the inequity comes in.

It is unfortunate and I will admit it, but the rain falls on the just and the unjust. It is unfortunate but that happens and you have people in Barbados today, hundreds who are

getting two hundred, three hundred dollars a week, they have no children, no wife, not anything and I mentioned this in the Budgetary Proposals and this is where the horizontal inequity comes in because you are picking out the person who is getting two hundred dollars a week with four children. Why don't you pick out the person who is getting the same two hundred dollars a week, no child, nothing at all? What will you do with him? As I said, the rain falls on the just and the unjust and that is how it is.

The point is that we felt, and we still feel that if an economy needs correcting and you are asking persons in an economy to sacrifice therefore everybody in the economy should make some sort of sacrifice. That is the understanding with which we went about this business.

Mr. Speaker, during the speech of the Honourable Member for St. Peter he made a statement about since 1985 the short-term borrowing has increased and we have used short-term borrowing to cover deficits and to cover consumption and things like that. Mr. Speaker, I wondered why he said 1985. I have here a document - "International Monetary Fund" - during the time of the Barbados Labour Party - a true true document. The Barbados Labour Party believes that Barbados only started last year. They do not remember that they were in Government and these things will be told at the right time.

Mr. O. S. ARTHUR: Mr. Speaker, on a point of order. I was very careful in my presentation to refer to the fact that borrowing for balance of payment purposes, Sir, started before 1985. I repeated the point, Sir, if you will recall. I said it had assumed a particular pattern and importance after 1985, Sir. I was very careful to include 1985 because, in a non-partisan way, I was also including the Barbados Labour Party in the general stricture. I don't understand why the Member is so insistent on wanting to mislead the House.

Hon. H. A. BLACKMAN: I made the point because when the Honourable Member for St. Peter made the statement, the Right Honourable Prime Minister had to mention to him, 1984, 1983, 1982, and went back, to tell him that it was not 1985. I sat in here and I heard that. He heard it as well.

Aside.

Hon. H. A. BLACKMAN: I heard it. All of us over here heard it. All of us heard it, including the Honourable Member for St. Peter.

Mr. L. R. TULL: On a point of order, Sir. The Honourable Member is misleading the House. The Prime Minister did not get up at that point during the contribution of the Honourable Member and say anything. That is not part of the record. That is not true, Sir.

Mr. SPEAKER: He is saying he heard him, so I don't know if he heard him. I don't know where he heard him or where he did not hear him.

Hon. H. A. BLACKMAN: How could he tell me that I did not hear him, Mr. Speaker? Let me just read here. This is an IMF document prepared after the IMF had made....

Mr. SPEAKER: I have already made my ruling on that aspect of the debate.

Hon. H. A. BLACKMAN: Mr. Speaker, the point I am making is this. It has been shown and documented that deficits were being covered by massive borrowings from the Central Bank way back in 1981. In fact the Central Bank originally put on a limit in order to stop Government borrowing from them. The Central Bank put on a limit of \$50 million and within one month had to change that to \$75 million and before September the seventy five had been exceeded.

Mr. Speaker, I am telling you, I am putting it to you that in July the ceiling was raised to Bds.\$75 million but the new limit had already been widely exceeded by early September. The point I am trying to make is that you cannot say in here that this sort of deficit financing by the Central Bank to cover current expenditure or consumption started in 1985 or anything like that. It started way back.

Mr. O. S. ARTHUR: On a point of order, Sir. The Honourable Member is grossly misleading the House. At no stage, in any speech this evening, Sir, was any reference to Central Bank financing discussed. If the Honourable Member does not understand the difference between an external balance of payments support loan and accommodation of the Central Bank, Sir, I would submit to the House, Sir, if he does not understand that elementary difference, I really would submit, Sir, that he should not be allowed to create these straw arguments. Certainly I didn't, and nobody, as far as I can recall referred in this debate, at all, to other than short-term external financing for balance of payments purposes. And now, to draw it into this matter, Sir, is misleading, Sir. I would be glad if you could rule that this debate could maintain the quality which I think it fortunately had today, Sir.

Hon. H. A. BLACKMAN: The point, Mr. Speaker, is that we are talking about short-term financing. Whether you got it from A or B is not the point. The point he was making was that the deficit that we were having started in 1985. The point is not how we financed it. The point you were making....

Mr. O. S. ARTHUR: On a point of order, Sir, the Member is misleading the House, Sir. At no stage during this entire debate has anybody said that deficit started in 1985, Sir.

Mr. Speaker, Sir, this debate I think was at a satisfactory level, Sir. Nobody is trying to misrepresent and warp and that argument is unworthy of the Member, Sir.

Mr. SPEAKER: The position is this, that I cannot dictate to a Member how to interpret what he reads. If a member interprets what he reads to be his interpretation I have no difficulty.

Hon. H. A. BLACKMAN: Mr. Speaker, this is amazing. I have never said that deficits started in 1985, I would be crazy. I never said it started. You said the trend started in 1985. I am pointing this out to you that the trend did not start in 1985. That is the only point I am trying to make.

5.45 p.m.

Asides.

Mr. SPEAKER: Order, please.

Hon. H. A. BLACKMAN: Mr. Speaker, let me go on. You heard as well a lot of talk today from the Opposition about reductions in wages. Both of the speakers for the Opposition were speaking about reduction in wages as a means of reducing consumption. Mr. Speaker, we are dealing with the Stabilisation Tax Bill as it says in the Objects and Reasons. In this debate, a long period of time was spent on speaking about reduction in wages and the argument was being made by the Members from the Opposition who spoke that they don't believe that a reduction in wages should be used as a means of reducing consumption. I don't know, but I am trying to discover where in this Stabilisation Bill this point was made. The Prime Minister has not made that point. The Prime Minister, in the introductory remarks today did not make that point, and if a time comes when the Prime Minister has to make a statement on that, then I can understand how the people will get involved in the debate as far as that is concerned.

Mr. O. S. ARTHUR: I submit, Sir, the Member is reflecting on your ruling and your allowing a discussion to take place in this House and he is ruling that a matter that you allowed as one that fits the four corners of this debate should not have been allowed. I think that the lines along which he is going are really wont to test the patience of the House and you should guide him, Sir.

Asides.

Mr. L. R. TULL: The Honourable Member is misleading the House, because the Prime Minister did say in April of this year that:

"I will in a little while be announcing taxation measures to reduce disposable income...." in relation to this same stabilisation tax.

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, I will not be diverted, because the point that the Honourable Member for St. George South just made has nothing to do with the point I was making. If the Honourable Member goes back to that speech in April, it would mean that the whole debate on the issue had already taken place and therefore you would have been out of order if you went over that again. That is a fact.

Asides.

Hon. H. A. BLACKMAN: Mr. Speaker, am I to believe that a debate has taken place on Budgetary Proposals and you can just come four months after and go back over everything that you said because you are saying that the Budgetary Proposals is not a debate?

Mr. L. R. TULL: Mr. Speaker, Sir, the Financial Statement and Budgetary Proposals of the Minister of Finance are not part of the debate. A motion is usually given at the end of the statement on which the debate starts. A ministerial statement has never been a debate.

Hon. H. A. BLACKMAN: So what are you debating? Mr. Speaker, I am now hearing that three days of debate on the presentation of the Rt. Honourable Prime Minister are not debates. Don't bother with the technical point with me because I know that the Financial Statement and Budgetary Proposals of the Prime Minister are debated for two days. What does the Rt. Honourable Prime Minister respond to, then? What does the Opposition respond to?

Mr. Speaker, the point has to be made that the Prime Minister has said on more than one occasions that there are problems in the Barbados economy. The two main problems are the problem with the fiscal deficit and the problem of the deficit on the current account of the balance of payments. You have to try to correct both and it is sensible and desirable that you start with the fiscal deficit. The stabilisation tax since it has come into operation has been working. At the moment, the revenues are on target for what has been predicted. I believe, Mr. Speaker, and it is instructive to note that so far in the past quarter revenues have picked up and had it not been for a large amortisation payment that had to be made in May 1991, we would have seen a surplus for the first quarter of this year. I think that the stabilisation tax is serving its purpose. I believe it was necessary. As I said before, Members can always point, and those of us on this side, can point to instances where the stabilisation tax has been a burden for certain people. We admit that, but we also admit that if in correcting any imbalance in an economy if you are of the view that every person in the economy should pay or should sacrifice something to correct the economy; then you have to take the point that the stabilisation tax has to be introduced right across the board.

I can take the point of the Honourable Member for St. Peter that the tax system may have to be looked at. It is being looked at, and very shortly you will see the changes and the measures that are coming into place and the House of Assembly will have the benefit of any changes and modifications needed to be put in place in the tax system. So, most of what the Honourable Member for St. Peter said today has already been in place - things have already been set in motion.

I must say that it is not often - I don't think I have ever really complimented any person on the Opposition Benches, and I wonder if I should start now - but today was the best speech I have heard the Honourable Member for St. Peter make in here for the past five or six years. I don't know if it is because, as the Honourable Member for St. Michael West said, the former Member for St. Michael South Central is out of here. What used to happen before, it appears to me, was that either you were scared of him or wanted to compete with him.

Mr. SPEAKER: I cannot accept the statement about the Member being scared of another Member. Just qualify your statement.

Hon. H. A. BLACKMAN: Mr. Speaker, I am very sorry that I said "scared", but I am wondering why it is that many of the things that the Honourable Member for St. Peter now says he didn't say before. As I said, there was no reason for the Honourable Member for St. Peter to compete with the former Member for St. Michael South Central because when the Honourable Member for St. Peter speaks on economic affairs he knows what he is saying. You could listen to him so that is the situation. 5.55 p.m.

Mr. Speaker, there are a lot of other things I would like to speak on. I do not believe this is the debate to speak on most of these things. I think that a debate will come up very shortly when I will be able to speak on most of these things. I hope this debate will take place shortly because there are a lot of things that this Honourable House need to know about what has taken place before and what is taking place now. I think that comparison will be very instructive for this House and for the whole of Barbados. Mr. Speaker, I have no hesitation in supporting this Stabilisation Bill.

Hon. H. deB. FORDE: Mr. Speaker, This is the worst speech I have heard from the Honourable Member for St. Philip South for a long time. As a matter of fact, Sir, he ended up by complimenting the Honourable Member for St. Peter. It shows that if he had been understanding the Honourable Member for St. Peter for the numbers of time the Honourable Member for St. Peter has spoken in here, he would have had nothing but compliments during the time he has listened to him in this House because he complimented him in circumstances when the Honourable Member for St. Philip South did not understand some of

the points that the Honourable Member for St. Peter has been making in this debate.

I want for the purpose of the record, since the Honourable Member for St. Peter does not have the right to reply, to respond immediately to one of the misrepresentations of his speech. Nowhere did the Honourable Member for St. Peter say in his speech that fiscal deficits started in Barbados in 1985. The point which he was making was that he took the year 1985 because he said it was significant that from 1985 to date a trend started in which we were borrowing externally, not for the purpose of creating capital formation and investment in the economy but for consumption. He went on to link it to the fact that the productive sectors in Barbados were not functioning properly and, therefore, we were not earning enough externally in order to sustain our balance of payments and that the position has become chronic now, therefore, we are faced with a position where we have a chronic balance of payments deficit problem, a chronic fiscal deficit problem and a chronic problem in the tradeable goods and in that sector of the economy which earns foreign exchange.

I am really concerned that the Honourable Member who bears some responsibility with the Prime Minister for all the economy does not understand these simple concepts and, therefore, has responsibility now for dealing with problems that he does not seem to understand what is the nature of the problems confronting the country. Unless he understands those problems, the solutions which the Government will apply will be the wrong solutions because they do not understand the nature of the problem. I hope the Honourable Member will listen very carefully to what is being said by the Opposition.

Now, in the case of the Prime Minister, I have listened carefully to all that has been said by the Prime Minister since he and I first came into Parliament. I really must deal with the Prime Minister's failure to recall some of the statements that he made in the campaign. We have carefully kept some of his tapes. I think in reflection some of them might surprise him, when he got carried away on the slogan that he was sound because the distinct impression which he gave the country was not only that 1989 was a year of high performance but he would cite the figures of 1989 and when they were challenged to deal with the figures of 1990 they would harp back to 1989. But the distinct impression which the Prime Minister created in the country by his statements was that he was telling the electorate then in January 1991 that all was well with the economy.

Aside.

Hon. H. deB. FORDE: I will give the Prime Minister a copy of the speech and the tape of his speech which he made in Clevedale Road. He was swiping his hands all

around. That is the speech in which he even talked about I-Ston and he did not even know who was I-Ston and about who left and went back to the private Bar in order to work for Jerry Hall. That was the speech that he was wild, swiping all over the place, no restraint whatsoever on his tongue in those days. It is only that I had a little consideration for him, Sir, that I did not make him pay me a piece of change.

The point remains, Sir, that if you ask any Barbadian including those who even in their highest partisan allegiance to the Democratic Labour Party voted for them in 1991, if you asked them down to a man, they would say they got the impression from all that was said on the Democratic Labour Party's side, including from the leader of the party and the Central Bank, that this economy was sound.

As for the Honourable Member for St. Michael West, I remember him rushing on the radio and into print, when I revealed ahead of its publication the December 1990 Economic Review, saying that I was giving stale news. He was absolutely incorrect. In fact, the publication, I would say, was held back by the Central Bank and came out in publication later after the election.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member is misleading the House and I crave your indulgence, Sir. What I said and I said it at Brittons Hill when the Honourable Member had given a Press conference and accused the Central Bank of a number of things, I pointed out that the Governor of the Central Bank had a Press conference in October of 1990 and had revealed all that he was asking the Prime Minister to publish by midday the next day or he was going to do something dramatic. That is all I did.

Hon. H. deB. FORDE: Firstly, if that is what the Honourable Member said when he was giving information that was inaccurate and false because I was not criticising any Central Bank. My stricture was against the Government not revealing economic information timely in this country. What I produced was the Central Bank Report. 6.05 p.m.

Hon. B. M. TAITT: On a point of order, Sir. The record must be made clear. The Honourable Member is misleading the House. He has stated categorically that the Government had prevented the Central Bank from publishing the information in a timely manner.

Mr. SPEAKER: I think if we continue with this kind of backward and forward we will not address the issue before us. I think we should finish with that and move on.

Hon. H. deB. FORDE: We will move on, Sir, but before this Session of Parliament is out I am going to bring a Freedom of Information Act into the House, Sir, to place

the onus on Government to show why they must not make information available readily to the country. A lot of the difficult task which the Government now has, is to convince the country that if things were so good in January 1991, why are they so bad by July 1991 that the Government must let go their hands and tax whoever will in this country, in no uncertain terms, without any review to the equity of the position. That is the point that we have, Sir.

Now, the gravamen of the charge against this stabilisation tax....

Mr. SPEAKER: Just one moment. There is too much noise in the Chamber. Can I have a little order?

Hon. H. deB. FORDE: The gravamen of the charge....

Rt. Hon. L. E. SANDIFORD: The Honourable Member for Christ Church West is misleading the House. I have never said that things in January 1991 were so good. I challenge him to bring the copy of any statement which I have made to the effect that things were so good in January 1991. I challenge – not impressions – but to bring the quotation to establish the point that he has made.

Hon. H. deB. FORDE: The Honourable Member, for instance, in one of his speeches said in January 1991 said that it was like a man making a century after having made a triple before. That is one of the impressions that he has given. That is one of the statements. The Honourable Member has obviously not listened or read his speeches and I am going to send him a copy of the tape so that he will understand, Sir.

Mr. SPEAKER: If Members are going to put affirmative statements of Members in the record then the House will have to be treated with the authorisation of that statement made, because it will be difficult for even the Chair, the presiding officer, to determine whether these statements were true or not when there is no record in the House to substantiate those arguments. I would rather members, if they have to make those comments, make them, but let it not appear as if these comments were made in this Chamber. It would be difficult for me to rule on whether these statements are fair or just.

Hon. H. deB. FORDE: Mr. Speaker, Sir, I am not just speaking about statements made in this Chamber. When I speak about what the Honourable Member says about the economy, it is not only anything he says in this Chamber. When he speaks, he speaks various places about the economy. We all do. If the Honourable Member wants a copy of the tape I would be delighted to send the Honourable Member a copy of the tape so that he can follow what he was saying, Sir.

The Government should now get up and say, if they want to. The Government is entitled to get up and say that in January 1991 things were not good. The public did not understand that they were not good. The public was mistaken, not the Government, not the Democratic Labour Party, and that they made full and frank disclosure to the public of Barbados. Let the public judge them on that, Sir. I am sure they will be found very wanting on that type of judgment. What has happened, Sir, is that the chickens have come home to roost and the Government has found itself in a position where the economy is in shambles and they must now prepare the wicket for the very brutal measures and the brutal assault which will be made on the people of Barbados.

It is significant that both of the Ministers responsible for the economy have spoken and the most they will tell us about the collection, so far, of tax under this Bill, is that it is on target. The Honourable Member for St. Philip South went a little bit further and said that if they did not have to make a big payment recently that the outturn figures would have been showing a surplus.

Now, Sir, this tax is estimated to collect \$30 million. We wish to know, up to date, how much has been collected under the tax. If it has collected much more than it was estimated to collect it then goes further to say exactly what we were saying that it was unnecessary to allow the net of the tax to go so wide.

Under the Bill, as drafted, Sir, if you employ a person for a day and the person has no more employment for that month and you pay the person \$30 or \$35 for that day you have a duty to deduct tax. I cannot buy this argument about horizontal inequities, whatever it means, Sir. The point is that the person making \$200 a week, even if he has no children, must be classified in that category of persons that the Democratic Labour Party told us, and told the country, in 1985/86 was below the poverty line. You cannot treat him in the same way as a person earning a different and higher income.

Now this is why we say the Democratic Labour Party's credibility is doing damage to politicians as a whole in the country. Why in 1985/86 when the Democratic Labour Party was intent on winning an election it considered people who were earning under \$15 000 a year – and if you put that under \$300 a week – as people who were just on the poverty line and therefore who had to pay no tax at all but today the same persons who were on the poverty line are being asked to pay a stabilisation tax. If that is not blowing hot and cold, I don't know what else is, Sir. I am not going to accept from the Democratic Labour Party the excuse that they followed a former Member for St. Michael South Central blindly down the garden path. I don't accept that at all, Sir.

Each one of the members of the Party, particularly those who have been returned here, came in this House at the Budget of 1986 and supported the point of view as expressed by that Honourable Member. Each one of them. As a matter of fact the Right Honourable Member for St. Michael South was profuse in the praise he gave for his then colleague in arms, the Honourable Member for St. Michael South Central, Sir. I warned him then that he was going to get the most trouble from that member, Sir, and I recalled for him how he had to say that there is an order of things and there is a path that you go when they were thinking in terms, Sir, of what would happen in future succession of the leadership within their own Party.

6.15 p.m.

But he was profuse in the praise of him and in the praise of his policies. So that the Democratic Labour Party cannot escape from the policies implemented by the then Member for St. Michael South Central. They were not the policies of one Richie Haynes. They were the Democratic Labour Party's policies.

Aside.

Hon. H. deB. FORDE: Mr. Speaker, I think the Honourable Member should set an example to the younger Members for Christ Church East and St. Michael East. Set them the standards that we know that he is capable of setting, Sir. He should learn to behave. When he is getting his blows, he must sit down and keep quiet and let them sink in properly. He must think of how to respond to them. Sir. That is what he must do, Sir.

The point is, Sir, that the Democratic Labour Party must not be allowed to forget that political expediency guided their economic planning and that political expediency has today brought Barbados to the stage where, unfortunately, all of us because we are national in our approach will conjointly give the best ideas for solving the problems. But I cannot accept, Sir, that in solving those problems we are going to touch everybody in the manner in which this type of tax is touching particularly the poorest of the poor in our community. If there was a poverty line then, there still remains a poverty line now. That is the argument that we have to advance here, Sir.

Sir, I am not going to listen to the Prime Minister in his reply saying that the Opposition did not vote for the surcharge. I have to respond to that point. I heard it said *sotto voce* in the House, Sir. Sure it was difficult for us to contemplate voting for a surcharge in the political context in which the surcharge came on. The Right Honourable Member knows that we had a big argument in this House in the 1986 Budget when the Honourable Member for St. Peter and the Honourable Member for Christ Church South argued that given the context of Barbados and the open nature of its economy and given what was happening internationally that Barbados had to be careful how it

adjusted its tax structures and when. No party up to then had done more than the Barbados Labour Party had done to remove tax from as large a number of people as we had removed. You will recall, Sir, that we were then seeking to remove any person below \$12 000 out of the tax bracket. We had moved something like 52 000 people off the tax roll. That is what we had done.

You will recall, Sir, the back-raising speech made on behalf of the Democratic Labour Party, not on behalf of Richie Haynes, saying what are we talking about. These people cannot take the tax burden at all. I have lived to see, Sir, that the Democratic Labour Party tax the same people ruthlessly in this country and they are now continuing the process by this type of tax measure which is hitting the poor old woman from Guillyfield Avenue in Bay Land, who to supplement her little pension will get a half day no matter the arthritis in her hands and feet is killing her. She gets a little half day helping somebody in doing probably a little bit of ironing or helping somebody to sweep their house or something of the sort, Sir. She is in this tax bracket. I am surprised that the Honourable Member for St. Lucy has forgotten his trade union connection so soon. He wants to know if she is in the tax bracket. Of course, she is in the tax bracket, Sir. She is in this tax bracket of the stabilisation tax. I have to talk about the one from Guillyfield Avenue, Sir, or Kings Village then. The Honourable Member and I share Kings Village. I have to talk about the lady from Kings Village then, Sir. The Honourable Member and I have both represented Kings Village from time to time.

Sir, I cannot daily contact with people at all levels of the society and we employ persons in our household from whom in accordance with the Act we have to deduct tax. But it hurts me to have to do so, Sir. We have to deduct and return the tax. But it hurts me because I know that person is not in a bracket to afford the deduction from their income. I am urging the Government, Sir, to rethink this measure. It cannot get the Opposition's support. None of us over here is keeping with the philosophy to which our party subscribes and give support to a tax measure of this nature which is so non-discriminatory in the people whom it touches and affects. Sir, what is even worse about the tax is that, when the Prime Minister brought down the surcharge, he gave a little bit of hope by saying that he would remove it as soon as he could afford to do so.

Sir, this Bill came to me on Friday and I read it Friday, Saturday, Sunday, Monday, and this morning in order to find out if there was somewhere in this Bill a provision which would limit the stabilisation tax for a limited period of time. The stabilisation tax has not even got in it the safeguard that the Government will remove it at any time. The Government intends this to be a permanent tax and what it has done is brought back into the tax net in Barbados some 25 000 to 30 000 people that had been taken out of the tax net. The Right Honourable Member is

probably the tax gatherer since Caesar. One thing he will go down in conjunction with his predecessor in the Office of the Ministry of Finance as being the most expert tax gatherers that we have had in our 350 years of history. Since we introduced income tax in this country in 1920 and first collected in 1922-23, I do not know anyone who has been as wide in a taxation measure as the Democratic Labour Party has been in relation to the stabilisation tax which has come on us. Sir, it is on gross income. The unfairness of taxing a person on gross income has been exposed in most tax systems.

6.25 p.m.

Even if at the end of a day when you have looked at all of your outgoings as against your receipts you find that you have a loss, the Government is still taxing you. That cannot be fair. I am going to appeal to the conscience of the back bench of the Democratic Labour Party to see how fair or right this could be. Can the Prime Minister tell me how much he is going to collect from those people who are below the poverty line?

Aside.

Hon. H. deB. FORDE: I have to ask him, Sir, because the Democratic Labour Party has said that anything below \$15,000 is below the poverty line, so I am going to ask them how much are they taking from these poor people below the poverty line in our country? There must be another way of taking from those who can afford more and easing the burden on those who are below the poverty line. That is what we are appealing to their conscience for with this sort of tax.

Aside.

Hon. H. deB. FORDE: Sir, the Honourable Member for St. Michael West continues to shout *sotto voce* "conscience". I have always considered him as having a conscience.

Hon. B. M. TAITT: Sir, on a point of order. First of all, Mr. Speaker, the Honourable Member cannot say that I continue to do something with Your Honour in the Chair. I think it is an assault on the Chair. Then he says I am shouting *sotto voce*. How can you shout *sotto voce*? I think, Mr. Speaker, you should advise the Honourable Member to just....

Mr. SPEAKER: What I am going to advise Honourable Members to do is to read their Standing Orders a little bit more and discover when you are making a fraudulent point of order or a genuine point of order. We have had too many fraudulent points of order.

Hon. H. deB. FORDE: What more can I add to the Sir? Well spoken, Mr. Speaker.

I want to move, Sir, from the critical to part of the constructive part of this debate which we have been bringing before the Government. The Prime Minister has now admitted that we are in a recession. I will recall for his benefit the debate that took place in this House on either the 1st or 2nd August, 1989. The Honourable Member was then bringing before the House a Resolution authorising the Government to borrow money either under the External Loans Act or one of those bits of legislation. The Honourable Member for St. Peter, who was shadowing finance, had left the country on business, but before he left Barbados he had made a statement concerning Barbados' balance of payments position and the worsening situation that was confronting our foreign reserves.

The Honourable Member for St. Thomas and myself, about this type of hour, late in the evening, spoke on the measure and we pointed out to the Right Honourable Member that we were then having some very serious problems which, if they were not promptly corrected, would lead not only to a balance of payments problem and a shortage of foreign exchange in the system, but would also undermine the economy, because we were going to get into a chronic recessionary position. The debate in Hansard will show that the Right Honourable Member made light of our intervention.

From the third quarter of 1989 right up to date we have had either no growth in the economy of Barbados, or a decline in growth. The economy has been in recession from that time – they usually wait for three quarters to go – right up to date and therefore one of the strictures that must be levelled against the Government is the Government's failure to take the proper action within the proper time for correcting what was going wrong in the economy. I do not buy the argument, Sir, as the Government would now seek to convince the public of Barbados, that the major difficulties confronting the Barbados economy are exogenous and that external forces are impacting on our economy and that is why we have so many problems. Some of it has been the untimely manner in which this Government has dealt with our economic problems, or has failed to deal at all with those problems.

Aside.

Hon. H. deB. FORDE: My honourable and learned friend for St. Michael West asked quietly from his sitting position if I would have dealt with them during the elections. I have heard the principle of not committing political suicide put into a principle of proper politics for Barbados...

Aside.

Hon. H. deB. FORDE: ...enunciated very clearly by the Right Honourable Member when responding to comments

from over here. He said he was not like, and I quote, Sir, "Bree St. John, he was not going to commit political suicide." If that is the philosophy which inspires the Democratic Labour Party, that their political survival is more important than the economic health of Barbadians and the survival of our country, let that be their philosophy. I say it is the wrong philosophy. Do not expect us then to come into the House and give them some consensus on measures by which they are going to tax the poor old woman who is suffering from arthritis and working one day a week. Do not expect us to do that if that is the philosophy they are going to follow.

The point is, had the Government been listening to the Opposition they would have known that these problems were existing, that they would have become cumulative and tonight Barbados has not got much control on what it can do with the economy. When the Central Bank Governor tells us that it would be 1993 before we can expect any ease, what hope are you offering to Barbadians, given the position we are in tonight? What hope? There is gloom and doom out here, it is not on the benches here. The Honourable Member likes to say that we were prophets of gloom and doom. The trouble is, Sir, that the Democratic Labour Party have been the biggest perpetrators of gloom and doom in the economy by their actions.

Even today, Sir, they would like to pretend that the people in Barbados are going about their business happy and unconcerned. I do not know where they are living, but there is a lack of confidence in the country about the future of the country, and it is not going to be restored by the Democratic Labour Party pretending that the mistakes they made don't exist. If they are to get any measure of critical support from the Barbados Labour Party, they must understand and admit their errant ways.
6.35 p.m.

The first thing we have to teach you, is where you went wrong. That's what we have to teach you so that you understand and will not repeat the mistakes and so that we can level the playing field in Barbados. That's what the Honourable Member meant – so that you fight us equally, not on unequal terms.

Sir, it is regrettable that in the process of the last few years, the productive sectors, without exception, have been reduced to the stage that they are all in decline. Not a thing that I have said in that statement can be contradicted. The Honourable Member doubts me, Sir? Agriculture is in decline. Tourism has declined. Construction has declined. Manufacturing has declined. Aren't those your major sectors? The Government can't be happy about that, Sir. I am still waiting to hear the measures which have been talked about for the last three years that will be implemented to pull agriculture around. I have always contended in numerous speeches in this House that you cannot have any properly balanced economy unless you

have a reasonably good agriculture sector. Whenever I have spoken in here on the sugar industry, on agriculture, I have maintained that even in countries such as Switzerland agriculture is vital to the survival of a balanced economic position. I would like to know the Government's policy to deal with this sector of the economy. The Prime Minister keeps promising us that he has got Landell Mills. He has had Landell Mills for three years. What is the final decision of the Government as the managers of the economy on the packet of measures to deal with the economy? The Honourable Member says that there is a lot of money to implement. He must make a start. I will tell you what will not do: where you grow the canes at the Belle and leave them cut and not carry them to the factory. I haven't heard any heads moving for that. That is the ADC. That is the Government's own estate. That will not do. It is not only simply a question of money. It is a question of management. If you grow canes at the Belle, you then cut the canes and you don't get them to the sugar factory, you must ask yourself, who is in charge here? That has been part of our basic problem. It appears, Mr. Speaker, Sir, that no one is in charge.

Hon. E. E. GREAVES: Mr Speaker, I did not intend to enter this debate, but based on the comments made by the Honourable Members from the other side, I think it is necessary for me to get involved and to make a few comments. The Honourable Leader of the Opposition who has just completed his speech gave me the impression that he had very little to say and was, as it were, waiting on interventions and interruptions from Members on this side. For the last fifteen minutes of his speech were in response to *sotto voce* remarks by Members from this side, starting with myself, then the Honourable Attorney General and the Member for St. Michael West and the Prime Minister.

The point I am making, Sir, is that it is a matter which we all have to be concerned about. In judging from the contributions of the Members of the Opposition, they also recognise, and one can detect the concern which they have on this particular matter. We are dealing with the question of the stabilisation tax which was introduced in the Budget of 1991 and the legislation now to cover that particular tax. In discussing this tax, I think that one has to recognise that when it was introduced the Rt. Honourable Prime Minister made the point that all of us in this country, rich and poor, benefit from the economy when the economy is good, and if we run into difficulties each person has to pull his weight. This is basically the point which is being made on this particular side on this matter.

A commitment was also made by the Prime Minister that he would be setting up a committee to look at the whole question of tax structure in Barbados, both on the instance of direct taxation and the instance of indirect taxation. I think that point was made clear here today by the Honourable Member for St. Philip South. So the point which the Honourable Member for St. Peter has made

about the multiplicity of taxes and the inconvenience which will arise from the collection of these taxes and indeed, whether, as the Honourable Leader of the Opposition has queried, this particular stabilisation tax will be a tax imposed forever or whether it has a life, all of these are matters which will be looked at by the Committee which has been set up and which hopefully will put the Government in a position soon to come to this Honourable Chamber with a revamped system.

In discussing this, the Honourable Members took the opportunity to examine some of the economic factors in this country and made reference to the productive sectors. I heard some interesting comments being made by the Member for St. George South and the Honourable Member for Christ Church East Central and indeed, the Honourable Member for St. Peter did make some interesting observations and contributions. I think that those contributions have to be looked at very seriously because the point has been made over and over again that we all seem from time to time to know the problem and to be able to analyse the difficulties which we have in this economy. I think that the major problem confronting this country in terms of productive sectors, in my view, has to do with people who are involved in the productive sectors. The Government and successive Governments have made a number of concessions over the years to the productive sectors, in agriculture, manufacturing and tourism. As soon as the concession is made, you hear calls being made for other concessions. I am saying, Sir, that if we continue with the same people who have been running the productive sectors of this country for many years, making concessions over and over again, with the kind of attitude which we have, I am saying that if, with the kind of attitude we have, we make \$10 million available to the tourism sector tomorrow, if you make \$20 million available to the manufacturing sector tomorrow, if we make \$30 million available to the sugar industry tomorrow, I am saying that nothing will change. We will be down by that amount of money because of the particular attitude of the people who have been running these sectors for a number of years.

6.45 p.m.

I agree with the Honourable Member for St. George South that we need a new cadre of entrepreneurs in this country, people who have benefited from a rounded approach to problems, people who are prepared to take chances and people who are prepared to be true entrepreneurs. But we have a cadre of people who are in the productive sectors whose main concern is mainly for asking. The more you give them the more they want and the less they do. That is one of the major problems with the productive sectors in this economy. I think it is important that this point be made.

When one looks at the history of the Democratic Labour Party since 1986, look also – and I am not being

political in this – at what the Barbados Labour Party did during their term in terms of trying to create a climate for the productive sectors to operate, one finds that there are some very serious things lacking. They just do not seem able to rise to the opportunities which have been created, to the concession which have been made and, therefore this is, in my view, one of the major problems.

The Honourable Member for St. George South made reference to opportunities which exist under the LOME Convention where joint ventures could be organised between Pacific Rim countries and countries in the Caribbean, particularly companies in Barbados. Would you believe, Sir, I think it was in September or October 1990 the Ministry of Trade, Industry and Commerce in collaboration with the Industrial Development Corporation, organised a seminar in Barbados for the private sector to inform them about the opportunities which are available under LOME IV. We invited over 100 people to attend this seminar. When you looked at the people who turned up to this seminar, there were not any manufacturers there. There were no hoteliers there. There were no hands-on people. One or two of the people who came represented the various organisations like the Manufacturing Association might have been represented. The Sugar Producers might have been represented but no people really who were the hands-on people who could benefit directly from the opportunities which were available.

I am saying there are opportunities available for joint ventures. There are opportunities available in the manufacturing sector and also in the agricultural sector, particularly the non-sugar agricultural sector. We just seem to have people who lack dynamism and who lack that spirit of enterprise which is so very important. If there is one message which we have to be able to get across to our people at this time when the economy is under stress is that we have to be enterprising. People have to take chances and take opportunities where opportunities exist. Opportunities exist for joint ventures whether it is under LOME IV. Indeed, we were able to extend the scope of LOME IV providing greater opportunities in wide ranging areas, particularly in the services sector. But we do not see the entrepreneurs coming forward to take advantage of this.

There was a very interesting example which I heard somebody giving where the whole question of the service sector could be exploited. Once we have people who are prepared to take advantage of these opportunities then we would be in a much better position. It is true that we need to have this new cadre of people.

Agriculture, as the Honourable Member for Christ Church West has said is vital to our economy. I think it is clear that the Democratic Labour Party recognises this. We have instituted a study which has made a number of recommendations some of which the Government will implement. As the Prime Minister said in a *sub voce*

remark we have to raise some money to implement some of the recommendations.

I think that a very serious stricture must be made against the Barbados Sugar Producers' Association. That organisation, in my view, has failed this country in a number of ways. I would hope that they will be able to become more inventive and more aggressive. When one looks at sugar, for example, I believe it has been a very long time since we have introduced a new variety into our whole sugar production. These are very important things.

Under the LOME Convention for a number of years - I believe the Honourable Member for St. George South would be aware of this - we were trying to get some additional money for sugar from about 1984/85. We got no increases. One of the ways we had to try to get around the Europeans was to try to get them to make a contribution for things like transportation, factory reorganization etc.

It has been drawn to my attention that one of the things quite recently which we have succeeded in doing is to get the EEC to agree to provide some money for the re-organisation of factories. I am told that the Barbados Sugar Producers' Association stand to benefit from about £1 million or ECUs. I am sure whether it is pounds or ECUs because that would, of course, be different in terms of what it would mean to us.

The point is it is quite a bit of money which is being made available there. It will not meet all that they would want. A study will be done by the EEC to try and ensure that the whole industry becomes modernised. We need to modernise that industry. The Barbados National Bank has been carrying a number of these estates for a number of years. It is my humble submission that something has to be done with that because the Bank has been saddled with the sugar industry for many years and something has to be done to get the National Bank out of that position and at the same time get some of these estates into more productive use.

I would hope then that we recognise in Barbados that this particular problem is one which concerns all of us. We must have a different approach. There must be a different and more aggressive attitude among people in the productive sector. It is something which must permeate all of us and which must also be part and parcel of our whole psyche ranging throughout the work force which I know that the Honourable Member for Christ Church East Central has been making this point over and over again.

I think it is clear if there is one union in Barbados which recognises the importance of productivity, the Barbados Workers' Union has been making this point over and over again. I think we have a commitment from the Union in that area. With an understanding, hopefully, from the private sector, with the very clear commitment from the

Government of Barbados that productivity is one area where we have to improve ourselves and which can mean a very important turning point for us if we can get our productivity up then we would be able to do a lot more in this country.

Japan has been able to do it. I was reading quite recently in a Barclay's Bank Newsletter that in the late 1970's the productivity in Britain was at its lowest ebb. Indeed, it was counted among the lowest countries in Europe for productivity. By the end of 1980 the productivity levels in Britain had moved even beyond Germany. I am saying it can be done but there has to be a particular attitude, which obviously as far as this Government is concerned, is that we recognise that we have to go down this road.
6.55 p.m.

The Opposition obviously is also in support of that and of course, the Union is in support of it, but we have to get the business community now attuned to that particular area. When we talk about productivity, we are not only talking about people who are the weekly paid or the people on the factory floor or on the production line. They also are very important in this. Most importantly we have to recognise that people at the management level and the supervisory level must be much more productive, must understand very clearly what we mean when we talk about productivity and they must be able to give the guidance in this area and also roll up their sleeves and show that they are committed to this particular point. So what we are saying, Sir, is that there has to be a commitment on the part of everybody in this country.

I agree with the Honourable Member for St. George that there is no better time than now for all of us, and for this country, to recognise that the future is in our hands and it remains for all of us to ensure that we take the opportunity to revamp this country, revamp the economy and also to inject a new kind of attitude amongst people at all levels in this society if we are going to turn this country around.

I believe it can be done. I have every confidence that Barbados will rise up on this occasion to play its part in ensuring that we are able to pull the economy out of the problems that we are faced with, recognising that a lot of problems also are problems which impact from external sources, but internally we can do a lot to pull ourselves up by our own bootstraps.

Sir, the Stabilization Act has to be seen as part of this overall package where everybody is expected to pull their weight and it is really just a signal of the intention of the Government to ensure that everybody plays his part and I therefore want to indicate my support for this piece of legislation. Thank you.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I think we can really conclude this debate shortly. We have had a long debate and I am indebted to Members on both sides for the contributions that they have made. It has been at a high level for most of the debate, even though some harsh things have been said, and critical things have been said, I think nevertheless that it is a contribution towards the national store of understanding of some of the issues that are facing this country.

I would just like to reply to a few of the points raised during the debates and perhaps clear up a few misunderstandings as well.

On this side we have been indicating that we are facing some problems in this country and I am saying, Sir, that all countries have had to face serious economic problems from time to time. There is no point blaming a particular Government for that situation at a particular time. It is a fact, and we cannot escape from it, that most of the countries of the world today – developing and developed – are undergoing serious economic difficulties. It is a fact which we cannot wish away, that there is an international recession on and that it is affecting Barbados as it is affecting other countries.

When we hear about layoffs in other countries sometimes we tend to close our eyes to this kind of information. In Britain you hear about layoffs, you hear about failures of businesses. You hear about that in the United States. Some enterprises lay off more people than the whole work force of Barbados.

Businesses have been failing, countries have been facing severe foreign exchange problems and this has happened to most countries, Sir. It is not generally known, but even the United States devalued its currency on two occasions in the 1970s. I believe 1971 and 1973 and yet we are going to be blamed as a Government.

Even in the area of foreign exchange earnings, because our foreign exchange earnings are down, Sir, it is the Government, the Minister of Finance, the Minister of State and the Ministry of Finance, all of us as a Government we are being blamed for that. Yet, Sir, we do not run any foreign exchange earning operations in the Government. I have not heard one person criticise the earners of foreign exchange which by definition is the private sector. The Government does not run the tourism industry. It is in the hands of the private sector, except for a few hotel beds that are owned by the Government or one of its agencies through the Hilton Hotel and Heywoods. Heywoods is doing very well but that is the one they want us to sell. They want us to privatise what is doing well.

Aside.

Rt. Hon. L. E. SANDIFORD: Golden Sands. That is good management.

Sir, when I say there is a lot of distortion in this country I am surprised that the Opposition would not recognise that manufacturing, agriculture, tourism – the main productive sectors, all are in the hands of the private sector. Now, I am not here blaming the private sector or blaming anybody else, or blaming the Opposition. I am simply asking for an understanding of the roots of the problem that this is a national effort that we are talking about now. There is no point trotting out the same old tired political clichés in seeking to deal with this particular problem.

Let us recognise, Sir, and the Barbados Labour Party should be aware of this. They went that way. They are getting on as though this is the first time that Barbados has been faced with a depletion of foreign reserves or that they have had to go to the International Monetary Fund. With all of their good management they ended up going to the International Monetary Fund in 1982 and taking a standby arrangement as well borrowings under the compensatory financing facility.

When you go the International Monetary Fund it is a lending agency. You go to borrow money, and you go to borrow money for balance of payments support. It is because your balance of payments and your reserves are in difficulties and you are borrowing from them. When you borrow from them they put conditionalities on to it and that is what happened in 1982. They went to the International Monetary Fund to borrow money and, Sir, it is only last year that we finished repaying the money to the International Monetary Fund. That is all it is, borrowing money and we have to pay money, we have to raise revenue in order to repay the International Fund and the point that we have been making out here is that 1985 is no watershed year. The problems that are occurring now did not happen in January of this year, nor April of this year. It has been an accumulation or building up overtime of problems because of our difficulties in earning an adequate supply of foreign exchange down through the eighties and before, Sir. We have never been earning enough from the foreign exchange and we have been borrowing to meet the deficit that we have been having. When we borrowed in 1982, 1983, 1984, 1985, 1986, 1987, 1988, and 1989, I am leaving out those years because we have not come to repay those yet. What we are called upon to repay is the borrowing made in the first half between 1982 and 1986. That is where most of the repayments are due. When we talk about run away expenditure, the expenditure is substantially due to the heavy amortisation payments that we have to make on those loans that we have raised abroad. Let us understand what this is all about.

7.05 p.m.

This is a national issue here and I am asking for a national response because all of us are in it. We should be seeking with a national response to deal with the problem. That is why apart from my general approach to the management of this country that I have indicated that I will be seeking consensus on this matter and the old clichés will not get us out of the situation. We need a response and I hope that we will not be found lacking. Even in this measure, we talk about the reports that have come in on the various productive sectors. I have never avoided the fact that our productive sectors need stimulation. In each Budget that I have given, there has been some measure of incentive given to some aspect of the productive sectors in order to get them produce more so that we can earn more from our foreign exchange. This has always been part of our approach to recognise that the productive sectors owned by the private sector play a key role. That is part of our strategy. But what we are getting is that we are setting up nine pins to knock them down. We are putting up arguments as though the arguments are coming from the Government. Then you try to oppose and knock down those arguments, but they are all arguments from the distorters. It is not the Government's position.

If I say that there is a problem in our external sector, the external sector involves our productive sectors that are producing for export. It is the earnings from export that contribute as part of our balance of payments. So what is the point of saying that we are giving the impression that this is a problem purely in the external sector and I believe that all we have to do is to borrow money or something like that? It is not addressing the problem and the time has come that we must all get together and realize that this is a problem that has been accumulating over the years. I would say the seventies, eighties, and the nineties. The time has now come where we must face this problem and do something constructive about it. I know that the Opposition will rise to this. I am making bold to say that. In the past, they have found every reason not to support the measures when I have tried to adjust them.

I said in 1988 that the fiscal deficit should be narrowed and I introduced a measure called the "surcharge" in order to reduce that fiscal deficit. It was a graduated system and to that extent it was progressive. The Opposition found reasons to oppose it even though the attempt then was also to lessen that deficit so that we could put our economy on a better footing. I said that it would run for a year and that I would have to come back to the House if I needed to run it for a longer period than that. They were hostile all over the place and they opposed it then.

We have come now with a stabilisation tax and they say that there is no equity in it. They said that they would oppose that too because it should be graduated. But when I came with the graduated impost in 1988, they found a reason to oppose that. I think that we have got to stop all of this side-dancing and I think that we have got to face

reality and ask ourselves the question: Do we need to bring about some adjustment in our situation at this time? What is the cause of it and what are the measures that we are going to take to deal with it?

I have identified some of the causes and what I will be doing is entering in a series of discussions with the different sectors and social partners in Barbados to explain fully the present position and also to get a consensus on how we should proceed on this matter. That will be starting from tomorrow. I will be discussing with the social partners, representatives of the unions, employers, and other bodies on how we should proceed on this matter. I will be doing a wide consultation on these matters. Sir, I will even consult with the Opposition on this matter and give them a briefing too, Sir, because they are part of it. I would expect that they would have a full understanding and I hope that at the end of it not to get any critical support. I expect full support, Sir. That is the hope that I am offering this country. You asked a rhetorical question: What hope are we offering the country? That is it, Sir, and this is the difference.

I made the point that in 1981 the people of this country were not told that there was any discussion with the International Monetary Fund or that we were entering into any standby arrangement. That was forced out of them. I heard not one word on that occasion from the Member for Christ Church West. I heard not one word from the Member for St. George South.

Aside.

Rt. Hon. L. E. SANDIFORD: What word could I say at that time? But perhaps you did not even know what was happening on that occasion. I did not hear one word from the Honourable Member for St. Peter on this. I will not involve the Member for St. Andrew. He was not in here at that time. But I did not hear one word from him outside either.

Sir, I believe in our approach to Government that I announced that I was having discussions with a number of multilateral lending agencies. I said that we were talking with the Caribbean Development Bank, World Bank, International Monetary Fund, and with other bodies about the situation. I said it openly. One would believe that I was under a bushel or somewhere else doing something in secret as the Barbados Labour Party did at the start of the 1980's. I did it openly and in a democratic manner. Did you say that you did not even know then either? Sir, even before I had finished my discussions – you are talking about negotiations – in a most unseemly manner you had all kinds of speculations taking place and all kinds of arguments taking place. People will not even give the Government a chance to get on with the work as though they can carry out these discussions through the newspapers. But I suppose that is the nature of the political

scene that we are in and that is it. I am saying now, Sir, that I have concluded the first round of discussions with the International Monetary Fund and I will enter into some discussions now with the sectors of the different bodies and so on within Barbados. Thereafter as we proceed, and if we come to an agreement, I am giving this House the assurance that I will bring that agreement into this House of Assembly. That is what democracy is all about. You never did it in the 1980's, but I am not holding that against you.
7.15 p.m.

Hon. H. deB. FORDE: On a point of order, Sir. The Prime Minister must really not give the House the impression that the Barbados Labour Party had a structural arrangement programme of the sort the Honourable Member contemplates, because if the Honourable Member is going to cut salaries he will have to bring it into the House. If he wants the private sector to do it, he will have to legislate it. There is no choice.

Rt. Hon. L. E. SANDIFORD: The Honourable Member knows that argument is not worthy of him and it is not worthy of this Chamber either. The fact is they entered into a standby arrangement. We are discussing, then the compensatory financing facility and there is a change about it. Structural adjustment is something that has been set up by Opposition forces, but it depends on how you define "structural adjustment". If our productive sectors need to be stimulated – because that is part of our problem – manufacturing, tourism, agriculture and so on – we will have to deal with those. If you want to call that structural adjustment you can. That is the programme.

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

Ayes: Rt. Hon. L. E. SANDIFORD, Honourables B. M. TAITT, M. A. KING, E. E. GREAVES, W. O. FRANKLIN, H. A. BLACKMAN, N. K. SIMMONS, W. W. HALL, C. V. WALKER and D. J. H. THOMPSON; Messrs. L. L. BRATHWAITE, C. LeR. TROTMAN, R. L. MORRIS, J. O. TUDOR and His Honour T. C. ESTWICK – 15.

Noes: Hon. H. deB. FORDE, Messrs. O. S. ARTHUR, L. R. TULL, G. W. PAYNE and DeL. O. BRADSHAW – 5.

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

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 14, inclusive, were called and passed.
7.25 p.m.

Clauses 15 to 17 were called and passed.

The Schedule was called.

Rt. Hon. L. E. SANDIFORD: Mr. Chairman, I beg to move that this be the Schedule to the Bill.

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

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

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

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

QUESTION TIME

Hon. B. M. Taitt: Mr. Speaker, that brings us to question time now.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, the reply to Parliamentary question No. 1 asked by the Honourable Member for Christ Church West is as follows:

"The post of Assistant to the General Manager and Secretary to the Board was created in December, 1981 after consultations between the then Minister responsible for Broadcasting and the Caribbean Broadcasting Corporation. The post was filled around that time without any advertisement, and it was similarly filled after it became vacant on November 30th, 1989. The present incumbent is Mr. Leroy McClean, who, though he does not hold a degree or a diploma in Administration, as indicated for the post, nevertheless holds a B.Sc (Natural Sciences) degree and is also other well qualified for the job through the administrative and supervisory experience he has had during his varied career.

The post is one to which a salary has been assigned by the Minister under paragraph (c) of Section 20 of the Caribbean Broadcasting Corporation Act, Cap. 276. It carries a salary of \$4,338.00 per month for which ministerial approval was given. The post is permanent but the present appointment is for a one-year contract with effect from 1st February 1991.

Other terms and conditions:

include a monthly Travel Allowance of \$645.00
a monthly Entertainment Allowance of \$350.00

a monthly Telephone Allowance of \$25.00 and vacation leave eligibility of 28 days per annum.

The duties relating to the appointment as Assistant to the General Manager include assisting the General Manager in the preparation of reports, position papers and correspondence, advising the General Manager on matters related to the functions of the corporation and its various departments; advising on approaching deadlines to be met by the General Manager, as well as those for other divisional heads and of those directives which have not been followed up by managers.

The duties relating to the appointment as Secretary of the Board include advising the Board on matters related to its function within the authority as outlined under the CBC Act, the Broadcasting Act, the Corporation's Licence of operations and other Government policy issued to the Corporation from time to time; ensuring that the Minutes of all meetings of the Board of Directors are accurately recorded and maintained within accepted procedures and circulated within 14 days after the meeting to the Ministry responsible for Broadcasting; preparing and submitting for the Board's approval all the Minutes of all Committees; ensuring that the Minutes of all Committees are submitted to the Board for information and decision-making when applicable; being Secretary of all Board Committees; in collaboration with the Chairman, General Manager and Financial Controller, ensuring that the Corporation's Annual Reports are prepared, and submitted for approval in Parliament within statutory regulations."

Hon. H. deB. FORDE: Mr. Speaker, Sir, will the Minister please state whether it is proposed at the expiration of the one-year contract to advertise this post?

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, the answer to that is that matters relating to the permanent filling of the post have not been decided upon at this time.

Hon. H. deB. FORDE: Will the Minister give the House the assurance that having regard to the need to introduce fairness in employment policies the post will be so advertised?

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, we will take into account the history of the post and we will take appropriate decisions that are in the best interest of the post.

Mr. L. R. TULL: Mr. Speaker, Sir, will the Rt. Honourable Prime Minister intimate whether this is a precedent for rewards for DLP people who lose in St. George South?

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, the appointment to the post is in recognition of the need to fill that post and to fill it by someone who could carry out the functions of the office.

Mr. SPEAKER: End of question time.

ADJOURNMENT

Hon. B. M. TAITT: I think that it is well that we join the festivities of Crop-over in the spirit of a good day's work. We have come to the end of Government's business. I beg to move that this House be now adjourned until Tuesday, August 13 at twelve o'clock noon.

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

The question was put and resolved in the affirmative without division, and Mr. Speaker adjourned the House accordingly.

7.35 p.m.

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