
THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday July 7, 1992

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, B.Sc., LL.B., (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)

Mr. 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. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of Public Works, Communications and Transportation and Leader of the House)

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 Trade, Industry and Commerce)

Mr. H. A. BLACKMAN, B.Sc. (Econ.)

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

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

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

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

Hon. E. E. GREAVES, G.C.M., 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 State, Ministry of Finance and Economic Affairs)

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

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

Miss B. A. MILLER

Mr. DeL. O. BRADSHAW

Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.)

Mr. J. O. TUDOR

Hon. D. W. BOWEN (Minister of Community Development and Culture)

Mr. G. W. PAYNE

Mr. R. C. EASTMOND, B.A., LL.B.

Prayers were fed by Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: Minutes of Tuesday June 23, 1992.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of the proceedings of this Honourable House of a meeting held on June 23, 1992 be taken as read and confirmed. I understand they have been circulated.

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

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

ANNOUNCEMENTS

Mr. SPEAKER: I just want to make an observation as to matters pertaining to the proceedings of this House. I think it is fair to say that the business of all Select Committees are part and parcel of the proceedings

of this House. I want to share the sentiments with the Leader of the Opposition, who is Chairman of the Public Accounts Committee, who specifically indicated, and rightly so, that proceedings of the Committee ought not to be made public until the Report of that Committee has been presented to the House by the Speaker. If we are to follow the conventions and the precedents that are set in this House, I need not remind anyone that to do so would be a breach of the privileges of this House. I **am only** suggesting to Honourable Members who may be inclined to believe that the proceedings in the Committee are not a part of the proceedings of this House, and they feel free to so divulge information from that Committee, that it is in breach of the privilege of this House. I therefore want to concur again with the Leader of the Opposition as to the importance of such Committees. Thank you.

Mr. H. deB. FORDE: Mr. speaker, Sir, I wish to speak on a point of privilege. Having heard Your Honour's comment, let me state quite clearly that the Committee of Public Accounts has been meeting regularly and the proceedings of that Committee will disclose the very clear statement made in the Committee by me, as Chairman of the Committee, to all Members and to other persons attending the Committee's hearings, either in their capacities as **witnesses** or otherwise, that all proceedings of the Committee, until the Committee's Report is before this House, are privileged and must be treated as such and they should not be revealed to the public. That has been absolutely clear, as Your Honour will in due course see, in the detailed Minutes' of the Committee. I have the assurance, from members of the Committee, that those Rules are being respected.

Mr. J. O. TUDOR: I wish to indicate, as a member of that Committee, that I am somewhat disturbed to read in the news media, some of the details that have been alleged to be coming out of that Committee meeting. I think it is very improper for members of that Committee, at this time, to be accused of creating mischief and I think it is very unfortunate that these things happen. I would hope that the Committee should be able to continue its work. I think we made it very clear to the Leader of the Opposition that this side would want to cooperate in the interest of the public and I give the assurance, as I am sure other members of the Committee on this side would do, that we intend to cooperate fully with the other members from the other side with regard to the business of the Public Accounts Committee.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I would like to lend my support. I am a member of the Public Accounts Committee and while I agree that members of that Committee should not disclose certain matters, it is only fair to record that there are people who appear before that Committee who are not members of this Honourable

Chamber and we have no guarantee that those persons are going to act according to what is expected of Members of Parliament. I just say that because I have heard the Honourable Member say that and I want to say it is possible that these things could get out.

Mr. SPEAKER: It is not really a debate. I would accept the Leader of the Opposition's statement that he has done what he knows to be correct and therefore he has spoken and I do not think there is need for any other.

PAPERS

Hon. P. M. GREAVES: Mr. Speaker, I am commanded on behalf of the Prime Minister to lay the following documents:

The Report of the West Indian Commission

A synopsis of the Report of the West Indian Commission

Overview of the Report of the West' Indian Commission

Annual Report and Statement of Accounts of the Barbados National Bank for the year 1990, and.

The Rate of Interest (Revocation) Order, 1992.

And, on my own behalf, **Sir, I am** commanded to lay the Annual Report and Audited Financial Statements of the Barbados Agricultural Development Corporation for the year 1988-89.

Hon. B. M. TAITT: Mr. Speaker, I am commanded to lay the Health Services (Hospital Fees) (Amendment) Regulations, 1992.

FIRST READING OF BILLS

Hon. P. M. GREAVES: Mr. Speaker, I move that the Bill to amend the Student Revolving Loan Fund Act, be read a first time.

The question that the Bill be read a first time was put to the House and resolved in the affirmative without division.
12.25 p.m.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I am moving that. the following Standing Orders be suspended

for the remainder of today's sitting: Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44.

Hon. M. A. KING: I second that, Sir

Mr. SPEAKER: The question is...

Mr. H. deB. FORDE: Mr. Speaker, I note from today's Order Paper that various Orders which were down in Private Members' names have been removed from the Order Paper leaving only one matter, notice of which was given in February 1992. If it is intended to enforce the Rules of this House to the extent in which matters are going to be removed automatically under the Standing Orders, as has happened, then the Opposition must insist that time be allowed on every day in this House, once the House is meeting, in the usual time for the debate of Private Members' Business. There have been several motions that we have been waiting to deal with, but to accommodate the Government from time to time on some measures which are brought to this House and of which we are given notice of even during the sitting of the House and, in the national interest, we have cooperated. But if the Opposition's business is now going to be treated in the manner in which all Opposition motions that have not been debated either within 6 months or 3 months are being removed in the manner in which they have been, then in those circumstances I would ask for the assurance of the House that, despite the setting aside of those Standing Orders, the Order which stands in the name of the Honourable Member for Christ Church South would be dealt with during the normal time set aside under the Rules for Private Members' Business. I believe that must happen, Sir, so that we can get Private Members' Business done in this House. It is not that we have not got measures that we wanted to discuss. But it is given the unusual circumstances we have cooperated in the national interest right up to the hilt, some people might understand it, in order to get Government Business and the Public Business done. I notice, Sir, there is only one measure remaining and, in accordance with the rights of the minority party, I must insist that that measure be dealt with in the normal time set aside for Private Members' Business.

Hon. P. M. GREAVES: Mr. Speaker, I am surprised, as indeed probably the Honourable Leader of the Opposition was, to see the Order Paper. As a matter of fact, I am only aware of it since it was mentioned by the Leader of the Opposition. I was not aware at all, Sir, that the other matters had been cleared off the Order Paper. The Resolutions have been cleared except only for one from the Order Paper and I think it is unfortunate. I have to share, Sir, the view of the Leader of the Opposition here because there are times when the Opposition has allowed Government to complete its business. I am surprised that those matters have been removed from the Order Paper. If there is any way, Sir, in which they can be restored to the

Order Paper without having to go through the process of giving notice again, I would like to see them restored to the Order Paper if that is at all possible. I can only imagine that it was an oversight. If it was an oversight, I would like to see those matters return to the Order Paper. We can pass a resolution now if it is necessary.

Mr. SPEAKER: I think if we are going to be consistent with the Rules of the House, then we need to be. It has been drawn to my attention that those Resolutions had overstayed their normal time. Now the question that would arise here is this. The Chair would be in complicity with Standing Orders that have been suspended and both sides had ample opportunity during the motion for the suspension of those Standing Orders, knowing full well that the Rule itself at some point in time would have its effect of removing those Resolutions. But clearly it is not an oversight. It is just going by the Rules of the House. I would implore both sides of the House in the future to make sure that compliance with these Rules or suspension of the Rules does not in any way interfere with the normal procedure of business in the House. If I am challenged on any occasion with the suspension of the Standing Orders bearing the precedent that has been created, then I may have to see the suspension in the light of interfering with the rights of other members not being able to pursue their business. But I believe there must be another procedure by which those Resolutions can be brought back to the House and I would seek to find out if that is possible. But surely it is the responsibility of both sides of the House to make sure that the Standing Orders when suspended do not in any way prevent any member from his freedom of dealing with any resolution before the House.

Hon. P. M. GREAVES: I do not know what the situation is, Sir, but I would like to make a motion that they be restored to the Order Paper. I would like to make such a motion.

Aside.

Mr. SPEAKER: I just wanted to clarify my own position in terms of my accuracy of it. It has been confirmed that they can be reintroduced to the Order Paper by a motion again. So they can reintroduce those Resolutions which have been removed in the normal way. It is clearly acceptable.

Aside.

Mr. SPEAKER: Once they have been reintroduced, so be it. I think that in response of the Honourable Leader of the Opposition regarding the question of time appointed during suspension for Private Members' Business, it has always been the position between both sides of the House to sort that out. I do not think that one needs to

amend any Rules to get that done. But that can be done within the suspension of the Standing Orders.

Hon. P. M. GREAVES: Yes, Sir. But the point is there will be many times when we will have to ask the other side to allow the Government to carry on with its business. Sir, for that reason I do not want to see their own business suffer as a result and herein lies the problem. It may be that some point in time when those matters are coming up for removal that one can merely ask what the situation is and ask that they ~~be~~ kept on the Order Paper or some motion be made...

Mr. SPEAKER: Extension of time. You can probably have a longer time period. That is the easiest way to do it. But I think we can stand by the fact that they can be reintroduced. If they are, they will be placed back on the Order Paper.
12.35 p.m.

Hon. H. B. St. JOHN: Sir, I just want to add, since there is one motion left on the Order Paper under Private Members' Business in my name, today for the purposes of making this matter abundantly clear I am seeking help as to the relevant Standing Order which empowers the clearance of the Order Paper, because I would like to move that that Standing Order be suspended for today's sitting.

The fundamental point, as I understand it, is that when you suspend the Standing Orders, it suspends the time which is allocated under the Rules to Private Members' Business in order to prevent the removal of matters in the name of Private Members, which are not dealt with because those Standing Orders are suspended. I would like to move that that Order that liquidates Private Members' Business be suspended today so that one would be able not to count today as part of any period for the purpose of that Order, because if the Order is suspended it cannot operate.

I would like to be guided on the procedure, Sir.

Mr. SPEAKER: The position with suspension of Standing Orders does not necessarily mean suspension of business, it is a question of accommodation from either side of the House. Therefore if Government Business seems to be business to be dealt with, there is no reason why accommodation could not have been made at a particular time after Government Business or during Government Business, according to how the Leader of Government Business proposes to do it, for that could be accommodated. I do not think there is a need to suspend that Order in view of the fact that the understanding is there.

Hon. H. B. St. JOHN: Very well, Sir. I will move alternatively then that, notwithstanding the suspension of

Standing Orders today, that Order which expires today, as I understand it, remains on the Order Paper. It has been suggested that that is a proper motion to put before the House.

Mr. SPEAKER: There seems to be no objection on the matter, so leave is granted.

Hon. P. M. GREAVES: I had moved, Sir, the suspension of certain Standing Orders. That question has not been put.

Mr. SPEAKER: With that kind of suggestion...

Hon. P. M. GREAVES: Yes, Sir.

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

ORDER NO. 2 - RESOLUTION TO APPROVE THE
BORROWING BY GOVERNMENT **FROM** THE
INTERNATIONAL BANK FOR **RECON-**
STRUCTION AND DEVELOPMENT
OF U.S.\$ 21 200 000

Hon. P. M. GREAVES: Mr. Speaker, one of Barbados' strengths is at the same time, **and** for that very reason, one of its weaknesses. It is paradoxical. Barbados has a very large network of roads beyond the compare of even some of the developed countries, but the cost of maintaining that very large and wide network of roads has become very burdensome.

I have a view that there are too many roads in Barbados, because the roads that we have are roads which have developed out of the plantation cart road system. It is my view that some of these roads can be allowed to fall into disuse. I am glad to see the **Member** for Christ Church South is not in agreement with that view, but that view is shared by several of the technical officers in the Ministry.

In 1984 the then Government entered into an agreement with the World Bank for the execution of the very first road maintenance and rehabilitation project. The amount **borrowed** at that time from the World Bank was U.S. \$11 million and the total project was U.S. \$19.08 million. It was a loan over a period of 15 years, 3 of which was a grace period. The objective of that loan was to assist the Government's efforts in improving the road network through much needed maintenance, rehabilitation and highway safety works and in strengthening the capacity of the Ministry to manage road maintenance and rehabilitation projects efficiently.

That first project consisted of these components. One was for maintenance and rehabilitation of 64.5 kilometers of roads and the provision of equipment for high priority road improvement and maintenance within the framework of the Five Year Highway Investment Plan. Another component was highway safety, civil works and equipment to improve the hazardous locations and increase the safety and capacity of the network, and finally, for institutional strengthening, that is the technical assistance, training and equipment to improve the operations of the Ministry in planning, accounting and cost control, traffic analysis and control, road maintenance and equipment management and materials and soil testing.

That project, with some extensions, came to an end in 1991. Now we have formulated a second project, which is the second road maintenance and rehabilitation project, and on June 23, the date on which the House last met, that project received the approval of the Directors of the International Bank for Reconstruction and Development, in other words the World Bank. It has already been approved by the World Bank.

The World Bank approved then, Sir, a loan to the Government of Barbados for \$21.2 million in a project that will cost \$33.1 million to assist in financing the second road maintenance and rehabilitation project. The project was instituted over a 5-year period from the fiscal year 1992-1993 to the fiscal year 1996-1997. The object of this second project is to preserve the capital base of the road infrastructure, to improve road maintenance, planning and practices, to reduce investment costs relating to road networks, to improve road safety and to transfer the provision of passenger transport services to and for the private sector.
12.45 p.m.

The project may be said to be in 2 parts, one part consists of the investment programme and the other part will consist of institutional strengthening programme. There will be rehabilitation and road improvement on 2 sections of Highway 6 extending from Collymore Rock to Villa Road and from Searles to Six Roads. The estimated cost of those 2 roads will be US \$2.4 million.

There is also a road safety programme attached to this project and it is intended to improve a 5-roads intersections or junctions. The junction at Rendezvous and Highway 7 is to be improved. The point where Codrington meets Cave Hill is another junction for improvement, the intersection with the Pine East West road and the Pine North South Road that is very near to what used to be St. Caroline's College is for road improvement. The Thornbury Hill/Highway 7 junction and the junction towards Rendezvous and Golf Club Road are areas for improvement.

There is **also** road surfacing under this project. Approximately 116 kilometres of selected road are to be resurfaced. These roads will be divided into 4 packages to facilitate the institution over the 5-year planning period. If Members so **want**, Sir, I will give those roads that are for resurfacing. I understand that they do desire. I will have to read them very quickly as they are quite a number.

There is the back village road from St. Lawrence Gap – **Bresmay** Highway area to the junction of Highway 7. I believe that is by the playing field in St. Lawrence Gap. The Spring **Garden/Batts** Rock area right up to the Church **Street** junction and Speightstown's Main **Street**; Highway T which is Highway 7 Oistins to the ABC Highway at Newton. Highway U, the Highway 7 junction to Fairy Valley junction. Highway 4, the **Stewart** Hill junction in St. John via Massiah **Street** and Woodland **Turnpike** to **Carmichael** Road; Highway X, Cottage Plantation to Highway 3B, that is, the Groves Hill junction, and Graeme Hall, Maxwell Hill to Highway T Oistins Hill junction.

Mr. Speaker, those roads are programmed and scheduled for resurfacing in the first year of the project. In the second year of the project Highway 4B from **Halton** to **Thicketts**; also Highway 4B from the highway over the turnpike junction to the St. Philip border, **Halton**; Highway Q to Highway P and Q junction, wherever that may be; Hothersal Turning at the Kelsis Supermarket to Highway E **Canewood** Road junction; Highway W from Highway 4 to Walkers near St. **George's** Church; Charles Rowe Bridge to Highway 3, Locust Hall junction; **Rices** to Highway 5; Rose Hill junction, Mile-and-a-Quarter to Charles **Duncan O'Neal** Highway and Mount **Brevitor** – I think this might be a mistake here as I see here at the junction of Highways 1 and 2A. I do not know of any such junction at Highways 1 and 2A to Orange Hill.

In the 3rd year of the programme, Highway H from St. John Mixed School to St. Philip border, Moncrieffe; the junction with St. Philip Parish Church, the Six Roads junction, **Chapman** Village to **Bruce** Vale in St. Andrew; from Moncrieffe to Highway 4B junction. Highway 5, Lower Birneys in St. George to Highway 4, Constant; Highway 3B, Four Cross Roads to St. **George** border, Woodland; Highway 3B, Four Cross Roads in St. John to Mount Tabor; Highway R, St. Davids junction to Highway 6, Bannatyne; Highway 1, Litchfield to Colleton, which is where I believe the Polyclinic is; from Oughterland Development to the Beulah/Highway 5 junction; Highway 4 to St. Philip border near Kendal; Porey Spring to Hillaby Mini-mart; Upper Parks to Bissex House, St. Joseph; Hill View junction in St. Philip at Kendal to Highway 4B, Church Village; Melvin Hill in St. Joseph to St. Sylvan's Village; and St. Sylvan's to Bruce Vale in St. Andrew.

In the 4th year of the project, Sir, it is Wildey Y at Highway 6 junction to Lowlands and the ABC Highway;

Sugar Hill to Lammings, St. Joseph; **Bruce** Vale to Greenland Bridge, St. Andrew; Highway **1B**, Retreat to Mile-and-a-Quarter, St. Peter; St. Nicholas Abbey to Diamond Corner in St. Andrew, although it is written here St. Peter. There is one in St. **Andrew** and one in St. Peter; Highway 4B, Brighton Corner to Highway 4, Mount Corner in St. George; St. John Mixed School to Bath Hill; Highway 3, St. Elizabeth to Highway 3, Bathsheba, St. Joseph; Highway 1, **Holetown** to **Seaview**, St. Thomas border; Ridgeway, **Seaview** to St. Thomas Church where that road leads to Highway 2A; Highway 2A to Indian Ground, Prospect. I am not sure of the route that is going to take. Highway 2A, Lancaster to Endeavour; Groves Plantation to St. John border. That was in the 4th year, Sir of the project.

Let me make it clear that **these** are roads done under this particular project. This does not mean that there will not be other roads that will be done but do not form part of the World Bank Project. The Ministry will also be carrying out road works outside of this World Bank Project.

12.55 p.m.

The rehabilitation of bridges and replacement of culverts: There are 4 culverts to be replaced under the programme. There are located one opposite Buccaneer Bay Hotel, one opposite Treasure Beach Hotel on Highway 1, one at Hothersal Turning and one at **Farm** Road in St. Peter off the Bypass Road. The cost is U.S. \$418 000.

I should have given the cost for resurfacing. The cost is U.S. \$15.2 million. The Road Safety Programme is estimated to cost U.S. \$2.076 million.

There is also, Sir, a two-year pilot project for the annual routine maintenance of approximately 65 kilometres of road to be contracted out to the private sector. This is expected to commence later in this year. These roads are from a part of Mapp Hill to Lower Birneys, Lower Birneys to the Boarded Hall junction, from Boarded Hall junction to Brighton junction, from Brighton junction to Campaign Castle, Campaign Castle to Edgumbe junction, Edgumbe junction to **Robinson/Long** Bay Junction, Six X Roads junction to Highway **N/Kirtons**, Graeme Hall junction to Rock Hall, Rock Hall to Sam Lord's Castle, Highway 5 to the St. Patrick's junction, Highway 6 to Skeetes Hill-Yorkshire. Those were the primary roads.

There are as well some local roads to be repaired or maintained. These roads are Four Roads to Rock Hall, Highway 6 to St. Patrick's, Stroude Land, the end of the road, Highway N junction to Crane junction, Highway 5 to cul-de-sac, Four Roads to Highway 6 at Woodbourne. I see a number of other roads designated here as PS 6 and PS1 to the end of road, whatever that may mean, Highway 5 to

Highway 4, Highway junction to cul-de-sac, Highway N to Foul Bay, Highway **N/Kirtons** to Heddings junction, Highway 6, Highway 5E to the cul-de-sac. These local roads are also in the parish of St. **Philip**. This is estimated to cost U.S. \$643 000.

Equipment purchase and rehabilitation programme require new road maintenance, equipment and workshop tools estimated to cost U.S. \$1.651 million.

The second component of this project, that is the equipment purchase and the rehabilitation programme is equipment repair and rehabilitation programme executed during this very period, that is the first year between the financial year 1992/93 to 1995/96.

The spare parts for rehabilitation and maintenance costing U.S. \$681 000 and the rehabilitation by contract estimated to cost U.S. \$128 000. These are all part of this particular programme.

The third part of the programme is the acquisition and utilisation of fare boxes for the Transport Board's fleet for conversion to one person operations. That is estimated to cost U.S. \$150 000. I mentioned earlier that the project will be in 2 parts and I was giving you just now the first part.

The second part will be the institutional strengthening programme of the Ministry which is expected to cost approximately U.S. \$1.950 million. The technical assistance programme is designed to improve the Ministry of Public Works, Communications and Transportation workshop, equipment management operations, implement a better road maintenance management system and to reduce operational costs of the Transport Board. Included in this programme are some studies to be carried out. The studies will be for rationalisation of the road network to determine whether all secondary, feeder and residential roads need to be maintained at the same standard. There will also be a computerisation study. There will also be a study relating to the rationalisation of the public transport. This study involves examination of rationalisation measures and privatisation alternatives for passenger transport services provided by the Transport Board.

Sir, a World Bank funded expert, I think I mentioned it in this House before, a consultant from Hong Kong, came to this country. He has already submitted a draft report for improving the operations and cost efficiency of the Transport Board. The major recommendation is the movement to one person operations. This has already commenced.

Provision is included under the programme for the training and retraining of MTW personnel. The training programme is as follows: on-site training of MTC

staff in selected technical areas, off-site training of **MTW** selected areas and retraining activities for staff severed at MTW and the Transport Board.

As I said earlier, Sir, the cost of these works to be financed by the World Bank is U.S. \$21.2 million leaving about roughly \$11.9 million to be financed by the Government of Barbados. This loan will have certain terms and conditions as all loans do have, and **as** indeed the other loan also did have. This will have a grace period of 5½ years. It is a 15-year project, 5½ years of which will be a grace period during which period it must be understood that repayments will not commence. Repayments will commence in the 6th year of the project. It is amortised at the rate of US \$1 060 000 payable twice each year. That will commence on November 15, 1997 and should end on May 15, 2007. The interest is the cost of the Bank's qualified borrowing and an addition ½ of 1% on the principal amount outstanding. There will also be a commitment charge of ¾ of 1% per annum on the principal amount of the loan not withdrawn from time to time.

The conditionality attached, Government must furnish by December 31 in each year starting from this year, 1992, an update of the Highway Investment Programme. Government will provide counterpart funds for the execution of the project and it is set out how these counterpart funds and in what tranches those should be provided. There will be quarterly reports and the progress of the project must be submitted by the Government commencing September 30. The Government must meet with the Bank during the first quarter of 1994 to review and evaluate the progress of the project, the achievement of the objectives, and the progress in the execution of the action plan for the Transport Board.

By the end of December of this year, Sir, and each year after that, the Government has to provide the Bank with an update of the road maintenance plan, and must provide in each financial year the equivalent of at least U.S. \$3 million for road maintenance materials. **An** organizational structure – this is also one of the conditions – must be maintained in the Ministry to ensure the expeditious and the efficient execution of the project. The Government must follow international competing bidding procedures. The Transport Levy Act should be amended by the 31st March, 1994 to either permit that Transport Levy funds be utilized for general expenditures or directly abolish the Transport Levy. The Quarries Act must **be** amended by the 30th June 1993 to include adequate safeguards for environmental **hazzards**. As Honourable Members well know, Sir, nowadays all the environmental considerations play an important part in each project for approval by any of these international institutions.

1.05 p.m.

Aside

Hon. P. M. GREAVES: Some voice is saying since some ode. But that has been the case for quite some time, Sir, over the past couple of years.

I will merely add that if the terms and conditionalities of the loan are not met it may well result in the suspension or cancellation of the disbursements. ■

I have not mentioned the rehabilitation of Highway 2A in this. I did not because I believe I have spoken in this House some time previously about the rehabilitation of that section of Highway 2A, that is section 2 of the Highway that has not yet been rehabilitated. That is being financed by the Caribbean Development Bank out of funds provided by the World Bank for that very purpose. That project as well as the the project from Highway 2A to Queen's College, that road leading from Highway 2A down to Queen's College, the new Queen's College, the road leading from Highway 2A ...

Aside.

Hon. P. M. GREAVES: Not Warrens. From Highway 2A near Warrens, through Clermont right down to Queen's College, as well **as** the **Canewood** Road. Those roads are also financed by the Caribbean Development Bank out of funds provided by the World Bank.

I believe, Sir, that I have been fairly exhaustive in explaining this project here to **Honourable Members**. I do not know what more can be added at this point to what I have said before. I will merely repeat that there are other roads that will be maintained during this period outside of this project, directly by the Ministry itself. Let me also say that most of these road works to be carried out will be done by private contract but some of it **has** been reserved by the World Bank for what they call forced accounts, that is directly by the Ministry itself.

What I am asking this House here to approve is the loan already approved by the Directors of the World Bank in the sum of \$21.2 million. I beg to move, Sir, that this resolution do now pass.

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

Mr. DeL. O. BRADSHAW: Mr. Speaker, I have sat here and listened to the Minister calling a lot of road names and what is supposed to be done during the course of the next 5 years, the period during which this road or this programme is supposed to be completed. But, Mr. Speaker, there are some more fundamental problems and areas which have got to be looked at and one would have hoped that the Minister, during his presentation, would have addressed them. It sounds, when one listens

from over this side that Barbados was in for something new and something great.

I want to let the Minister know that there is nothing new about this programme. It is true that in 1984...

Hon. P. M. GREAVES: Mr. Speaker, Sir, on a point of elucidation. I must elucidate my speech, Sir. I never indicated in my statement that it was something new and something grand. In fact I was at pains, at the very beginning, to state that this is the second such programme that the first one began in 1984. I set out the objectives of the 1984 programme which began under the then Barbados Labour Party. I am not intending to take anything away from the other side. I stated that up front, Sir. I do not see how what I said can be construed as something new and something grand.

Mr. DeL. O. BRADSHAW: Mr. Speaker, before I took my seat to give way to the Honourable Member, I said in 1984. I thought he would have read that I was going back to the first loan.

Aside.

Mr. DeL. O. BRADSHAW: If you were listening, you would realize I was going back to that. That is how the Minister and the Ministry operate. It is confused at the moment, as far as transportation is concerned. We can see this reflected in whatever the Ministry does in relation to road maintenance, road rehabilitation as well as transport generally in Barbados. That is exactly what we have got. That is why we are in here today seeking the approval of Parliament for US\$21 million to continue a programme which includes not only road rehabilitation but also a component, a very vital component to get rid of the Transport Board. That is very important. Because no Government could seriously think that it could function without having proper communication and especially a proper transport network. The Government has fallen down on this.

No economic revival will take place until we address the very serious problem of transportation. I want the Government to understand that. They have allowed transportation to take a back seat and the country will suffer as a result. Everything will be in disarray, Mr. Speaker. The reason for having proper roads is to facilitate industrial development and when a Government has neglected its roads and its communication you can only expect the sort of chaos and despair that prevails in this country, especially among those people who want to be investors.

We have heard from time to time, from the Government a former Minister of Transport and Works that

the time would come when roads would no longer be debated. Everything would have been done. We would have nylon roads in Barbados. It would have been a thing of the past in the nineties.

1.15 p.m.

But when you drive along the roads in Barbados you have holes and more holes. The roads are in 'complete disrepair. What is worse, as one comedian said, there are a lot of statutes out there. No work is being done. The Ministry is not doing the job that the country expects it to do. There is no proper supervision and that is why you have got so many serious problems, as far as the business of roads is concerned. I am making that charge. There is no proper system, no proper harnessing of the resources of manpower and supervision at MTW which would enable it to supervise the roads properly on a regular and ongoing basis. Ever so often we wait until roads drop into disrepair. Months pass only to hear the Ministry running up and down the road with a few grits to patch roads. This is wrong, Mr. Speaker.

I welcome this loan because it will address that particular problem. I hope, sincerely, that the Ministry does not only pay lip service, but make it a reality. You have seen where a lot of blame has been placed on the lack of proper supervision and we have to look at this, Mr. Speaker. Motorists are complaining, it is causing a lot of wear and tear. I feel they have a good cause to complain, but the blame will have to be laid fairly and squarely on the Ministry of Transport and Works.

Mr. Speaker, we have to understand that St. Andrew in the North of Barbados is still part of Barbados. I would have expected the former Minister to address the serious problem in St. Andrew. It is part of Barbados. Don't tell me about resurfacing roads. I want to know that roads and the culverts and the bridges in St. Andrew are restored. I want to know that because there are many people in Barbados who pay taxes and the people in St. Andrew cannot gain access to their houses, not even if it is dry, far less when it rains. One would hope that emphasis would have been placed on how you can alleviate the problems in that particular area of Barbados. We are concerned.

The Minister must know too that he has a big problem on his hands. Don't come in here and say you are talking about privatisation and read from the addendum as I understand it, but I cannot understand why the Minister did not mention that in this loan there is provision for 150 fare boxes. If you are going to provide 150 fare boxes and you are getting rid of the Transport Board, I want to know why you are wasting your time. As I said, it is utter confusion. You are here asking Mr. Speaker, in this loan for 150 fare boxes, but the Minister has already told this country that by March 31 there would be no more

Transport Board. What are the fare boxes for? Are you wasting the people's money? **Are** you going to put in fare boxes and then sell them? I **am** going to tell the Minister now, don't put them in because the taxpayers will have to pay for them and they don't know if **the** private concessionaires who buy them want to have them in any case. They don't have them now and I don't think they want them, so it is a waste of time. Don't confuse people with this. This is utter confusion.

There is also a component in there, Mr. Speaker, for training of severed workers from the Transport Board as well as the Ministry of Transport and Works. Mr. Speaker, let us face up to it. What **are** we going to train them to do? I have not heard the Minister say what he is training them to do. Is he going **to** train them to use a hoe or a fork again? I have heard the Government skirting around with retraining and retooling people. **All** I am saying to this Government is to stop fooling the people of Barbados. The time has come when they have got to stop fooling people. That is what this Parliament is suffering **from** and what politicians are suffering from today because all of us are being attacked out there, those of us from the Opposition – because of the sloppy policies of the Government. Even if you are going to retrain people do not make fun of them. You do not have the capacity to train them. You don't have what to train them in. You have no programme to say what you are going to train them in.

I have heard the Minister talk about retraining people and retooling people from the Transport Board. What are the conductors that you severed going to do? Why wait until now? They have been laid off over 9 months now. Are you going to wait until now to apply for money to put down there to set up a programme to train them? Don't you think, it would have been the decent thing for you to do, to have a programme there for them immediately, or when you contemplated the firing of them that you set up something to train them. You have waited until now to train them? I can understand what you are telling me. You have put on a programme called "Generations" and another one and you are going to retrain them. I will tell you what to do. Use the money to pay eye specialists. When they watch, some of them will be suffering from eye strain during the day. They want work and they want guidance and this Government is not going You **are** further frustrating the workers of Barbados when you can fire them like that and what is worse, Mr. Speaker, is that over 700 more people will go home by the end of this year and all I am hearing the Government saying is that they **are** going to set up training for these workers. I begin to wonder who is fooling whom. You have given away the lucrative routes at the Transport Board and then **talk** about entering negotiations with the BWU to buy it?

Let me say something. If I am reading correctly I heard the Minister of a Ministry say that they are moving

towards break-even point. I want to know who is going buy a business just at break-even. I **am** warning those who are negotiating, be careful because I have a duty to the taxpayers and the workers of Barbados, don't sell them down the drain. I don't want to hear that. I **am** hearing some lofty ideas about buying so that workers can participate. It is like an idea I heard in 1981 coming from the leader of the BWU that they **are going** to buy hotels and buy an aeroplane. In 1981 the Danish Free Trade unions and the Barbados Workers' Union were supposed to enter into an agreement together to buy an aeroplane and to build guest houses. They can't deny that. I know that is a fact. I want to know if this is a similar exercise. Mr. Speaker, we are talking about the Transport Board. I **am** saying the people must not be lead into this false security. What is even worse, the same people that have failed and have brought about the failure of **the** Transport Board are the people now who are sitting as a committee to take over the Transport Board. May God help us all.

We have to be serious about this. At a time when people are despairing in pain and agony and can't find work must you add now insult to injury by talking about retraining them? Are you going to find work for them? The long and short of it, Mr. Speaker, is that those people will go home with nothing to do and we can only look forward to the added problems that will be brought upon them.

Mr. Speaker, the Transport Board. No sane Government will ever think about selling off or privatising the transport system. At least if you have some degree of common sense and retain some of the routes, because it is a public service that the Government is bound to perform for its people. It is not sufficient to read that they are going to retain one or two routes for old age pensioners.

I laugh at that. They do not fool me. They are **going** to retain some for the school children. Do not fool me with that. You are putting the fare boxes in those buses so the old age pensioners can travel free. You are making a mockery of it now. Old age pensioners have now got to pay because you are putting in fare boxes for them. That is what that says to me. Now I cannot interpret it in any other way. If you are putting them in and you **are** keeping back some of the buses, the 150 buses are the ones for the old age pensioners. I have heard that. In other words, if you are putting them in for the Police now to make them pay, it is all right. I **am** wowed about that because I do not know how many policemen come here from time to time and **one** of these days, Mr. Speaker, you might find that they are not around here because they cannot get to work. Well, they cannot travel free **anymore**. All of that is included in the cost cutting measures. That is what they say, "cost cutting measures". You do not need the \$21 million to do that. You have already done it. You have stopped the old age pensioners from traveling free on the buses. Do you know something? Government is

without any shame at **all** because when they got back into power they promised that the old age pensioners could **travel** free.
1.25 p.m.

Hon. P. M. GREAVES: On a point of order, Sir. The Honourable Member has a duty not to mislead this House and must state the **truth**. I nor anyone else have stopped **old** age pensioners from using the **transport** system of Barbados **free**. They have not been stopped from using it free. The Transport Board buses travel almost every route in Barbados.

Mr. DeL. O. BRADSHAW: Mr. Speaker, have I really heard the Minister who just got up in here and said that today? Well, you took off the **buses** in the Pine and the people cannot get to the doctor. You took them off as Minister and they have to pay to travel on the minibuses. You took them off and they now have to pay in Rendezvous. They have to pay \$1.50 for the minibuses. So what am I really hearing? What have the old age pensioners done to this Government?

Aside.

Mr. DeL. O. BRADSHAW: Mr. Speaker, what have the old age pensioners done to them? They said the Barbados Labour Party prevented them from traveling during busy hours. All the Barbados Labour Party was doing was to protect the old age pensioners. They did not want them to get in the rush. We were thinking in terms of their safety and welfare. But no, political expediency took place and the DLP Government said that they could travel any time and at any hour and anywhere at all. They cannot travel at all because they are not giving them any buses. What are they really doing with these old age pensioners? They have to pay \$3.00 if they go to town to the doctor – \$1.50 up and \$1.50 back home, and they have not carried up their pension any more. Lord have mercy on them!

Mr. Speaker, even if they want to go to church now, they cannot go to church. No money to go to church. Now this is very serious. Mr. Speaker, we talk about giving the routes to private concessionaires. What the Government has done is to cease confusion. They said last year that the Z vans were unsafe. That is what they said. It was reported in the daily Press. It took one incident when two mini buses collided somewhere in Black Rock which resulted in the death of one or two people. Do you know what I heard, Mr. Speaker, coming from the General Manager of the Transport Board? He said that they are now making money and that people prefer to travel on the Transport Board buses. I am so confused now. If they were making money, what happened now that all of a sudden they cannot make any? The Government was saying that, giving people the

impression that the **Transport** Board was safe, they had corrected their problems, and that they were not going to ask for a subsidy. What have we seen? They cannot **make** any money. Something has got to be wrong. I will say to the Minister that because you have an inefficient management at the Transport Board or your Ministry you have to penalise the public of Barbados.

I still feel that there are people out there who are prepared to assist the Government to have an effective and efficient transport system. I think that we are not **too** late despite your mouthings. Despite your telling the public of Barbados that you are going to get rid of the Transport Board, I think it is time for you to stop and reconsider your policy. You have got to hold on to some of the routes. It is your duty to the public of Barbados. You cannot abandon them. Do you know that minibuses are not traveling after 11 o'clock in the night? Are you aware that people are mugging them and snatching their money at night and they are afraid to travel? Do you know who suffer? The workers of Barbados suffer, those who are being called upon to work shift work. Those are the ones, the three shifts that the unions were asking employers to accept. That has now gone through the eddoes because people are afraid to go to work since they have no means of getting back home and you know that. That is why I say to the Government to reconsider your policy. Think about the workers. Why do you not have buses available especially to the **industrial** estates where the young ladies can be taken home? Are we abandoning those young people or are we leaving them at the mercy of people that when they step off a minibus at night they are raped? That is what we have got to be thinking. Your transport policy must not only be geared to making money or saving money, but you must take into consideration the people of Barbados. Let us understand that. That is why I say the Government is not thinking. You have abandoned your social responsibility and I am calling on you to rethink and do something about it. Do not leave transport in a mess for the Barbados Labour Party to clean it up.

You have a duty and that is why I am putting forward some constructive criticism for you today. You have caused utter confusion opposite Rediffusion. The Government has done that and the Minister cannot free himself of blame. You are the Minister and you are responsible for policy direction. You have a lot of confusion there. You put the ZR people up there before they were ready and you talk about prosecuting them. That is the way you conduct your business. You are saying to them that you are giving them a deadline to move, but at the same time you have not made preparation for them. They have to be scampering when the rain falls. Do you know what happens to the commuters? Are they pigs? Must they be out there in mud? That is what you think people are and you say that you are a caring government. Oh, no! Address that problem.

When rain falls, there is no **latrine** facilities there. I am talking about decent ones. You put **people** out there like pigs. Is that what we have got to stomach in this country?

Aside.

Mr. DeL. O. BRADSHAW: Not you, Mr. Speaker. I know of proposals that went before the **Ministry** to build a shed in that area. What is the Ministry doing about that? I call on the Minister today, Mr. Speaker, to resolve that particular problem. Give them permission to erect a shed or some facility there. It is absolutely necessary. The Government has a bounding duty to provide it.
1.35 p.m.

I am going to tell you how to run that Ministry. Call me and I will tell you. Mr. Speaker, people are suffering. You have just caused confusion out there with the ZR people and you have caused confusion within the protective force, the Police Force, causing them to get into matters in which I do not think they should be involved in the first place.

I say the Ministry should have looked at an inspectorate system. Train them. That is what it should be doing. Everything is in chaos. I am now hearing, Mr. Speaker, that the Minister proposes to set up some sort of Board or so to regulate, to give permits, to give licences and to make recommendations on a fare structure. Are you going to have a Public Utilities Board up there again? Obviously he will have to get rid of the Transport Board first. Or is he saying that that Board is not competent to deal with these matters? Something has to be wrong. They are dealing with transport matters at the moment. Are you saying that they are not now competent to deal with that? You do not need a new Authority.

I am going to say this. The signal is very loud and clear, Mr. Speaker. People from the Licensing Authority are going home. My prediction is that they are going home, if what the Minister is saying is correct, because if you are going to have an Authority to deal with these matters, you cannot duplicate, because these are the same matters the Licensing Authority deals with. I am saying here that there will be retrenchment of workers. It is loud and clear. All of them are going and all at the Transport Board. You are talking about fare structure now. I want to know if provision is made in this loan to retrain those at the Licensing Authority, because there will be no work for them up there.

Let us understand what this measure here means. It is not all about roads. I did not even write down one, I do not even want to remember them, because I know what is going to happen. You will talk about a lot of roads and they will be done in **1996** after the election. The

Government is not going to do anything, because the Government is incapable of doing anything. They cannot even finish **Sherbourne**, nor schools. Do you believe they are going to finish a road? I am not that foolish, I cannot believe that. We talk about seeing one statue, but you will see all of them standing on the road.

Mr. **Speaker**, the Minister over **there** is uneasy. Take it easy. Do not **worry** about it. You **can** resign and go on and leave the Ministry. I will help you handle it. I am prepared, like the BLP, to take over and rescue the country from the mess which you put it in. Do you understand that?

Mr. Speaker, as I said, we have to look and see what is really going on. We are talking about the study. The **transport** study has already started, but before a recommendation is made the Ministry has started to implement them by laying off people. I would have thought the most sensible thing for the Government to do – and the Minister should hear this, because he is at the head – was to wait **until** they made some recommendations. They made an interim report, but you do not go ahead like that. You should study the interim report to see how it affects your overall policy and your objectives, but you cannot think clearly because everything is done in a confused manner by a bunch of confused people. You have now a study which was started that has not yet reported to you, but you have already decided what to do, so what do you want the study for?

I understand that the Caribbean Development Bank is paying **part** of the money for this study which has already taken place, so you do not need that. You are only wasting the taxpayers' money. I want you to understand that. You have a study and rather than waiting for the study to be implemented you have gone ahead and taken wild decisions. They are wild people making wild decisions that affect people like us, you and me, Mr. Speaker. This is the thing that causes a lot of confusion. No wonder people are asking what really is going on and they feel that the Opposition is not doing anything. What can we do when we see people going out there and behaving like mad people? What do they want us to do? Just watch them. We just hope that they will come away from Black Rock and understand what is going on on the saner side of life.

Then there is wastage. You have a programme now. We heard about the first programme in **1984**, but the programme in **1984** is not similar. There are some other components you have put in here, because the Government has an agenda.

Aside.

Mr. DeL. O. BRADSHAW: Money, but not at all costs. You have money where you have components to send home the people at the Transport Board. I do

not want that kind of money. I am not taking any money to send home my friends, the conductors and drivers, at the Transport Board. No way! I am not taking any money to get rid of the 50 people at the Licensing Authority. If the Government wants that, let it do it on its own.

Mr. Speaker, we are looking at the whole system. We have the transferring of these private buses. I want the Minister, when he gets up to reply, to tell me how many buses are in operation today. How many are at Haggatts lying down? How many are at Weymouth? How many are at Mangrove? I want him to tell me if they have been inspected, whether they have been inspected and are lying down and whether they have failed inspection, because this is very important. Since they are going to sell, I want to know what are the assets of the Transport Board. I want to know what the 150 buses they have now are worth. I want to be able to tell the public of Barbados whether the amount of money they **will** get for these buses reflects a fair market value. I have a duty to protect the public of Barbados and to see that the Government does not throw away the taxpayers' money which was earned and fought so hard for. I want to know that, Mr. Speaker.

The Government must understand what is happening in this country. To have a proper network of roads is one thing, and I want to disagree with the Minister who made a statement that he believed that there are too many roads in Barbados. I want the Minister to understand that there is something serious about that statement. You don't make those statements as a responsible person, as a Minister, because there are **never too** many roads. People elect to live anywhere. It is the duty of the Government to facilitate those persons. If the Minister does not know, people now even don't want to live on the main road where they can hear the traffic. They want to go into some place at the back of the road. So the Minister must not think that you must put roads and force people to live near them. It is the other way around. The people settle and then you facilitate them by providing a proper network of roads.

1.45 p.m.

I am going to say something to the Minister. This really tells you the kind of thinking that goes in this Government. When you are thinking in terms of roads you have to look at a development plan. You have to work closely with the Town Planning Department to see what they have agreed and to see where new housing estates are going to develop – the Minister should know this – based on the approvals given by the Town Planner that roads are provided. I cannot understand how the Minister has come to a conclusion that Barbados has too many roads. I don't understand, if he is part of the Cabinet, if he approved the Development Plan. If you are going to talk about developing the infrastructure and you are thinking about economic take-off or you want to put down industrial estates you have to think in terms of the road access to the development. The Minister who was a former Minister of

Housing knows Government acquires land and Government anticipates to build on those lands and it requires new roads. So what is he saying? He is blowing hot and cold when he says that there are too many roads when he, himself, has approved them.

You see the Ministry and the leadership is too confused for us in Barbados, and this redounds on all of us. I want the Government to get up and stop sleeping and be wide awake to what is taking place out there. People out there are asking and I want the Minister to address whether bus fares may go up further. It is already in the Letter of Intent that there is a promise that bus fares will increase. Will the Minister allay the fears of Barbadians that bus fares will not increase? I want the Minister to give the House the assurance that bus fares will not increase because he is saying on the one hand he going to have a Board to set fares. Well I want to know what will be the role of the Minister **vis-a-vis** this Board? What inputs will he have as far as this Board and the setting of fares structures are concerned?

When you appoint a Board and you say it is independent then I suppose they will decide on it. Does the Government have any residual powers to agree or refuse to agree to any increases? That is what the public wants to know. The public wants to know whether they will have to pay more and the private concessionaires are asking for an increase as a result of the increase in the price of gasoline and diesel. That is what is happening and you cannot ignore that. It is a bone of contention. It is a matter which they are addressing and the people out there are asking.

I want the Government to forget MOBIL and talk to the people in the area. There is a price that has to be paid. Talk about the bus fares. I said this twice before that bus fares will go up and I have not been proven wrong: I am saying that by next March bus fares will be up to \$2. People cannot get work but they are called upon to pay more.

The school children. I want to know what is happening. The parents are saddled with additional costs and now you have a situation where they cannot tell **whether** bus fares are going up or down or whether there will be a Transport Board bus or not. There is no clear policy on that. What power do you have to tell the minibus people what fares? Is the Minister going to say that that power will reside with the Board? We want to know that.

I am going to say this. I am a little wary sometimes as to the Government's promises. They tell you one thing and I won't be surprised if the Minister went abroad on Government business and then we hear the increase announced, because that is the way how they do it. They go out of the country and then you hear somebody else announcing it. I want the Minister, now that he is

here, to say. I have to rub it in because I heard the Permanent Secretary in the Ministry of Transport and Works making certain announcements. I have only heard the Minister recently but all the announcements from the Ministry of Transport and Works were made by the Permanent Secretary. It was a new thing and I was beginning to wonder who runs the Ministry. **The** Minister cannot even come to this **House** and tell us firsthand what is proposed, yet I can hear it coming out of the academy of politics.

As I said, it is a very serious thing. Mr. Speaker, I want to know that the poor, travelling public of Barbados can be guaranteed transportation. The Government has a duty. This Barbados Labour Party, whenever it resumes office, will make it a point of duty and policy to maintain part of the transport system. It will not abandon entirely the transport system to any private **concessionaire** because we understand it is our duty. I want the public to understand that because in the same way we criticise the Government they may wonder what we will do. We will provide public transport for the commuters of Barbados. That is what the Barbados Labour Party is committed to do. We will **seek** to do that and we will hope it is not too far gone. We have done it as part of our policy.

There are other matters we have to touch on. I have heard about the assets of the Transport Board, that they will be keeping one bus terminal but I don't know if they are going to sell the other one or what they are going to do with the land that they bought at **Kendal** Hill. All these things the public of Barbados has to know. I want the Government to make up its mind and tell the country what it is going to do with the land it bought at Kendal Hill for use as The Transport Board headquarters. The Government has a duty to tell the public and I want the Minister to stand up in here today and tell the taxpayers what it is going to do. It has abandoned **Haggatt** Hall and it bought **Kendal** Hill for the **resiting** of the Transport Board Headquarters. Now I want you to tell me since you are going to privatise what are you going to do with that parcel of land. Don't you understand that the public now knows that you have wasted its money, if you bought it at a commercial price. I hope that the Government does not tell me that it is going to sell it for a lesser amount than what it paid for it. I want the Government to understand it is the taxpayers I have to protect. This is not my personal interest.

Mr. Speaker, all I know, and I hope I have not heard what I think I heard, that they didn't get paid for a long time. I want persons on that side who feel that way, to know that if you take people's land and you don't pay, you still have to because you have to pay for the **period** of time you have denied the people the right to use their property and there is a question of legal fees. So you see how callous the people's business is being treated. They feel you can acquire land for The Transport Board Headquarters

and don't pay the owners and feel that they have achieved something and smile at that. They feel they are talking to Ding Ding or Gear Box. They don't understand that there is a **price** to be paid because you have to pay the surveyors and the legal fees and if you have someone doing the evaluation the evaluator has to be paid **too**. Those are debts that are usually incurred in any acquisition.
1.55 p.m.

Mr. Speaker, there are so many things I have to say that I am not going to finish in any half an hour. I **want to** make this abundantly clear. I am batting my hand and I have a long-handle bat. The Government has to come back in here and let me continue to educate them to what should be done to help this country and stop introducing painful measures on the people of Barbados.

Mr. Speaker, I have not gone into the tenancies yet. I am still on the main road. I was travelling the road as you heard me say earlier. I have not gone into where the people do not have wells or anything and the roads are breaking up. I have not gone into the Ministry of Transport clearing the wells and the rain is coming and I want to see the wells dug and the culverts to take the water. I have not got there yet so there is a lot to come. I have not got to Highway 2A and whether the contract is going to be given, and if they have paid **Rayside** or the contractors yet. I want to get down there. I can keep you in here until 3 o'clock hungry. I am born to talk. That is my gift. You stay there. You are a little hungry but you are going to be late today.

Mr. Speaker, you will remember the former Minister said that he was going to pave all the tenantry roads and we saw a lot of tenantry roads being paved. What has happened? There are still a number of tenantry roads that were approved under the Barbados Labour Party Government that have not been addressed by this Government. When I heard the Minister reading out these roads, he thinks he could fool me?

Aside.

Mr. DeL. O. BRADSHAW: The Minister is talking? You had better not let him talk about the Venezuelan Project. There is a lot more. The time is here when heavy rains are coming. People cannot get out of their homes because of the cart roads. There are some roads that are now taken over from the Ministry of Lands that the Government has not been able to correct. The Minister must understand that. We have called repeatedly and tabled questions in here and spoken on them about certain concerns as far as roads are concerned.

I can say that in Wildey East Terrace there is a road in the 1st Avenue, I have been in here with that all the time asking him to have the road accessible by sinking a well. The Government has ignored me and said when they get the money. Yet the Minister had the gumption to get up in here today and did not call that name. You are

talking about a programme for 5 years but he has not addressed the one I have asked about in here in May last year. What about the road in Parkinson Field where some of your colleagues go and eat pudding and souse? They would not **barbergreen** the road. It is always waterlogged.

Aside.

Mr. **DeL. O. BRADSHAW**: Mr. Speaker, I **am** hearing about a lot of roads. The public of Barbados would think this is a debate about roads and think they are going to have this reactivation or activity starting all over again. Work is going to flow.

Aside.

Mr. **DeL. O. BRADSHAW**: Mr. Speaker, this is very serious. You can make fun. **Make** your fun involving about 3 years because you are going to hang on. You can hang on there but you are going to be retired. I can tell you that. You will not be back in here so you can do anything at all. Collapse the country. Make laugh and fun of the people. Not me. When I talk I talk for St. Michael South East and Barbados. You do not understand that. You cannot laugh at me.

Mr. Speaker, I **am** not referring to you. But they must understand who they are dealing with. You cannot have roads out there that need repairing. The Honourable Member for St. **Andrew** came in here and talked about roads in St. **Andrew** and the Government is doing nothing, saying when they get money. Today I listened and I did not hear the Minister call any of those roads. But he is **talking** about 1995, 1997 and 1998. You think the people of Barbados would be so foolish to allow their destiny to be in your hands by then?

The people's problems need to be addressed. One of the problems the people are having in Barbados is the question of roads and transportation. All is not well. No amount of playing around with this matter could help erase the concerns of the people. There are real concerns. You are thinking in terms of the economic reactivation of Barbados. I **am** only calling on the Government to be realistic. This can only be achieved if the Government addresses in a very serious manner the whole question of transportation.

I am making this suggestion to the Government so if you want to laugh, laugh. Please understand that where you are going to site your industries and the type of industries you are going to attract will depend on the sort of network you have. You would have to look at the people you are going to attract in these industries and see whether transportation is adequate for them to go. If you are thinking in terms of a structural adjustment, I want to tell the Government you will not have to look at where you are going to site your industries and see whether there are

people in the **area**. If you are not providing or making it difficult for people to pay for transportation out of their meagre wages to get to work then I think it is only fair to call on you, as a Government, to consider finding jobs for people in the nearby area. People have to **travel** as far as St. Lucy and **Speightstown** and pay 2 and 3 bus fares.

Aside.

Mr. **DeL. O. BRADSHAW**: You want to go to lunch? No way.

The Minister of Public Works, Communications and Transportation needs to understand what is going on in this place. It is all right for him to get up and make statements. There was a time when people could take their children to the industrial estates and have them taken care of. Today they cannot do it. Not only because they do not have any money but because the cost of transportation is too high. You could imagine a parent paying \$6.00 a **day** and then the fees at the centres have gone up? This is what the Government must understand. That is why I **am** saying that the Government must understand there are a 1st of poor people in Barbados. Some of them have motorcars and are better off. I **am** speaking for some of the poor people out there who do not have any motorcars, and who do not even have a bicycle. I **am talking** about those people. I **am talking** about those people down in the Farm.
2.05 p.m.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that this sitting be suspended until 3.15 p.m. today, Sir.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly at 2.07 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. **DeL. O. BRADSHAW**: Mr. Speaker, there are some aspects of the road programme that needs to be addressed and one hopes that the Government would pay some attention to what is said about some of these particular matters.

We have a situation where the Government in its resurfacing programme has not taken fully into account the problems that arise as a result of their resurfacing work. This is causing a lot of hardship to people who live in the areas near where this work is done. For example, Mr. Speaker, the Ministry would undertake either by contract or by doing it themselves, resurface a main road or a

highway but there are subsidiary roads which suffer as a result of this work. In other words, the road is raised in some cases an inch or so by the barber green and it then raises the road above the level of the subsidiary roads, the connecting roads which usually join or lead to these developments. What has happened is that the water rather than flowing along the road and wending its way into the canals or the wells that are provided on the main roads, the water is going instead into the developments and causing flooding. I have got experience of this and I mentioned just one case where in Deal garden the road was raised on the Maxwell Main Road, on that highway. From the time that road was completed the water is now flowing off the main road right into Deal Garden and is causing flooding, flooding out the people in the area. The Ministry has not returned to sink a well.

What I am saying is that there are things like these that the Ministry... That is why I am calling for proper supervision and the sort of staff that would monitor these situations to see exactly the problems that arise from this roadwork. It is not only there. This is causing some concern because sometimes we have been seeing a lot of flooding and much of it is due to this sort of problem.

I would suggest that the supervisors or the engineers consider that particular aspect and where they have got to raise the road that they would do the bit of road at least to the entrance which would prevent the water from flowing into these developments. Even in St. Philip we have seen a situation like that.

I would think that at the Ministry of Transport and Works that they have got to look seriously at the barber green as well. Because we see cases where barber green has been put down hot and sweaty, in a rush, and as soon as the rain falls, a heavy downpour you find the road flaking up, breaking up. Now that is a lot of taxpayers' money that is going into waste. We need to look seriously at that. For instance you could look at Bishop Court Hill. That road was barber greened. A lot of money was spent on it but when we get a little bit of rain, the rain seeps under it because it was not properly prepared. I am asking the Government to consider this. This is nothing that should be ignored.

We have seen, from time to time, Governments award contracts and the contractors rushed through the work. The Government pays.

Aside.

Mr. DeL. O. BRADSHAW: I will continue, Mr. Speaker. I did not hear that. What I am saying is if the work is being done we want to make sure that the contractor is obligated to come back and correct it. I do not want to hear that you pay engineers for this. That is what you pay Ministers for, not to just hand out work but to see

policy is carried out. I am saying if you have engineers, well see to it that the engineers do this because as I said the people who have to pay are we the taxpayers. This is a problem. It not only causes a waste of money but a waste of time. Traffic has got to be diverted whenever you have to repair the road. Everybody knows what the inconvenience was like when you had to repair the road in Bishop Court Hill. It is not only that. Sometimes it is difficult to drive home points to some people. Because when that road was broken up what happens is that the water then is diverted and it then undermines the very bridge that is used as a protection. So you have now major work and it finds itself somewhere else costing money. Sometimes it leads to a suit against the Government. It is just like having a leak that is not addressed and the next thing you know the purlin is affected. So you have got a major refurbishing job.

At this time the Government does not have the money, and there are scarce funds here in this programme. There is a certain amount of money that is allocated for this programme. All we are saying is that we would want the Government to make sure that everything is put in place to see that the road programme is well done and that there is no wastage. Because if you have to go back to the same road you can claim that you are doing the same road but at the same time that is denying other roads and other programmes some of the funds. This is the sort of thinking that one feels should go into this.

It is not a question of just giving a contract and having engineers. The time has come when we have got to police them. We can say that in this Honourable Chamber but the public at large is not excusing this august Chamber from anything of the sort. They feel that we have a right to make sure that once we pass money or approve funds that the work is carried out accordingly. So there is no excuse. We cannot go on placing the blame on people. We have got to be aware of our responsibilities as accounting officers in this regard. I hope that this would be done.

Another thing is that we have seen a lot of roads started and unfinished. That is another problem. It costs money. Not only money but it causes lay-off of people. People have got to be laid off because they said there is not money. You have run out of funds. We have seen situations where work has been started, a proper estimate was not done because I would think that for some of the jobs that you start there should be an estimate to see if you can complete the road and what problems will arise therefrom. But you start a road to find that you have got to stop it somewhere, half way or three quarter way with the steel exposed. Whenever the steel is exposed, in some cases, when the rain comes then you find that you have got to spend more money correcting the work there before restarting. Everybody knows that if you are going to start plastering a job – some of these jobs require mason work – and you have not finished that when you go back

you have to scratch and go again. So it costs you more money. If you leave exposed steel then you have to go and either treat it or you have to remove it and go again. That is a waste of money.

Aside.

Mr. DeL. O. BRADSHAW: That happens. We have seen examples of these. We are now fully aware of what happens. It is all right when you have money flowing. You can afford to ignore a number of these things. What I am saying is that the Government has got to be more **prudent** or there has to be more prudence exhibited in the Ministry. The Ministry takes a chunk of the allocation of funds. That is why people will be complaining all the time for road maintenance and road repairs and sometimes new roads. These are genuine concerns because the road users, those who have vehicles on the road are called upon annually to pay a fee for using the road. I feel that they too **are** entitled to proper roads.

3.25 p.m.

It is not fair to road users, those who pay taxes, to run their vehicles on the road to be faced with buying spare parts because the Government has not put in place a system that would reduce this problem. I am glad to see that there is a component in this particular programme to provide for this. It is my wish to see that the Ministry takes this particular aspect of the programme very seriously indeed.

Money is spent and overspent because there is no department that really supervises the work or pays close attention to it. As I said, it is all right for us, but the point was made earlier about people being redirected. I remember a joke made recently when people were saying that they thought there was only one statue in Barbados, but all that the visitor had to do was to take a visit to St. Philip where people can be seen like statues out there. You know what that meant, Mr. Speaker, it is simply the ridicule that comes out of this, that when you hear comedians referring to this sort of thing, it means that they are doing it because they want to make fun but it sends a message to us and to the Government that all is not well because people out there are observing that people who are supposed to be working are doing nothing. That takes me to another point.

Sometimes the people are doing nothing because there is no material. There might be reasons for not having material. Maybe the Government has not paid or it has no money. But here again that calls for proper accountability and proper planning. That is important. If you run out of something then you should be able to move the people off the site fast enough to another site so there will not be any waste, because you are paying out the taxpayers money to people doing nothing since there is no material. There are

some jobs that have not been getting adequate material and we have to understand that is where wastage occurs. In any construction at all, if the supply of material is not there on a regular basis – the right type of material for the right job at the right time – then you are going to incur a cost. In these cases the cost does not **run** into \$100 000 it runs into millions. That is why they have cost over-runs and we have to look at that..

I would ask the Ministry to look seriously at the **time** of planning the road repairs, because around this time, when we are going into the rainy season, it is an exercise in futility, almost madness to start repairing roads when we are in the rainy season. These are the things you have to look at. We have got to look at the technical officers, some of them don't **care**. They don't care about us. They don't care about Government. They do not care about politicians. How can they plan to start work in August when they know rain is coming? It will mean that the workmen are not going to be working because the rain is falling and they can't mix concrete. They can't put down barbed green during that period. So, Mr. Speaker you have to plan it. You have to decide in your mind at what time of the year you are going to embark on that sort of road maintenance programme. You have to know that and this is the sort of thinking that must be brought to bear on planning road construction. You don't start to build a house in the rainy season and don't expect cost over-runs. You must if you have any common sense at all. You know the rain is going to come, you know the workmen are not going to work especially if they are working outdoor and most of this work in the MTW is done outdoor. So you have to understand it is going to **cause** over-runs. It is all **right** when you contract it to a private contractor. The private contractor would take that into consideration but I respectfully submit that the MTW does not at all times take that into consideration and that is what we have got to look at because some of them say, okay, they are in there, they have a job. They come and they go, whether they work or not that is it. We have to look seriously at that. Some of them don't do the work. We have to be concerned about this. It is a cost that we cannot pay and I am saying that these funds have got to be properly utilised and if they are to be properly utilised we have to put a system in place to make sure that proper policing of the fund and the work is done.

We cannot go on and on with this sort of foolishness and I will say this, we have also got to look at the employment practices which have cost this country a great deal. People, in order to satisfy narrow political patronage and ego and interest take on workers when they know that there is no money in the vote. I say this, seriously, I would like to see the day when you can really place some sort of fine on a Minister when it is proven that he has done that sort of thing to the country. You will find a situation ...

Aside.

Mr. DeL. O. BRADSHAW: Where it would leave me? In the clear, free. What I am saying is this, we have not got a situation here and you may laugh at the aspect of the politician trying to get a job. It is more serious than that when you come to think of it, because you will give a person a job knowing full well it is going to be short lived, knowing full well you have no funds. Now you see where the integrity of the politician comes into play. That is exactly what I mean. I am not talking about finding a job. We know full well that the funds are short, they are going to run out. Now we know that this programme or the programme from 1984 which was for road purposes, had a life span. This one also has a life span and we would know that at the end of December that people will be working with the understanding that the programme is going to close, so no one will be out there saying they took us on and they laid us off. We should know exactly what we are doing.

Sometimes Government gets criticised unfairly and unjustly. As I have said you have to be guarded against that because we are entering into a new era and we are well into the new era. We have to understand that. So when you do that, you frustrate the taxpayers. It reflects on the integrity within the Ministry and it also causes social problems because the workers who feel that they were there for a job and will continue the job have found themselves, all of a sudden one morning, being **served** with notices. Then you will find the front page of the papers commenting on them. But no one will take time to say that these people were not informed. We must not continue to mislead people.

It is all right borrowing the money. We have heard \$21 million but the Barbados Government, as the Minister quite rightly said, has got a component of it to pay too. They have got a portion to pay. A programme for **\$36** million and **\$21** million will come from the World Bank Loan but at the same time we are looking seriously at a shortfall of some \$15 million. That **\$15** million has to come from the taxpayers. If you get loans you have to repay those loans because the time will come, even if you have loans with grace periods as this one has. Some future Government will have to make the first payment. We can only hope that this is done. I am saying that people do not mind getting involved in debt but they mind how the money is spent. They want to see something for their money. That is exactly what they want to see, results for the money spent and I don't think anyone in this Honourable Chamber would claim that they have got results for the moneys that they have put out. We should be concerned about this. It is time that we ask the quantity surveyors and the technicians to be more analytical, to make sure that they do everything more precisely than they have been doing in the past. We cannot afford the son of frills and so on because we do not have it. I am sure that

people prefer to see a small project going on and on, than to see a big project start and then it collapses. That is what **happens**. We have seen people weeding the roads and leaving the grass there. What happens? A little rain comes and washes it away, and not only is it made unbearable for people using the roads, but you know what happens. It causes another problem, the stuff is **washed** to the mouth of wells that have grates and what not and they become choked and then we have trouble so the Government then has to call in the Defence Force in some cases. You understand the problem, the stuff is pushed into the wells and the fire service has to come and pump it out. All that is manpower being wasted. We can address these things and we could reduce the amount of work and the cost.

3.35 p.m.

Sometimes we look at the road cost, but we have to prepare for accidents. If sloppy work has caused accidents as a result, then the Government is liable to be sued. You do not ever see it reflected in these sums of money. But who pays? The taxpayers pay. When I talked earlier about unfinished work, that is the **sort** of thing that can happen when the unfinished work causes people to be involved in accidents. This can be the result of improper lighting. These are the problems. I am sure those who are involved in the Courts would have seen many cases against the Attorney General who acts in that capacity for the Government in which sums of money have got to be paid out. Why? Because of negligence which we have seen. Are we not going to address them? We have got a programme here and it calls for all of this. When people are working, we expect workmen to put up the appropriate signs to warn people that there is danger ahead. We do not see that all of the time and the appropriate gear must also be worn whether they are working day or night. Mr. Speaker, sometimes we are traveling a road and it is under repair. There is nobody to direct the traffic and the lights are not functioning properly. That has resulted in some accidents and that is a cost to Government and the taxpayers. Why can't we address this? We are not going to eliminate all of these things, but certainly we can address them and reduce them. That is why I am saying the Government has got to pay some attention to this. We cannot go on thinking this way.

Sir, I am saying that there is a component in this particular measure to deal with the training of people. Now most of the people who have been laid off at Transport and Works are people who have been weeding, carpenters and the masons. Those are the people. I want the Government, since they have got a component in this measure, to tell me how are you going to retrain a carpenter. I want the Government to tell me this. I want to understand clearly how are you going to retrain people who have been laid off. I want the Government to tell me what sort of programme do you have for them and if you are going to send them back to the National Training Board to

further their skills in carpentry or masonry. I just want to know that. If you are going to change them, I want you to tell me what programme have you got for people to change from being a carpenter or a mason to something else. I want that information. I do not want any loose **talk**. I do not want to hear this rhetoric. It is all right but that is good for the books. I want to be practical. Regarding the people who are accustomed to using that hoe and weeding at least a yard or metre by measurement, what do we have in place for them? They cannot be absorbed in **agriculture** and they are not at the NCC. Where are you going to put them? How are you going to retrain them? Most of them are elderly people. There **are** very few young people and they would have been people who came on just prior to elections basically young people who wanted to get a quick dollar.

Sir, we have got the older people and lots of women out there who are weeding the roads. I must be honest with you. There is no way that they can benefit from any academic work. That is out of it. But I want the Government to tell me precisely. You have training for them and for those who are coming in. But I am not dealing with that today because I think that might not be relevant. What about those hundreds and thousands of people who have been severed? Do you have any programme for them? Can the Minister tell this Chamber if it has a programme, what the programme is going to involve and where are you going to train? I want to know that. What are you planning in the light of the economic situation and the new changes that must come about? Is the Government prepared to tell Barbados what is the new direction into which you are going to **retool** these new people? Something like that has to be done. I also want to know, Mr. Speaker, whether the money that is in here for training is going to be used directly by the Ministry. I am going to submit to the Minister "no". One direction, one decision. That training could very well go to the unions if they have a programme, but even the unions must have a programme which is compatible with the Government in its plans for the future and not in basket-making, nonsense. The cottage industry has suffered because tourism is down. So do not let us fool ourselves by teaching people to make dresses and other things. You have to do a lot more things. We are talking about retooling these people who have spent 30 odd years out there and they want to have some new skill. But before they can have a new skill, I am going to submit to Government that it must have a direction. Government must know where it is going. What is its perception of Barbados? Having got that global thing done, then you will be able to take these people and fit them in. Some of them are retrainable and others are not retrainable. What are you going to do? In order to decide who is retrainable and untrainable, you have got to carry out a detailed analysis. Has the Government done that?

I have **heard** the Government say they are going to do training. A lot of time has passed and we are still talking

about this training component but people are out there. I will say that whatever is done, Mr. Speaker, it has got to be done as quickly as possible. I think this is the first step. It really is not just the roads. The roads are just to bring back some people into the work force. But I am concerned about those people who will not be absorbed because I am not so foolish to think that because you have roads that enough work is coming, because I heard that from a Minister of the Government.

Why have you not started back on Sherbourne? **Sherbourne** has not started yet and work cannot flow. Now do not let us fool ourselves about that. All this means is that people will think that okay, we have passed a Resolution today and we are going to have roads starting next week and some contractor will be waiting to contract. A **lot** of things are happening. We have to have an idea early and tell the people what sort of work is going to be contracted. I am going to make another suggestion that the Government should come clean with the people. Tell the people straight and plain that we expect to start this work or have the draw-down by September or October of this year and start negotiating with the banks to get your contract clauses and insurance in place. Satisfy the labour contract. All right now you should be telling the people. Do not wait until the last moment and then tell people that you cannot qualify because you did not give them time to negotiate with the bank. I am saying this has a lot of implications. Government does not understand. You have got to plan it. People should sit down and collect their thoughts and pool them together and see how you can come out with a system that can work smoothly. All this has got to be done.

Are you going to send some of this money to the National Training Board? They are now training older people, Mr. Speaker. I want to know if some of this money is going directly into the National Training Board. They have started interviewing people who are older than 25 years. Now I am asking in what are they going to train the people? Are you going to build other centres that you will use like one of the buildings that you have now that is not finished and which can be changed into a crafts school? I am saying that you can take the St. Joseph School and make it into that and **train** the transport workers. Do that. We have to be serious about what we are doing. We cannot go on like this. We have polyclinics that are yet to be opened. Have we tried to identify people who were conductors that have got a couple of "O" Levels and who are intelligent enough to do some retraining? Now let me understand this. I am a practitioner. You have people out there who have a couple of "O" Levels and are working at the Transport Board.

3.45 p.m.

There are some who weed the roads and cannot get jobs but would do any job. Do not dismiss them, they are not academic fools. Given an opportunity they can do

the work. You have in St. John, for instance, a polyclinic that is not finished. I want to know if you are going to take some of the people from St. John who have **been** severed to go and work up there. Why do you not look at that? Or are you going to look for new people to put in there and **talk** about retraining? I am saying that what would be your best policy is to make sure that you **retool** those people to take up the jobs. When you do that, you are doing something that is really sensible and you are planning, and people understand that **sort** of planning, but not the *ad hoc* sort of planning that occurs, which is costing us a lot of money, where we start this piece and do not finish it, but go on to something else and do not finish that, and go on and on.

I will say something, Mr. Speaker. A lot of this money has already been committed to some of the work which is not finished. I like to be practical. Nobody can convince me that there is not going to be some work which was left over from the last project that will not be taken up in this. We want to be clear.

Aside.

Mr. DeL. O. BRADSHAW: The Minister can fret. Let him fret. When he is saying that they have a programme, and reads out a long list of roads, he knows he cannot accomplish that. I challenge him to say when they will start and when they will finish. He does not know, because he has done everything on an *ad hoc* basis. He is a professional "ad hocist". Everything is done in the Ministry. You go to the Transport Board, go down there and park. Do not park by the Fire Service, it will cause problems. Move from there. This is what the Ministry is saying. We are not giving you any parking. Then after some pressure, we **are** going to give you a little parking. I am beginning to wonder what is going on up there.

Mr. Speaker, all of this happens and this is what furthers the frustrations of all Barbadians. There is a sort of tenseness, sometimes deafness, because of these things. People want to know. They cannot get roads. They call the M.P., they cannot get anything done and all they are hearing is: "We do not have the money." All I am saying is – and this is for the benefit of the Government – do not give people the impression that you are voting money and work is going to start. I know a lot of things will happen which will cause the work not to start. Banks have approved money but they never disburse it. I know that good. You go to a mortgage company and they will tell you they have approved your mortgage, but when is the money coming? They will tell you when money comes in. I do not care what the Minister says, there are a lot of conditions and a lot of things have to be put in place.

The Minister must understand that we are no fools. If he is talking about privatising, he has to get somebody to buy those buses. I want him to tell me he has a buyer.

Who is going to buy them? He has to have a policy. **Mr. Speaker**, this is interesting. The Government proposes to sell off the buses and is talking about selling routes and setting up a Board to look at that. I want to know what is really going on. I want to know how they are going to price the buses and they already have an outstanding debt on them. Who is going to pay that? You have to give whoever you are selling to the assurance **that** they are not carrying on that. They are not going to buy that **sort** of liability. And the National Insurance which the Transport Board owes has to be paid. You also owe Mobil money..

Mr. Speaker, this is serious. I am not a legal brain, but I understand agreements and the terms of agreements. When the Government is going to enter into any agreement to sell something like the Transport Board, they have to discuss with the purchaser – if that person has any sense at all, because sometimes you can find a foolish buyer who will buy anything and then get into trouble, having then to spend all their money looking for a lawyer and trying to sue...

Aside.

Mr. DeL. O. BRADSHAW: Well, I hope the Union does not buy it. I have heard that kind of talk already. The Union was going to get involved in a hotel and in a travel agency before. The Transport Board workers will be the beneficiaries. I know that there are workers at the Transport Board who are on this particular committee, and this is sending some wrong signals. The people are beginning to feel that this is going to be their thing and that they are going to get the money. I want to know if some of this money in here is going to go towards assisting them to buy. I would be glad if they have the money in here to help buy, but do not put the workers out there to find money somewhere else. Who is going to guarantee the loan? To buy this you are going to run into millions of dollars and if you talk about selling the routes, it means that you are going to sell them the routes too. I want to know all of that. The Government has to tell me that and I will speak for the workers then. I want to know what routes you have sold off. How could you sell off the most profitable routes and now tell me you are going to sell these to the remaining workers? You are **really** making joke of them.

I am going to say this. If you have severed the people first, I want to know if they are going to be sacrificial lambs. After all, they would have made an input too, they were part of the institution, so I want to know what room are you going to provide for them. Are you going to retrain them to come back? Are you going to give them limited routes, which would put them in a situation where they can only break even? No sensible investor would go into any business talking about breaking even. The idea of investing millions of dollars is to make some profit, and if it is sold at break even some harsh measures will have to be taken.

taken in order to make it make money. You cannot have an operation, especially a transport system, and talk about breaking even. You have to have some extra funds in the kitty to take care of the spare parts situation. I want to know if all those things have been gone into. Who is going to buy the spare parts? Who is going to transfer the contract?

You have some new buses which came in last year. They are some ugly **looking** buses which would frighten anybody at all. Who is going to buy them? Everybody now is looking to have an attractive looking coach or bus, but everything is wrong with those buses. What price are you going to put on them? Who is going to **value** them? They have so many mechanical problems, what do you expect to get from them? What is the depreciation on them? All those things I want to know, because when I know them I know exactly what I can prepare myself to pay for **as** a taxpayer. I am asking these things on behalf of the taxpayers of Barbados. They are relevant questions. I do not want the Minister to come with any piecemeal announcement telling me this and telling me that, or to read an Addendum like he did in here today about roads and what they are going to do, in good language. I say that does not address the serious problem we have in Barbados, we have to look at it in a total package.

You are now placing people at the mercy of private concessionaires. What provisions have you got to ensure that these people are going to run the routes when you give them to them, and to time? If a fellow has one minibus and he gets a flat tyre, all the people will have to get out. The Transport Board will have a backup service, but there is none now. Even your constituents, Mr. Speaker, would complain for that. The people have to walk, because there is no second bus to come to take up the slack. All these are things which have to be looked at. A good idea about cooperatives, but handled badly. There was no in-depth planning put into this and that is why we have a scandalous situation. Everything is out of hand. Everybody is doing their thing.

3.55 p.m.

We hear every day the Ministry of Transport saying that they are going to prosecute this and that and people are not complying. I made a point on the Floor of this Chamber sometime that all the noise can't stop people from breaking the law. I call upon the Government to look seriously at an inspectorate system to prevent this. There is none at all. What there is is totally inadequate and everything is happening. This should not be the case. We need to address these problems. You put the people out there and everything is going to be piecemeal and what you have is people complaining and there are still people pirating. You try to prevent pirating but it goes to another sort of pirate.

I will tell **the** Minister why I am on this. There is a lot of concern over the operation at the Port and transportation there. I am going to be frank with you. I want the Minister to understand that people at the Port are complaining to me that they used to go in the Port and bring people out of the Port. Some rules or regulations were set up and now they cannot get in there. They are butting at the person in charge of the Port. There are a lot of problems out there. The **people** are uneasy, **Mr.** Minister and I agree with them. They have been given permission to operate from the Fort but for some reason or another they are not given what I consider a fair chance to operate,

I am dealing with Transport and I have to draw these matters to his attention. Nobody is prepared to tell him privately and I **am** prepared to say it openly in here. It is causing a problem. Those taxi drivers have been made to pay increased fees and it is only fair that you give them a climate in which to operate and to have their rewards or the money that they put out. If you are going to do anything which will prevent them from doing that, it is not **just**. **We** have to move towards a fairer and more just society. It is not fair to hear them and with some justification. Therefore we have to look at it.

From time to time, we have seen the problem where the Ministry gave people permission and told them go to a company and buy a particular vehicle, to come back and put in a seat and it would give them a permit. They do that and then afterwards it tells them it is illegal. What **are** **we** operating on in Barbados? You see the confusion? When you go out there and tell people that the Z vans are all right and then you later **tell** them they are unsafe and take out the seat... Let me tell you what is going on. They go and take out the seat, go to MTW, get the pass, come back and put in the seat and **they** are done with that. The only time they are caught is if someone accidentally finds out what is going on.

The Ministry has to be sure of what it is doing. They are sending the wrong signals and the younger people are watching these signals. They cannot on the one hand encourage the people to buy all the Z vans, the low tops or the square ones, and then tell them that they can't run them **on** the road. What are **you** saying to the people of Barbados. People who have invested money in those Z vans to assist in the transportation of the people are now being told that **those** vehicles are outlawed. It means that people cannot get them sold because in these harsh economic times it is difficult to sell a second hand Suzuki van. The people cannot get any money to buy Suzuki vans and some of them are committed to the bank.

I want the Government to understand what is going on. All these things are building up. I have said repeatedly that the Government has to take a firm stand on this question of insurance. They are saying that they are

not providing buses for school children. They have taken off some of the buses and leaving the children with no alternative but to catch the mini buses and then you talk about controlling them. Let me tell you something. You cannot control them because the children are more and more packing the vans and they are exceeding the limit. I want to know what will happen if they are involved in an accident. I doubt very much, if the owners are in breach of the law, whether the insurance will pay.

Is it not our responsibility in here as lawmakers to make sure that this sort of thing does not happen? Does the Government not have a responsibility to plan so that there is adequate transportation so that this kind of thing will not happen? The reason why people have to be jumbled into the buses and exceed the passenger requirements is because the Government has no properly thought out policy so if there is only one minibus going up the road people will jump in and go. The Police have to turn their backs to it and I agree with them. At a late hour, sometimes about 50 people get into a minibus that only carries 20. So do you expect a policeman to tell them to get off in the night?

What I am saying is look seriously at yourselves and reflect at what you have done to this country. I am beginning to wonder if any in-depth thought has been put into this and if you really only see it as a time when you could win government. Yes. You won government but you have caused more hardship and dislocation out there, social problems than if you had never... In other words, you are sowing these seeds and it affects everything in this country because the Ministry responsible for transportation is asleep - really asleep today.

How long can we continue this? Can we seek to shelter the Ministry when on the call-in programmes people are complaining? **Taximen** cannot get work but you hear a lot of things out there happening. You carry up the fees but the people need better treatment. You wouldn't come in here and do it on the Budget. You give a tax-free budget but you go out there and carry it up overnight. A lot of people out there are selling their vehicles.

The Barbados Labour Party policy was to give permits to people to operate taxis. It was like an asset. If they wanted to transfer their permits they could sell them with their vehicles. The Government proposes to do that but there is no clear-cut policy on it. It is done on a one-to-one basis. It is difficult for a fellow to transfer a permit. They should know the law and seek some enlightenment on it. The law requires a permit to be displayed in a minibus and the name of the owner. I know that there are people out there who are not the owners of the minibus because it still operates under the original owner and you don't know whose name is on the insurance. There are people abroad who have permits and we have seen several cases where people have bought permits, have had lawyers and apparently come to some

agreement but the person who had the permit originally turns around and says he wants back his permit. The Ministry must address that. The man has a right to call back for his permit and they are some who have called back and left the man who bought the bus high and dry. That is causing hardship. You are leaving people to cause the destruction of others. The Ministry has to decide once and for all whether it is going to allow the transfer of permits and if a person is sold a permit whether that sale or transfer is going to be ratified by the Ministry. Please do not leave that in limbo. All these are problems that need to be addressed.

We have to address other issues of national concern, and certainly, I feel that transportation is a matter that should be taken out. As I have said, I have heard people complaining about discipline on the road. But what about the protection of people? There are some places that need sidewalks. It does not need a big set of money just scrape and put some concrete slabs. What big set of money a sidewalk could cost? Who wants to fool me with that? Most of the roads have foundation that you could put a bulldozer on and cut the road and then get the concrete and put on top of it. You do not even need any steel in that when it comes to that sort of thing. You have the reinforced BRC.

4.05 p.m.

I have been to a place in Mapp's Hill where the road needs widening. I have been asking the Government to consider putting a proper footpath there. It is dangerous for the children who pass. You cannot pass. I have asked them to explore the possibility of sinking a well by the Bussa Roundabout so it could take that water off. The Government is not paying any heed. Even in front of CBC. How CBC get out to answer certain calls I do not know. Nobody sees that. The Ministers go in there and record they should see when the rain falls. If I were CBC I would invite them up there when the rain falls to come and record. Then it would stop because I know up there floods. All those are things that need to be addressed. It is not for me but for everyone.

I am seeing them. If you come down on Hastings you are going to see it down there and at Worthing. There is usually water over by the Melrose Apartments. Something can be done either lead the water to the sea or ask to acquire part of the land by Melrose Apartments and put a well there to drain off the water. When rain falls you cannot pass there. The tourists are seeing that as a main artery. Let us understand what we are doing.

We are looking at roads and we just come in here with a piecemeal thing and say we are experts on roads and what the Minister says is done. You can go to the Academy and talk about roads and stop this person from travelling but the point is there are fundamental problems.

We need to look once again at the sort of school-crossing wardens. All is not well. Have we carried out any review of that system? It was put in place but that was experimental. It needs now to be reviewed so we could put in place something that could reduce some of the accidents. I am concerned that lots of children have to cross the roads and do not have any school wardens around. I want to know if they are going to be cut. Who will be responsible for them? We need to improve that, otherwise the crunches are going to come on us as parliamentarians. We can reduce these sort of questions. The parents must be concerned about the Safety of their children because sometimes you have block-ups and it is like pandemonium.

There are a lot of things that need to be corrected. I am on roads and I am going to travel all about Barbados. When you go down Warrens there is something that happens and I must express my concern. I am not one to go on a call-in programme on this. The public of Barbados built a road. A section of that road is now reserved as a private entrance. It does not obtain in other places.

Asides.

Mr. DeL. O. Bradshaw: Mr. Speaker, I do not care what asides are coming from out there. The road was designed that way but not designed to form an entrance into any private station. Let me make this quite clear. Do not come and say this in this Honourable Chamber. It is not a fact. I see no reason why an entire lane should be devoted for that. I have my objection. I place it on record. It should not be and it is confusing whether anybody likes it. Some people do not know when to negotiate. Some do not know to go into the left and they turn from the right and jump over. If you get into an accident what is going to be the position?

If you wanted to do that you should have had a clear demarcated line or a barrier leading on to it. That is what is being done. You call it a bypass. That is what it should be. All I am asking the Minister to do is to look at these things. People have been saying this on TV. You have arguments for and against. If you erect and set a barrier there then there would not be any doubt because people would know when you turn in there you could only go one place. You would reduce accidents. It is all right to talk but you are going to have a lot of accidents. What is going to happen is that you are going to get some problems from the insurance companies paying out. You go back to the Government and it does not have any welfare money so you have problems.

The Government has to be serious and understand what is going on. We have seen the problems. We hear people complaining time and time again. I am asking the Government if they are going to do anything. I want them to have the slipper drains and the roads built in such a way

that puddles of water do not remain in the road itself. I want a lot of that to be done. Clear the trenches and make sure when you do this the water can travel freely to wherever the suck wells are. That is what I want done. I think we would have less back-ups on the roads, less people getting spattered up when traffic passes during times of rain. We could reduce most of these problems. As I said, nobody seems to care.

This Government does not seem to care. As far as they are concerned, you talk. We have been in here from time to time drawing to the Government's attention and making some positive suggestions to them how to correct things. Yet they will say we are not doing anything. That may be the perception of some people.

Aside.

Mr. DeL. O. BRADSHAW: The Minister of Housing is saying that his Government is not saying a "pang". I am glad he said that. I am glad he has confessed that his Government is not doing a "pang". You are right to say that, Minister of Housing. That is smart of you. You know. I am saying we have to address these problems especially now we have the rainy season on us. We have to look at what we are doing.

I would hope that the Minister would forget what he has said. He is not really keeping in touch with reality that there are too many roads. If you do not want too many roads, just do not have the developments. If that is what you are saying, say it but there are roads, whether they are done privately or not.

I am going to say something to you. It is remarkable what the Minister said because the private developers have been developing the roads in the private development. It is only after a period of time they hand them over to the Government. All the Minister has to do, if he wants to reduce the amount of money spent on maintenance of these roads, is to make sure that the Ministry does its work. Let them go out there and check the specifications of the roads and do the proper engineering inspection so that we would not have any problems. I think Government can do that. That is all right with us.

I would hope that the Government takes some of this advice seriously. Do not think all is well because people do not go out there and criticise the Ministry and its technical officers. I want them to start going down in St. Andrew and St. Joseph and understand they have serious problems down there. Do not come telling me you have roads. I have heard the Government telling me they have roads there. I would hope that some of the tenantry roads are being done in this programme because there are a lot of tenantry roads in here.

Aside.

Mr. DeL. O. BRADSHAW. You know Horse Hill well. It looks like a break-neck place? You need to get that completed. You need to do that, not only the tenantry roads but, as the Honourable Member said down Horse Hill, just as you get to the tip right below the shop where the Post Office was. Right there that **road** breaks off. That needs to be done. It is very dangerous. When you go down you have a sudden jump. When you come and hit on it the car jumps and it depends on whether you have a back or front wheel drive. It is only a **matter** of time before someone loses control not knowing the kind of road, expecting a smooth surface throughout and getting into problems. All these **are** things that need to be done.

I **am** saying now we have funds available we have to look **at** the component and **see**....

Aside.

Mr. DeL. O. BRADSHAW: Mr. Speaker, do not worry. I have another hour.

Mr. Speaker, when you are dealing with these roads there are lots of things you have to look at. I have seen the size of some roads have been reduced. They are some that are too small. You can look at the one in **Race** Road in St. Philip. One that comes to mind is one going to St. Patrick's by Searles. It is very, very bad, Mr. Speaker. When there is a lot of rain on that particular road.
4.15 p.m.

Asides.

Mr. DeL. O. BRADSHAW: I must go down St. Joseph Hospital on a main road and come back. I will do that. Go down and come back.

Mr. Speaker, what I **am** saying is that on these roads you have to look at how the roads have been reduced. We know that roads were supposed to be widened. Most of these **roads-were** not really built to accommodate the heavy traffic. There were **cart** roads, 6 feet wide that the Minister would refer to, just a carriageway. What has happened is that from time to time a 6 foot wide carriageway was **proven** to be inadequate and you have expanded it. Hence you start developing into class 1, 2, 3, 4 roads accordingly. But even that poses problems. You have to find out sometimes – as I said with the barber green when you put it down you have to **know** how that road was built, what was the aggregate used and how it was prepared so as to accommodate the concrete or the barber green. All that has got to be done otherwise the road is going to sink. I think that is what the Government must do. Let the engineers tell me why these roads are bumpy and keep rocking up and down. Tell me whether there is water underneath it, **because** then it is a matter of a burst main. If the main is burst it means that the water is getting under the road and

eventually it would cake up. The Minister of Housing would put sponge. But you see that is not the way.

You must have your technicians the engineers in order to make sure that these roads are **adequately** built. You have'to study the history of them. You must know the history of each and every road to know how long ago it was prepared and whether it was prepared to carried heavy vehicular traffic. That is exactly what is **important**. That is **one-of** the reasons why you do not allow tractors to come across the roads sometimes because the roads were not designed for it. Everybody knows that.

Aside.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I **am** only **speaking** of the things that I know. I might know the caterpillars and so on but the Minister of Housing knows a lot about the **cart** roads. He had to be pulled out by the Defence Force. So he would know. I **am** not accustomed to **getting** stuck up in cart roads. Mr. Speaker, it is serious. Sometimes our problem is that we have to spend large sums of money on roads. Sometimes we wonder why we have to spend this money.

I would say that the engineers at MTW, would be able to identify the sort of problems and how the road was built in the first place. That would help considerably because you see a lot of roads caking. **MTW** owes it to us. We are going to have to spend a lot of money. Sometimes these private developers or some of the people to whom we give these private contracts, short change us. MTW then has to go and do the remedial work. It is costly. This money is not money **being** given to us. It is lent to us.

Mr. Speaker, this Resolution is not for \$21 million as it says. It is more than that. It has an interest cost. The cost of the bank's qualified **borrowing** plus $\frac{1}{2}$ of 1% on the principal amount outstanding and it has a commitment charge of $\frac{3}{4}$ of 1% per **annum** on the principal amount of the loan not withdrawn from time to time. In other words this is money that the taxpayers would have to spend, not \$21 million which.... It is just the principal here. When the Minister introduced this I would have hoped that at least he would have given a figure which would reflect what this will cost the taxpayers of Barbados. He has a duty to work it out and tell the people whether it is going to cost \$25 million or \$30 million in the end. That is the figure we are looking at to pay back this loan. That is why we cannot dismiss this matter in a light manner.

The Government is accustomed spending money willy nilly on anything which has caused people in the **Farm** to be deprived of work and to be sent home from the Transport Board. I am worried about that. If we were to conserve or save some of the money that was wasted we would have been able to keep people in jobs. I am trying to get the Government to understand that if they

had developed prudence within the Ministry they could have saved money and employ people. I want to see the people working again. But nothing tells me that the people are going to be returning to work in the immediate future, not through this. More people are going home from this. Because it says here the "examination of rationalization measures and privatisation alternatives for the passenger transport services provided by the Transport Board."

Do you know the thing that **beats** me about this? It is that it is a fait *accompli*. All of this has been done. The Government "mek" up "**duh**" mind to privatise and start laying off. "Um" already done. Do not mind the English. People can understand me. What I am saying is this that people have got to be **concerned**. The people at the Transport Board must be concerned that this measure is going to bring about their severance from the Transport Board.

Mr. Speaker, I would read this in the record because the Government must understand that when the time comes 5 years from now when the Barbados Labour Party Government would have assumed office it has to pay back this loan. I want to tell the public of Barbados now in this Honourable Chamber that this Government has saddled Barbados with \$26 million and it has to be repaid 5½ years from now.

4.25 p.m.

I have heard all the excuses about the BLP negotiating a loan and this Government has to pay it. Today you have a classic example of what happened. They must be consistent. The government said it was not going to borrow any more money overseas and they are borrowing today. This is going to build up the Government's indebtedness overseas and the taxpayers of Barbados have got to pay. The Government cannot now shelter from this. They want me to shut up. Mr. Speaker, I want to say this. The Government is committing this country to a loan in excess ... They said they were opposed to it and they were saying that all the time. They said that the Barbados Labour Party Government borrowed too much money. They are borrowing more money now. They said we should not have borrowed in 1984, Mr. Speaker. They **criticised** that. They said that was one of the reasons that Barbados was in "potter" as they called it. They have come now and borrowed much more money and have put us in further "potter".

Mr. Speaker ...

Mr. SPEAKER: We have been going very well. I am not going to interrupt anybody.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I just want the Government to understand that this is a very serious matter. We have known the Government to have imported fare boxes and the fare boxes were proven to be unsuitable

for the business. I made a statement here and it is a fact and they had to be changed. The fare boxes were not suitable and they have been changed. With the limited time you had at your disposal to get rid of the Transport Board please do not invest in **the fare** boxes. I am making a plea on behalf of **Barbadians**, don't waste the money buying any fare boxes. You have already made up your mind to sell them, **so** don't waste any money on it. It is no sense talking about looking at the workshop at the Transport Board. I want the Government also to look at how **best** and decide and tell us, which one of **terminals** it is going to sell. Is the Government going to sell the **terminal** in Fairchild Street or, is it going to sell the one in Speightstown? The Minister has said that. I want **the** Minister to stand up in here today and repeat what was alleged to have been said by him, that he is prepared to get rid of one of the terminals. We have got a spanking new one that was built in Speightstown and we have got one here in Bridgetown.

Hon. P. M. GREAVES: I never, at any time, during the course of my speech state anything about getting rid of any terminal, neither in here or elsewhere did I say that.

Mr. DeL. O. BRADSHAW: I am very glad to hear that because I heard it on CBC News **so** I don't know. I also heard on the news that the police will have to pay. Mr. Speaker, I am confused because I heard that distinctly as being a proposal and it was written on the screen.

Mr. SPEAKER: The **Honourable** Minister has refuted that charge that he has not said it. Now, I am not supposed to know what CBC said and what it did not say. The Minister has said he did not say it.

Mr. DeL. O. BRADSKAW: I want the Minister to tell us now – since he is getting rid of the buses and will not have any use for the bus terminals – will he be prepared to tell this Honourable House and Barbadians what he **proposes** to do with the two terminals. That is all I want. Let him give an answer now. You have them there and they will not be any use. Tell us what you will do with them. I hope if you do anything, you will sell them to the workers or that you will negotiate a lease of the terminals with them and don't talk about selling them. You got to tell us **that**. I hope, Mr. **Speaker**, that the Government will be forced, when they sell off, if they sell off the buses and not only the buses, when they sell off the terminals to pay that money to the workers. I hope they will understand that. I hope they will not come in here for a Supplementary to borrow money. If they have assets and they sell the assets, I hope that money will be spent to defray the costs of all of their debts and don't saddle the workers with it. Let them understand that. Let them understand what I am talking about. If you are going to give the workers a deal and you are negotiating to sell to them, then that should be part of the package. I am calling on the Government to consider that as a part of the package. Don't tell me

that I am hearing that they have to sell. Something has to be done. Let us understand what we are doing.

I am fully aware that the land at Kendal Hill does not belong to the Transport Board. It has not been vested **as** far as I am concerned. If it has not been vested the Transport Board does not own it and it can't sell it. But if those 2 terminals ~~are~~ vested in the Transport Board then I expect they are assets of the Transport Board and I expect them to say to the public of Barbados how soon they propose to sell the terminals.

There are a lot of considerations out there. Don't let us sweep this under the carpet. You have people who are selling in the terminals. You have to give consideration to them. They are people too. Tell me what you are going to do with them. Are you going to leave them at the mercy of some new contractor or some person to whom you have sold? Are you going to do that to the people of Barbados? What about the people in Speightstown at that terminal? Who is going to respond to them? What sort of arrangement are you going to make for them to continue to ply their trade? Are we so unconcerned about these things? Don't we understand that there is a sort of chain effect that these things have on people's lives?

Let us understand that. We can't go on and on with this piece-meal arrangement and people hiding information or not being frank enough to disclose all the information and let people have an opportunity to analyse all. I am fed up with this approach by the Government. I want a frank and full disclosure and time to analyse everything, then they can have my input and my cooperation. It is not fair to us that we come to transport and we hear a study is being conducted and they have already decided to get rid of these things and the people. They are talking about training and the training can't start because you don't have a programme. I asked the Minister about a programme and he has none.

Mr. SPEAKER: The Honourable Member has made those two points already.

Mr. DeL. C. BRADSHAW: Mr. Speaker, I want to see all of these things done. I hope that the Government, in awarding the contract for the work to be done on Highway 6, that it goes out to competitive tender and the best and most reasonable tender is found and accepted.

I know what I said this morning. You can't read me. Neither one of you over there. You can't confuse me. If you don't want to hear me, I am saying it. I have a bounden duty to insist that this is done. I have seen contracts in the Ministry and they are all going without tenders. I hope the Ministry follows the Financial Rules in this. I am calling on the Government otherwise I am going to preach against it. I don't want you to come in here and say you do not have any reports. Let us put that behind us.

I have seen it more than once in the Ministry and we don't know who are the **tenderers**. They are people who have special interest in the Ministry and they are being paid for doing work that should not be done and they are ripping off the Government. That is a fact.

4.35 p.m.

The Government is aware of this. How long are we going to sit down and stand this? Somebody has got to speak out. If they do not like it, I know what they can do. But I **am** going to speak out because it is costing us when you have got people who have put in tenders for a highway and then you go to the highest against all the advice from the experts. This causes us to pay dearly for it. Am I not entitled to ask the Government not to follow that route again? You want me and other people to be paying out taxes for your misdeeds. I **am** saying to follow the Financial Rules. If it is over \$25 000, let it go out to tender and let us know. Let the public know. Have it in the newspaper so that it can go for public tender. I do not want any sneaking around with these contracts. This is the people's money. I have an opportunity to deal with this. I did not have an opportunity to deal with the others and I have to shadow this portfolio. I am going to ask that it be done in a manner that I would expect it to be done if I were the Minister or in some ways connected with it. Sir, I **am** asking that these be honoured. I do not want to be asking any questions in the future. Let it be done.

If you are going to give out contracts for materials, see that you have the best and that the supplier can supply and that there is not all of this crookery and underhand thing that some materials do not reach the site. All that happened and I, **as** a taxpayer, have got to pay for it. I am going to hold no bars on this. Mr. Speaker, these are things that you have to do. You have to make sure that these things are done. You are telling me that we must not be concerned about what could happen. I want to see that this is being done so that we can bring some sort of sanity to this whole thing. People are concerned and they are questioning the integrity of the system as it relates to MTW. We have to look at that, Mr. Speaker, because when the materials do not get there on time it is a cost to us.

Mr. Speaker, the street lights. We need to have street lights. I **am** not satisfied that the Ministry is doing enough to assist in this area. The street lights on the highway are not working too well. They used to say the officer in the Electrical Department was responsible for those problems. Well, I do not know what is really going on now. Some work and some do not work. Go on the Graeme Hall stretch of the ABC where you will see the lights are always knocked out and it is very dangerous. Has anyone ever travelled on that road and seen exactly the problem that we have? You come from the round-about by Life of Barbados and go down and you will see that something is wrong.

As I said, the lights are not working. **All** of those things we have to look at. Does the Ministry have an officer that goes around to check and see that these things are done? To have a complaints officer up there where you can telephone in and say do this is not enough. With all these rapes and all kinds of crimes being committed, people are asking for street lights. They have some places with street lights that are **unnecessary**. It is a waste of time. They are not placed properly or in the correct position.

These are things that you have to look at. A street light might be necessary in a particular area today but not next week. You have to look at that. Some areas have gone without street lights and no matter what you do **and** how you appeal to the Ministry, you cannot get any satisfaction from the Ministry. You do not even know who to go to. They call the Light and Power people to come to put up the lights when they are not aware that the Government has to foot the bill. The Ministry has to give approval to put in the street lights. We have to be concerned about all of these things. There are lots of robberies and we need to do something at least to deter would be criminals. Let us look at this as something that we need to address. We cannot and should not treat this matter lightly.

Mr. Speaker, there is a lot of crime and people are saying they cannot walk the road in peace. I am calling on the Government to do some debushing. This is the rainy season and I am asking the Government to do that. But what do you get sometimes from the Government? We used to have NCC doing this. We used to have staff at MTW doing this. You sent them home. I begin to wonder about all the lavish praises showered on the NCC. You do not have it **anymore**. I can go on.

The Government came in with a report on jobs. The Task Force recommended that a lot of emphasis should be placed on the NCC to debush and lots of people were employed as well as at the MTW. We saw endless people like peas on the highway weeding, sweeping the highway and picking up grass where there was no grass. What has happened now? Has the Government abandoned us? The problems are still there.

You have sent home the people and the roads are becoming dangerous. I am saying to the Government that, if you know that, then put lights in some of these areas where you know that crimes have been committed. You could work with the Police Department and they will tell you where they have had a lot of crime and so forth. They tell you sometimes that the lighting problem has caused that. You have to look at it. You have a beautiful highway where it is dark and a lot of accidents have been caused on it. I suppose that the Ministry cannot stop accidents but at least you could prevent some of them. We have been seeing some pockets on the ABC Highway where a lot of accidents occur.

Mr. Speaker, I am saying that all of these are things that you have to decide in your mind what you are going to do for the safety of the people and to improve the roads. You have got to understand that. We have not got to wait for a report to recommend these things to us. We have people in Barbados who can do the report and tell us where we did things wrong. But I begin to wonder when the reports are done and when people sit down **and put their** heads together and make submission to Government whether Government listens or not. Sir, all of these things should not be given priority. They can go back to some of the small things and let us work on them and see what we can do to reduce the several problems that we have. This Ministry is a very crucial Ministry.

As I said, we do not have the highway code. We need even to look at the training of the drivers. All of these things should be put in place. We have to look at what sort of training should be done and inspection of vehicles. We have to look at that and whether we are going to continue MTW. All of these things I want to know and if they are going to do all of that at MTW or whether they are going to allow certain garages that are authorised to do certain inspections. All of this has got to be thought about. If the measure is going to cover all of these things, then we have to look at every aspect of it and see how best we can improve our system.

Sir, we need to preserve the capital base of our road infrastructure. Yes, we need to do that. That is why I say that I support that part of the Resolution because I am aware that lots of roads need resurfacing. But I also want to warn the Government, and I restate this, to make sure that there is no hurry-up or ad hoc work done. I want to make sure that the work is done properly and that the mix is right, temperature is right and applied at the right time and the quality is right. All those things are the things that go into this thing. I do not want to see that you do a road fast and then you have to come back to it. That is a waste of money. I want that done and I am asking the Ministry responsible and its engineers and technical men to look at that particular aspect because it does not augur well for this country at this particular stage.

Mt. Speaker, the Minister would have sat and listened to what I had to say. He need not implement it. Although I must say this for the Minister, he has implemented a lot of my suggestions. He has done that. It is on record. He does not disagree with me when I make certain suggestions. He is always on record concurring. I want him to go a little further because we want to reduce the confusion in the Ministry of itself. We want to address other things so the Minister will have to implement some of these things. Let us make sure that we come to grips with the real problems and not approach them in a piecemeal, ad hoc manner. If you are going to have a comprehensive study, in fact, you have made a mistake already by going and implementing it before it

is completed. Be that as it may, there is time yet to sit down and come up with a **properly** thought-out policy taking all of these factors into consideration so that we can say that we have come to grips with the transport problem in Barbados.

3.45 p.m.

The country is not going to move on unless you address this problem. All the anticipation of economic take-off and revival will depend on how you handle this. Workers have to be taken into consideration. They have to be satisfied. Consider them in your transport policy! Those are the masons, the carpenters, those who sweep, those who paint the lines in the road, those who work at the Transport Board as conductors and drivers as well as the people in the mechanic shop, even the clerical officers, all of them need to be focussed on. Understand what you are doing to them. They are a part of Barbados. They cannot go anywhere. They are going to stay here. We have to facilitate them in any arrangement that we make. So the loan must not be seen, Mr. Speaker, as just a matter of coming for approval.

I hope a word to the wise is enough. The Minister must understand that he is on the wrong course. What he is doing cannot redound to the benefit of Barbados, as far as transport is concerned. His policy has failed and if he continues along the course that he has stated from time to time, this country is going to be in serious chaos, and we do not want to see that day. It is already in chaos and it will be running into further chaos.

Mr. Speaker, a complete report looking at the whole picture of transport, no piecemeal, no ad hocism should be involved. Let us draw from the expert advice of all of the people involved in ground transportation. There are people yet abroad who would be very willing to make their input. I have a document that was sent to me and a copy of it was also sent to the Ministry of Transport and Works, on what can be done to achieve certain objectives in the transport system. Someone from the United States who knows Barbados very well was instructed to carry out certain studies and he made it available to the Government. So I can tell the Minister to follow it and he will see that there are some very valid recommendations that could take this country forward. What is happening is that people are taking out bits and pieces and taking things out of context and that is where the confusion lies. They don't know how to implement it and they are causing grave problems.

I would hope that the Government would look seriously at this policy again and the Minister must realise that he has erred and continues to make a lot of mistakes and what goes off or passes for transport policy is nothing but real confusion. The whole system is messed up.

There are people running into the Ministry all the time to have meetings who afterwards say that they didn't

understand what went on. They went to the meeting but they didn't follow and they have to be seeking explanations. The Ministry promises but nothing happens. The Ministry knows full well that what they promised or gave the nod to cannot be achieved because Government has other intentions. That is the thing that bothers me. The Government must be frank with these people and those who are sent to discuss and negotiate on the Ministry's behalf must be frank and knowledgeable as to what Government's policy is. If that was done in the first place you wouldn't hear the Permanent Secretary saying one thing and the Minister saying another – no conflicting stories. The Permanent Secretary says one thing and then you hear another and then the Chief Technical Officer says another. We can't have it that way. There is a lot of inconsistencies and that is what is causing this country the problems it is facing.

I don't think the Minister can be given comfort this evening. I think that he must go back and pull out his files and think seriously as to what can be done for Barbados. There might be a don't care approach, "Man we are going to lose anyway so let things go along. Don't sweat your head." Mr. Speaker, whether Government rises or falls people still have to live here. If that is the approach... Some of the remarks I have heard tell me that some people in Government don't care. My duty and that of the Members on this side is not only to oppose but propose. In opposing you will know, if you are a good listener and a good student, that the Opposition will help you to go on the right course and to correct your wrongs.

We do not have to give the Government any actions. That is not our duty but because we love our country we will, from time to time, make certain contributions which we hope the Government would take in good faith and understand that we are interested in our country. We have had transport already. Both of our Parties have tried to maintain a certain level but the difference now is that this Government is now destroying all the gains in transport. We have to watch that.

There was a time when people would come into this Honourable Chamber and ask for a road. They will ask for a bus service. It will be interesting, Mr. Speaker, that after next year when the Government privatises the bus service you do not know that I would not be able to come in here and ask for a bus service. I would have to be begging the private concessionaires to send a bus. The debate would take place here but we would not be able to talk about routes. What we are debating today may be the last mass because we would not be able to come in and say we want roads, and not roads alone but we would not be able to talk about the problems in transport because of the Board. When the Board takes over, what will we be discussing because we would be dealing with the work of the Board? We will say the Minister does not have the responsibility, leave it to the Board. That is the situation we are in.

In other words, we do not even have to wait **until** that is implemented. We know the Minister has already abandoned Transport. Everything there is now floating. He is only waiting for the final handling of the auctioneer. Everything has gone at the Transport Board. They have a lot of old buses up there. I hope the Government sells them off and gets what **little** money they can get out there for them. 4.55 p.m.

I hope whatever is done the Government takes seriously into consideration the plight of the workers at the Transport Board and the Ministry of Transport **and** Works, and the plight of their families, the commuters and all Barbadians who have access to the roads of this country.

Thank you, Mr. Speaker.

Hon. P. M. GREAVES: Mr. Speaker, I want to move...

Mr. SPEAKER: Two Honourable Members rose. I will hear the Honourable Member.

Hon. P. M. GREAVES: I am not making a response.

Mr. SPEAKER: You are not making a response but I will give the Leader of the House....

Hon. P. M. GREAVES: Mr. Speaker, I **am** moving that further consideration of this measure be postponed until later in the **sitting**.

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

Mr. H. **deB.** FORDE: Mr. Speaker, the Honourable Leader of the House has just moved, without giving any explanation to this House, that further consideration be postponed. The Honourable Member must recognise that Honourable Members have an interest in **speaking** on this matter. Whilst Government has a certain facility in organising Government's Business, yet it must be subject to the matters before this House and the privileges of Honourable Members.

Your Honour would have seen that **2** Honourable Members pre-empted the Leader of the House on his feet by indicating a clear intention to speak on a measure that is obviously replete with a lot of difficulties for the Honourable Member, in particular, and for the Government in general. The Honourable Member has probably had enough blows that he wishes a respite from this that he has so moved. I do not know, Sir. I am speculating on why he has moved the postponement.

Mr. SPEAKER: I **am** studying the motion before the House. The motion before the House, as the Honourable Member knows very well, is for further consideration to be postponed.

Mr. H. **deB.** FORDE: That is what I **am** speaking on. He has a measure before the House that further consideration be postponed but the Honourable Leader of the House must recognise that he must tell the House why he wants a postponement of the measure. Certainly Honourable Members are entitled to some reasonable explanation to why this debate is being discontinued. We are not going downstairs. The Honourable Member should, at least, have given us some explanation as to his reasons for wanting to postpone it.

I would hope it is not to frustrate debate. I would hope that it is not begging for time. I would hope that he is not suffering from the blows that the Honourable Shadow Minister of Public Works, Communications and Transportation has put on him this afternoon.

Mr. SPEAKER: But that is not what is before the House. I maintain that. If the Honourable Member is objecting to the postponement, so do, but I cannot turn it into another debate out of what the Honourable Member says is speculation. I do not think one should allow that.

Mr. H. **deB.** FORDE: Agreed, Your **Honour**, but at least the Honourable Member in asking for a **postponement** should have given the House some reason why he wants it postponed. It is the attitude of the Leader of the House by saying you can vote against it which would make it very difficult to give him any co-operation. All he has to do is to tender some civility and understand that he is only the Leader of the House, **pro temp**, nothing else. He cannot get up and believe that he is **running** the House as he likes, for whom he likes, and when he likes. That is what I am objecting to. His method of doing business leaves a lot to be desired. He should know better. He has been in and out of here long enough that he should know better, in the manner in which he is dealing with the business of the House on a matter such as this. I would ask the Leader of the House to tell us why he is asking that this matter be postponed.

Hon. P. M. GREAVES: Honourable Members have had prior notice and indication that it is the intention of the Minister of Finance to make a statement at this time.'

'Mr. SPEAKER: You are requesting now that "Statements by Ministers" be reverted **to**? Is that what you are asking?

Hon. P. M. GREAVES: Sir, there is so much talk I cannot hear you.

Asides.

Mr. SPEAKER: Order, please. Simply put I am trying to get the whole thing in the right perspective. The Honourable Member is asking that a statement be made. I am simply saying to the Member that the head under

which we normally do these statements is "Statements by Ministers." Is that what the Honourable Member is requesting?

Hon. P. M. GREAVES: Not quite. This is a supplemental Financial Statement and Budgetary Proposals in relation to the form of direct taxation in Barbados by the Minister of Finance. That is what it is. The point was that I moved before we got to this point that further consideration be postponed.

Mr. SPEAKER: So that now we are dealing with the motion that further consideration of that Resolution be postponed. I will put that motion.

The question that further consideration of the Resolution be postponed was put and resolved in the affirmative without division.

Mr. SPEAKER: If there is no objection now, we will revert to "Statements By Ministers".

Mr. H. deB. FORDE: Sir, before we get to this matter, once again I am rising on the rights of the Members of this Parliament on a matter of privilege. The Leader of the House has just stated that the Prime Minister intends to make a statement by way of Supplementary Budgetary Proposals to the House. I would wish to know what is the procedure that is going to be followed in the House in order to permit the views of the Opposition and other Honourable Members of this House to be heard. 5.05 p.m.

Let me state, Sir, that at 3.25 p.m. yesterday the Minister and Leader of the House phoned and said to me that the Prime Minister intended to make a statement about tax proposals and the Government's reaction to the IMF document. I asked at the time, Sir, whether a copy of the Government's tax proposals were available. Let me look at my notes, Sir, because I made a note of it. I was told that the Honourable Member for St. John would have sent to my office a copy of certain amendments. That is what I was given, Sir, a Ministerial Statement with the resolution and Government is proposing - I have got my own handwritten notes - certain amendments. Those amendments certainly did not come to my office by the time I came to this House today. The Minister also said that today we would be beginning the House with Item No. 2. I asked the Minister whether or not this Ministerial Statement was going to be made by way of television and I was told "no", that it was not intended to have any television. Sir, I believe that we are entitled to better treatment in this House. I understand that further than that the Minister intends to introduce a resolution which they would wish debated today. I am coming to that.

Aside.

Mr. H. deB. FORDE: I am not going to misrepresent anything you told me nor am I going to give you more than what you told me. Under no circumstances would it be fair and reasonable for the Opposition to be called upon to debate in this House a supplementary Budget which I now understand it is a supplementary Budget of which a statement is going to be made today and the Opposition is going to be asked to debate the supplementary Budget forthwith.

The Honourable Member never told me yesterday that a supplementary Budget was going to be brought to this House. The Honourable Member referred to the IMF proposals for tax reform. He said that the Government had made amendments to those tax proposals and had their amendments and a copy of those amendments were to be sent to my office, and that the Honourable Junior Minister of Finance said he could not get me and it was going to be sent through the Chairman, the Honourable Member for St. George South. That is what was told to me. Nothing to do with a budgetary statement. I am absolutely clear in my mind. I took the notes and I took the time and wrote it down on a piece of paper because I do not want any misunderstanding about this.

For the first time I am being told that there is going to be a Budgetary Statement made and the Honourable Member would expect us to debate the Budgetary Statement on a resolution. It had been my understanding - because I asked the Member quite clearly whether the tax proposals were coming before the House by way of legislation and the Honourable Member said legislation will come some time later. Those were my exact words on that, whether the tax proposals were coming before the House.

Aside.

Mr. H. deB. FORDE: Next time I will tape him, Sir, or ask him to put his statements to me in writing. It might get to that stage.

Sir, the Opposition is not going to debate in here today any supplementary Budget in the manner in which the Government chose to bring it down, Sir. The Honourable Member must understand, if he did not, understand before, he must understand now that there are certain privileges which we claim on behalf of the people of Barbados whom we represent and that therefore although we have been more than generous in accommodating the Government at very short notice, the Government is treating the country however it likes, whenever it likes, with whatever it likes and believe that somebody must take this treatment. That is not going to happen, Mr. Speaker, Sir. We will expect you to stand up for our rights. But even if you cannot and would not, Sir, we will stand up for the rights of the people in those circumstances.

I would have thought that if this Government had any sense and were doing their job properly and decently, they would understand that they have to treat the Opposition in this country much better than they have been treating the Opposition in the country.

I had expected that they were going to debate, for a start, the IMF document with whatever little amendments they may have made to them. That was my understanding. Whenever matters such as a fundamental change in the tax system has been brought in any other country, including Trinidad and Tobago, the procedure was that intended proposals were brought to the House they were laid in the House, were debated for some time, and the public had an opportunity to comment on them since a substantial change was being made to the tax structure of the country. That is the precedent that was followed in Trinidad and Tobago, Sir. It is the precedent that I have known to have been followed in other jurisdictions who have some respect for the democratic process, as I understand it.

One would have expected that if the Government wanted the co-operation and the best advice that it could from all the persons who matter in this country that such a procedure would be followed. I speak in this way, Mr. Speaker, Sir, because the document that was supposed to be the amendments that were being made and being proposed and sent to us, that we got it at 12.00 o'clock, as we came to the House,...

Aside.

Mr. D. A. C. SIMMONS: On a point of order, Sir. I did not get any.

Mr. H. deB. FORDE: The one copy that was sent to the Leader of the Opposition's office is dated June 25, 1992, Ministry of Finance and Economic Affairs. This document I understand is the same document that the IMF gentleman read from yesterday afternoon to a group of people up at the Convention Centre.

Asides.

Mr. SPEAKER: I am not going to let Members run this Chamber. I am going to be very firm in what I am doing. I am listening to the Honourable Member who is speaking. I do not want to hear anybody else.

Mr. H. deB. FORDE: This is the same document, Sir, of almost two weeks ago. I would expect that if the Opposition's co-operation was being sought on matters such as these whether we agree or not on the substantive proposals, that as a procedure for dealing with the public's business that this could have been made available to us since June 25, 1992. Suffice it to say that in the views of the Government the Opposition counts less because it was

made available yesterday afternoon at Dover Convention Centre.

The Honourable Member for St. John when he came into the precincts of Parliament asked if I had got the document. I told him that a copy of this document was left at my office only a few minutes before. We were both coming to Parliament, Sir. He told me that there was some problem with the duplicating machine or something of the sort. There was no problem with it, however, for it to have been in the hands of a meeting of the Democratic Labour Party on Saturday. There was no problem with it for it to be in the hands of a meeting of the Democratic Labour Party last night. But there are a lot of problems with it to be in the hands of the Opposition who must now come in here to rubberstamp everything that the Government wants to do and to approve of measures that they rub into the wounds of the Barbadian public at any cost and the Opposition is to sit down and calmly co-operate with the Government on all these matters, Sir.
5.15 p.m.

I believe, Sir, that Parliament is the most important institution in this country, in the democratic process and in the process of consultation. It is not the play thing of the Prime Minister or the Leader of the House. It is not. The people are getting fed up with the process because they believe that people are rubber-stamping matters and I want to say, Sir, that this Opposition will not be rubber-stamping any changes, simply on the say so of the Government whenever it chooses. It need not consult us if it does not want to. That is its business. But whenever we have the opportunity, in this House, or elsewhere, we will be making it absolutely clear that the Opposition ...

Aside.

Mr. H. deB. FORDE: Let them know, very clearly, from now on, Sir, that unless the Opposition gets the respect that it deserves they can expect no cooperation from this Opposition for as long as this Parliament lasts in future. Let them know that, absolutely clearly.

We have reserved the right in the national interest from time to time, even against maybe our narrow partisan interest to cooperate, whether it is in the Estimates or elsewhere. I could cite many examples that we have leaned over backwards to cooperate with the Government but it has got beyond the point of what is reasonable and what is fair and I do not believe that the Government should expect to come in here hot and sweaty, except they have the dictates of the IMF to perform according to a schedule, to throw anything before us at any time they choose to.

These tax proposals have been with the Government since early May. We raised, in here, the point that the Government had the tax proposals and they had passed a copy to the private sector and not to the Opposition.

These are substantial changes being made to the burden of taxes that will fall on Barbados and the philosophy behind how we regulate our business. After we raised the matter in here and they wanted to know how we came by a copy of this, Sir, the Government came in and laid the document less than 2 weeks ago.

Now, since then, almost 2 weeks ago the Government decided it was making changes. Let me say that the meeting they held yesterday for consultation with the wider public is a farce because this is what was read out, what was already agreed, so there was really no consultation. Every social partner that has responded in writing to the Government has objected to the **highhanded** manner in which the Government has been treating this matter, the short time being given to them to make meaningful inputs into the programme. If the Honourable Member wants the evidence I will give it to him, Sir.

Everyone has made the point, anybody of any significance has made the point, that the time has **been** unreasonable when you are coming to deal with this type of change. I would have expected, in particular, in dealing with the House, that the Government would have used the opportunity for a general debate on what is really tantamount to a Green Paper and they would have laid their own Green Paper, after taking the advice of the **IMF**, and then we would have had the concrete proposals being dealt with, Sir.

I repeat, Mr. Speaker, Sir, nowhere have I been told, other than a moment ago that there was going to be a **supplementary** Budgetary Statement. That is the point. And that therefore I would expect that if that statement is to be debated, the Honourable Member would tell this House what are the **arrangements** being made at a reasonable time for the Opposition to debate the matter, Sir. That is why, when the Honourable Member moved that further matter be postponed I wanted to know what was the balance of Government business in the House today.

If we are to make meaningful response to the Budgetary Statement it would be expected that the Opposition should be given some time to consider the matter. It would be expected that we would be given some reasonable time to consider this, Sir. Riding rough shod over the rights of people leads to the type of action that most of us abhor and that has been happening in the Caribbean. If you use your numbers and your position and believe that you are going to start one by one trampling on the rights of Oppositions, trampling on the rights of others because you believe you have numbers, you will find that what has been happening, unfortunately, in some Caribbean countries will come to happen in Barbados.

I have been in political life long enough and feel very deeply about civil order ...

Mr. SPEAKER: I don't think the Honourable Member should use this opportunity to develop that sort of point. I thought the Honourable Member was presenting a case based on the fact of the nature of the motion before the House. I would accept that, but I probably would not go into the wider details on that matter.

If the Honourable Member feels that **he** has covered his points sufficiently enough then I would probably see what the Government propose, but certainly I would not like the Honourable Member to go beyond the point which we are discussing.

Mr. H. deB. FORDE: Mr. Speaker, I am not developing that point any further except to say, Sir, that unless the rights which you claimed on behalf of us all are fully upheld, just as happened from when that Convention started from 1688, you will remember, Sir, what led to that. And although we do not have, we have claimed the traditions from other Parliaments. Let me say, Sir, it bothers me that this Government believes that it can do what it wants, whenever it wants, and that nobody is going to do anything about it. Well the Opposition will do something about it, Sir. We will do something about it, if necessary, Sir. Therefore, as a matter of privilege, Sir, I am going to ask, Sir, that a clear statement be made as to the arrangements and the time under which debate on any motion which may be proposed will take place, Sir, and that the rights of Honourable Members, particularly the minority in this House, Sir, be properly protected from this Government.

Hon. P. M. GREAVES: Thank you very much for applauding me. Mr. Speaker, when I indicated to this House a few moments ago before the Honourable Leader of the **Opposition** spoke that it was intended that the **Prime Minister** and Minister of Finance would make a supplemental statement today, which statement was the supplemental financial statement etc. I did not, at the time, say that I was asking the House to debate that today. The Honourable Member who spoke has jumped the gun as he does very often. He sets up the straw and he shoots at it.

We have Orders in this House, Sir. We have Standing Orders here, Sir. The Standing Orders **specifically** state, Sir, that one must be given a day's notice. At no time did I say, and I challenge the Honourable Member of the Opposition to say where I said it. Check the records of this Chamber, **Sir**. I did not say I invited Honourable Members to debate this matter today. I did not say it, Sir.
5.25 p.m.

Mr. H. deB. FORDE: On a point of order, **Sir**. The Honourable Member told me yesterday, nothing to do with the Budgetary Statement. But he told me that the Minister will be making amendments to the **tax** proposals and having a Resolution which he would expect to be debated today.

Mr. SPEAKER: But I need to hear the Leader of the House as well. I need to hear him.

Hon. P. M. GREAVES: Mr. Speaker, Sir, I never said that we were going to debate this matter here today. Now let me get back to what the Honourable Member said. When I spoke to the Honourable Member yesterday, I told him that there were measures which in fact we **would like** to take effect immediately. The Honourable Member turned to me and said, Sir, "I thought you would bring it down in legislation." I said, "No, that would take too long because we have to give effect to these things **immediately**." The only way, Sir, that one can give effect to these measures immediately is by way of the Budgetary Statement. There is no other legal provision for that, Sir. I assume that the Honourable Member is an intelligent person. I assume that he really understands what is happening. That is my assumption because he knows, and he has been in Parliament for a long time, that there is no other way in which you can give effect immediately to these measures except by way of a Budgetary Statement. He must know that, Sir, and I said that to him. I said that to him yesterday.

Mr. H. deB. FORDE: On a point of order, Sir. The Honourable Member said no such thing to me about a Budgetary Statement. I have made a note and you can read my notes here. I am very careful to make notes now when I speak to Honourable Members on the other side.

Hon. P. M. GREAVES: Mr. Speaker, the Honourable Member asked me how would they be able to debate this matter. The Honourable Member asked me that and I said to him that at the time when the Prime Minister has finished his statement that he will bring down a Resolution. I told him that yesterday. He knows that I told him that too.

Aside.

Hon. P. M. GREAVES: I am not going to **talk** to each and everyone of you. What do you think this is? I **will** speak to the Leader. I am speaking to him. I am not going to speak to you.

Mr. Speaker, Sir, the position is quite clear and simple. Earlier this year, Sir, Government asked the IMF to make available to the Government **a** consultant with a view to reforming the **tax** system in Barbados. That consultant was made available and a report was laid in this Chamber. I told the Honourable Leader of the Opposition yesterday that there were minor amendments to those proposals. I told him yesterday, Sir, that the fundamentals of the proposals would remain but there would be minor amendments in terms of allowances. I hope he has that recorded too. I told him that. So he cannot come in here now and pretend as though he is hearing about these things today for the first time. He cannot pretend that.

In a **Budgetary** Statement, Sir, the Minister of Finance does not have to send up in advance what he is going to do. This is the first time I am hearing that the Leader of the Opposition is talking about this lack of courtesy in not having it. Let me further state, Sir, that if the people at Dover or wherever he said received the notice of the amendments of what the **Prime** Minister is going to say, I do not think so. Because only a few days ago these matters were agreed to by the Cabinet. We spent the whole of last week, Sir, from Tuesday, Wednesday and Thursday in discussing these particular proposals in terms of seeking modifications to the proposals put forward. Only on Thursday night, Sir, when I had to go on to another function – the Honourable Minister of Health chaired the Cabinet – at nearly 7 o'clock that night the Cabinet agreed on what the modifications would be. That was only on Thursday night, July 2nd or whatever the case may be. So there was no way those modifications could have gone to the Dover Centre before Thursday.

Aside.

Hon. P. M. GREAVES: But that is something else. That has nothing to do with it. The point is this, Sir. They are not entitled to these things. I want to make it quite clear. They are not entitled to know what the Minister of Finance is going to say beforehand. I want them to understand this quite clearly. They are not entitled to them. When you come in here, as a matter of courtesy, you can let the Leader of the Opposition have a copy of the Statement beforehand. They are just not entitled to it. Do not come in here and pretend that this is a matter of discourtesy because at no other time in the history of this country have you or any of you in advance been given a copy of the Minister of Finance's Statement. So do not bring that to me.

Miss B. A. MILLER: Mr. Speaker, on a point of privilege.

Mr. SPEAKER: You cannot be on a point of privilege and ask the Member to sit down. Have you given way? Well, the Honourable Member will sit. The Honourable Member for the City will sit. There is no point of privilege that demands a Member to sit. What Standing Order are you proposing for a point of order? What is the Standing Order?

Miss B. A. MILLER: Mr. Speaker, I am bringing Standing Order No. 31 at page 40 of the Standing Orders of this Honourable Chamber to the Speaker's attention. That is what I am on. It speaks of debate on Financial Statement and Budgetary Proposals.
5.35 p.m.

I have sat through many such occasions in this House, Mr. Speaker. Whatever side of the House I was on, I

was always treated to the courtesy of notice. I find myself in this Chamber today hearing for the first time...

Asides.

Mr. SPEAKER: Order, please. I am saying to the Honourable Members I can deal with the matter but I want to be very cool in this matter. I asked the Honourable Member on what point of order she was standing. She claimed a point of order. A point of order is a very precise statement. It has no preamble or any other amble. Make your point and I will listen to it.

Miss B. A. MILLER: I am saying that I am hearing for the first time that the Minister of Finance is to make a statement to do with Budgetary Proposals of which I personally have had no notice.

That is my point of order.,

Mr. SPEAKER: The point is made.

Miss B. A. MILLER: ... and I want Your Honour's ruling.

Hon. P. M. GREAVES: That's a point made but that is no point of order.

Mr. SPEAKER: Order, please.

Asides.

Mr. SPEAKER: I ruled that the Honourable Member submitted to me that she did not receive any notice and therefore that is a valid point. It is a point of order. I don't see anything wrong with that. I am finished with that.

Hon. P. M. GREAVES: Let me say this, Sir, those of us who were here in 1981 have gone through the experience of the then Honourable Minister of Finance...

Asides.

Mr. SPEAKER: One of the things about our Chamber is that we allow free debate and expression. I am only waiting until the Honourable Leader finishes his reply and then I will make my own ruling on the matter.

Hon. P. M. GREAVES: I myself, Sir, and those of us who were in the House in 1981 have been through the time when the then Minister of Finance came into this Chamber and made a statement without notice to anybody.

Asides.

Hon. P. M. GREAVES: I want to make it clear, Sir.

Asides.

Mr. SPEAKER: I am not going to permit any unnecessary noise. The Honourable Member for St. Thomas... I will start from the top. I will not permit any unruly behaviour.

Hon. P. M. GREAVES: So, Sir, if we are going to play it by the rules we will play by the rules...

Mr. SPEAKER: ... and that is what I will rule by. If the Honourable Member sits, I will make my own position clear.

As always has been the case, the Rules of this House may be interpreted in different ways. I am interpreting them as they are.

In the first place, no notice needs to be given for a Statement and therefore if a Member wants to make a Statement there is nothing precluding a Member from making a Statement. What I believe the Honourable Members are having difficulty with, and if you look at Rule 22(3), it clearly says:

Not less than three clear days' notice of a motion shall be given unless it is Government Business introduced in the name of a Minister, in which case one day's notice shall be sufficient.

That settles the matter. I will wait to see what happens after that, to see whether these Rules are breached.

Asides.

Mr. SPEAKER: Order, please. What I will now observe and what I have been experiencing within the last few years is that the normal convention that we accept should exist between the Opposition and the Government, in terms of coming to a conclusion on matters of these sorts, seems to be breaking down. I am asking Honourable Members on both sides to make sure that when we allow these conventions they function effectively. We need not have rules for everything. I think we are able enough as an experienced Parliament to be able to bridge those gaps. I make this observation because it has been creeping up very often and I am asking Members so to do. Proceed!

Asides.

Mr. SPEAKER: Order, please.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, Honourable Members will recall that during the presentation of my Financial Statement and

Budgetary Proposals of April 1989, I expressed the view that I thought the time was ripe for a comprehensive review of the **tax** system with particular reference to the fairness and equity of revenue-raising measures in Barbados.

It may be recalled, too, that I had set up a Tax Reform Committee within the Ministry of Finance and Economic Affairs to work on the review. That Committee's work was **however** overtaken by the need for a much faster review in the light of changing economic circumstances. As a result of collaboration between the Government of Barbados and the International Monetary Fund (IMF), a consultancy mission from the Fiscal Affairs Department of the Fund visited Barbados between February 17 and March 3, 1992 to review the system of direct taxation currently in force, including personal, corporate, stabilisation, payroll and property taxes and to make recommendations for improvement.

The report of the IMF-financed consultation was received by the Government. It was circulated to a number of groups and individuals and it was laid in Parliament. Following upon a process of discussion and consultation, the Cabinet of Barbados has made certain changes and modifications aimed at improving the recommendations contained in the Report. The Government has therefore come to its determination on those recommendations through the set of proposals which I shall shortly outline to this Honourable House of Assembly in this Supplemental Financial Statement and Budgetary Proposals Relating to Reform of the Direct Taxation System in Barbados, for which I shall be seeking the approbation of this Honourable Chamber.

Lest it be thought, however, that Barbados is embarking on some idiosyncratic path that does not connect with the mainstream of developments elsewhere in taxation reform, let me hasten to say up front that in recent years both industrialised and developing countries alike have found it necessary to reform their tax systems. Among the industrialised countries, the most sweeping reform took place in the United States in 1986, while other countries which attempted reforms of their tax systems in the 1980's include Australia, Canada, New Zealand, France, Japan, Sweden, Denmark and the United Kingdom. In the developing world during the last decade, the Republic of Korea, Indonesia, Mexico and Turkey were among those countries which carried out at least one major reform in their tax systems.

In the United States and other industrial countries, the need for reform came chiefly from the perception that the system was unjust, unnecessarily complex and detrimental to economic efficiency. A progressive structure of income **tax** which embraced lots of concessions which could mainly be exploited by the high income earners in society,

gave rise to the feeling of injustice and the desire to have a neutral tax system a level playing field. The **introduction** of a fair and more neutral tax system would also allow for simplicity in collection.

The urge for reform in the developing countries was motivated by the same quest for fairness, efficiency and simplicity. Most **tax** systems in these countries had evolved during the 1950s and 1960s to satisfy the needs of the societies at that time. Those systems, though progressive initially, became outmoded in their operations, and inefficient in the methods of collection they employed, and no longer effectively served the needs of their more sophisticated economies.

5.45 p.m.

The growth and expansion in the economies of developing countries, often accompanied by widening budget deficits, also lend urgency to the search for better tax systems. In addition, in developing countries the impetus for reform was brought on by different perceptions concerning what role Government should play consequent on the increasing tilt that the role of Government should be reduced and that of the private sector expanded.

The primary aim in seeking reform of the system of direct taxation was to secure more revenue at a minimum cost in terms of efficiency lost and without hurting the poor, while the reform of indirect taxes was considered necessary for revenue reasons since the direct taxation avenue remained somewhat limited.

Overall, reforms in the developing countries can be said to have had a wholesome effect on the tax systems in terms of simplicity, transparency and greater neutrality. The search for an optimal taxation policy has also led policy makers to the introduction of more broad-based low rate income taxes.

One must bear in mind, however, that there can be no universally applicable model of reform. Each country must design its own specific model based on guidance from economic theory, and the experiences of other countries which have implemented changes.

THE SYSTEM OF DIRECT TAXATION IN BARBADOS

The reform of the tax system in Barbados should therefore be regarded as part of a worldwide tax reform movement. It must also be seen as an essential and integral component of our country's economic adjustment programme.

Turning once again to the issue of direct taxation in Barbados, let me say that my Government is a reforming Government. We are embarking upon one of the most fundamental reforms of the system of taxation

ever attempted in Barbados. The reforms will affect both direct and indirect taxation, but this current exercise relates to the direct taxation system only. However, let me also say that a team has already commenced work on the review of the system of indirect taxation, and I am asking all interested persons and groups to let me have their **written** views about how the system of indirect taxation may be improved.

Income **tax** was introduced in Barbados **as** early **as** 1921. Since then amendments to the Income **Tax** Act have been made from time to time. In **1957** a significant change was made with the introduction of the PAYE system. After Barbados became independent in **1966** a decision was taken to examine the effectiveness of the existing tax law. This exercise resulted in **the** enactment of the Income **Tax** Act, 1968, Cap. **73**, and the Income **Tax** Regulations, **1969**. Today's exercise, therefore, represents a major reform in the system of direct taxation, aimed at projecting Barbados into the modern tax administration era.

The principal goal of tax reform for Barbados is to increase the efficiency and simplicity of a system which has changed dramatically in recent times because of changing economic conditions. These changes have taken the form of a series of legislative enactments which have been adopted from time to time to reduce the structural deficit and improve the foreign exchange position. Some changes have also been enacted to deal with short-term financing considerations. In order to improve the overall structure of the tax system and ensure greater co-ordination into a more harmonious and simplified system, imposing fewer burdens on both workers and employers, my Government is therefore embarking on this **tax** reform.

As well **as** being highly complex, the tax system in Barbados may be regarded as somewhat unjust because it contains a number of concessions and preferences which seem unduly to favour high income earners and propertied interests in the society. There is also a feeling that the system may be unduly burdensome on the middle and lower income groups.

Reform of the system in terms of greater equity will therefore mean that well-to-do taxpayers will not be favoured on the basis of their property or their ability to benefit from tax concessions not available to persons in lower income groups. The reform will also ease the burden of taxation for most taxpayers. Under the present system, higher income earners have benefited through such provisions as unlimited mortgage interest and a range of other concessions. Such a system does not necessarily improve savings in the economy, neither does it automatically stimulate productive investment.

Under a programme of structural adjustment a uniform tax system is best for optimal resource allocation.

A less discriminatory tax requirement makes for simplicity and reduces pressure from the taxpayers to grant discretionary relief in the form of concessions. A highly progressive taxation system is not a suitable instrument for the redistribution because it places pressure on Government to give tax preferences. Further, it also encourages **tax** evasion.

The system presently being proposed for Barbados is one with a few rates, which is considered to be more suitable for personal taxation and providing some uniformity of approach. Three rates will be **used**, **0**, **25%** and **40%**. The integration of PAYE and National Insurance contribution will be **40%** of one's income at the highest level.

Let me once again spell out succinctly what we have been seeking to do. In the face of the worst depression to hit the world since the **1930s**, Barbados has had to take strong defensive measures to maintain the fixed parity of its currency, to reduce excessive demand for imports, to reduce budget deficits significantly and to restrain demand for credit. Policy measures in all of these areas have been courageously introduced by my Government and they have worked remarkably well in the face of much gloom and doom. But the measures are in the interest of the entire country: individuals, households, businesses and the social partners.

Let us look at the achievements we have been able to register **as** a country. We have maintained our traditional fixed exchange rate of BDS. \$2 to U.S. \$1. We have reduced the fiscal deficit. We have brought about a substantial turn around in our domestic and external finances. There is liquidity in the banking system. Inflation has been kept at moderate levels. We have met the performance criteria under our programme with the International Monetary Fund. These are all significant gains, much to the disappointment of those within and without who wanted us to fail, and much to the relief of the silent majority of Barbadians who knew the difficulties we were experiencing and who gave their support and encouragement.

Looking to the future, during this financial year my Government's intention in implementing structural reforms is to lay the foundation for a return to satisfactory and sustainable growth. My aim is to have liquid reserves return to a level of about **2 1/4** months of imports, to effect a decrease in the rate of inflation and to work towards a resumption in real GDP growth to at least 1%.

It is expected that real GDP will recover consequent on the improvement of the tourism sector during the winter season and to a lesser extent through the expected expansion in the financial and information service sectors. The recovery of the tourism sector is based on a

projected increase of 4½% in visitor arrivals from the main tourist markets in the short-run. The availability of a greater number of flights to the country will assist in this regard.

In order to achieve the foreign exchange reserve target, and to cover amortisation payments, I propose to accelerate the divestment programme and to secure a limited amount of commercial **borrowing** on the international market. Such commercial borrowing will only exceed amortisation by only a small margin. In central government operations, it is expected that Government expenditure and revenue will be roughly at equilibrium. Fiscal measures implemented earlier in the Adjustment Programme are expected to result in public sector savings to a great extent. Major expenditure is programmed for priority areas such as tourism promotion, environmental protection, education, infrastructure and retraining facilities. Measures will also be put in place to allow a sizeable increase in credit to the private sector through a reduction of interest rates and eventually the abolition of ceilings on credit. In order to achieve competitiveness of Barbadian products, wage restraint in the private sector will be urged while a review of the incentive system is being carried out. Strategies are also being worked out which will strengthen the country's ability to earn foreign exchange.

5.55 p.m.

In the agricultural sector, increased production will be encouraged especially in respect of specialized commodities. The introduction of these measures will ensure that Barbados is placed on the path of recovery and sustained growth.

I am not saying that we are out of the woods yet, but we are getting there, and we are continuing to work resolutely to bring about a turnaround in our economy.

At this point, Mr. Speaker, let me say that my Government is particularly concerned with the impact which the process of adjustment is having on certain individuals and groups in the community. Contrary to the view of some, my Government is indeed very concerned, and very sympathetic. We will shoulder our moral and social obligations by seeking to assist those persons wherever possible as they seek to cope with the adjustment process. We are carefully analyzing the needs of individuals and families who have faced dislocation, and we are seeking to establish a social safety net to cushion the impact of the adjustment process.

The Ministry of Labour through the National Training Board is developing proposals for retraining of displaced workers in a special programme which is expected to cost at least \$3 million. My Government is also seeking new avenues to improve the existing social safety net - to strengthen current programmes and develop new ones.

We are conscious that a tax system is the result of different social, political and economic influences. What we in Barbados are seeking to do is to put in place a sound and excellent **tax** system which is productive and adequate in its revenue yield, which is equitable both horizontally and vertically, which is certain and just, with everyone paying their fair share of the cost of government, and which facilitates administration, compliance and the fiscal objectives of Government for stability and growth. Against this background, let us look at the characteristics of the proposed system.

SIMPLICITY

The proposed system requires the elimination of the Stabilisation Tax and the replacement of levies which are not ear-marked for special purposes. The **Stabilization Tax** and levies constitute an income tax on workers and adds to the complexity of the income tax system. The abolition of levies will ease the burden of tax on lower income workers, and improve the simplicity of administering the **tax** system. Simplicity will further be achieved by the use of a flat rate of 40 per cent and the use of an allowance of \$13 000 across the board.

REVENUE MAINTENANCE

The proposed **tax** system should be more revenue efficient than the present system. Revenue yields will be maintained by the imposition of the 40 per cent flat rate on PAYE tax, the abolition of the itemized deductions, and the use of the \$13 000 allowance. Even though revenue yields are expected to be maintained, the burden of tax on the lower income earners will be reduced.

FAIRNESS

Although lower-income workers in Barbados pay less taxes than do higher-earners, they pay a higher proportion of their income in direct taxes, including stabilisation taxes, levies and personal income tax. The corporate stabilisation **tax** is also borne by lower income workers to the extent that it is eventually passed on. Self-employed high-income professionals can also hide their incomes while benefitting from certain allowance expenses in the present tax system. The new system attempts to correct this problem.

COST EFFECTIVENESS

The cost of administering the present system is high. First, there are the administrative costs of collecting 6 different direct taxes, when the use of 2 or 3 taxes would serve the same purpose, since all revenue is placed in the Consolidated Fund. Secondly, the complex allowance system results in high revenue cost for the

Government, without guaranteeing increases in productive investment. These include the accommodation of claims on unlimited mortgage interest and house repairs.

BASE BROADENING

The proposed system broadens the income tax base and therefore allows fewer taxes and lower tax rates, on a broad range of incomes. In this way, the tax system becomes more efficient, not discriminating unduly among individuals. Discriminatory systems tend to channel resources into undesirable areas like conspicuous imports, and luxury buildings for example. Furthermore, the broadening of the tax base to include pension will not affect pensioners with incomes below the basic exemption level. Only pensioners with above average income receive benefits from the exclusion of income under the present system. The current exclusion of high income individuals puts a higher tax burden on workers with dependents, than on high income retired individuals.

6.05 p.m.

PROPOSED TAX CHANGES

Measures with Immediate Effect – for Individuals

The following measures will become effective immediately –

- (1) The reduction of the maximum tax rate to 40 per cent for income year 1992
- (2) The elimination of most itemised allowances and deductions
- (3) The withdrawal of exemptions for pension income. Taxpayers over age 60 may claim a deduction of \$20,000. Maintenance of the allowance in respect of gratuities payable by virtue of a contract of service with the Crown or Statutory Board
- (4) The introduction of a final withholding tax on interest of 12.5 per cent
- (5) The introduction of a final tax on dividends of 12.5 per cent to be paid to the Commissioner of Inland Revenue by Corporations. No further tax will be paid on dividend income.

The reduction in the top rate of income tax to 40 per cent roughly compensates for the withdrawal of allowances and deductions, which benefit high income individuals. Allowances may be claimed up to the tax revision date. Persons in lower income groups are not likely to be affected by measures 1 to 5 in 1992/93 year or in the longer term. The withdrawal of exemption for pension

income may affect a wider group of individuals, but those affected will tend to be in the higher income brackets.

Measures for Immediate Effect – for Companies

- (6) The elimination of Companies Stabilisation tax from the end of June 1992
- (7) The increase of the general corporation tax rate to 40 per cent
- (8) The elimination of lower special rates
- (9) The elimination of "excess" allowances for expenditures, with the exception of credit for foreign exchange earning activities, and contributions to the Tourism Development Fund.

The elimination of the companies stabilisation tax will result in a substantial tax reduction for companies in the region of \$21.0 million. This measure will also improve the cash flow of companies. The increase in the corporate tax rate is only expected to yield about \$8.0 million for 1992/93, so that businesses will still gain net benefits. The harmonisation of the Corporation Tax rate of 40 per cent with the maximum personal income tax rate is necessary to remove the incentives for higher income individuals to incorporate, in order to reduce the effective tax rate payable on new income. The market research and development allowance equivalent to 150 per cent of expenditure incurred to procure extra-regional markets will be retained, in view of the vital importance of marketing and market penetration by foreign exchange earning sectors.

With Immediate Effect – Property Taxation

With immediate effect taxes levied on property will be as follows:

1. A general tax rate of 0.95 per cent
2. A lower rate for owner-occupied homes on the first Bds.\$100,000 of value at 0.35 per cent
3. A tax discount for agriculture at 0.50 per cent

The burden of this tax will fall most heavily on residences which are not owner-occupied, (for example, rented or leased properties) and on unimproved land. Owners of properties over \$100,000 in value will pay the 0.95 per cent rate on the portion of value over \$100,000. The system therefore benefits small property owners, especially those occupying residences.

The property transfer tax will be retained because of the considerable revenue loss its abolition would entail.

Effective January 1, 1993 (for 1993 income year) –
Individuals

The following measures will become effective commencing January 1, 1993 –

- (11) The elimination of individual stabilisation tax
- (12) The reduction of basic deduction to Bds \$13,000, with allowances of \$500 each for a maximum of two dependents in 1993 and \$1,000 per dependent in 1994
- (13) (a) The introduction of a new income tax rate structure of 25 per cent on income between Bds \$13,000 and Bds \$37,200 per annum; and 40 per cent above that level.
- (b) The adjustment of the calculation and preferences in respect of in-kind benefits such as automobile and housing allowances in respect of their inclusion in assessable income.

All individuals will benefit from the elimination of the individual stabilisation tax. For example, an individual taxpayer at the \$37,200 income level will be freed of the burden of paying \$1,113 per annum in stabilisation tax; at the \$50,000 level, a reduction of \$1,625, and at the \$70,000 level a reduction of \$2,425.

Many individuals with annual incomes between \$13,000 and \$15 000 will now pay income tax for the first time, but they will benefit from the elimination of individual stabilisation tax.

Elimination of levies (Announcements)

The following measures will become effective on the dates mentioned:

- (14) The elimination of levies (apart from 1 per cent training levy) in two stages, January 1, 1993, and January 1, 1994 the reduction of 2.25 per cent
- (15) The introduction of an additional tax allowance of \$1 000 for each child commencing on January 1, 1994
- (16) The modification of tax indices to reflect changes in the rate of inflation on January 1, 1994, and January 1, 1995
- (17) The introduction of a dependent spouse allowance of \$3 000 commencing January 1, 1995

- (18) The introduction of full indexation of all tax brackets by January 1, 1996.

Reform of the tax structure to allow for family circumstances requires that persons should be able to claim allowances in respect of dependent children and a dependent spouse. However, in order to avoid significant revenue losses in the first year of the tax reform, it has been decided to phase in the allowances for children and dependent spouses.

Tax reform also recognises the effect of inflation on income in real terms. In a progressive tax system when the tax schedule remains unchanged in nominal terms, inflation affects rates of income tax on real income. Indexation attempts to address this problem by allowing tax brackets and exemption to increase at the same rate as inflation. 6.15 p.m.

The effect attributable to the phasing of levies would be a revenue loss of \$79.9 million by 1994. This loss will be partly offset by revenue from the retention of the property transfer tax of \$13.8 million, the retained training levy \$13.3 million and higher land taxes about \$10.0 million.

Barbados' maximum tax rate of 40 per cent is lower than in many developing countries. Some countries have also removed numerous personal deductions and replaced them by a single personal allowance. These include Jamaica and some Latin American countries such as Bolivia, Colombia and Mexico. The Barbadian reform seeks to reduce the number of exemptions from income following the trend established in other developing countries.

This, Mr. Speaker, represents the package of proposals which my Government is seeking in respect of direct taxation reform. Within the time constraints under which we are operating, we do not have the luxury to approach matters in a leisurely manner. Within those time constraints, we have sought to consult widely and intensely on the issues before us. I would wish to thank those individuals and groups who have co-operated with us so readily, so frankly and so competently in seeking to find the best approaches for dealing with national issues. We have incorporated a number of the suggestions made during our consultations, for example –

- 1. that no imposition be placed on severance. This was adopted and others included;
- 2. the retention of the Tourism Development Fund access deduction;
- 3. retention of the property transfer tax and a lower rate of land tax;

4. retention of the special regime for foreign exchange earnings;
5. a \$13 000 tax free allowance instead of the recommended \$12 000.

May I add here that no proposals are included for changing the **treatment** of capital and investment allowances. The issues in the initial investment allowance and the fast write-off method of depreciation will necessitate further consideration by the tax and accounting experts.

And so, Mr. Speaker, we are moving away from the status quo. Rather than make minor infinitesimal changes from month to **month** or year to year, we have gone for bold imaginative changes. Let us all remember that basically taxation is a process of mobilising resources to finance public expenditures on socially approved public services such as education, health, roads and other economic and social infrastructure.

The Government raises taxes to provide the goods and services needed by our society. The system of taxation is important both because of its impact upon such factors as income distribution and the efficient utilisation of resources, but also because of its impact on the level of total output, employment, prices and growth.

We have set about to reform the **tax** system as promised in our Manifesto. We have also sought in earnest to reduce the burden on the lower income earners in our society. We are keeping faith with our promises. We are keeping faith in our country.

With these words, Mr. Speaker, I commend these proposals to this Honourable House and I beg to move that the proposals contained in this Supplemental Financial Statement and Budgetary Proposals relating to reform of the system of direct taxation in Barbados **be** now approved by this Honourable Chamber.

Aside.

Rt. Hon. L. E. SANDIFORD: Mr. Spcaker, I now formally move the following Resolution:

"Be it resolved that the proposals contained in the Supplemental Financial Statement and Budgetary Proposals in relation to the reform of the system of direct taxation in Barbados **be** approved."

Hon. P. M. GREAVES: Mr. Speaker, I second the motion and I reserve my right to speak. I am moving that Government Business **be** the instant order and that consideration of Order No. 2 **be** resumed, Sir.

Mr. H. deB. FORDE: hir. Speaker, I rose before and Your Honour made a ruling that one day's notice mus: **bc** given. Mr. Speaker, I wish to know what are the arrangements for dcbatinp the Resolution at the end of the Statement made by the Right Honourable Member if the House will **be** meeting thereafter. You made the point that thcre are certain conventions. I must say, Mr. Speaker, that those conventions arc not being followed. Sô I must get the Honourable House Leader's word so that it is heard in public and we know what he is saying so that thcre can **be** no argument between us about it.
6.25 p.m.

Hon. P. M. GREAVES: Mr. speaker, according to Standing Order 1 therc is no notice required. The statement began at 5:44 p.m. and tomorrow the debate will **be** engaged at that time, at 5:44 p.m. and will continue until the debate is complete.

Mr. SPEAKER: It' there **be** no objection, Order No. 2. will **be** continued.

RESUMPTION OF ORDER NO. 1 - RESOLUTION TO BORROW US\$21 000 000

Asides.

Mr. SPEAKER: Order, please

Mr. L. L. BRATHWAITE: Mr. Speaker, I have been trying to make my contribution to this matter and to give support for the Resolution that we are considering. I sat for almost 3¼ hours listening to the presentation of the Honourable Member for St. Michael South East, and found that what he took that amount of time to say could have been condensed in about 10 to 15 minutes if you were to derive any sort of sense or balance in what he said. I have allotted 10 or 15 minutes because there are one or 2 things that he made mention of that have **be**en and continue to **be** the concern of all serious people in this country. I am going to mention at least some of them.

He speaks of supervision in the Ministry of Transport and Works and one cannot **be** blinded by the fact that even at this time when workers are finding it difficult across the economy to maintain their jobs that there is still a level of callousness by people employed in Government institutions. This obviously is not a blame that we can lay at the feet of the political directorate or of politicians at all, except to say that there are certain pcople who are malfunctioning in the Government service who believe that they have a buffer because some politicians have **be**en able to help them get into the Government service.

I have had expericnccs that thcre arc some of these people in the Ministry of Transport and Works who

believe that they have a duty to **frustrate** efforts of the Government. I say this because a number of complaints have come to me that there are people who look the general public in the face and tell them that there are not doing what they are supposed to do and they lay the blame at the feet of the Government not having money to do this or to do that.

I specifically refer to an incident where a taxpayer called on the **Ministry of Transport and Works** about a problem that they are having with a well that is clogged up only to have somebody turn up and relate to them a story that nothing can be done about cleaning the well which poses a problem if there is rainfall because Government does not have any money. That officer is being paid by Government to do the job that he has gone out there to do and that is the level of satisfaction that he can give to the person.

I have another issue which I am dealing with where a constituent of mine who is in very dire circumstances and who is suffering with arthritis and finds it difficult in those circumstances to find gainful employment because that person cannot work on a regular basis. She made application to the Welfare Department and she was requested to get a certificate from her doctor who turned out to be one of the officers in the Ministry of Health. The report is that she has been told that it does not make sense giving her a certificate to carry to the Welfare Department because the Government has no money. These are the kinds of things I do not think the taxpayers of this country and the people who are serviced by the money that is allocated to these services deserve. I think in this regard one must agree that there are some problems of dissatisfaction at the level of people working in the Government service.

6.35 p.m.

The Honourable Member for St. Michael South East also mentioned what he said was a lack of development in St. Andrew. St. **Andrew** has not just arrived on the scene of Barbados. Potholes and bad roads during the election of 1986 were something that any member who had been seeking the support of the voting populace of this country could refer to without having any qualms of conscience on them, without feeling any way disrupted or disturbed in doing so. If today under the circumstances the Government still finds it possible to attract financial assistance to bring to the people of this country some measure of comfort in the road network, we have to recognise that now is not the time for the kind of speech that was made by the Honourable Member for St. Michael South East.

I want to say, Sir, that long before I offered myself as a candidate for St. Michael North East I had been functioning in the constituency of St. Michael North East. That **Canewood Road** that has been mentioned as one of the roads that will now be done, was one of the big

burdens that we placed on the **Ministry of Public Works, Communications and Transportation** to have something done mainly because that road attracted a large number of very heavy vehicles and because of that, Mr. Speaker, you had great dangerous holes to pedestrians who were using that road. Not only was the surface uneven and shown to have a lot of potholes but it is, at the moment, a very narrow road with no kind of footpaths and people are at the mercy of drivers of motor vehicles, large and **small**.

In respect of the **Canewood Road**, Sir, I would like to have the assurance from the Honourable Minister that that improvement would also include a safety measure in relation to the junction between **Canewood Road** and **Jackson** because that is also a very sore point. There is a distinct lack of vision either coming from **Canewood** to see what is happening off that **Jackson Road** and, certainly, off the **Jackson Road** seeing what is coming out of the **Canewood Junction**. Therefore, I would hope that considerable improvement is done at the junction between **Canewood** and **Jackson**.

I do not know if it would make sense responding to the comments made in relation to the failures of the Transport Board except to say that the history of the problems of the Transport Board is not recent. It is not recent because for all the years the Transport Board has been in existence it has been used as a football. In that regard, from time to time you have things being thrust upon the management of the Transport Board that have resulted in a distinct problem for the financial stability of the Transport Board.

One must realise, Sir, that while it is, in my view, a sound philosophical concept that transport should remain one of the fine, social concerns for any Government and any people, it must also be recognised that in order for something to function over a given period, or to function as it ought to function, there must be a level of understanding of what keeps that particular facility functional. In this regard, the onslaught that had been made on the Transport Board when a large number of private vehicles were allowed into the transport system without any proper management by the agency of Government which is supposed to effect that balance created a problem for the Transport Board. That competition has precluded the Transport Board making the kind of revenue which would keep it alive and afloat.

I want to say that I have no problem in looking at a system and determining that if nationally the Government cannot finance that particular facility, some consideration must be given to the public to assist in making that particular facility viable. As long as that happens, some measure of responsibility must be taken to make sure they operate in such a way that the public at large is better served.

I do not feel happy with the idea that the transport services of this country may undergo some kind of privatisation. I want to believe that the taxpayers of this country who over a long period of time have been bearing a burden that I think they should not have been bearing, if proper management structures had been brought to bear on the transport system of this country, I do not feel that they should now be burdened with carrying it along.

6.45 p.m.

I will give my support to a system of privatisation that does not preclude the political directorate, through whatever agency is brought into being, from having some say as to how the transport system in this country must and should function.

I want also to say, Sir, that when one considers the rationalization of the transport system that some improvement needs to be effected relating to the constituency of which I have the honour to represent. Certainly I have seen no improvement in the quality of transportation in the areas of which I have had to complain for some time and those areas relate to between Exchange and Hothersal Turning and more recently between Bourne's Village and Hothersal Turning. What is the reason for these complaints, Sir? The reason is that the transport that is assigned to these areas go much further out to begin their journey towards Bridgetown, and when they get into these areas they are already full and so the persons who are waiting closer to their destination find it impossible to get transport.

Either the Transport Board which services these areas must put more transport on them or that other forms of transportation which has already been agreed to should fill the void that there is for the shorter distances. I would certainly like to see some measure of improvement in those areas, Sir.

There is always the inclination and the encouragement to oppose because you are in Opposition but all of the areas that the Honourable Member for St. Michael South East, who is not now in his place, has complained of are areas where there have been complaints even when the same Honourable Member was in the Ministry of Transport and Works, at whatever level, and when the Party to which he belongs was controlling the reins of Government in this country. And so I believe he spoke from a knowledge and an experience when it came to these problems and certainly in regard to the complaints that have been while they were in Government.

It is enough to say that if their answers to the people of this country were that the finances of the country could not afford improvement then I must buttress that alongside all of the claims and charges that they have been making ever since this Party, the Democratic Labour Party has

been returned to office in 1991. It is nothing new to say that the Government is strangled for the wherewithal to do the number of things which any caring Government would want to do. But we cannot stop at that. We have to look at the reality of the situation. We have to look at how best we can spend what available resources we have so that we can produce the greatest good for the greatest number.

I should like in speaking at this point to recognize that while we have very many areas of need – and I do not believe that any government will find it as a reality that there will not be some need to be addressed while they are in government. But it would become their responsibility to use whatever acumen they have to bring some measure of relief to the extent of the ability of the financial resources that they have.

There has been a question raised by the Honourable Member for St. Michael South East as to Government's ability to allow the police and the senior citizens to drive on the Transport Board buses free. What I should like to say and what I would emphatically state is that even though the police and the senior citizens of our country do not pull the money out of their pockets to pay to use the transport system that some agency of Government has got to pay. In the case of the old age pensioners the Ministry of Welfare has to reimburse the Transport Board for the services that are rendered to the senior citizens. Likewise my understanding is that the Police Department must pay for the travel of policemen on the buses. So let us stop going around believing that we can fool people and tell them that something is free which results very often, Mr. Speaker, in people abusing these things which are so-called free when the system we have pays for it in one form or another.

I want also to say that when we talk about people in our country being unmanageable – and this point was made by the Honourable Member – we have to recognize that they have not just become uncontrollable. There are a number of persons serving in posts in the Government service who, if you did an assessment of their level of productivity you would recognize that if they were in private enterprise they would go home and go home almost without any kind of retiring benefits. But some of us as politicians have given people the belief that it is something that they get for gratis and that they can afford not to function for the salaries that they earn. This is not only at the level of the ordinary worker and cantoneer it is in some seats of management in the Government service, it is in some seats of management in the private sector.

What I think is absolutely necessary for us is to recognize that it is a responsibility, a very serious responsibility on each and every one of us to put in what we want to take out. No country, no family can be effective for its own good if you have people who

are slacking in the effort. Rather than some of us as politicians encouraging people to be disobedient – I think the term is civil disobedience – rather than tell people that the time is ripe to revert to 1937 and stand up and be counted, I believe it is necessary for us who call ourselves, and who would like to see ourselves looked up to as, leaders to truly lead our people in the upward path rather than down the path of destruction.

One has to take a very honest approach to the positions we are called to be in. We have to take an approach where people see us as leaders for good and not leaders for destruction. I hope that I would have heard or read for the last time any such admonition coming from people who call themselves leaders. I do not believe that I will ever be able to match the Honourable Member for St. Michael South East in what I consider an economic disaster in terms of wastage of time.
6.55 p.m.

I believe in the philosophy that if you have something to say that you say it.

Miss B. A. MILLER: On a point of order, that is not parliamentary.

Mr. SPEAKER: Yes. I looked at the Honourable Member and I think he has recognised...

Miss B. A. MILLER: It is not parliamentary and for a Chairman of Committees, even more so I would want ...

Mr. SPEAKER: I take your point. I am sure the Honourable Member would not want to ...

Mr. L. L. BRATHWAITE: I would happily withdraw the term "waste of time" but I will certainly say, Sir, that it is incumbent on all of us to better use our time in the service of the people. I want to say, Sir, in that regard, to begin with, I have not got as much time as he had but I don't think that I need to go much further than I have gone in responding to what I thought were some areas that needed a response in the form that I have so done.

I am grateful to you, Sir, and I support the measures.

Mr. G. W. PAYNE: Mr. Speaker, it is interesting to note that the previous speaker in referring to the contribution by the Honourable Member for St. Michael South East, said that it could have been condensed into 10 to 15 minutes and he stretched himself for half hour responding to every single thing that he thought or he understood the Honourable Member to have said. Apart from that, I have not yet heard his contribution but I think that is enough. In my response to the Honourable Member, except to say that earlier in his speech he did say that the same problems that are being experienced in the Ministry

of Transport and Works where the road maintenance programme is concerned are being experienced today, it is fairly obvious that he has not visited the constituency of St. Andrew and I would say St. Joseph for some time. We have a situation in these areas where the roads have been abandoned, for use of a better word, by this Government.

Mr. Speaker the Honourable Member for St. Michael South East has already dealt at length with most aspects of this Resolution. The only thing that he omitted was to say that the Honourable Minister of Transport and Works is deficient and incompetent and that the Honourable Minister of Transport and Works should resign, although I think I heard him say that he had overstayed his time.

Mr. Speaker, it is fairly obvious that when one listens to the Honourable Minister for Transport and Works in his presentation one wonders whether a Minister who is competent or efficient would give such a presentation or would be part of the formulation of such a policy if he is fully aware of the roads in Barbados that actually need maintaining at this particular point in time.

Mr. Speaker, when I saw this Resolution I welcomed it to a great extent the Constituency of St. Andrew, a constituency in which most, if not all of the roads have deteriorated during the past 6 years, would at last be given some reprieve by this Resolution in that we would have seen some meaningful repairs.

Why I feel that the Honourable Minister of Transport and Works is really not on top of this Ministry, is really not aware of the roads in this country that actually need repairs, is when he read a list of the roads that would benefit as a result of this Resolution. I heard a whole list of roads, mostly in St. Michael and Christ Church. It is fairly obvious that the roads in the country areas with special reference to St. Andrew roads, which are in a bad state of repair, have been omitted and neglected in his presentation of those roads which are to be repaired in the third and fourth year when the Democratic Labour Party administration will not be in office, are the ones which are targeted for repair at that time.

In this, it is fairly obvious that the Honourable Minister strikes me as a person who would sit in his office and who will listen to the advice, good or bad, from the technocrats in the Ministry and obviously has not done his homework in ensuring that the roads to which he referred are really the roads that are in the greatest need of repair.

This is also true with respect to the bridges, from the adjustment programme referred to in the Resolution, paragraph 4, Rehabilitation of Bridges and replacement of culverts. We have got a serious problem in St. Andrew for some time. A serious problem with respect to bridges, bridges that have been abandoned and bridges which

were only abandoned during the past 6 years and one would have thought that when you are dealing with US\$21,200,000 that at least the people in St. Andrew would not be left out. This is why I am saying that when I first read this I welcomed this Resolution until I heard the Honourable Minister read out these roads and bridges. Four bridges to be repaired and we have serious problems in St. Andrew and not a single bridge in St. Andrew. In this connection I want to look at Walker's Bridge. This is a bridge that has been in use for years.

Mr. Speaker, in this House, I have, on numerous occasions brought questions in here, drawing attention to the plight of the people in the surrounding areas that are affected by the disrepair of these bridges.

7.05 p.m.

The answer that is always being given is (1) what is now being referred to in the Democratic Labour Party language as a "deliberate untruth" that repairs have been effected when no checks have been made to ascertain whether or not any repairs have been done and (2) that there is no money available. We have seen this with Walkers Bridge, a bridge which has been in use for years. The bridge was damaged about six years ago and it was damaged during a period of heavy rainfall but the reason being that this administration as part of their policy of neglect in St. Andrew had failed to properly maintain the bridge. As I have said in this House already and I will repeat it in bringing attention to the problems that we are facing in St. Andrew, this bridge was replaced with a boardwalk and it has caused serious disruption of traffic between the Belleplaine and Shorey Village areas and Bawdens and Turner's Hall up on the hill. One would have thought that at least this would have been one of the first areas that would have benefited from this road maintenance programme, but not so. Four bridges are mentioned, the names of which are hardly known, where repairs are totally unnecessary at this time when you make a comparison with the bridges in the other parts of the Island especially in the rural areas, citing the Walkers Bridge as a classic example.

Mr. Speaker, one hears about privatisation of the Transport Board. Already we are seeing that a number of routes have been given up to the minibuses. I dread for the day when the total privatisation of the Transport Board will be effected. Because if these roads are not repaired, it means that no private concessionaire will want to go into St. Andrew and this Government is not helping the cause. I believe that, when you are coming with programmes like these, a proper study of the road system in Barbados should be done and the areas of greatest need should be dealt with first. After all, the people in St. Andrew pay taxes like anyone else in Barbados. Already they are affected more than any place in respect to the lay-offs seeing that most of the people in St. Andrew work in Government institutions like the Transport Board. It is

measures like these which show that you have absolutely no interest in these so-called out of the way rural areas. That is going to effect a deeper division of Barbados into the urban and rural Barbados and then in the rural areas like St. Andrew from the rest of the pact. I believe that when you bring Resolutions like these without doing a proper study of the roads, which should be assisted in the first place, that you should state your policy relative to these rural areas like St. Andrew. This is a serious thing, Mr. Speaker.

Another area of concern is the Turner's Hall Road. We have had a situation where an old road in Turner's Hall was abandoned or I believe that it has been abandoned by this Government. They put up a sign stating that this road is impassable. We used to have buses going from Turner's Hall to Belleplaine to Bawdens and they started another road and stopped. In the meantime, the old road is overgrown with shrubs and the new road has not been completed. They have stopped the Transport Board buses from operating on the old road and the Transport Board buses have not yet started to operate on the new road. This means now that when you want to go to Bawdens and you want to travel by bus, even though Bawdens might just be a mile down the road, you have to travel to Bridgetown, catch another bus and go to Bawdens. These are the areas that should be addressed by a Minister who is on top of his Ministry. This is why I must say that there has to be some incompetence in the Ministry of Transport and Works. It has to be some incompetence and it shows the insensitivity of this Government. It shows the attitude of some of the persons on that side who realize, I believe, that they have served their time in this Honourable Chamber. It would seem to me as though it does not matter to them what time night catches them. This seems to me to be the attitude of the Members on that side. This situation with respect to the people in the Turner's Hall, St. Andrew area is so hurtful that you have small farmers owning acres of land who have had to abandon their land because there is no longer the transportation up the hill to the Portvale Factory at Blowers.

7.15 p.m.

There is no programme in place to assist these persons. This Government has been coming in here week after week with measures – I would not like to say to satisfy their own fancy – for whatever purpose, without addressing the real problems that confront the poor people of this country.

Mr. Speaker, there are a number of other roads in St. Andrew that are seriously affected as a result of the failure of this administration to address the problems relating to repairs, maintenance and drainage. As I said already, I cannot understand how U.S. \$21 million..... Nothing is being done to address these problems. The Rock Hall Road, which should now be a vital link, seeing

that the Walkers Bridge, Turner's Hall Road has been abandoned, a road which has been in a state of disrepair for the past 6 years, and nothing has been done. All the tenantry roads, some of them like Isolation Road and Cambridge Road are now becoming impassable, and in response to a Parliamentary Question two weeks ago the Honourable Minister of Public Works, Communications and Transportation laid a reply indicating that these roads have been repaired. This is how you are treating the people in St. Andrew, who are paying taxes like anybody else.

Under normal circumstances, Mr. Speaker, I would like to support this Resolution. The Honourable Member for St. Michael South East stated that he would support this Resolution, notwithstanding everything that he has said, but I find it difficult, taking into consideration the problems I have outlined, to support this Resolution and I challenge the Honourable Minister of Public Works, Communications and Transportation to visit the constituency of St. Andrew, St. Joseph and those areas that are badly affected in order to arrest some of the incompetence and inefficiency within his Ministry, because it is my firm belief that based on the presentation he has given us this morning, he should resign.

Thank you, Mr. Speaker.

Miss B. A. MILLER: Mr. Speaker, Sir, this matter before the House I see that it has at the end of the Addendum a grace period of approximately 5½ years, I see that it is proposed that it should be amortised over a certain period of time beginning in November of 1997 and ending in May of the year 2007.

The first thing which jumps to my mind is that this smacks of electioneering. I am not surprised that the Government is beginning early.

Aside.

Miss B. A. MILLER: For the 1997 beginning of repayments. It will not be this Government which will be responsible for the repayments for this.

Aside.

Miss B. A. MILLER: I can only read what I see here. You know they say, Mr. Speaker, that when certain birds begin to get old they start picking out other birds' eyes, and it is a bad sign. The point I am making is this, first to begin with, that this Government will execute this programme prior to 1997 and I have no doubt that the cries and the pleas of the Honourable Member for St. Andrew will continue to fall on deaf ears, because he is sitting on this side of the House. Not that the people who live in St. Andrew sit on this side of the House, this is what Honourable Members often fail to recognise, that when

they victimise people on this side of the House, abuse people on this side of the House, the real damage is not done to people on this side of the House. The Honourable Member for St. Andrew was **born** and brought up in St. Andrew but he does not now live in St. Andrew, so it is not him that they hurt, it is innocent **tax** paying people in St. Andrew who will never have their roads and their bridges **repaired** and made in a fit manner for their passing and repassing like people in other parts of Barbados, and particularly those parts which will benefit from this U.S. \$21 million.

Mr. Speaker, another thing which concerns me about this loan, apart from the obvious electioneering component built into it, is that in the Addendum I see that it is divided into 2 parts. The project consists of **2 parts, Part A** which is described as an investment programme and **Part B** which is described as institutional strengthening. This is not new, this is a feature, a format to be found in many World Bank projects. What concerns me, though, is that the Minister has not yet vouchsafed to us what component of the proposed U.S. \$21 million plus is proposed for the investment programme and what component for the institutional strengthening.

I see things in the investment programme, you see, which concern me, Sir. The first thing has to do with a point raised by the Honourable Member for St. Michael South East, that is, that if, as we are told, the Transport Board is to be privatised, the first question that jumps to your mind has to be who will buy a Transport Board which is debt ridden, which has in excess of \$9 million due and owing to the National Insurance? We do not know what they still owe Mobil? Even more than that. Who is going to buy a debt ridden Transport Board? But if it is destined for privatisation, I feel we need to ask again this question. What then is the rationalisation behind an investment programme?

I am particularly interested in this investment programme. It speaks, for instance, at No. 5 of a two-year pilot programme for the annual routine **maintenance** of approximately 65 **kilometers** of road to be contracted out to the private sector. Now this is an area of concern to me. I see that certain roads in recent years have been contracted out to private contractors. In my years when I observed the Government, or its contractors, its agents, the Government and/or its agents in road works, when I saw the little green tent going up, I would know that it is a 6-months job. Then in later years you would begin to see a little hut and you would know that it was between a 6 to 9 months job, closer to 9 than 6, but when you see a whole house going up – and that is what we saw at Bank Hall Cross Road – it has turned out now that there is a new threshold, you are looking at a 2-year job.

7.25 p.m.

It has turned out that there is a new threshold. You are looking at a 2-year job that disrupted people, that did not try to accommodate pedestrians and motorists, not to speak of people who lived in the surrounding **area** and who had to live with **dirt** and grime and dust and **marl** for 2 years. I don't know what recompense these people got, but I **am** concerned about the way in which these contracts would go out to tender. I don't know if there is only one way because if it is only one way I am concerned that the same contractor seems to get all the contracts. You see the same private sector contractor wherever you see road works being done by a private sector contractor in Barbados. It is either saying something about the quality of the tendering system or it is saying something about the quality of those who have to approve those contracts.

I see again at No. 7 under part A: Investment Programme, that it is proposed that there should be rehabilitation of existing maintenance equipment including an acquisition of spare parts – a very sore point – under one or more contracts with private contractors. I am not happy about those 2 things. I am not happy about No. 8 either which deals with the 150 fare boxes. Much has been said about it already but it is entitled to have more said about it.

If we are told that the Board is going to be privatised, I don't understand why we would **be** paying for the acquisition and the utilisation of 150 fare boxes when there are conductors and conductresses at the Transport Board tonight who know that they will go home in September of this year. They already have been told so. What is the need for these fare boxes?

The point has been made already that old age pensioners go free on the buses and school children have tickets. Speaking of fare boxes, Sir, leads one to bus fares. This is a time of great hardship in Barbados. School children on the Transport Board buses pay \$1 per journey. On the privately run minibuses they have to pay the full fare of \$1.50, or in the case of some compassionate minibus owners if they are in a recognisable school uniform they get to pay the \$1. They can buy a weekly ticket for \$7.50 from the Transport Board. Do we understand what this means for the average parent?

One child. Bus fares for a school child based on 22 school days a month in term time at \$1 a day or as in most cases because it is my observation from where I live as I drive along the road and from the work that I do and what I hear in my practice that more school children tend to travel on the minibuses than on the Government buses; that is, when they can get room. If you are calculating the average school child is paying \$3 a day, 22 school days a month is \$66 a month when you have one child. If you have 2 children that is \$132 a month. That does not include

what has to be found in school meals in **the case** of a primary school child, but we won't come on to that now.

Mr. Speaker, perhaps the Minister is going to get up and tell us that some relief will be found for school children. What is the magic of these 150 fare boxes? I would like to see it in a positive light but all that is coming to mind are negative things.

Another concern which I have about this is to do with the priorities; I, like others, listened to the list of roads. Please do not be misled by the fact that I happen to live on Highway 1. I am not one of those people who have the benefit of living in a gap to get away from noise and dust. I live at the side of the road. Highway 1 is perhaps the worst of all major highways in Barbados.

Asides.

Miss B. A. MILLER: The Honourable Member for St. Michael West says only a portion. The portion at Eagle Hall? The portion at Eagle Hall, you have to turn on your car lights to see to get out of the pot holes in the middle of the day. Are you speaking of the portion at Vauxhall near Sunset Crest? Are you speaking of the portion at Paynes Bay or are you speaking of the portion at Deacons Road? The portion at Deacons Road is impossible. Mr. Speaker, we are now moving into your constituency – and someone will have to speak for it and I am willing to speak for it tonight – where Highway 1 runs through your constituency Mr. Speaker. It is the constituency where I grew up and I am in there all the time. My godmother still lives there.

Asides.

Miss B. A. MILLER: Mr. Speaker, when the Honourable Member for St. Michael West says which portion, it can be any portion of Highway 1, it is so bad. From Eagle Hall down to Paynes Bay is impossible.

Hon. B. M. TAITT: On a point of order, Sir, the Honourable Member is misleading the House. As the Honourable Member knows, from St. Stephen's Church to the roundabout is perfect road.

Miss B. A. MILLER: From St. Stephen's to the roundabout is not perfect because when you get to Kentucky Fried Chicken you have to divert to avoid a huge pot hole where the asphalt has softened. I travel it every day. He is driving in an **airplane** car and with the kind of suspension it has he wouldn't notice those things. I **am** an ordinary mortal living in a white-walled house at the side of the road, Highway 1, driving a little old second hand car. I know whereof I speak. I know what it does to the springs in my car.

1.35 p.m.

Mr. Speaker, let me get out of Highway 1 and get into the City. There was not a single word about the City of Bridgetown. This is one of the few countries in the world where the Government takes an attitude that the capital city comprises only the commercial city, in this case Broad Street, and Broad Street wants fixing too.

Aside.

Miss B. A. MILLER: Not even Swan Street but the part of the City that I have the privilege to represent where people live and have their being...

Aside.

Miss B. A. MILLER: Not temporary. I am no more temporary than he is. The point I am making is this, Sir. All of the heckling out there will not go down well in the City because I will say so. I will say that when I raised this matter in an important debate where US \$21 million plus is to be spent on road rehabilitation in Barbados, and not a cent of it is going to be spent in the City of Bridgetown, the Minister of Public Works, Communications and Transportation and the Minister of Health laughed when I made this. Some people feel there is no such Minister. The point is it is a serious thing for them.

The City is a place where interesting, and in my view, important experiments in road construction have been carried out. In the time when the Barbados Labour Party governed, my plea and cry for decent roads in the City of Bridgetown was heard. For the first time we saw a new road cut in Bridgetown since there was a Ministry of Public Works, Communications and Transportation. But there are some small alleys and gaps, as you will find in all big cities. You will find them in London, Paris, New York and Washington. Wherever you go in the world you find these little alley-ways. It is part of what is supposed to make some cities quake. But if you are part of what makes a city quake, that does not mean they are any less in need of upkeep than other roads.

When I came to the City of Bridgetown places like Dukes Alley, San Domingo Alley and Ashby Alley were dirt alleys. They never saw paving. When the Ministry of Public Works, Communications and Transportation was approached about paving they said it was so narrow in those areas that it would be impossible to barbergreen and pave them in the traditional fashion but that an experiment would be tried in respect of concrete roads. They have a far better maintenance record. They are wonderful. They do not need any surfacing afterwards. Dukes Alley was done, both upper and lower.

Aside.

Miss B. A. MILLER: The Honourable Member for St. George North is bringing out what I am saying. In San Domingo Alley they had a road for the first time. There are other such areas in the City of Bridgetown. We have a cement plant in Barbados, Sir. There is 32% unemployment in Barbados today. All I am asking for is to carve out a few hundred thousand of this. I can make the names of the areas known to the Minister.

Aside.

Miss B. A. MILLER: He is telling me "No." For the record he is telling me no that I cannot have these concrete roads.

Hon. P. M. GREAVES: Mr. Speaker, I do not want the Honourable Member to mislead the House. I made it quite clear when I spoke that this project was a specific project but other funds in the Ministry do other road works.

Miss B. A. MILLER: I ask again, Sir, that the City of Bridgetown would not be overlooked by the Ministry in respect of road building. In some cases it would be where roads never were before and road rehabilitation. I would like to say for the City we have a preference for concrete roads. There is very low maintenance.

Aside.

Miss B. A. MILLER: Not high cost. No. It is higher initial cost. But as the Honourable Member for St. George North said it lasts 50 years and you do not have to touch it so in the end it is not a more expensive road. It is a cheaper road. It should not be higher cost because, as I said, we manufacture cement in Barbados. I do not know why we do not have more cement roads. They are usually built in the City in places where you do not have cars. I am talking about narrow alleyways to give people somewhere to walk so that in 1992 people do not have to take off their shoes to get from home to market, or church, or wherever. I can submit a list, as I have already said, to the Minister.

Mr. Speaker, I am much obliged.

Hon. P. M. GREAVES: Mr. Speaker, Sir, I should like to say a few words in winding up this particular matter. A number of matters has been raised by Honourable Members on the other side. Only a few need a response. There is a lot of verbiage and fat, in other words, not much substance. One of the problems in speaking is that one assumes a certain level of intelligence among one's listeners. That has always been one of my problems. At first, Sir, I started to make a detailed note of what was being said but after a while I found it unnecessary.

I am sorry the Honourable Member for St. Andrew is not in place because I would want to say that

he probably does not understand St. Andrew. He is the representative but he really does not understand St. Andrew. Twenty one point two million U.S dollars would be lost in St. Andrew. That is nothing for St. Andrew. St. Andrew is a special case. One cannot take this U.S \$21.2 million and devote it to the problems of St. Andrew. That is out of the question. If he thinks that U.S \$21.2 million would solve the problems in St. Andrew I would be happy to go ahead and get it done. The problems in St. Andrew will run into hundreds of millions, not U.S \$21.2 million. Therefore, do not come and put a case as though the problems of St. Andrew are not looked at in this project, because they cannot be looked at in this project.

With those few words I can deal with his particular contribution. It is simply this that St. Andrew is a special case. It has to be looked at as a special case. It will not form part of a project of the whole of Barbados because that would have to be a project in itself. I hope he does now understand the situation in Barbados.

I resent an Honourable Member, and I am now referring to the Honourable Member for the City, saying that nothing is done about St. Andrew because the representative sits on the other side. That is a lot of nonsense. I agree with the Honourable Minister of Health that that is enough.

Sir, there are very few matters on which I would want to speak here. I would like to get on to the transport aspect of it because a lot of time was concentrated on that. I would merely want to say that the tenantry roads are absent from this project. I want to make it clear because tenantry roads are being dealt with under the Venezuelan Project. There are 84 tenantry roads to be dealt with under the Venezuelan Project. Therefore, the tenantry roads are not dealt with in this Project. It is not that the tenantry roads have been neglected. They will be dealt with in a different project. I think that if Honourable Members would pay attention to what really is going on in this country, they would not come and raise these kinds of issues because they are forgetting that when the Venezuelan project was brought here, and from time to time we have spoken about the Venezuelan Project, they would know that the Venezuelan Project relates solely to tenantry roads. I am not talking about the housing aspects of it. I am talking about the road making aspects of it. It related solely to tenantry roads in this country.

7.45 p.m.

I want to say, Sir, that the land – this is in response to the Honourable Member for St. Michael South East – at Kendall Hill which was for the Transport Board, it is true we have acquired it but it has not been taken possession of, we have not paid for it, nothing has been done about it and the acquisition of course will have to be abandoned. As a matter of fact the process has already begun and in due

course we will have to come back to this Chamber for the abandonment of it for obvious reasons, Sir. It was supposed to have been acquired for the Transport Board. Therefore it will now have to be abandoned. In due course we will come to this Chamber for that abandonment. It has not been paid for and it will not be paid for.

On the question of why the 150 fare boxes? He said we are privatising and that is why we are going for these fare boxes. We have to prepare the Transport Board for privatisation. I want to make it quite clear that we cannot sell the Transport Board because the Transport Board is not like an ordinary company, it is a public corporation. We cannot sell a public corporation. It is not like another company. We can sell assets, we can sell services, we can sell routes but we cannot sell the Transport Board. It is impossible. You might know because of your training. But other people believe that you can sell the Transport Board as a company. That is not what it is, Sir. It is a public corporation and as a public corporation we cannot sell it because it is not for sale.

What we are trying to do is to privatise it in terms of its assets. An account of all the assets of the Transport Board would not only be the rolling stock in terms of the buses. I believe that the various structures like Fairchild Street structure is not owned by the Transport Board. I do not remember what is the position with the Weymouth Headquarters. That may probably be owned by the Transport Board, I think it is. But, Sir we can sell these things – we can sell routes, we can sell anything that has a value and that is what we are planning to do. Therefore one has got to prepare the Transport Board for privatisation and in the preparation for privatisation one has got to make it as valuable as possible.

Let me say this, we must also remember – and I am still on the question of why the 150 fare boxes – that the total amount allowed to the Transport Board this year in terms of subsidy, by Honourable Members on the other side including ourselves, was \$4 million as compared with \$10 million last year and the year before \$12 million or \$15 million. At one time we went as high as \$19 million and we only allowed \$4 million last year and all of us Honourable Members voted for it, Sir. We all voted that the Transport Board should only have \$4 million which means that in order for the Transport Board to operate on such a small subsidy it has got to take drastic actions towards its own restructuring. One of the things that has been recommended by the consultant from Hong Kong – I must come back to him again...

Aside.

Hon. P. M. GREAVES: It was financed by the World Bank. One of the recommendations of the consultant from Hong Kong – financed by the World Bank, it has

nothing to do with any IMF – is, Sir, that we must take steps progressively to reduce the staff at the Transport Board to 639. That is so that we can come out at the end of this fiscal year in March next year, March 1993 with only the small subsidy of \$4 million. Otherwise it would not be possible. We have to remember too, and I will have to repeat – I said it in here before, I said it on Sunday and I say it from time to time – that the accumulated liabilities of the Transport Board are now, as I understand it, in the order of \$24 million. The Government is going to have to take responsibility for that. In order to reduce the staff levels to 639 we have had to do what the Honourable Member for Christ Church South recommended a few years ago and that was to introduce one man operations. That is what he wrote.

Aside.

Hon. P. M. GREAVES: Precisely. I am not quarrelling with it.

Aside.

Hon. P. M. GREAVES: And you know the necessary consequence of that.

Aside.

Hon. P. M. GREAVES: Yes. Of course they are going to get severance. That was also stated by the Honourable Member. The Honourable Member when he wrote about it said we should have a one man operation and severance paid to the workers. We do not disagree with that.

Aside.

Hon. P. M. GREAVES: At the legal rate. We agree with that. We have no difficulty with that. No problems.

Six years ago the Honourable Member had the foresight to see that we should lay off the people at the Transport Board.

Aside.

Hon. P. M. GREAVES: Therefore, Sir, it has become necessary because we are operating now with 141 units on the road on a daily basis out of a complement of 180 serviceable units.

I have said before, I said it in here and I am going to repeat it, that in the privatisation of the Transport Board, it is my own view and opinion, and I will be working towards it, that we should retain a small number of buses to serve the schools and also to serve some areas where the private enterprise might not want to go. I said it before and I repeat it here, Sir. We will retain some of them.

The River' bus stand which we have allocated to the minibuses, I am surprised to hear the Honourable Member for St. Michael South East criticizing it because they provided nothing at all whatsoever for the minibuses in terms of sheds. At least we have provided something.

Asides.

Hon. P. M. GREAVES: Mr. Speaker, I have made notes of a number of things here, Sir, but I do not think it is worthwhile my dealing with those particular matters. I merely want to repeat again for all Honourable Members to hear. We have two projects going at the moment as regards road maintenance and road repair in Barbados. One is the Venezuelan Project. That is an ongoing project. It is suspended for the time being, Sir, and we hope to restart, Sir. That deals exclusively with tenantry roads. We now have this World Bank Project which will deal with other roads, other than tenantry roads. On top of all of this the normal maintenance work and the rehabilitation work and road building work of the Ministry of Public Works and Communications will be done. So that those persons who feel that they may not have been included, that their constituencies may not have been included in any of this road repair and road building over the next 5 years, it does not necessarily mean that the Ministry itself will not be undertaking those roadworks in those particular constituencies. That is my contribution this evening, Sir.

The question that the resolution do now pass was put and resolved in the affirmative without division.
7.55 p.m.

SUSPENSION

Hon. P. M. GREAVES: Mr. Speaker, I think it is time for us to take a break.

Mr. Speaker, apart from the debate tomorrow on the Budgetary Proposals there are also some matters on the Order Paper that we have not dealt with today. Again, Sir, there is the approval of the World Bank loan relating to education that we have to deal with. There is also, Sir, a Chinese loan which I see on the Order Paper and therefore, Sir, I believe we can deal with those matters tomorrow before commencing debate on the Budgetary Proposals.

At this point, Sir, I move that the sitting be now suspended until 12.00 o'clock tomorrow.

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

The question that the House be suspended until 12.00 o'clock noon, the following day was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.
8.00 p.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is resumed.

ORDER NO. 4 – RESOLUTION TO APPROVE THE BORROWING OF US\$500 000 FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT FOR THE PURPOSE OF FINANCING THE PREPARATION OF AN EDUCATION AND TRAINING PROJECT AIMED AT STRENGTHENING HUMAN RESOURCES

Hon. C. V. WALKER: Mr. Speaker, as the Resolution states, this is a Resolution for a small sum of money for project preparation prior to a project. Project One is completed now and Project Two is due for completion. Prior to the final negotiations for our third project, the Government and the Mission have both agreed that there should be a project preparation in advance of the final negotiations of the third project. As seen in the Addendum, it calls for the Government of Barbados to borrow up to US\$500 000 from the World Bank to assist in the preparation of the Education and Training Project. These activities deal with the Ministry of the Civil Service Training Unit, Ministry of Employment, National Training Board, Library and, of course, Education.

This is really just a project preparation. The detailed project loan will be brought to this Honourable House and will be the subject of a future Resolution. With that, Sir, I beg to move that this Resolution do now pass.

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

Mr. DEPUTY SPEAKER: Honourable Member for St. George South.

Mr. L. R. TULL: Mr. Deputy Speaker, the Honourable Minister of Education in introducing this Resolution has given us the bare bones and, in fact, not even all the bones. He has not fleshed it out. This Resolution for US\$500 000 from the World Bank, as I understand it, will assist in the preparation of an Education and Training Project aimed at strengthening the human resources of Barbados.

This purpose as set out in the Addendum of necessity raises a number of questions in relation to Government policy with regard to human resources development. I speak, Mr. Deputy Speaker, at a time when the resources for human resources development in this country are severely limited because of the existing economic conditions. When one looks at a number of the Government policies over the last few months, one will see that in the area of education, and this matter touches education and training, that the Government has been wielding a fairly savage scaffold in relation to those resources without at the

same time redefining its policies in relation to education and training generally. Only yesterday, Mr. Deputy Speaker, the Government brought a Resolution dealing with retraining for members of the Transport Board who are being made redundant because of the developments which are well known to all of us. Even in that, Sir, there was just the general language of retraining of persons who are rendered redundant without at the same time a clear exposition as to the areas of training that would be conducted. I do not mean that they should just mention areas which they usually do without any serious thought and analysis.

It is common knowledge, Sir, that BIMAP has been doing a continuing study over the last few years in relation to the training needs and the job needs. They have been doing it in relation to the Student Revolving Loan Fund so as to better enable the Government to determine its priorities in relation to training and indeed in regards to the allocation of money from the Student Revolving Fund to those who would wish to borrow. It is also known by us that the Government has assigned a Careers Officer to the project whose job it is to study the market needs in relation to jobs and to advise the Board as to what areas it should concentrate on in relation to lending for post secondary education.

I have had occasion in the past to remark on the fact that one officer attached to a project such as that has not got the time nor the other back-up resources to be able to carry out a task of such a wide dimension. It seems to me that what the Government is doing is catering to tokenism. They put someone there to say that they have an officer. I believe that there are about 600 applicants a year to borrow money from the Government for post secondary education and it does not make sense to suggest that one officer...

Aside.

Mr. L. R. TULL: The Minister of Education tells me that it is Item No. 6. I am going to deal with the Student Revolving Fund when that Resolution comes up later in the day. I will deal with that then, Sir. I am dealing at the moment generally with training because this Resolution is for money to assist in the preparation of an Education and Training Project aimed at strengthening human resources of Barbados. It is therefore very easy to interchange what one says on this Resolution with what one says on another and I have no intention of repeating myself later in the day when we will be talking about the Student Revolving Fund. But the aspect that I am dealing with is that attached to that particular project there is a lot of duplication in Government at a time when so many cuts are taking place in so many areas.

The Government perhaps should be giving far greater attention to the tremendous amount of waste in Government and I am dealing with only one aspect of waste now which is the duplication of effort to achieve the same end. I was saying, Sir, that there is an ongoing BIMAP project dealing with the manpower survey required for Barbados at this particular time in relation to one project in the Ministry of Education. This tells me, Sir, that the Government is now borrowing US\$500 000 for 'the purpose of preparing yet another project dealing with human resources.

I raised the Student Revolving Fund project only to find out from the Government why is it necessary to have a project dealing with human resource needs on one side and now going to the World Bank and getting another loan to get another project dealing with human resources development. I would wish the Minister to explain that because, as I said a few moments ago, the resources for education are being cut. I do not want to keep over working "human resources development" which is the new phrase for what we always called education, health and these kinds of things. But the Government is cutting the financial and human resources because, Mr. Deputy Speaker, teachers are going home fairly rapidly. Hundreds of teachers have already been laid off and, as I understand it, and I do not want to misrepresent the situation – the Minister of Education can tell me whether I am wrong – but I understand that a number of other jobs are going by attrition.

12.15 p.m.

They are not sending home people now, they have sent home hundreds and now other posts are going by attrition. In other words, they are not filling vacancies as they arise. I am going off at a tangent, but I must deal with that and come back, because when they are doing that the teacher/pupil ratio in Barbados is now beginning for the first time in many years to take an unfavourable position, and it is at a time, Sir, when generally it is difficult to maintain discipline and order in many classrooms across Barbados, both in primary schools and in secondary schools.

I know, Sir, that those who are engaged in the education industry are sometimes so concerned about the image of the industry they are in that they do not want any unfavourable comment to be made about it. I made some comments about the St. George Secondary School, of which I know more than most people in Barbados, a large number of my constituents go to that school, I live in the area, and to put it bluntly, they said I was lying. Since then I keep hearing the same things over and over again. The point I am making is that this is not a time to be destroying the teacher/pupil ratio, because teaching is becoming more difficult because of the way children are behaving in the schools these days and so on, and teachers have a tougher role than they had some time ago.

Those resources are disappearing at a pretty rapid rate in the last 9 months. One of the ways one can deal with it, if one is generous enough to say that the exigencies of the moment in our economy require that certain cuts and restraints operate, one has to look at the whole picture, and one cannot be happy with the sending home of teachers at a time when Government can find a lot of money for duplication such as what is appearing before us today. I would like the Honourable Minister to explain why he needs a new project dealing with this business of human resources when there is already one going on in the Ministry of Education dealing with human resources needs. That is not the only one, there is an ongoing project in the Ministry of Labour doing the same thing, matching jobs and people, so I really do not understand this.

A lot of fine words are written here, it is the kind of thing the Government gives us all the time. "Develop and fine tune technical and vocational teacher education programmes." I would like the Minister to tell me what that means. I do not understand and I believe the average person in Barbados reading it would not understand it as it is. It is a mere statement that is so general and vague as to mean nothing.

What has happened in relation to technical and vocational teacher training, Sir, education, is that in the last six years, the period of the Democratic Labour Party's tenure in Government, nothing significant has happened in relation to technical and vocational education and training for teachers. What had happened before that period, and which they should build on, is that for the first time a Ministry of Education in this country had moved away from 100% training of teachers for general education, except of course some small change which was made at one time for training for special education, the disabled and so on, but nothing had been done up to recent years in relation to the training of teachers for technical and vocational education.

It is not hard to understand why, Sir. Establishment thinking in this country remains that technical and vocational education is for dunces, for people who are not bright, the traditional sense of the word "bright". Even at a time when it had become abundantly clear, even to those who do not see too well, that we have to refocus our education policies and to look at our whole school system and shift some priorities away from a literal or classical education towards preparing our country for the new challenges of industrialisation, however small, and dealing with the tremendous new technologies that are transforming the nature of work, the Ministry of Education under the Democratic Labour Party is lagging behind.

I know the Minister of Education is a great computer man and the point I am making is that a few comments now and then about putting some computers in schools in Barbados seem to be the sum total of what the

Government perceives as its position in relation to doing a shift away from literary education to technical scientific education. That is all. I look for these things, Sir. I got exposed to Education some years ago when I landed in a chair on Jemmotts Lane and I have kept a continuing interest in it because, if I did not realise it before, I learned during that period of the great importance of the development of human beings, particularly in countries such as ours – poor, developing countries with no natural resources – that the importance of education can be a **great** catalyst in the kind of change we are talking about.

I do not see anything in the Ministry of Education to suggest to me that they are coming up with a new curriculum, new recruitment, new training of people, nothing to suggest that we are about to shift and go into another era. The Polytechnic, for instance, has been – I do not want to say downgraded, Sir – it has not been downgraded, but it has not been given the important attention it needs in this **period** in our history. The Community College prides itself more on how many 'A' Levels in law and economics and these things that they get and how many Community College students get scholarships and exhibitions. In other words, the Community College has not been performing, in my submission, quite to the extent that it should, the role for which it was established, and is to some extent merely a reflection of sixth form education. I know that a number of Faculties have been established, but when you see where their emphases go then you realise that the traditional attitude to these things has not substantially change.

I am going to go back and talk about the allocation of resources again.

12.25 p.m.

In all the reports we have been seeing from the Government in recent times, we see that it must be influenced by external thinking, whether it is the World Bank, the International Monetary Fund, the Inter-American Development Bank or whether it is dealing with UNESCO. We see the words are lifted out all the documents that they produce **and** put sometimes without even a change of phrase into documents being produced in Barbados. Only yesterday, we saw the Minister of Finance make a Financial Statement and Supplementary Budget and in that Statement we also saw large segments of a Report of the International Monetary Fund put into the Statement being made to Parliament by the Minister of Finance. I am not dealing with that now, Sir, because we will deal with it.

Asides.

Mr. L. R. TULL: ... we are just trying to educate you all. I was only working with a little parity of reasoning and use that as an example, but we will deal with that later on.

Mr. Deputy Speaker, Sir, it is always difficult to deal with people of impenetrable ignorance. You feel that you are wasting your time. I am not on this occasion making a political, partisan speech. I am dealing with something of paramount importance to develop this country and, that is preparing the human beings in this country to be able to make a constructive **contribution** to national development so that if it **happens** now the Government will look good.

Asides.

Mr. L. R. TULL: Mr. Deputy Speaker, I was reading the W.I. Commission Report in the last few **days**. There is a section on education dealing with Caribbean education. I don't need them to tell me anything about education in Barbados. One of the things that I saw I had read in an occasional paper by William Demas. He had submitted it sometime ago and what he said was lifted into the report. That is common in this country. Creativity, originality, those things are going by the board and it is evident every day when you see how the Government behaves. There is not the slightest ounce of creativity in the Government and that is now reflected in the society.

In that report the point was made which is not new that with the development of the knowledge industry what we were trained for before in backbreaking work of agriculture, the kind of thing that the Government is trying to put this country back into, is, to a large extent, passe and is being sidelined because of the tremendous technological developments in the world and the development of the knowledge industry is the thing of today. If Barbados is not to miss the boat, it has to be recognised early. It has to begin to get the human resources, the people, ready by training to take advantage of that. That is not new, but you cannot get the Government in all this **talk**, all this borrowing of money all the time... They said in 1986 right after the elections that they would not borrow any more money overseas. That was said by the then **Leader of the Government** the Rt. Hon. **Errol Barrow**. He said he would not borrow any more money overseas, that Barbados was awash with money and he didn't need to borrow any.

Asides.

Mr. L. R. TULL: I will not be sidetracked, Sir. The Government is trivialising what I would like to be an important debate. I would like to read some statements Mr. Barrow made before I sit down but that is by the way.

What I am saying is that everybody with even passing knowledge of these things realises that we have to take a new direction in the kind of education we are delivering to meet the challenges of a new age. What was good 25 years ago or even 10 or 5 years ago is not good enough. I had on many occasions to say that one of the things that strikes me about the educational system is that even though education should be a change agent and in the vanguard of

preparing a community for change, yet the education system in Barbados remains **the** most reactionary institution, perhaps, barring **the** Bar Association which is probably second to them. They **are** reactionary when their paramount interest should be to prepare this country for change.

Asides.

Mr. L. R. TULL: Mr. Speaker, I am not going to go on much longer but I want to make 1 or 2 other quick points. This project **that** we are borrowing \$1 million for is going to "prepare a policy paper to summarise issues facing the educational and training system and options to address them". For 1/10th of that money, Sir, I am prepared to give that policy paper to the Government by the end of this week. I am going to draw heavily on policy papers that have been prepared in this country already by bright, able and indigenous people and in the hands of the Government.

They say they are going to **carry** out a "survey to determine the perception of personnel about the critical issues to be addressed in upgrading teacher quality at primary and **secondary** levels". Again that is so general that I really don't understand its precise meaning. It seems to me a very sorry thing that at this period in our development when the School of Education at Cave Hill has been developing a lot of work in this **area that** we are going to borrow more money to **reinvent** the wheel.

"To **carry** out a **survey** of potential growth areas for employment". The Government is really having its slip showing.

Asides.

Mr. L. R. TULL: You know who should curse the World Bank? Not me! When the late **Errol** Barrow was Prime Minister of this country and Minister of Finance, he went up to Washington and abused the World Bank and told the then President of the World Bank, Robert McNamara where to get off.

12.35 p.m.

It seems that the legatees of **Errol** Barrow seem not to have an ounce of the character of that **man**. Now they are asking the Opposition to do what they should be doing.

Hon. B. M. TAITT: On a **point** of order, Sir. The record will show that except for **the** Honourable Member who introduced this Bill no one **else** over here has spoken. It is really not fair then for **the** Honourable Member to be saying that the **Government** has asked him to 'curse anybody.

Mr. L. R. TULL: That is a point that is duly ignored by me, Sir.

It states: "Provide technical advice on spatial, functional and technical requirements of library components." I really do not understand all of this. There are 2 lines of criticisms. One is that the Government has not had the nerve to tell the World Bank "Look we have all these surveys. We can dump them, dust and all, on your desk and you can look at them." Do not saddle the taxpayers with another \$1 million in debt to do what has been done already just to provide some special fees for the boys in the club in Washington to come down here and draw. They come down here, pick up the reports of our bright people in Barbados, knock off the dust, rewrite it badly and **draw** massive consultancy fees. The Government seems not to have the nerve to tell them that.

The second point which I am making, I believe, of more substance is whether the Government has worked out yet and is ready to elaborate on a new education policy to prepare Barbadians to meet the demands of a rapidly technological age. Are you prepared for that? Are they prepared to put people in a position to meet those needs?

I am going to talk on the other matter relating to these students loans and how they work and so **on** but I am going to stop at this stage. The Minister would do well to answer some of these questions because if he does not, we are going to keep the House in here all night.

Aside.

Mr. L. R. TULL: **Yes**. I will keep them all night if I need to. I will get up on the next Resolution and speak for 4 hours. If the Government does not understand that the Opposition is not making sport this year, as "Cubba" would have told you some time ago, we will use every tool available to let them understand that we are serious. Do not provoke me because I will speak on the next measure for 4 hours if I need to.

Miss B. A. MILLER: Mr. Deputy Speaker, I am not going to fall into the trap of cursing the World Bank. The World Bank would love to put the Government and the Opposition at each other's throats. The people on whom the blame must lie for where Barbados finds itself today in respect of the said World Bank sit over there, the Government. Let me begin there.

Certain remarks made by Miss B. A. MILLER were ordered by Mr. DEPUTY SPEAKER to be expunged from the records.

Mr. DEPUTY SPEAKER: The Honourable Member will proceed with the Resolution that is before the House.

Miss. B. A. MILLER: I am proceeding on the Resolution, Sir. My greatest concern when I look at the Addendum and I see the first thing, *inter alia*, is that this money is going to be used to prepare a policy

paper summarising issues facing the education and training system and options to address them. I **firmly believe** that it is not a policy **paper**. What we are going to get is a paper policy. That is what we are going to get from over there.

I find it difficult to believe that in a second consecutive term of Government that the Democratic Labour Party Government of today, in 1992, in the midst of structural adjustment – I hear the Prime Minister and Minister of Finance with those words yesterday. He denied in the past that we were **into structural** adjustment. He said that he did not make such an arrangement with the World Bank or the Inter-American Development Bank, that we were into a **stabilisation** programme. But yesterday with these 2 ears I heard him use the words "structural adjustment" so I have to understand now that we have graduated from one to the other. I **find** it difficult to understand and to believe that at this state the Government would now feel the need to prepare a paper policy, or a policy paper, summarising issues facing education and training system and the options to address them. I have grave concerns about this.

Mr. Deputy Speaker, the other important thing that concerns me about this Addendum, and I am going to address many points that arise in it, is that somehow this loan appears to be uncertain. There is a feature to it which I do not recall ever seeing in any similar loan.

Laughter.

Miss B. A. MILLER: The laughter will not stop me. It is for the people of Barbados to know that they find these laughing matters.

I see in the Addendum that if by or before September 30, 1993 a loan is granted by the World Bank for the purpose of assisting, financing and so on, what will happen. Then in the next paragraph I see that if by September 30, 1993 no such loan shall have been granted, or by such date or at any time thereafter, the agreement providing for such loan shall have been terminated without becoming effective. What am I to understand by this, Sir? Then it goes on to say what will happen with amounts that would have been advanced.

I have never seen this kind of proviso. You **read** it carefully, **Sir**. You would have to account to your constituents for this. I have never seen such a proviso in a similar loan agreement ever before. I believe I would have seen many such loan agreements. Perhaps, the Minister would like to say why this proviso is here. Is the Government so uncertain either about getting the loan or that it can execute the conditions for which the loan will be made, or is proposed to be made? I would want to have some reassurances about that proviso, Sir.

Let me get to other points. Mr. Deputy **Speaker**, you know that time **and again** I have been saying in here and particularly in these **recent** years, that particularly in these **times** it is not the time for the Government to be cutting back on the social sectors or to be seen to be capitalising or recapitalising the productive sectors at the cost of the social sectors.

12.45 p.m.

I had hoped, when I started to read this Addendum that at last the Government was heartening and here was the Government seeking to make some investment in education and training. But I am afraid that by the time I read on this Addendum I have come to the conclusion that it is not going to be the case.

Mr. Speaker, Sir, the Honourable Member for St. George South in his contribution earlier spoke of human resource development. I wish to say, Sir,...

Mr. DEPUTY **SPEAKER**: That Honourable Member is now interrupting you too much, is he not?

Miss B. A. MILLER: Yes, they are interrupting me. I expect you to help me, Sir. What I want to say about human resource development is this. It is concerned not only with developing human capabilities but it is also concerned with their productive use. When I see the combination of education and training, as I read in this Addendum, that is what I hoped would follow when I continue to read on.

Developing human capabilities, Mr. Deputy Speaker, Sir, requires investment in people. There is no other way to put that. And developing their productive use of this capability is to require that the people would, once trained, contribute to growth and productivity in our country.

I would like to have hoped that the Government was getting away from the misconception that human development is primarily sectoral, concerned with investments in education and health and other social services because I said and I say and say it again this is incorrect. Development of this kind is of people and that is vital. But that is only one part of it, Sir. Human development means development for people. That is why projects are important and why people were wrong when they pointed at projects and said that they were not related to people. Human development means development for people. That includes the creation of economic opportunities for everyone. It also means development by people and that would raise, I would hope, the issue of how people might participate more than they are today. So human resource development therefore would encompass all of these things and not just the one.

Mr. Deputy Speaker, Sir, I see in the Addendum that this money is to be used, among other things, to

conduct a survey to determine the perception of personnel about the critical issues to be addressed in upgrading teacher quality at primary and secondary levels. I want to hear the Minister of Education definitively today on the question of family life education; because I isolate that as one among many critical issues to be addressed both to do with upgrading the quality of teacher training at the primary and at the secondary levels.

Only a week or two ago I could read about the increasing incidence of births among teenagers in this country. Generally, in this region, there is a decline in the incidence of adolescent pregnancy. But it is not without significance that in Barbados in the past year 1991 we have begun to see some escalation. I have already questioned the wisdom or the unwisdom of the Minister of Health in cutting the subvention which goes to the Barbados Family Planning Association. But in the context of today's debate it is important because we have been mucking about with this whole concept and question of family life education. When I speak of family life education I am speaking of family life education with a realistic sex education component in it.

The Minister came in here some time last year and said that there were pilots going on out there. I do not know if they are BWee pilots, BA pilots, American Airlines pilots. I can see nothing to persuade me that in this September coming there is going to be any properly identifiable family life education syllabus both at the primary and at the secondary level.

Mr. Deputy Speaker, Sir, I made this point in here already and I think I need to make it again. The World Health Organization has reported that the incidence of AIDS per capita is highest in the world in the Americas and within the Americas highest in some certain Caribbean countries and Barbados is one of the 4. I think that the National AIDS Task Force has finally seen the light and I hear them now agreeing with me. I now hear Professor Walrond agreeing with me that sex education has to start in the schools and at the primary level. Do you know why, Mr. Deputy Speaker, Sir? Because the high incidence that we speak of is occurring in the 15 to 29 age grouping in Barbados. When you consider what the incubatory period is it means that young people are contracting that disease, finding that they are HIV positive while they are in the school system. In addition to which we have allowed AIDS because it is fatal to distract us from the epidemic status of other sexually transmitted diseases. Because at bottom when you take all the trimmings off AIDS is only yet another STD. The difference between AIDS, gonorrhoea and syphilis and all of the other STDs is of course that AIDS is fatal.

I would like to think that because of what I have just said there is some relaxation in the attitude to those who

formerly were so adamant that family life education ought not to be taught in our schools and that if it were certainly sex education must have no part of it. But research and surveys and studies have shown that young people, adolescents, teenagers become pregnant in the numbers that they do largely out of ignorance not so much because they want to prove themselves. That is myth. Scientific fact is that there is widespread ignorance in this matter. I want to hear the Minister on it.

The disease AIDS is impacting in Barbados on people at their productive best years. It is hurting women in the reproductive process itself where it is transmitted from mother to foetus. But in those years when we expect young people in their thirties to be productive and to carry the economy forward, to be there to fuel the so-called engine of growth that I hear the Minister of Finance talking about in a very airy fairy manner. He was talking about the production we are going to see, the growth that we are going to see. It cannot be done if you have people in that age grouping, the producers, the workers, succumbing to AIDS at the rate that they are in Barbados today. Something has to be done about it.

That is only one of several critical issues to be addressed. "Conduct a survey to determine the perception of personnel about the critical issues to be addressed in upgrading teacher quality at primary and secondary levels." This also speaks to another critical issue that the Honourable Member for St. George South raised and that has to do with the new technology.

We have been told time and again, way back, not now, ever since in the past that the good high quality of our secondary education, that Barbados being one of the very few countries in the world where education is free – up to last year – mandatory up to the age of 16 and universal that we have a quality of potential worker, producer, in Barbados, if productivity is to be the by-word for who is eligible to be trained in the more sophisticated realms of technology. This is not now like some other developing countries – and I do not mean to cry them down, I am simply stating a fact – where the majority of people do not go too far beyond the primary level and therefore certain skills would be beyond their competence. In Barbados this is not so. If we are to be looking in that direction, I would want to know what upgrading of teacher quality at the primary and secondary level will reflect the Government's appreciation of this. I see them at the Garrison School, Queen's College, Harrison College, Louis Lynch, whatever school, third and fourth formers their heads being stuffed with Geography and History and French and Spanish and a whole bunch of subjects that will not necessarily be of use to them.

12.55 p.m.

But there is still this looking down at the technical and the vocational, whereas the truth is that the

technical is so highly regarded in developed countries that that only betrays our folly, and I want to hear the Minister on this. I want to hear the Minister too, on this question that I see here in the addendum of carrying out a survey of potential growth areas for employment. If according as I hear it in the news, the productive sectors are all in decline and/or collapse, it is critical that the Government should carry out a survey of potential growth areas for employment because if they are in decline and/or collapse and we don't have to be told that, we can see that with our eyes. We can see that tourism continues to be in its fourth year of decline.

We can see with the sugar crop, that it is in an advanced stage of decline. We can see with manufacturing where the decline is. It is a matter of great concern to us on this side that even the offshore sectors could not fall into the category of improvement, growth. None of those positive words could be used for that sector. That is a matter of grave concern over here. The question I am asking is, bearing in mind that all of these productive sectors are now in decline and have been for some time in Barbados, and the indications are that they will continue to be so because the IMF medicine is not working, people's belief in the stabilisation programme is being betrayed by the Government. That is what they are doing, destabilising the quality of life to which we have become accustomed in this country. Destabilising and putting out of balance, further out of sync the very delicately balanced economy of this country. Humpty Dumpty. They have mashed it up and don't know how to put it together again. It has fallen off the wall and they can't get it put back.

Aside.

Miss B. A. MILLER: Yes, pushed off, that is the right word. They have really taken it up and licked it down deliberately. All of them have sat out there under Richie Haynes and voted for that and are now pretending that he is some pariah and they are nothing to do with him.

Mr. Deputy Speaker, I come back to this question. It is critical that potential growth areas for employment are identified and not only identified, Mr. Deputy Speaker, put on the ground. Because if the young people cannot find employment, with employment running at 32 per cent in Barbados today, if the young people cannot find some employment in these areas for potential growth, because clearly there is nothing for them in the productive sectors that we know now, the potential for social disruption ... I don't even want to begin to address it.

We already see signs and wonders of that. We see the increase in violence, in crime. We see the increase of violence within families in our community. All of these are symptoms which, if not arrested in these early stages, will culminate in social unrest in a way that we have not seen

it in Barbados since before you and I were born and would hope not to see it again.

The addendum goes on, Sir, to speak of developing and fine tuning technical and vocational teacher education programmes and it talks about "establishing" – like the Honourable Member for St. George South, I don't understand what all this verbiage means – "a computerised data base of technical and vocational education" and training teachers. What is the significance of that?

What I want to know from the Minister is what is the plan for going to do to reconcile the productive use to which they can put the Samuel Jackman Polytechnic and the Barbados Community College. The point has already been made this morning that the Community College is very pre-occupied with resting on academic laurels. There is a significant technical component both at Community College and in the Samuel Jackman Polytechnic. We have tremendous capacity there. We don't begin to use it. The Polytechnic can carry 4 shifts any day and night. We don't begin to use it. If it is a misnomer and it should in fact be a trade school well then let us re-order our priorities and design it as a trade school, although it is my belief that it can continue as a polytechnic but it would have to become integrated with what the Community College is. There is no reason why they cannot operate out of two campuses.

What they are building up in St. Thomas, in my opinion Mr. Deputy Speaker, Sir, is ripe for conversion. When the conversion day comes to a trade school. You had better believe that if that comes when the Barbados Labour Party is the Government that that is something that I would urge very strongly upon a Barbados Labour Party Government. This reconciliation is really critical. The amount of wastage that is going on at the polytechnic because we under-utilise, because it is not going in directions that are open to it, Mr. Deputy Speaker, Sir, and the time has come for that reconciliation.

Whatever it is that is happening at Sherbourne, there was a time when we heard it was going to be a school of music. We have heard everything about that. We can't wait for that because we do not know when those open girders would ever be clad in concrete. But even without that, to undertake the task of retooling people who are now unemployed or who have to be redeployed, like the transport people who went down to the Port to be redeployed there. In those cases, Sir, what we have up at Wilkey in the form of the Polytechnic and what we have at Howell's Cross Road in the Ivy in the form of the Barbados Community College we really need to sit down now and do a harmonisation. Harmonise is only one word, but it is a larger concept than even that.

Aside.

Miss B. A. MILLER: That too, that as well. But that is where the foundation of our thrust into teaching these new technologies lie.

Aside.

Miss B. A. MILLER: Rationalisation, that is the word I am looking for. Thank you, I knew the former Minister of Education would come to the rescue. Some of this retooling has to be done on the factory floor but a lot of it has to be done within the walls of those institutions. It is critical that we should hear the Minister on that because if this money that is going to be spent, if it is going to be spent – because I bear the proviso in mind – then we really have got to be getting ready and not hearing that we are spending it on old ideas and old concepts which have been overtaken by these new technologies themselves.

I see further too that reference is made here to providing technical advice on spacial, functional and technical requirements of library components. I want some clarification on that. I want to know which library because the time has come for the new technology to come to the library system as well. It is time that young people, because I would not want to hazard a guess at how many homes in Barbados would have a video cassette recorder – 1.05 p.m. 2 but the time has really come if we are going to bring our young people back to reading, if we are going to somehow have to find a way to make these educational possibilities attractive to the young people, that we have to go with the new technology.

1.05 p.m.

Young people ought to be able to go just around the corner to the Barbados Public Library and take out video cassettes of this, that and the other and to sit down in front of a monitor and increase their knowledge in ways that we have not begun to contemplate yet. For instance, there is a language laboratory up at the Community College where people learn to speak foreign languages. That is part of that technology. That is technology that ought to be available at the level of the library. Not everybody can go to the Community College and participate in that. But outside of the formal school system, this is the kind of thing that should be available at libraries and I want to know what all of this means. Because if it means new school shelving, well you should be able to microfiche. If it means functional, meaning that the prisoners are going to build the desks and, if it means technical requirements, meaning that you are going to rewire it, let me know that now.

Aside.

Miss B. A. MILLER: I would hope not. Now it is said in here that the Minister of Education is a person well versed in the new technology and well understanding the potential of it. I would like to think that he would be able

to persuade his Cabinet, some of whom we have already heard in here this morning who are hard of understanding, impenetrable is their ignorance. That is what we heard in here this morning. But I would like to hope that the Honourable Minister of Education would be able to persuade his Cabinet colleagues of the very critical importance. This is an important US\$500 000 and I hope that we do not fall victim of the proviso that by September 30, 1993 no such loan shall have been granted. I want this loan to be granted! But I do not want this loan to be granted for the purpose of helping Barbados to regress because that is where we are going. I mean we are going back to milk and biscuits at schools now. That is where we are going back to – the 1940's and 1950's. I would hope that this million dollars and it is not a lot of money in the context of which we speak, will be used by Government to point a direction forward so that young people of today who would be women and men in the work force in the year 2000 would be the beneficiaries of something useful which they can carry into the work place. They can say that this is what I have to offer and a job will be forthcoming and that some of them would be creative and innovative enough where there is no job forthcoming to invent a job, because in these times that is what is going to be required of us, creativity – find ways and means for self employment. The Honourable Member for St. Michael East is not positive and he is looking at me. He is a self made person in that respect and for that reason, if none other, I respect him highly. The same unfortunately cannot be said for others over there.

Mr. Deputy Speaker, slight as this million dollars may seem in the hands of a Government that squanders billions, it is critically important that it should be used in the way that Honourable Members on this side are urging, I thank you, Sir.

Hon. C. V. WALKER: Mr. Deputy Speaker, one would normally expect that two former Ministers of Education would have to make some input and rightfully so. I only start off by repeating the point I made in the introduction, Sir, that like everything else in planning there must be a head and somebody has to be the coordinator, if you will. I pointed out that several of these things related to other Ministries – Training Unit, Ministry of the Employment, National Training Board, Library and, indeed, some to Education.

I will move right away, Sir, to a few remarks or comments made by the Member for St. George South. First, his queries on the Student Revolving Loan Fund will be dealt with, I think, in the next Resolution. I have given the assurance to the shadow Minister of Education since yesterday and I will respond to his queries when we get to that point. I will not go into any further detail on that.

As to his comment about the teacher ratio, Sir, Barbados is the lowest in the region and indeed

within the top 10 in terms of the current ratio of teacher to student. The Honourable Members who have spoken, Sir, would have been privy to information even in their time when it was pointed out that our ratio was better than most of other countries. Constantly, we hear this point because it sounds good as it relates to teachers being laid off. You will recall, Sir, that on no less than three occasions in this Honourable House I had to refute that statement and point out **that** teachers who are not rehired on a yearly basis, and again Honourable Members who have spoken would have had that experience, are there when they are filling in for teachers who are off on a term's leave, maternity leave or what have you. When these people return to work, the substitutes have to go. So much for that, Sir.

Sir, the Honourable Member spoke about **technical** training for teachers. There has been more technical training for teachers in the last six years than at any other **time** in the history of teachers in Barbados. Teachers are trained not only in technical areas but they also are trained in special subjects. If one were to visit Erdiston, Mr. Deputy Speaker, one would realise this from the Bulletin Board. First, you would have to understand what the Bulletin Board is. The technical part at Erdiston with the various schools and the teachers who have been trained now have the capacity from their homes or from their schools to relate right to Erdiston College using the Bulletin Board and have information related to schools. We have been so far assisting other territories. We have put in the Ministry of Education an officer dealing specifically with technical information and we have already been helping other **territories** in the area.

Now I appreciate the comments made by the Honourable Member for the City but I do not have to blow any horn. That is what the people out there are doing. As far as the overall training for teachers as raised by the Honourable Member for St. George South, again the training of teachers in the last six years has been the highest. In the primary system where 98 per cent of the teachers are now Erdiston trained.

Aside.

Hon. C. V. WALKER: You will have to determine and go and sit before a class and see if you can inculcate the knowledge into students. Then you will know if it is quality. As for project itself, the bulk of the work on the project will be done by Barbadians.

The question about Family Life Education was raised by the Honourable Member for the City. We have started Family Life Education. I will make a copy of the syllabus available to her. But I am not prepared at this time, Mr. Deputy Speaker, either to discuss any sex with her or to discuss any sexual questions with her right now. She will have to deal with that. She is on to the whole question of

sex. We are moving ahead, as I said earlier, to assist our neighbours.

1.15 p.m.

Talking about the Polytechnic, far from being **under-** utilised, we are in a position **where** we cannot accommodate all the students. I do not know where this under utilisation is coming from.

Aside.

Hon. C. V. WALKER: I have no problem with that. In your earlier remarks you related to certain things within the society and that is where the problem lies, but we will deal with that in due course, because you will be privy to a document which will outline what the future of education, as I see it, should be like in the country. I am not depending on anyone, I have committed myself that I will assist in preparing it.

With those remarks, Sir, I move that the Resolution do now pass.

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

ORDER NO. 6 – THE STUDENT **REVOLVING** LOAN FUND (AMENDMENT) BILL, 1992

Hon. C. V. WALKER: Mr. Deputy Speaker, on April 4, 1990 when the Government of Barbados and the Inter American Development Bank entered into an agreement on the third stage loan for the Student Revolving Loan Fund, it was agreed and stipulated that the total amount of financing to be made available to the Fund would be some U.S. \$6.8 million, with \$4.7 million or approximately 69% of the total being provided by the Inter American Development Bank and the balance being provided by the Government of Barbados.

The purpose of the loan is to provide an estimated 522 sub loans to eligible Barbadians in the fields of graduate, under graduate, technical, **post** secondary and vocational education. The period for disbursement was then identified as between 1990 and 1995 with the loan commitments ending in 1993.

It should be noted, however, Mr. Deputy Speaker, that this follows upon the 2 preceding loans, the first of which was \$800 000 in 1977 and the second in 1984 of \$2 million from the Bank, with the Government contributing approximately Bds. \$2 million. However, at the end of the disbursement period in February 1990 the overall expenditure was U.S. \$5 960 978, with the Barbados Government meeting the excess of that as projected.

There has been a genuine demand for the resources of the project as far as the Fund is concerned, and it has recorded the commitment of **517** loans at a cost of Bds. **\$12 280 819** out of which the IDB will finance Bds. **\$8 486 045** and the Government of Barbados **\$3 794 773**. For the remainder of the commitment period there remains now a sum of Bds. **\$1 319 181** left to be committed. At March **31, 1992** the Fund had disbursed the sum of **\$9 035 398** which was divided as follows: IDB portfolio **\$7 508 853 07** and recoveries **\$1 526 345 27**. At May **31, 1992** arrears, not including those already repaid by the Ministry of Finance were as follows:

In the category of one to 5 months, **154**, with an outstanding amount of **\$54 826 48**

Six months and over, **134**, with an amount of **\$333 488 93** and those cancelled or called - 27 loans with a value of **\$614 822 07**,

giving a **total** of **315** loans which can be considered as arrears, and that includes those that were called or cancelled and a grand total of **\$1 300 137 48**.

The Student Revolving Loan Fund Committee in an effort to ensure that funds are invested in areas of study most needed for the national development, has given further consideration of those priority areas which were defined by the **1991 BIMAP** update of manpower and labour market requirements in the year **2000** and they have determined that the areas in which the loans are made should be engineering, computer studies, land surveying, quantity surveying, technical studies - that is, in the area of electronics and refrigeration technicians - agriculture, a few in accountancy, management - that is, general and operations management - medicine and related fields such as occupational therapists and teaching, particularly in the areas of agriculture, geography, music, natural sciences and industrial arts.

Following this, Sir, in this Honourable House a Bill was passed in May of this year and received the Governor-General's assent in May which was intended to amend section 17 of the Act, as Honourable Members will recall, by abolishing the provision for Government to pay to the Fund all amounts overdue by **182** days or more from the date on which such amounts became due and payable. **1.25 p.m.**

Section 17(a) was therefore deleted and the section now states that the Minister responsible for Finance may cause to be paid into the Fund out of the monies voted by Parliament for the purpose the amount necessary to compensate for losses incurred by fluctuations in the rate of exchange. As a consequence, the Attorney General Chambers advised that section 18 of the principal Act should be amended to remove reference made therein to

section 17(b). Consequentially, it also seems that section 19 is redundant and should be deleted for the following reasons.

Subsection (1) is no longer applicable and section 17(a) has been deleted. They have also pointed out that to substitute section 16 for section 15 in section 19(2) would give the Minister of Finance the same power as to the Committee under section 16. The legal opinion is that it was not intended to suggest that subsection (2) should also be deleted.

It is for this reason, Sir, that this Bill is being brought to this Honourable House which is simply **seeking** to amend section 18 of Cap. 54A. As the title says it is just the amendment of the Act and the Amendment itself to the Act which is referred to as the principal Act is being amended by deleting the word "b" which appears in the second line of the Act. That is all we are really doing.

Having said all of that, Sir, all we are really doing is deleting one letter, "b". With that background, Sir, I hereby move that this Bill be read a second time.

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

Mr. R. C. EASTMOND: Mr. Deputy Speaker, without having had the benefit of any ministerial experience, there are still a number of concerns among students, potential students, taxpayers and members of this side and these concerns relate to the viability of the Student Revolving Loan Fund and its administration and matters relating thereto.

As I understand it, Sir, the demand for these loans is often greater than the supply of these loans and what has become necessary, as the Honourable Minister has just indicated, is that a list of priority areas has been involved. A student who might be interested in a subject like English or History may not find English or History being a priority **area**, but there are several priority areas which are seen to be areas of academic and professional disciplines which Barbados requires as a priority.

One of our first concerns is this. There have been serious allegations that people would go on their paper qualifications and on their stated intention of doing a particular priority, get a loan approved, migrate to North America or even to England and opt for a totally different course which is not a priority course and, somehow, even though the loan is normally disbursed in parts which at the end of a given period of 3 months or 6 months or a term a report is to be sent back to Barbados on these people's performance in the area that the Ministry of Education has been told they were studying, yet these people are able to continue to receive money on the pretext that they were given this money to pursue a particular academic discipline.

I have heard of a very bad case in this country where electronics, which the Honourable Minister just mentioned as being one of the priority areas, was declared by somebody to be his choice and he went quite far in Europe, allegedly to study this particular area. He did something totally different which could have been done here and subsequently got 2 more disbursements to do so-called electronics. He was placed eventually in a job in Barbados where he was supposed to showing that he had been qualified in this area and he proved a misfit. Today, I understand, he is in the area which he really studied and the result is that he would have been funded – not necessarily in this Minister's time, but this is something that has occurred 3 times where one particular person benefited by trickery, indicating that he was doing a particular discipline which is required here and doing something totally different.

Another area of concern is the question of delinquency. Many years ago a character in Barbados – there are really 2 characters but I am just talking about one – in the years when the scheme was administered fairly loosely and liberally would go and get money from the Student Revolving Loan Fund and then boast that because of certain technical hitches in the Regulations he didn't have to pay back. To this day, having got a loan in 1971 and 1972 he has not paid back and is running all over the place boasting that he got this loan on a technicality.

I would ask the Honourable Minister how grave is this question of loan delinquency. The reason why I am asking is that the taxpayers of Barbados have an interest in the administration of this Fund and I am asking the Minister if the Ministry of Education and the Committee administering this Fund have been able to ascertain what possible causes there are for people defaulting on their loans and what measures are taken against known delinquents who borrow the money and sometimes drop out from their courses or qualify in other areas or sometimes don't even return to Barbados after having gone far abroad.

I am aware that the stipulations at the start before the loan funds are disbursed are that you have to get a legal surety and you enter into a bond to return and serve Barbados on completion of study. As I understand it, Mr. Deputy Speaker, some of the persons who have had money to study have not come back and have not paid back. It is the interest of members on this side to know what steps the Government has over time taken to cure this problem of delinquency.

As you are aware, Mr. Deputy Speaker, and as a man of commerce yourself, in almost any situation where any institution disburses money by way of a loan inevitably a percentage will default and we want to know what percentage the default is in relation to persons who get money to study and don't repay. We are also interested to

know whether the Ministry has been able to monitor the situation in such a way as to ascertain the real causes of delinquency. Clearly in a situation where people are going to study and then do not repay the money they borrow to study on, one wonders what would cause the money not to be repaid.

1.35 p.m.

There are some other concerns as well which we on this side have. It is our understanding that very often there are persons in the Public Service who function as civil servants who are recommended by the Training Division to be given leave to do areas like management and accounting which would impact favourably on the Public Service if they qualify. Some of these persons exceed the highest age at which one would normally get a loan. I think the cut-off age is 35. People between 18 and 35 years can usually qualify for these loans. Sometimes persons who are older than 35 are recommended by their departments to go abroad and do public sector type training, persons who are older than the highest age, persons recommended by Training. The courses they might want to pursue are not available in the University of the West Indies, St. Augustine and they either have to go to Mona or beyond.

Some of these people who qualify from experience and qualifications and are to do a course which is supposed to help Barbados have found that they do not have the financial resources to fund their studies. In consequence, the only place they can think of that would normally offer funding would be the Student Revolving Loan Scheme but yet, because of age, they are disqualified. I am asking the Honourable Minister if the policy of the Ministry is so inflexible that a person who in every respect except age is fit and eligible to study would not be given the opportunity just because of an age factor.

This brings me to the question of the training of medical personnel. As you are aware, Sir, in recent years the Faculty of Medicine at the University of the West Indies has found itself in a situation where there is extremely keen competition among potential candidates who want to do medicine. Some years Mona has been known to insist on 3 "A"s, some 2 "A"s and a "B". We have had people in Barbados with one "A" and 2 "B"s who wanted to do medicine and could not enter Mona because their grades were too low even though in other Caribbean countries like St. Lucia, Antigua and Grenada people with lower grades, because of the system of allocation at Mona got in and some Barbadians were denied the chance.

I know of instances where young, brilliant persons with a lot of potential who were turned away by Mona, refused scholarships wanting funding out of the Student Revolving Fund and encountered problems getting funding. Therefore, we on this side would like to know precisely what Government is doing about a problem like

that because even though it might be argued that sometimes if a fellow cannot select his pet area to study he could always choose an alternative area, there are those students in our midst in Barbados so determined to pursue a given area that if not given that opportunity may become frustrated and disenchanted and not even select the next best alternative but might very well opt out.

I was heartened, Sir, to know that inferring out of what the Minister was saying that there is a system of review of the priority areas. I think that even though he did not state it expressly that he did, in fact, imply that from time to time the committee responsible for the administration of the Student Revolving Loan Scheme would meet and review areas of priority.

I remember years ago people could get loans for law. I do not think law is now a priority because of the fact that the Cave Hill Campus is here and entry to the University of the West Indies in Barbados at Cave Hill is not all of that costly, at least not until recently with Government's economic stabilisation programme so-called.

Sir, I am curious about our approach and both Members on this side who have spoken earlier on the other Resolution that preceded this one were careful to point this out. I am curious to know what really is our policy towards technical education. It is a fact, Mr. Deputy Speaker, that very many demonstrators and instructors at the Polytechnic are retired old people. It is also a fact that some of these people who teach at the Polytechnic even though from practical experience have acquired a measure of expertise are not really that competent to communicate their skills to their students.

I know of instances at the Polytechnic where some fellows – I will not call particular disciplines – who from practical training were able to get a little expertise and go up there to teach. But in terms of being able to communicate to the students properly, to be able to prepare these students and assist them with incidental learning that would be relevant to the certification these fellows did not match up. I have heard complaints within the Polytechnic that they are young, strong, able, junior teachers at the Polytechnic who want an opportunity to train further in technical education and who are not now being given that opportunity.

Only recently I heard of a case where a chap at the Polytechnic not yet 40 years old who had been teaching with some success for some years has been enquiring where he can go. He knows exactly where he can go to consummate his training; but how can he be funded? I am joining with the Honourable Members for St. George South and for the City in asking the Honourable Minister of Education to closely scrutinise the goings-on at the Polytechnic because all is not well there. Even though in

theory the Polytechnic serves a purpose and it is supposed to train people in the vocational areas that this country so badly needs, we have a situation where, I am sure, Mr. Deputy Speaker, some of the instructors and demonstrators can themselves be trained to teach and be given skills that would permit them to help the young people better. These are our primary areas.

I also want to know from the Honourable Minister whether from the standpoint of viability if the fund in a normal financial year is not so well stocked. In other words, Sir, I want to know if there are periods in the financial year where the fund is depleted, if it is depleted, did delinquency contribute to the depletion. If it is depleted, what other factors could possibly lead to depletion and then what steps are taken.

I am also interested in knowing how many applications for loans are made on an annual basis and out of the total number of applications how many people are actually given loans and what follow-up means are taken by Government to ensure that the system is working smoothly. It is a very good system. It has benefited people over time but I am sure, especially at a time like this in this country, we on this side are as interested as those Members opposite who care about education to know precisely how this Fund is going.

Reference was made here to BIMAP and the part BIMAP has played in updating labour market information. While talking about that my concern about BIMAP is that although over time BIMAP has been able to play a very important part in professional and commercial management education in Barbados, after close to 20 years' existence BIMAP is still largely a part-time institution. One may say that because BIMAP stresses on-the-job training that it is well and fit for people to work in the day, get the practical experience and go to school at night. One can also counter that argument and say that if the demand for the services at BIMAP is as great as I sense it is, that BIMAP might have now to rethink its programme and, at least, on an experimental basis, think in terms of full-time day courses.

This is not a farfetched suggestion, Mr. Deputy Speaker. The reason I am raising this is that the University of the West Indies, Cave Hill, has for several years lagged behind Monn and St. Augustine in the area of the management sciences. In recent times the University of the West Indies, Cave Hill, has been showing an interest in introducing more and more management courses. The fear is this: that like in computer science, as you are aware, Cave Hill might end up giving people theoretical management training. The Honourable Member for St. Philip South will understand this as well. In the early days when computer science was introduced at Cave Hill it was theoretical computer science. It is a fact. My fear is that if we are going to permit the University of the

West Indies on its own, without any input from BIMAP to say it is training people in management from textbooks without giving the on-the-job training and the type of other training that BIMAP is noted for then, Sir, I think we will be wasting our time.

1.45 p.m.

My suggestion is that the authorities, including the Honourable Minister of Education look to integrate, look first of all to see if BIMAP can be equipped to give us courses in the day and then too if it can be integrated to some extent, in some way with the functions of the University of the West Indies to foster training in management in Barbados. You are aware, Sir, that the signs of the times suggest that careful management skills are required at governmental level. I am sure, Sir, that careful management skills are required in the private sector as well and nothing should be done especially in these times to curb the natural tendency of Barbadians, natural ordinary black Barbadians who would want to become managers from achieving the objectives. Finally, the alteration which I believe is typographical or whatever changing a letter in brackets can do very little in terms of actual administration. So I would like the Honourable Minister to give this House the assurance that the scheme is working well, that any problems facing the scheme can be looked at carefully and what future plans would be in the pipeline for even boosting this Scheme further, this Revolving Loan Scheme further, and permitting it to play an even greater part in the development educational and otherwise of this country.

Thank you very much, Mr. Deputy Speaker.

Mr. H. deB. FORDE: Mr. Deputy Speaker, I should like to congratulate the Honourable Member for St. James North on a very useful and valuable speech. I have intervened in the debate, Sir, to point out that the bringing of this Bill to Parliament at this time is another example of the incompetence of this Government. And I say so with great justification. I am going to give the justification in a minute, Sir. It also is another example of how the Government ignores proper advice given on the Floor of this House by the Opposition and therefore waste parliamentary time and the people's money for having to debate this measure here today.

When the Government brought a Bill to amend the Student Revolving Loan Fund Act, Cap. 54A on May 14, 1991, just over a year ago I intervened Mr. Deputy Speaker, Sir, when the Bill came to the Committee. I pointed out to the Government that having made the amendments which they were then making, it was necessary to amend section 17(b) as well as to amend sections 18 and 19. That is absolutely clear at 661 of the Hansard for that day. Either the Government did not have the intelligence to understand the simple point that I was making in this House, they obviously did not understand or

they are disrespectful to the Opposition and therefore they do not benefit from valuable and sensible advice. It has now taken the Government a year to come back to the House to do exactly what I told them had to be done and to do it now at the waste of parliamentary time. That is a tragedy of Barbados today. They are so stupid in the manner in which they approach people's business that the valuable advice given from the side of the Opposition, particularly if it comes from the mouth of the Leader of the Opposition is not taken to heart.

Had the Government stopped their ignorant approach and had listened since 1989 to the advice that I was giving them the country would not be in the state it is in tonight. But we have a Prime Minister who does not understand sensible talk and common sense and who does not give the leadership that is necessary. This is the classic example of what I mean. It is there for all to see and for everybody to read, Mr. Deputy Speaker, Sir. I am sorry we have to waste your time on a matter that could easily have been disposed of before. It could easily have been done a year ago. That is another classic example of what I preach in this House day in and day out, that they do not understand that there are people in this country who can give them valuable advice which they should take and act on.

Instead of adjourning at that stage for a little while and let us in the Committee amend it the Government passed the Bill. **Look** what we have to do now. We had to go back to the draughtsman to waste the draughtsman's time. We could have done it here in the Committee at the time. We then had to take the Bill back to Cabinet to waste Cabinet's time. We then had to print the Bill again for a cost to the country. We then had to come back here and take up parliamentary time and then we have to go to the Senate to do the same for a matter that could have been dealt with by merely standing down the measure for less than half an hour and we would have finished with this measure. That is a classic example of what I mean by waste of human time, resources, money in all aspects of the people's business. I have to emphasize it over and over again because it probably takes the country some time to wake up to what we are trying to say. This may look like a little matter but the substance of it is another example of waste of human effort and time that the Government is not prepared to listen to any advice or if they understand it - I have to be generous and think they understand it - well then what can one say, except that they are deliberately refusing to take valuable advice, Sir.

I do not too much want to speak on much of the substance of this Bill, except that I would expect now that the Student Loan Revolving Fund is going to be under continuing pressure with the Government's failure to meet its commitments to the University of the West Indies at Cave Hill. It has the University of the West Indies in great difficulty. The University of the West Indies'

Council has actually accused the Government of Barbados of lack of good faith and of deliberately misleading the Council. It gave the Council its word that it was providing enough funds so that the students who go there would have money and the resources would be there. Instead what it **has** done is that it has got a shortfall. The Government owes the University somewhere between almost \$30 million therefore there has to be a retrenchment in staff at the University of the West **Indies**. Student classes have been cut, lecturers are going home and the Government, contrary to what it is saying, is thinking very seriously, one of the recommendations being made to them by the new masters of Barbados. The new masters of Barbados are 2 functionaries from the IMF who sit down here. It is the first time that I see 2 functionaries, 2 low ranking functionaries directing policy in Barbados to the extent, even in education **that** they are doing, that they can say how we spend our money and how we raise our money and to the extent that the pressure is not on the students up at the Cave Hill Campus of the University, Mr. Deputy Speaker. Tremendous pressure on them. The University is in great problems. The Minister must know that. I am amazed when I can hear that students who are going overseas that there is no money to pay them, Sir.

1.55 p.m.

I have had people phoning in my constituency, students who cannot get their money or the money is going late. Sometimes there is no money to send for them. Parents phoning me to ask me in what way I can assist on a personal level in borrowing some money from the Bank and they are paying horrendous rates of interest in order to keep their children overseas.

Now I am not blaming the Minister of Education. I am blaming the Prime Minister for it. I am blaming the Minister of Finance for it. The Honourable Member has said blame **all** of them. No, I am blaming him to the extent that he sits down and takes it and they believe that this idea of collective responsibility means that none of them can open their mouths on the matter, Sir. At least one Honourable Member had the strength of character to talk about it. But this is the reality. I am talking about real things that happen now, not dreaming up cases.

In my constituency of Christ Church West and outside of my constituency I have had calls from parents who cannot get money that should go from the Ministry of Education in order to pay the fees of students overseas. A year ago and they are not getting their money. I expect, Mr. Deputy Speaker that the pressure will be on the Student Loan Revolving Fund to the extent that the Fund has any money, because the normal resources are not there at all.

I have to say, very seriously, one of the things that has saved Barbados in the last 50 years has been the use of

education as a tool of social levelling. There has been upward social mobility in this community because the children of the poor working class, like us over here, like myself, have been able through getting a better education, to move up the ladder and you have therefore had some contentment and the area of discontent lessened. Now, if we have begun, at the dictates of two low functionaries of the IMF to lose sight of the fundamentals that are necessary then we can find a society that is going to become divisive and we are going to live out the balance of this century with a country that is divided and in turmoil. Do not say, Mr. Deputy Speaker, that it cannot happen here. I have seen it happen in Trinidad and Tobago. I have seen it happen in other **areas** and I am warning the Government and I am warning the country, take stock of the things that are going wrong and see how we are destroying social cohesiveness in our society and preventing the opportunities for the young people to move on.

I will tell the **Minister** this, Sir, his Ministry has been under heavy manners recently. When we came in here and discussed the Budget and the Estimates we **were** given the impression that all was well and there were no real cuts. The cuts have gone deep and it is striking at the very foundation that keeps Barbados to be a sensible and stable society. When it gets into education **as** it is, I dread what is happening.

Mr. Deputy Speaker, Sir, I wanted to let the country know as well that functionaries in the World Bank and the IMF institutions have been recommending to the Government that they stop having free education at Cave Hill and elsewhere and put fees on the people. I wish I could say that the Government has resisted and I will **ask** the Minister, don't jump in it so soon because he may have to back down. He might be resisting but I wish to say the Government has taken a final position on this matter. They have not and I am concerned that if the children of the working class, the sugar workers, the port workers feel that they have not got an equal opportunity in the future to get as good an education as the children of the doctors, the lawyers, the computer experts, the bank managers and the others, Barbados is going to become a society as it was prior to 1937, with consequences more dire and more serious than we have seen and I am very concerned that if this Bill is to mean anything that we have the resources for it. That the rates of interest being charged will not be exorbitant and unreasonable, that the time span for repayment will give people a reasonable opportunity and that those who have had the benefit of the scheme come back and give of their best to Barbados. There should be some system, assuming there is anything to come back to.

The Honourable Member for St. George South is very right because I have had examples. In fact the Honourable Member for St. James North asked why some people were not honouring the scheme. I have had examples

from my own constituency, in addition to the Higher Education Committee as it was on the matter. I have had examples of people who have borrowed from the Scheme come back here to give of their service. There were no opportunities for them and they have had to go back overseas, if they can get back into the countries in order to get money to pay the scheme. I have had examples of that. I have communicated with the **Higher Education Loans Fund** about their cases. They are not opting out of their obligations, but the country cannot satisfy them in respect of those obligations. So rather than the outlook looking beautiful for us, we have to recognise the tremendous crisis that is in education.

I am very concerned about the future of the Cave Hill Campus and the University of the West **Indies**. I have seen the documents. I have got copies of the document, if the Minister wants to see the document. Sir, when I speak in this House or speak outside, I speak from factual positions. No lies. No matter how much people run to the radio about they giving me information on time. I get my own information and I am telling the Minister that every word I am saying about what has happened at Cave Hill is documented. The Government is badly in arrears and they have got the students up there in serious problems and they have put the whole Cave **Hill** into tremendous problems. And the Government has gone back on its words and the Minister too will have problems with the same documents that I have. He knows in the document, the Government is accused of bad faith and misleading the University for the shortfall that has occurred every year up there. Those are facts, undoubted facts.

I regret very much that through the Government, the people of Barbados are accused of bad faith and it came from the Ministry of Finance, smart alec financing, Sir. In one year, Sir, they pretend to come in here and vote X dollars and that is only to satisfy the test of the IMF. I will give you an example. Liken it to this, Sir, when the BMC pays the \$140 thousand or \$150 to settle the **strike** and want to say somebody else paid it. That is the sort of thing I mean. No doubt people have lack of faith in us, Sir. But I will not do it because people have lack of faith in the **Government** for the smart alec way that you are doing. Go and see the true people who are making the statement. That is the position, Sir. I give that as a typical example. **All** is not what it seems to be, but I will reveal that in due course at a proper time and in front of the television camera with **all** the documents and see who brings what. When you get a Prime Minister who does not know where the money comes from, I am not surprised. He is not fit to be the Prime Minister.

2.05 p.m.

SUSPENSION

Hon. P. M. GREAVES: Mr. Deputy Speaker, I move that this sitting be now suspended until 3:15 p.m. today.

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

The question that this sitting be now suspended until 3:15 p.m. today was put and resolved in the affirmative and Mr. DEPUTY SPEAKER suspended the sitting accordingly.
2.07 p.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This sitting is resumed. The Honourable Member for St. **George** South.

Mr. L. R. **TULL**: Mr. Deputy Speaker, I will not be very long in this intervention. I just want to raise a few questions to the Minister of Education in relation to aspects of the Student Revolving Loan Fund. Now I am aware of information from the **Ministry** given to me by the Minister the last time we were here that the upper limit for loans for under-graduates was \$50 000 a year roughly **US\$25 000**. I keep making this point over and over again. There are some areas of study and I will give you two examples such as architecture and actuarial studies which are not offered by the University of the West **Indies**. We need architects and we need actuaries. To lend a student Bds. \$50 000 for a whole course of study is really trifling, because the course for one year for architecture or actuarial studies in the United States of America is more than Bds. \$50 000 in one year.

Now I really think that if we are really serious that those are areas of priority that some adjustment should be made for maximum loans in relation to the course of study. I am not talking about a general ceiling. I think it is time to negotiate towards a maximum ceiling according to the course of study in which one is involved. Because you can lend someone Bds. \$50 000 to do a two-year course in electronics, but someone who is doing actuarial studies that takes six years and cost Bds. \$300 000 or Bds. \$400 000 the maximum is the **same**. I think that it is time that we look at that.

Aside.

Mr. L. R. **TULL**: Nice speech too. The other point that I want to raise relates to the question of the localisation of training. I know, Sir, that a lot of money has been spent on a number of areas in North America particularly, more so than in Europe, where these studies can be done at the University of the West **Indies**. When the Fund was established, it was not envisaged that people would go out of the University of the West **Indies** system to study where courses were available at the University of the West **Indies**. We moved away from that and the result is that the quantum of loans per student is higher. It is **important**, Sir, that we look at that again.

because from what I have heard from the Minister again there are more applications for loans than can be met by available funds. Therefore, we have to make the best use of the money that we have.

Now one Honourable Member this morning raised the question of bonding. Bonding has always been a problem in relation to the Government of Barbados. The precursor of the Student Revolving Loan Fund was the Higher Education Loan Fund and there was a bonding for that even though people were in many cases only lent \$2 000. A Barbadian borrowed \$2 000 from the Government, went to the university in the United Kingdom which was quite common in those days, spent four years at the university, spent a lot of money and he is required because he borrowed \$2 000 to come back to Barbados to work. I believe that the bonding, Sir, has to be related to the opportunities for work in Barbados. There is one student who went away on a National Development Scholarship. He was bonded to return to work in Barbados. He came back to Barbados and he spent more than a year looking for a job. He could not get one and he went up in Haggatt Hall and fanned a quarter acre of rocky land to get a few potatoes and that was because of his commitment under the bond to return to Barbados. There has to be some correlation between the bond and the opportunity for work.

Aside.

Mr. L. R. TULL: Another aspect of this matter, Mr. Deputy Speaker, relates to the anticipated increase in the amount of applications that will be made to the Fund. There are two reasons for this. One is the difficult economic times which will make it necessary for people to be borrowing money from the Fund because of the family's salary ceiling and also from the unavailability of money generally. But there is another aspect of it. The Vice Chancellor of the University of the West Indies, in recent times, has been speaking in a vague manner about the possibility of Barbadian students having to pay fees to attend the University of the West Indies.

The Government of Barbados has said nothing up to this point to put a dampener on those statements. The students themselves have been engaging the University's administration in dialogue over the prospect of having to pay fees particularly after you have started. One does not want to start a course and then half way find that one has to come up with the money where it was not expected at the beginning that one would have to spend and therefore have to cut their courses. The Government is remarkably silent in this area. As the Leader of the Opposition said just before lunch, the Government owes the University over 30 million dollars with no indication up to now as to how, when or if they are going to pay that money, which will put additional strain on the finances of the University and I believe it will eventually affect the Government's ability

to continue to pay the economic cost for every student from Barbados who attends the University of the West Indies.

Sir, these are matters of pressing and urgent national interest. People want to hear about these things. There are people who are leaving the Six Form this week or next week and they want to know how to plan for their future. It is typical of the Government to hold things in limbo and they leave people wondering what is going to be the next move. They do it regularly to the businessmen. They do not make any decisions and business people do not know how to plan and now they are showing the poor students that they do not know how to plan.

Aside.

Mr. L. R. TULL: All right, I gather that the Minister will reply to that. That is good news to me. We have the question of these priority areas. The Minister read out a long list this morning but that is nothing new. That list existed 15 years ago at the beginning of the Student Revolving Loan Fund. What has surprised me is that after 15 years the only change I have seen that they have in the priority areas is the question of law. The Honourable Member for St. James North this morning queried the position in relation to law. But if he was looking at these things a little bit more closely, he would know that it has always been the policy of the Democratic Labour Party to take decisions against students of law. The late Errol Barrow was very good at saying exactly how he felt about law students. In fact, at one stage he went so far by starting a policy that the only students in the University of the West Indies that the Government of Barbados will not pay the economic cost for are the students of law. Every other student at the University of the West Indies the Government of Barbados will pay the economic cost for but not for the lawyers. I think it is something perverse about it. Not to be offensive, I mean perverse not proverted.

3.25 p.m.

That is the history in relation to law, but it is clear, Mr. Deputy Speaker, that a lot more money is going to be needed for loans in these hard economic times.

If you look at the Democratic Labour Party's Manifesto for the last elections you will see what they say in their Preamble on the education aspect about people being an important national resource, and then they do not match their policies with these kinds of protestations. I have spoken already this morning on the importance of human resource development, particularly at this time when Barbados is looking for other options for development, when the traditional areas are no longer viable. If we are not to miss the boat we have to look for new options, and since we do not have natural resources and

other endowments of nature that a lot of other countries have, we have to use the skills of our people to assist us in the pursuit of those new options.

The Minister gave us a lot of figures, and I must commend him for giving a full brief on this occasion. I want him now to throw away the brief and deal with the human issues. Having stuck so faithfully and loyally to the brief, I want him to move away from the tremendous amount of figures that were given in the brief and deal with the real human problems that are involved in what I am talking about.

The Leader of the **Opposition** remarked on the fact that the University of the West **Indies** was in trouble. The University of the West **Indies** is in trouble, and it is in trouble primarily because of the lack of funding at all levels, but it is also in trouble for another reason and that is because there is an anticipation of a decline in the numbers of people who will be attending university. That is the projection, that there will be a decline in numbers because money is scarce. That would be a tragedy and the Government has to address its mind to it.

Barbados significantly has a lower percentage of high school graduates attending university than most countries of a similar stage of development. I believe that perhaps only 3% of high school graduates go to university in Barbados, as compared with 22% in Singapore. Again, I have to quote the guru of the Democratic Labour Party, whom we have all forgotten about, but the late **Errol Barrow** had set Singapore as a model for Barbados and he said his aspiration was to get Barbados to the level of Singapore.

Aside.

Mr. L. R. TULL: I know that at least one Honourable Member on that side has not forgotten him. I will not say which, I will keep quiet on that. At least one Honourable Member on that side still remains a disciple. I do not know about the others, but I will not call any names, so it might be any, but that is just by the way. The point is that if we are to meet the challenges we are talking about, we have to do some serious planning as to how our high school graduates are going to be in an easy transfer to tertiary education – I prefer to say post secondary education, because tertiary education usually refers to university education and that is also one of our problems – because we are going to need a lot of people in the new Barbados at a level between secondary and university, people who are going to be the technicians on the factory floors. I am not at all happy that the post secondary institutions, namely, the Barbados Community College and the Samuel **Jackman** Prescod Polytechnic have, as the Honourable Member for the City said, so rationalised their programmes as to prepare the kind of person we need to do the

technical work in new industrial development in this country.

But I was saying, Sir, that the University is in trouble because of the prospect of declining numbers and it has to be addressed as a matter of major importance, because if the slide begins to take it is going to be very difficult to arrest it. We all know how trends tend to perpetuate themselves and if that trend should ever start to develop it is going to be very difficult, as I say, to arrest it. It is therefore necessary for **all** these components in this education industry to work together to reach the goal we are going to set, and the Student Revolving Loan Fund is one, if the Government is serious, that has to be widened and it has to go beyond awarding **100** grants a year. That is barely scratching the surface, because all indications are that the Fund is going to be very heavily tapped in the short term.

I also want to raise, Mr. Deputy Speaker, the question of loans to students in Barbados who are not attending university. I remember there was a time when the Minister of Education had a vote for enabling grants. I do not know if that vote still exists, if there is any money in it and how much. We tend to overlook small things without realising their importance. There are a number of children who are attending the Polytechnic, in all of the 28 disciplines they have at the Polytechnic, who are now complaining that they really cannot keep up with their classes because they do not have money for lunch and bus fare. I am not going to be dramatic, I am not **talking** about 2200 students, it may be 100. There is a small percentage. The point is, there is tremendous wastage if you are training people in these areas of importance, technical areas, and then for some reason – and we all know what the reasons are in these times – halfway or three quarter way during the course they start dropping out. The reason is nothing more than they say they have a **rough** time meeting the lunch and bus fare.

As I say, the Minister of Education used to have an enabling grant. When I was Minister of Education I used to give directions for the money to be given to people in that category. Sometimes you only needed to give a young fellow at 17 from St. Joseph \$300 to keep him going until he finishes his examinations, but there was a hostility among the functionaries in the Ministry of Education who felt that these boys should not get any money. What they would do is when you give a directive that A should get \$300 or \$400 to enable him to finish his course at the Polytechnic, the file would pass round and round and by the time you walk through town one day or go to a football match you meet a young fellow coming to you, who says: "Sir, do you remember me?" When you say: "Your face looks familiar but I cannot remember," he says: "I am the fellow who came to you last year and asked you if you would help me to finish my course at the Polytechnic,

and you said you would give me a few hundred dollars." When I say: "Well, I was glad to help," he says: "No, you did not help me, because I never got the money." When you check in the Ministry you realise that the functionaries in their hostility to that kind of thing frustrated what you wanted done.

Aside.

Mr. L. R. TULL: If I am talking facts, Sir, I left the Ministry of Education 11 years ago and it needs to be corrected. The Minister does not have to say so in Parliament, he has to go into his Ministry and make sure that when he writes that so and so must get \$300 for bus fare and lunch money so he can finish his course at the Polytechnic, that he gets it, because he says: "The file must be returned to me within a week." You have to follow up yourself. If the file gets lost too often you make sure that a few Civil Servants get lost in special leave.

3.35 p.m.

That is the situation that needs to be dealt with. They all look at the fellows going overseas to do electronic engineering and they get scholarships and "A" levels and they **are** not concerned about someone who is going to the Polytechnic to learn electrical wiring and that kind of course. There has to be a new **thinking** in this country and it has to start at the top. That kind of thinking has to pass through the system because Barbadians are no longer prepared to accept a lot of what was going on in the past.

I am therefore urging the Government having had something to do with this Student Revolving Loan Fund from its very inception to make sure in accordance with the provisions of the Student Revolving Loan Fund Act that what is intended is carried out faithfully. I don't want the Government to hide behind the civil servants. I am not aiding and abetting it in that. It has a responsibility to make sure the system works and, when it does not work, it can't come and say it was frustrated by the public officers. That is the easy way out.

I want to make another point in relation to the question of general education. This country had universal primary education for most of this century. We have taken that for **granted**. We are one of the few countries in the developing world that provided universal primary education for our citizens as long as 80-90 years ago. In the period between 1976 and 1986, the Government provided universal secondary education in this country. There was no universal secondary education in 1976. There was universal secondary education after 1976.

Asides.

Mr. L. R. TULL: Honourable Member knew what universal primary education was and now they don't know the meaning of universal secondary education.

Mr. Deputy Speaker, there is a notion of universal **tertiary** education. I say notional because you cannot say you have it if there are only **2%** of the people who finish secondary school going to university. They don't go not because they don't feel like going, but because a lot of things **are** stacked against their going.

I mention **that** because I believe that all **3** stages of education in Barbados **are** under siege and they're all in difficulties. Take the primary. A number of children are finding it difficult to go to primary schools in this country. I am not quoting any numbers. I don't know what the numbers are, but any of us who is in touch with the people and who is available to hear their complaints, particularly those who deal with the people in the **rural** parts of Barbados, will realise that more and more **children** are not going to school in the primary system for a whole set of reasons.

I remember saying this before and the Honourable Minister of Education, hiding behind one of his officers, the Chief Education Officer, put out that that **was** not so. The fact is that the numbers of people attending...

Hon. P. M. GREAVES: On a point of order, Sir, I am submitting that this is not germane, not relevant. It is a breach of the Orders of this Chamber because that is not relevant to matters which are before the House which is the Student Revolving Loan Fund. It has absolutely nothing to do with primary education nor secondary education. Therefore, what the Honourable Member is submitting has nothing to do with the matter before us.

Mr. DEPUTY SPEAKER: I believe the Honourable Member will conduct himself in a manner... I am quite in agreement with the Honourable Member.

Mr. L. R. TULL: I can't segment these issues. I am dealing with education.

Asides.

Mr. **DEPUTY** SPEAKER: What is before the House is 'a discussion on the Student Revolving Loan Fund (Amendment) Act and I really don't see how that would apply to primary education.

Asides.

Certain remarks made by the Honourable Member for St. George South were ordered to be expunged from the record by Mr. Deputy Speaker.

Mr. DEPUTY SPEAKER: The Honourable Member has 2 minutes more.

Mr. L. R. TULL: 2 minutes? Is this a fig-team, Sir?

Mr. DEPUTY SPEAKER: That is a term used in wrestling. There is no wrestling in here.

Mr. L. R. TULL: Since Your Honour thinks I should keep talking for 2 more minutes because I am saying things some people don't want me to say, Sir...

Mr. DEPUTY SPEAKER: Don't ascribe that to me. The time limit is $\frac{1}{2}$ hour and you have already spent all your time other than 2 minutes.

Mr. L. R. TULL: What about the interruptions, Sir?

Mr. DEPUTY SPEAKER: I didn't hear any interruptions.

Mr. L. R. TULL: Sir, I will use my 2 minutes wisely. I do not believe when dealing with this matter that we can ignore the importance of what is happening in the present economic climate in relation to the truancy, delinquency, the non-attendance at classes and therefore the waste of money. When you start to train people and then the people drop out that is a loss to the country. Whether they want to hear it or not the indications are that people at the post-secondary along with the primary and secondary stage of education are beginning to drop out more and more. There is great absenteeism. Therefore, the thrust of what I am saying is that all these arrangements will come to nought unless the Government has a clearly identifiable plan to meet the whole problem in the way they do not at the moment seem to have.
3.45 p.m.

Mr. R. L. MORRIS: Mr. Deputy Speaker, I rise in support of this Resolution. I would like to make a few comments on selective areas. First of all it seems to me that it is a good thing that the focus on technical and vocational training is being sharpened a bit more in our country. I think that for several years we have been pre-occupied with the academic aspects of preparing our people for making a living in Barbados. In fact our educational system from the very beginning, the primary stage right through, has been geared towards clerical preparation and the reinforcement from primary to secondary to tertiary has been along that line.

From a trade union point of view I have had the privilege of speaking to the World Bank consultant who was here and who was preparing areas relative to technical and vocational training. I am very pleased actually that in the final draft report he submitted to the National Training Board many of the views expressed by the trade unions relative to training had been accommodated in the report coming from the World Bank. It seems to me that this is a vital area in our preparation for the future as a country. I

would like to suggest that one of the most important things that we have to focus on is an attitudinal change of some serious dimensions that has to be pursued in getting our country to recognise the importance of technical and vocational training as against academic training.

Mr. Deputy Speaker, I am sure you will agree with me that there is still a perception sometimes in Barbados that lawyers have a grasp of public debate and of the important areas of human living. In fact, those persons who are basically clerical and academic persons and, perhaps, engineers and others might be experts in their areas, but, in fact, they cannot make the same kind of contribution to national development. To me that is really tied into the type of education that we have always had. In fact, there has always been in Barbados more a concentration on education than we have had on training. That is why you can have people with Bachelor degrees, degrees in law, etc. but you have relatively few people with technical and technological degrees in our country.

In fact, even in terms like commerce, business and so on those are late entrants into the area of qualifications. Even people in areas like mathematics and the pure sciences have not produced enough of them. I believe a country can consciously set out to produce more of any group of skilled persons we need. I do not believe that Barbados or any country in the world that the ability of people is so skewed that they can become lawyers, Bachelors of Arts or Bachelors of Science in Economics but they cannot become engineers, or technicians. That is largely a function of the system you establish. Once you set up the type of the system then what you pour into the system will obtain in that way.

Countries like Japan that had a similar growth path to us in terms of the delivery of education but which made a dramatic change in terms of that delivery and the path they wanted to follow, have been able now to establish certain patterns in terms of where they want to go. I believe we have to consider at this stage of our development that technical and vocational studies have to absorb a lot of the resources that we put into education. It is extremely important that the future of the country be based on technical and technological training. That is why I say that, perhaps, the first area we have to look at is the area of attitudinal changes.

It is still difficult out there when children reach secondary school and they get to 3rd Form where they have to make their options to influence Barbadian parents that a child who says he wants to go into the technical stream is not letting down the family. If the child says he is going into the A stream and do mathematics, physics, chemistry and so on, fine. That is a bright child. If he says he is going to do languages, or something like that, he is a bright child. But the child who says he wants

to do technical drawing, metalwork or electronics and so on that is considered to be a child who is letting down the side.

It goes further. When you move out of the secondary school and then start the tertiary stream, the child has an option of going into the 6th Form at Harrison College or Queen's College, and clearly you are talking about pure sciences or languages, etc. as against the child who says he does not want to go that route but prefers to go to the Community College and do the Ordinary Technical Diploma, or the Higher National Diploma, or the City and Guilds. Once you go, worst of all, to the Polytechnic, the child is letting down the family again.

In fact, we have to concentrate heavily on getting people into the Polytechnic, some of our better minds, and into the Community College and not giving the impression that somehow technical and technological areas are for those who are so-called riot as bright as the others who are going through to do the so-called pure sciences and so on.

The countries that are leading the world did not develop on that basis. The United States of America, Japan and those countries did not develop on any academic basis or any basis of training people who were really clerics at whatever levels to control an economy and give the basis of your future quality and society. We have to start that whole question of influencing people and changing attitudes. I am very strong on this. We need all kinds of support for this.

We have to do public relations as far as education is concerned. Each one of those institutions might have to do their own public relations to go out there and get in the children. The Polytechnic should have its own public relations. The Community College should have its own public relations. The National Training Board should have its own public relations not depending on some willy-nilly opportunity for somebody to say let me come here. You should go out there and grasp people.

These institutions must have a developmental approach. They must become like sharks. I want good children coming out of the school and go out there and try and get them and not just wait for parents to make the choice and say, my child wants to go there and I am going to influence him not to go but if he goes then I cannot help that.

I believe those institutions have to develop a policy of going out there and trying to influence children to come into the Community College, the Polytechnic, as I said, and the Training Board also in terms of what it has to offer. I think they have an important role to play in the future

development of training in our country and they have to be very pro-active in terms of getting out there and doing what has to be done.

A lot of the difficulties in terms of attitudinal development and changing perceptions have, also, to depend on the kind of teachers we have in the system. Quite frankly much of where the system has to go will not depend on what happens in the Ministry of Education from the point of view of those people who will develop the policies and the principles, but the teachers have to be very critical in terms of the path forward. I believe the teachers have to be trained and trained effectively.

I have always wondered why in Barbados we have not gone for training teachers in technology and technical areas to the level of the Bachelors and so on. Why cannot we have at the University of the West Indies a stream of teacher training combined with technical and technological skills? I think we should be there already. If it happens soon I will be very happy. We should have been there already.

I know, for instance, that Erdiston Teachers' Training College has an area in preparation for this but we have to be able to link between Erdiston Teachers' Training College and the University of the West Indies or the Community College and the University of the West Indies. If you do 2 years at one, go down to the University of the West Indies and do another 2 and get a degree in technical or technological areas where you are combining pedagogical skills along with the academics of the area in which you are training, and then go back out there into the school system in order to push the kind of message that I think is very important for the future. I feel that we have to encourage teachers not only those who believe that they have a kind of a calling or vocation in that area, we have to get teachers to make conscious choices that even though you might feel that you might not have been brought up in an area of technical or vocational training that you can train yourself in that area. In other words if you come up with normal, basic skills, once you come out of primary school... Any good primary school would have given you literacy, numeracy, the ability to segregate ideas, the ability to analyze, in other words the basics of education that are really subsumed within what we call subjects. Because whenever we are finished with a subject, a subject is only a collection of skills, numeracy, literacy: analysis, synthesis, *et cetera*. Anybody who has those basic skills can venture off! and do almost any kind of study. So that most of the persons here who perhaps are lawyers could easily become architects and whatever else. You can use that basic information and you can decide what you want to do after that. You can become an economist. Because once you have those basic skills and those graphs - I think the Honourable Member beside me started out as an engineer. He moved into economics and he found

that the skills are similar. Measuring and analysis and so on, synthesis.
3.55 p.m.

But I think sometimes we give the people the impression that in fact your brain is some sort of one track thing that you can only go into one area and you will hear people saying, "I cannot do that, that is too hard for me" or "I cannot do that." I think that **that** is a misconception of the way how our minds are developed and therefore our training should not reinforce those very narrow and weak considerations but our training should help us to get out of those fears and let us take up more challenges so that those children who are afraid to tackle the technical and technological areas, sometimes they are afraid only because the teachers themselves have fears about what they are doing, their own competence, or they do not have the correct attitudes.

Many of us who would remember the early days when you were doing mathematics. Your ability to handle mathematics had nothing to do with your mind. It had more to do with who was teaching it. Therefore one type of teacher would make you feel that you did not understand mathematics and then another teacher would come and all of a sudden you would find yourself flowering as a mathematician. A lot has to do with the quality of the teaching that we have and the quality of the teachers. Therefore we have to ensure that in teacher training in the future in this particular area that we have to have a policy of ensuring that we have a stock of good teachers who are trained in the technical and the technological areas. Right now a few of them will get Student Revolving Loan Funds or something like that, go up to the United States of America and come back. Very few of them are able to escape in that way. **But** I feel that we have to train our own here in the Caribbean, whether it is done here in Barbados or wherever, I think we have to look at where we have the training facilities and we have to establish a Caribbean area for delivering more people trained in technical and technological areas.

Another point, Mr. Deputy Speaker, I have noted that some of the funds coming from this resolution will go towards the training of retrenched workers. Suppose you carry out an education needs assessment survey for the training of retrenched workers, Mr. Deputy Speaker, training especially at the level of the National Training Board I believe we should not set up any new agency right now if we are going to be training these so-called displaced workers. I do not think you need a whole lot of agencies to do the same basic thing. We have, in Barbados, the kind of infrastructure to deal with training and the National Training Board is tripartite in its structure and therefore I think it can accommodate any kind of training that is necessary. In terms of elaborating a programme though I hope that there will be sufficient discussions at the level of

the social partners in terms of organizing the programme and determining where we have to go.

With those few comments, Sir, I would like to support this Resolution.

Hon. C. V. WALKER: Mr. Deputy ***Speaker**, just quickly to wrap up. One can see an observation that is very easy to – as the Honourable Member who just took his seat was able to – **speak** on education and it was not specific as to the topic under which he was speaking until he **started** to mention things we had done before. That is very interesting. It just goes to show, Sir, how wide the whole area is.

The Honourable Members who spoke on the other side and asked some questions are not in their seats but however I should like to respond quickly to a few of the points raised. One point raised by the Honourable Member for St. George South, the question of students not being able to make it from certain territories, I would only like to relate a story that I know one territory – when we talk about Barbados being in default – was such in need of getting some students into the University because they were literally at the stage of being banned – that they placed in my hand a cheque to be brought directly to the University here in order to guarantee the entry of the students because there is rightfully so much talk about our arrears now but all the other territories, and I repeat all the other territories have been in arrears for a long time. We have found ourselves in arrears now and it is because of our integrity, if you will, Sir, that it is highlighted that we are in that position.

The other question relating to the University which was raised by the Honourable Leader of the Opposition *vis-a-vis* fees. We are in no position, and I as Minister of Education am in no position, to discuss any increase of fees at the University because it is the responsibility of the University to put forward any suggestions, even to put forward to me as Chairman of the Grants Committee what have you. But over and above that the Students Guild, there has been a study which was submitted – the document I am sure the Honourable Leader of the Opposition referred to – where certain recommendations were made supposedly confidentially to the Vice-Chancellor. Those documents are being studied. They are being studied also by the Guild. I think right at this time representatives of the Students Guild are in Mona this week discussing those things.

Following that meeting on September 8 there is supposed to be submitted to Members of Council any recommendation that may then be put forward. It is at that time that I will then be able to comment, based upon what representation has been made by the University to the Government of Barbados.

The Honourable Member for St. James North made some very valid points but I only would like for the record to remind him so that he may be able to consider it at some time, that the Revolving Fund is run by a Committee with representatives of BIMAP, the University and the Ministry of Finance. It happens to sit in the Ministry of Education because it relates to Education. That Committee is chaired by the Permanent Secretary in the Ministry of Education. I am not personally involved in any details with the Fund. Representation is made to me if people are delinquent or if as the Honourable Member did mention where some people may be just past 35 and **they** need discretionary powers. Only things like that then would be referred to the Minister. But it is intended that it be run as an independent committee.

4.05 p.m.

There has also been a query as to what is happening to people who have been delinquent. People have been prosecuted and people are being prosecuted and there are a number of people and indeed a bank who are designated to be the collectors, from these people who are delinquent.

Speaking of delinquencies, the point made by the representative also said that he knew that lawyers are looking for funds and they were the beneficiaries many years ago. Naturally, if they were the beneficiaries, it is fair to point out that they had the worst record as well, and they were the delinquents.

The other query on the medical school – yes, because of the numbers and the requirements out of Mona, we in Barbados, have actually supported students of Barbados who were denied places in Mona under the quota system and we have actually sent students to the Medical School in Trinidad. As we all know that is much more expensive even than the University itself. We however have students there in the field of medicine and dentistry.

The query also was made of the number of applications in a year. In the last year we have received 2,030 applications in one year. You must remember that the Fund is the Student Revolving Loan Fund. It is intended that it should revolve. That means the money should be paid back in to be paid out to additional applicants so we have to deal with the delinquencies. We did seek the increase at the time we did because we realised that the number of applications were on the increase.

The final point again had to do with the Honourable Member for St. George North where he was asking that we address the involvement of BIMAP. BIMAP has been asked to do some rethinking in terms of their preparation of training as it relates to business and industry.

I think, Mr. Deputy Speaker that I have answered most of the questions albeit in the absence of those who

have spoken and who would ask the questions. I therefore move that this Bill be read a second time.

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

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

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 to 3 were called and passed.

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

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. E. E. GREAVES, the Bill was read a third time and passed and cited as the Student Revolving Loan Fund (Amendment) Act, 1992.

ORDER NO. 5 WAS CALLED – TO MOVE THE PASSING OF A RESOLUTION TO APPROVE THE BORROWING BY GOVERNMENT OF THE BARBADOS DOLLAR EQUIVALENT OF THIRTY MILLION RENMINBI WAN FROM THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA, FOR THE IMPLEMENTATION OF COMPLETE PROJECTS, PROVISION OF TECHNICAL ASSISTANCE AND SINGLE EQUIPMENT AND/OR HELPING ENTERPRISES IN SETTING UP JOINT VENTURES

Hon. D. J. H. THOMPSON: Mr. Deputy Speaker, this will be the third interest free loan for the Government of Barbados to receive from the Government of the People's Republic of China. The first loan the Honourable Members would know was for RY 13 million which is the abbreviation for the Chinese Renminbi Yuan and this loan was made in 1986 and assisted in the financing of the construction of the Gymnasium at Wildey, St. Michael.

Honourable Members would also know that this gymnasium is a multi-sport facility and emphasis will be placed during the period ensuing its opening on its revenue earning capacity. It will seat approximately 4,000 persons and provide facilities for basketball, netball, badminton, table tennis, volley ball and a range of other related sports in the surrounding areas.

The gymnasium is now at the stage of completion and I believe the Minister of Tourism and Sports

will give details of the actual stage of completion that it is at. It will be handed over, officially, to the Government of Barbados sometime during the course of this month.

The gymnasium is a small part of a larger sporting complex and the complex as proposed would include additional facilities for hockey, cricket, soccer and swimming and will have dormitories, an exercise hall, pavilion, an indoor cricket academy and the headquarters for the Barbados Olympic Association.

In 1990, Mr. Deputy Speaker, the People's Republic of China provided the Government of Barbados with a second interest free loan of 20 million Renminbi Yuan and part of this loan was used for balance of payments support. 4.15 p.m.

A proposal that the balance of that second loan to be used to finance the further development of the Wildey Sporting Complex which has been estimated to cost approximately Bds.\$6.2 million has been agreed to by the Cabinet of Barbados. The balance of this second loan is approximately Bds.\$5.4 million and the balance of this second loan will be used to complete certain **infrastructural** work at the gymnasium including minimum parking, access road and landscaping, also to provide technical and management assistance for the gymnasium including staffing and training of local counterpart staff and to continue the development of the Wildey Sporting Complex which was not contemplated when the idea of the gymnasium **first** came about.

The third loan, which is the loan this House is now dealing with by **virtue** of this Resolution from the People's Republic of China, is also a non-interest bearing loan to be repaid in annual instalments over a **10-year** period by the year October 1, 2002. The value of this loan is 30 million Renminbi Yuan which is approximately Bds.\$10.8 million and will be used to acquire complete plant, technical assistance **and/or** equipment and can also be on lent by the Government to the local private sector to assist in setting up joint ventures. Specific projects will be discussed and **subsequently** agreed upon by the two Governments. A delegation from the People's Republic of China headed by Mr. Luo Gan, Secretary General of the State Council is likely to visit Barbados from July 25th to 29th to discuss matters of technical and economic co-operations and to hand over this new gymnasium and sign a new loan agreement.

With those few words and also to emphasize the gratitude of the Government and the people of Barbados to the Government and people of the People's Republic of China for their interest in the development of this country and for their confidence in the people of Barbados, for their support for the young people of Barbados and for

their generosity towards us, we should extend our gratitude. Sir, I should like to beg that this Resolution do now pass.

Hon. W. W. HALL: Sir, I rise to second this Resolution. It is common knowledge that sometime in 1985 the then Barbados Labour Party Government entered **an** agreement with the Chinese Government for a loan of about Bds \$16 million interest free **with** a **5-year** amortization. It was a good loan and I think that was the first loan. Since then, I think we had the privilege of entering into agreement with the Chinese Government for a second **loan** to which the Minister alluded and now this is the third loan. Now the gymnasium is nearing completion. Indeed, by the end of this month, it will be handed over to the Government. The gymnasium costs Bds \$16 million when we originally had a gymnasium with about 2,500 seats. When we decided to have one with nearly 4,000 seating capacity, it meant that Barbados had to arrange to pay an extra Bds \$5 million. Really the cost of the gymnasium at that point would have been Bds \$21 000 000.

Sir, even though I agree that the gymnasium is a fantastic thing for Barbados and would do a lot for the **sports/tourism** fusion, I believe that sporting really is big business and it must be marketable. In fact, the marketability of sports worldwide and indeed in the West **Indies** boggles one's mind. Therefore, I think we have to look at it very seriously. Instead of depending on a situation where you have a gymnasium with about 12 disciplines which would complement the swimming stadium which is only a few yards away and indeed the tennis stadium obliquely opposite, I thought that it would be a better idea to have a sporting complex. Indeed, this is something that I discussed many years ago, at least **10** years ago, with the Honourable Member for St. Thomas when he was the Chairman of the National Sports Council and wrote a White or Green Paper on sports. We felt at that time that the day would soon come when Barbados would be able to have one beautiful sporting complex where all of the games can be played within a rather short distance.

Sir, I thought that the occasion presented Barbados with a wonderful opportunity to capitalise on the fact that just next, to the stadium we could develop a sporting complex the likes of which would not be seen in the Caribbean. Certainly, Sir, I do not believe that you will see as compact and efficient a stadium as at Wildey even if you go further afield.

Sir, apart from the gymnasium which will allow the usage for about 11 disciplines, for many years the Hockey Association has been knocking at the door of Government for some help in developing playing fields for hockey. When one looks at the technical aspects of the hockey game, it may be argued that Barbadians possess

great skills and fantastic stick work in terms of the game of hockey. They are very well versed in the rudiments but the problem is that we play on grass and very uneven fields. Even though we are able to do quite well at international competitions like the CAC games and things like that, Sir, the fact of the matter is that when our players go overseas and play against very good players that they are on very strange ground. They play on **astro-turf** and they are often found lacking, not from the point of view of ability but they are not accustomed to the carpet-like fields that they play on. I think it would be a good idea, Sir, to allow our players in Barbados to sample the type of hockey that is played worldwide. The Government is desirous of providing two hockey fields at Wildey, one grass field and the other one an **astro-turf** field.

Sir, I think this will speak volume for the hundreds of hockey enthusiasts that will see a great opportunity for them to improve their standard of play and, what is more, this will bring thousands of hockey players to Barbados. As it stands now, every year in August there is the Banks Tournament which is the largest field hockey tournament in the western hemisphere. We are rather short of grounds and what is more, Sir, we play on some uneven grounds but religiously the people do come back. But as time goes on, Sir, it is quite obvious that unless we get better playing conditions we will see the large number of hockey players who come to Barbados every August dwindling away. Sir, I think that having two hockey fields there would be something that we would be very proud of in Barbados.

We also would like to have a soccer field 120 yards by 90 yards which is the internationally accepted size of field. It would give the Football Association some opportunity for them to have coaching sessions and things like that. I believe this is a good thing, Sir. We will **try** to have a pavilion which will be projector-positioned so that you can have enthusiasts looking at both games at the same time. Apart from the hockey field, Sir, we will also have a soccer field.

I believe that it is rather necessary at this stage of our sporting development for us to have a cricket field. Now our youngsters in Barbados have been playing in the First Division Cricket Competition from about 1940 or nearly 50 years. But that was all right when Combermere, Lodge and **Harrison** College played. Now we have two teams playing in the domestic competition. That is a School's Team North and a School's Team South. They have no home ground and I feel that it would be a good thing in Barbados for them to have a school ground. When international teams come to Barbados, they are obliged to deal with Kensington Oval. If we have inclement weather, Sir, **both** teams are in trouble and I think this is a bad thing for international cricket. So we need to have a ground where our school boys can play and we need to have this ground, too, where international teams can also practice.

The **Minister** alluded to the fact that we are going to have an exercise hall. Now the exercise hall, even in the original agreement with the Chinese, was a building that the Government of Barbados should build. That was in the agreement for Barbados to provide that. Because of the scarcity of funds at the onset, we were not able to do that. Sir, I really believe that we need to have this exercise hall because it can be used to take some of the strain **off** of the playing area in the gymnasium.
4.30 p.m.

As you know, Sir, it's a wooden surface that you play basketball and netball on. I think that if you have an exercise hall some of the non-spectator **sports** can be played in the exercise hall and this would be very necessary. It would be approximately some 8 000 square feet. Some of the money will be used for **infrastructural** works and I must say at this juncture that the Chinese in their contract have built a concrete road surrounding the gymnasium, but we need to be able to get into the gymnasium and the approach from Life of Barbados and an exit by Cable & Wireless is deemed insufficient. It was always envisaged that we would be able to approach the gymnasium from Elizabeth Park. Some of this money will go towards providing that road.

We would also like to have a dormitory for sick kids. I believe that in the **sports/tourism** fusion, there are many times when you can get teams here but sometimes they find a lot of difficulty, especially in the summer, to get accommodation. I am sure that some of the teams would be better served if we were able to provide that for them. Some of the hotels are putting up some of these teams. They are actually doing it in a mass form and, to tell you the truth, Sir, the hoteliers are only accommodating these school teams, because they could hardly make money on \$15 a day. So I think it would be necessary to do something like what the Swimming Association is doing now when you see sometimes 30 or 40 youngsters coming in and swimming and having some practice before they go back.

What I am trying to say is that what we need at Wildey and in Barbados is not necessarily just a gymnasium but we need an entire sporting complex which will not cater only to the needs of Barbadians. Sir, I believe that Barbadians will be proud of the fact that many people from the Caribbean and, indeed, further **afield**, will come to Barbados to play sports just as they come to Barbados now to swim before the Olympics.

It might be worthy to note, Sir, that the British Olympic team came to Barbados only a month ago to practise here before going on to Barcelona, Spain. I think this is very important just as some of the best athletes in the 'world came to Barbados last month to participate

in the Texaco Games prior to the Barcelona Games. From here they will go to Europe where they will be competing and then on to the Games.

Sir, I really believe that we need this support. As far as I am concerned, when we went to Cabinet for the \$6.2 million we went in the full knowledge that we would probably have a revision because, as the architects look at these buildings we will need to revise the figures. That was done. For instance, the Cricket Academy. For many years West Indians have been to England and as soon as you get to London, they will tell you that you have to go to Alf Gover School. In 1957, I went to England on the West Indies Team and I never went near Alf Gover School but by the end of the tour Alf Gover School was credited with the privilege of saying they coached West Indians. They claimed that they taught Viv Richards to bat, an impossibility, Sir, but at least he must have been to the school to look at it. It is not much of a building but I must say it must have coached quite a few people. If Alf Gover School could produce some of the greatest cricketers in the world, I daresay that somewhere in the West Indies, and I am bold enough to say it should be in Barbados, we should have our cricketing greats coaching our West Indian people and inviting Englishmen, Canadians and Australians here to be taught the rudiments of the game.

I think that a cricketing academy with about 6 lanes, about 50 x 20 yards wide would suffice. This is exactly what we will be doing. I hope that this will afford the opportunity for our many West Indian cricketers to come and pass on their knowledge to school children and aspiring West Indian greats because gone are the days, Sir, where people can believe that cricketers are produced overnight. Countries like Britain, Australia, certainly South Africa, India and Pakistan have academies where their youngsters can be taught the rudiments of the game. I believe this will be a golden opportunity for the youngsters in the West Indies to learn something from the great cricketers we have produced.

4.35 p.m.

Sir, the Minister alluded to the fact that we will have some management and technical assistance. The Chinese Government has been very generous in allowing some of their technocrats to come here in the next year or so to give us the necessary assistance. There will be someone in sports management, an engineer for water and air-conditioning, another engineer for electrical systems, technologists for time and scoreboard, an engineer/technologist in audio system and an interpreter. Apart from that, Sir, there will be another 8 or 10 support staff like maybe a mason, plumber – people who are very involved with the technical aspects of the gymnasium. They will, in turn, be able to help the Barbadian personnel who are assigned to these jobs for at least a year so that the transition period would be as smooth as possible.

Sir, I am very happy to agree with the Honourable Minister who piloted this Resolution in this Honourable Chamber to say that we are grateful to the Chinese delegation and the Government of China for their assistance in this gymnasium and to compliment them for the quality of work. Not one casualty did we see in this whole operation. We must congratulate them for their assistance in this entire operation.

I verily believe, Sir, that this will give us the opportunity to now invite some great sporting personnel, to advise us on how we should approach some games. For instance, an advance team from the Harlem Globetrotters will be arriving in Barbados on July 14 because it is my belief in opening the gymnasium we should really try to have the type of games that many Barbadians will flock to the gymnasium to see. I think of no better way of opening it, if you are going to open it with a basketball game than the Harlem Globetrotters.

The problem, Sir, is that in the latter part of the year, most of the NBA teams in the United States of America are locked in competition and it is rather difficult for us to get the real big teams. The advance party of the Harlem Globetrotters will be here in another 2 weeks to advise us on how we should deal with that aspect. In another 2 weeks the personnel from the Miami Heat, a basketball team that was defeated in the playoffs by the Chicago Bulls, have an arena with a capacity of 15 000 people... They too will be coming to Barbados to have a look at our arena with a view of bringing many NBA teams to Barbados to play basketball.

I think the same will be done in other sports. For instance, when I was in Miami some time ago we managed to arrange for 2 netball teams to come to Barbados in October this year. Wherever it is possible, we will be trying to make the gymnasium in such a way that many people will be coming to Barbados to play sport. I believe this was the type of vision the authorities had when we first thought about a gymnasium. I believe we should go further than just having the gymnasium for basketball, netball, badminton, table tennis, boxing and the like. I believe that it should be an entire sporting complex which can only enhance the various sporting opportunities of young Barbadian athletes. I do believe that within another 10 years we will all be very proud of the developments at Wildey.

Sir, I think that it is necessary at this time too to thank the Minister of Housing and Lands who has given yeoman service to this project. I believe that in a matter of weeks we should see the entire area by Wildey vested in the National Sports Council – I hope he still does it – which will give us the opportunity to earmark various parcels of land for various sports and then advise his Ministry what we intend to do.

I believe this is very important. I thought I would rise **and** give the House exactly everything that is happening at Wildey so that as they **see** the big building every day they **pass** they will know what is going to happen. I have definite plans which I am now forwarding to Cabinet with a view of the everyday operational aspects of the gymnasium, the training of staff, etc. that must be necessary for us to have a project that is rather viable. I think as soon as time allows me I will be allowing' the Members of this House of Assembly to be aware of these plans.

I have great pleasure, Sir, in not only seconding the Resolution but I would like to say thanks to the Government of the People's Republic of China and to all the technocrats who have given yeoman service to make this gymnasium a worthwhile venture.

Thank you.

Mr. H. **deB.** FORDE: Mr. Deputy Speaker, the People's Republic of China will in the 21st Century be one of the major powers playing in the world. At the moment it is a very significant power but it is still in many respects **an** undeveloped country with vast resources, the largest population in the world and a tremendous potential of being completely self-sufficient. It will, no doubt, with its rival Japan be a very significant player in the world scene. It does not need to regionalise in the way that Europe is regionalising because its total market is more than the **European** Economic Community put together.

The Barbados Labour Party recognised this in the 1970s. We reversed the policy of the Democratic Labour **Party**, a very archaic policy, in not recognising the People's Republic of China as the Government of all China. At the time we were attacked by the Democratic Labour Party which followed an extremely reactionary and outdated foreign policy. I had the honour then to be the Foreign Minister responsible for the foreign relations of this country. I had the honour of signing the agreement for opening diplomatic relations with the People's Republic of China and recognising them as the Government of all China.

It has taken the Democratic Labour Party a long time to see the benefit from having a principled foreign policy. It would surprise you, Mr. Deputy Speaker, that as late as December 23, 1985, not too long ago, the then Leader of the Democratic Labour Party, the Right Honourable Errol Barrow, after the Democratic Labour Party had a conference and he was giving his views to what policies they would be pursuing if they were returned in 1986, said that diplomatic relations established by the Barbados Labour Party Government with a number of Communist Eastern European countries would be reviewed.

4.45 p.m.

He said **that** the DLP was not committed to maintaining any of these. Mr. Barrow said that the DLP Government would also review relations with China. He said the previous DLP Administrations had recognized Taiwan but the incumbent DLP Government shifted to Peking. Mr. Barrow said that the DLP will have to examine this since they favoured a two China approach as part of their foreign **policy**. But the real problem was that neither of the Chinas believed in such a policy.

I have **rehearsed** these facts because sometimes when I hear the Honourable Members on the other side speak you would believe that they are these progressive up beat, forward looking visionaries and when you examine the facts you will find how dyed in the wool, stuck in the wool they were on foreign relations, as on other aspects of domestic policy.

I am very glad today to hear that the Government now recognizes the vision and farsightedness of the foreign policy of the Barbados Labour Party Government and of the Barbados Labour Party. Not only am I glad to hear that, I am indeed very happy that relations have developed to the extent where the people of Barbados have benefitted in real tangible manner from those diplomatic relations.

China is one of the few countries in the world to give interest free loans, despite the fact that the average man in China has a lower standard of living than the **average** person in Barbados. The Chinese are prepared to lend Barbados money and to help develop Barbados without exacting from Barbadians every pound of flesh. That cannot be said for some of our more advanced countries who are neighbours. Neighbours is the word I wanted to use. Because whenever we get loans from them we pay back every cent and at interest rates that are sometimes usurious. This is an excellent example of south south co-operation.

I recall, Sir, when we had decided to open diplomatic relations with the People's Republic of China, one of the fears put abroad was that they were going to come here and they would suborn **every** person in Barbados and that communism would be all over the place and they would undermine the body politic. I was abused of not knowing what I was doing, at the time, or the Government not knowing what it was doing. I am very pleased once again to see that the facts do not bear out any such thing has happened and that the Chinese who have been here as diplomatic representatives of a great country have conducted themselves with great decorum and within the best traditions of diplomacy. We have excellent relations with them. We do not always agree with every policy move of theirs or every policy stance of theirs. Some of us have not been happy about some of the moves in China towards full democracy as understood by us or indeed towards the

way understood by us. But we have been able to discuss these matters with them and to put our points of view to them in that regard.

And yet, Sir, when all is said and done I think they give an excellent example of how countries can help each other. They have now committed themselves to a third loan of some BD\$10.8 million to the Government of Barbados, interest free, with a grace period for repayment. They have not asked any *quid pro quo*. They have committed themselves without even at this stage having agreed with the Government on what projects are in the pipeline on which this money would be used.

I want to say, Sir, that I would hope that their tremendous expertise in the field of agriculture will be used to the advantage of resuscitating our dying agricultural industry. I have had the privilege and the honour to visit China and have seen how hard they work on their land, some of which is by nature arid. But they have made it bring forth a lot of fruit. I believe that our people can benefit tremendously from their expertise in agriculture. I would like to see some joint ventures with the private sector in this field. I know that they have helped us previously in the field of handicraft. I believe we can benefit tremendously again from joint ventures in this area. I believe that the whole of the Scotland area which has natural resources of clay and various other minerals is an area that we can look at together with China with developing, stabilising and using for benefit of the people of Barbados. In the area of fish farming once again they have special expertise. I hope that the third loan will be used as the first and second loans are being used to the advantage of Barbados.

I do not intend, Mr. Deputy Speaker, Sir, to say much on the area of the gymnasium or sports since there are other Members on our side who would speak on those matters. I just want to make however a comment about the development of the Wildey Complex and the Wildey area. Whilst in a general way I agree with further expansion in that area, I must issue a word of caution about over development. It is a very densely populated area already, Sheraton Park, Elizabeth Park, Regency Park, on the other side there is Upton, Fort George Heights and the expansion of the Fort George Heights. And then there are the older areas that existed going further up South Ridge and Kent Ridge just below that. There are a lot of people in this area and whenever there are major sporting events that will bring thousands into the area as well. There has to be adequate parking space provided and there will have to be adequate exits, ingress and egress. Because if there is not we will once again be creating for the ABC Highway and the roads leading into the ABC Highway major problems of congestion. There must be proper planning and I am going to ask the Ministries that are handling the matter both the Ministry of Sports and the Ministry of Housing

and Town Planning to give great consideration to any further development on what I call the southern side of the Upton Road. The Government still owns a large block of the land there. There is some private land that again is, in my view, being over developed. I think one has to look to see how many more house lots we will allow to be built at just what was the former part of Wildey, Webster area.

Aside.

Mr. H. deB. FORDE: Not Fort George, the other side. Elizabeth Park. I think there is still some undeveloped Elizabeth Park land that is being developed. I believe Government should look carefully at that as though we do not wish to hold the balance of that Elizabeth Park land along with the large area still held by the Government at the entrance to the Elizabeth Park Drive.

4.55 p.m.

The road there might need to be widened considerably and I think we might have to widen that entrance to accommodate 4 cars for parking in that area. I know it is not the entrance but we may need it in the future. The entrance, at the moment, is near to Cable and Wireless, BET. There is cart road right opposite the old Upton Development. I realise that. I am saying as well that there is the entrance to Elizabeth Park as well. Unless you are going to close that, you are going to have 2 entrances pretty close.

In addition to that, just as you are coming down that road and turn right where there is another cartroad, if that is being developed, we have to widen those roads so as to allow easy ingress and easy egress from the areas. So there is a strong case for development and we must be careful not to throw all of the traffic back to the ABC Highway at its junction, particularly with BET and otherwise.

I think we should throw some of it further up. People who are going to St. Philip and upper Christ Church and what not to go further up and go along the Ballantyne Road which has been improved and linked up a little further. I am advising that, Sir. It is near to my constituency. I am just across the road from the area and I take a very close and keen interest in the development.

I welcome the development and I hope that the new loan will be used to our advantage. I want, once again, on behalf of the Barbados Labour Party and behalf of the Opposition, to say to the Government of China that we are satisfied with the way relations between our respective countries have developed. Where we have differences we are able to discuss those in a civilised manner.

We do not criticise each other because we don't always see eye to eye or vote together and we have been able, in those circumstances, to show a maturity

in diplomatic relations. Whatever should be said, let me say that I feel very proud for the tremendous contribution.

The Member for St. John says I am clapping my chest, and I want to clap my chest loud because I have to clap it for myself in this country now, to remind people. Having listened to the **dehydratory** remarks from the other side, to remind people of the tremendous contribution and the foresight which, by my foreign policy, I showed for this country and that has redounded to its benefit.

Hon. E. E. GREAVES: Mr. Deputy Speaker, I have no intention of getting into the side debate which is going on about who is visiting China on a women's delegation next week but let me just say, Sir, that the Member for Christ Church West made reference to the developments which are taking place in that particular area and more particularly cautioned about **the** way in which the development will take place and the kind of problems which could possibly develop from over development. I would want the Honourable Member to be assured that developments which are taking place in the Wildey area, in the first instance, take place in consultation with the Town and Country Planning Department. Particularly in respect of that particular development relating to the Sports Complex, I would want to give him the assurance that the Ministry of Tourism and Sports is working very closely in collaboration with the Town and Country Planning Department and the Ministry of Housing in respect of ensuring that the development conforms to laid down standards and that all of the matters which he has made reference to are taken into consideration.

I think that the Minister of Tourism and Sports did make reference to the fact that one of the things which we, as a Government, decided to do when the decision was taken to shift the location of the gymnasium from Passage Road, was the place where it was going to be.

I think it ought to be known that the Barbados Labour Party had decided to locate the Gymnasium at the corner of Barbarees Hill and Passage Road and we decided that it would be better for us in terms of developing sport and in terms of ensuring that we get the maximum out of this, we would take it into an area where it could be developed and where we could get maximum returns in terms of the number of disciplines which could have been accommodated in the Gymnasium, but went beyond that, Sir and by siting the Gymnasium in the Wildey area we were able to develop ideas for a complete complex in that particular area so that today one has the Barbados Swimming Association located there, one has the Lawn Tennis Association and the Minister has indicated a number of other developments which have taken place there in terms of hockey and cricket. I would think that the fact that we have been able to locate a sporting complex in that particular area is indication of the foresight of the Minister

who has responsibility for this particular area, the Honourable Minister of Tourism and Sports. I would want to say that naturally, the whole question of roads and access in and out of the sporting complex be looked at. We would certainly ensure that difficulties which have been experienced which the Honourable Member has indicated are likely to be experienced, at least, would be overcome.

The Honourable Member for Christ Church West made reference to a large area of land which the Government has on the eastern side of the entrance to Elizabeth Park and I want to assure the Honourable Member that at the moment, certainly that is not earmarked for any housing development. As I recall it, I think the Ministry of Agriculture is working in collaboration with the Ministry of Housing and Lands, because the land is still vested in the **Ministry** of Housing and Lands, to have that land subdivided for distribution to leases to small farmers for the whole purpose of the development of agricultural lots. This is what I understand is the idea and the thought behind the use of that land in the future. It is certainly an eye sore to persons who are acquainted with the area to pass and to **see** that area of land under so much grass and we would hope that in the not too distant **future** to see it turned into productive use.

5.05 p.m.

One would hope that other areas of land which we have in Barbados, some of which may be owned by the Government, will be turned into productive use and also other agricultural lands which are used by private people but are not of productive use. But I thought that I would make that intervention to give the Honourable Member the assurance that Government recognises what without proper planning what could happen in that particular area. I think he ought to be aware that we will ensure that those properties are protected.

I thank you, Sir.

Mr. DeL. O. BRADSHAW: Mr. Deputy Speaker, I rise to clear up some misconceptions and misinformation relative to this gymnasium. The Minister of Housing and Lands has made a few statements which are not accurate and I think it is only fair that I set the record straight. I am going to put things in their true and proper perspective.

The Barbados Labour Party did not take any firm decision to locate the gymnasium at Passage Road. I have heard this from that side but I hope they will read and understand what took place. The decision to have a gymnasium was taken. The Chinese Government agreed with the Barbados Labour Party Government to build a gymnasium. The Vice Minister was scheduled to come to Barbados and the Ambassador informed the Barbados Labour Party Government that he was to be here in **Barbados** and that we should at least identify an

area or site so that work could begin on the preparation to get the stadium started. In other words, when the Vice Minister came, there were two sites that were identified. There was one in Wildey and another one in Passage Road. That was not possible. Access to the Wildey site was difficult and you could not go there and point to a particular area. Nobody knew whether it was an open field or open area and it was thought that, rather than go up there and point to an area, it was best to have some site identified.

Aside.

Mr. DeL. O. BRADSHAW: Now this is what they said. It was not a matter of tricking. They wanted to get the project started. They said that a site must be identified and there were two. There was nothing wrong in identifying two sites and we placed one at Passage Road, but we never ruled out the one at Wildey.

Now the other point that has to be taken is that we had already taken a decision to allow the Barbados Swimming Association to build in that area. I was the Minister then and a decision was taken also to allow the Barbados Lawn Tennis Association to go there as well to put up their facility. So this is nothing to do with the Democratic Labour Party Government.

5.10 p.m.

The Barbados Labour Party realised that a lot of accidents used to occur because the Barbados Lawn Tennis Association were operating from the Garrison. Horses would be injured and they would go wild and crash into the posts. There were lots of complaints sent to the Ministry and the Barbados Lawn Tennis Association was told to contact the Barbados Turf Club. The Barbados Turf Club made \$100 000 available to the Barbados Lawn Tennis Association.

Asides.

Mr. DeL. O. BRADSHAW: That decision was taken rather than the Barbados Labour Party Government taking the money from the Barbados Turf Club. We told them to give it to the Barbados Lawn Tennis Association so as to assist them. Plans were already developed for the building of the complex at Wildey, so it is not true, and need not be repeated by the Democratic Labour Party spokesmen, that they planned any complex. It was planned by the Barbados Labour Party. The Minister of Tourism did not say that but the Minister of Housing did. It needs to be corrected. We have to give Jack his jacket.

What the present Government has done is to expand the seating capacity. I also want to explain why it was so because I have heard people make comments that the Barbados Labour Party did not have any foresight and they

went for a 2 x 4 gymnasium. We were looking at the question of finance and how much was available at that time and whether Barbados was going into an elaborate structure costing \$30 million. We looked at the capacity and at the end it was thought that with the availability of money and Barbados' economic situation we should go for a gymnasium with the seating capacity of 2 500. That is the explanation.

Now, if the Democratic Labour Party Government decided to expand it and it is now costing \$10 million more, then it is all right with us. We have no quarrel with that, if things have improved since we went out of office; but no impression must be given that the Barbados Labour Party never considered a gymnasium with a capacity size of 7 500. The files are there and the Minister responsible for Sports can see that it is written on files. I want that aspect of it to be known.

We recognised very early that sports tourism needed to be promoted. It was the Barbados Labour Party that encouraged the concept. What the present Government has done is to put the sports and tourism in the same Ministry. I really cannot follow the argument because anyone who watched the development of sport between 1983 and 1986 would recognise that never in the history of sport in Barbados has so much been done for the development of sport.

The Honourable Member for St. Thomas was the Chairman of the National Sports Council and he made my job easier because he knew what sport was all about. The Honourable Member who is now the Minister of Tourism and Sports was a member of my Board until I fired him. I never fired him. The Honourable Member knows better than that.

The point is that we had plans and all these plans were coordinated within the Ministry. We had the White Paper of which the Member for St. Thomas spoke and he made tremendous inputs. There were a lot of other things that were put to us which if they were implemented I am sure the game of cricket and other regional sports would be on the international arena by now. We would have had a cricket academy. What I have not heard Members from that side say is that during the Democratic Labour Party time there were plans to erect an academy for cricket. It was supposed to be sited at Husbands. The land where West Terrace presently is was identified. There was a group of people who had approached the Democratic Labour Party Government to build the academy but something went wrong and the project never materialised. It was left to the Barbados Labour Party to come up with the idea to establish some structure to accommodate several disciplines.

I think credit must be given where it is due. We were the ones that saw to it that the Barbados

Hockey Association... The Barbados Hockey Association approached me and land was identified for them as well for the Barbados Football Association. The Minister did not mention the Barbados Football Association. The Barbados Labour Party Government allocated land on the Spring Garden Highway east of Spring Garden for the Barbados Football Association.

Hon. W. W. HALL: On a point of order, Sir. I would just like to say to the Honourable Member that he was out of the Chamber at the time but I did say that we are going to have 2 hockey fields and a football field. We covered the whole spectrum.

Mr. DeL. O. BRADSHAW: What I am saying is that the Barbados Football Association was given a piece of land and all that was left to be done was the vesting of it. The land was used by the Coney Island and the proceeds from the land, the rents, were paid to the Barbados Football Association.

If the Democratic Labour Party Government did not execute it, that is a matter for them. I only want it to go on record that the Barbados Labour Party considered the Barbados Football Association and gave them a piece of land to enable them to construct their headquarters. When we hear of all the problems of the Barbados Football Association in sport and we are talking about sports and selling sports tourism let us understand that if there are problems – and I understand that there are a lot of problems with the use of the stadium and I hope there are none with the use of the gymnasium and sports complex – the Barbados Labour Party did everything to encourage football. We wrote off large sums of money that were owed to the National Sports Council, some \$27 000 at one time. We gave them a new lease of life.

I would like the Minister to understand that there are other disciplines like the Darts Association which are crying out for other facilities. We have to be careful that the wrong signals are not sent that this Government is doing everything and that the past Government did not. There is no Government that has put down more playing fields, not only for football but for basketball. Who floodlit them? It was the Barbados Labour Party. So give credit where credit is due. The Barbados Labour Party is in the forefront of sport and developing sport. If the Minister or the Government now inherits that sort of base, well, good luck to them, but I will not sit by idly and allow the impression to be conveyed to the public that this Government initiated plans to develop sports when in truth and in fact it was the Barbados Labour Party. We made sure that netball and volley ball teams were given hard courts.

No Government has built more pavilions than the Barbados Labour Party Government. Without that base, the

present Government could not boast about selling or advertising sports in Barbados. The Barbados Labour Party gave Sir Gary Sobers a job so that he could help develop sports. We had the foresight. So when this question of sports/tourism comes about, one must not forget that we started it.

Mr. Deputy Speaker, the Barbados Labour Party made sure that teams that go abroad were given assistance to participate because there was always a problem. I am seeing problems occurring presently with national teams going abroad. I know that the Netball Association is experiencing some difficulty and there is a question as to whether they will go or not. I would hope that the Government, despite the fact that funds are limited, could find some ways and means of assisting the girls who performed well during the last tournament here in Barbados. I keep abreast of what is going on, and I can only invite the Minister at a very early stage, before they get to him, because they might be late which is what usually happens. Most of these national teams wait until the eleventh hour to approach the Government. I don't know whether the Minister is aware but, if he is not, I want him to know that he could anticipate problems as far as sending a team to Antigua sometime in August.

The Football Association has similar problems and I would hope that these things are ironed out. It is all right our talking about inviting people and boasting about our tourism, but we have to understand that we need to have discipline to have proper organisations. Something is wrong with some of these sporting disciplines. We need to address that. The National Sports Council needs to do a bit more in enhancing that. They have a responsibility. According to the Act, it can get involved and should get involved in assisting some of these clubs and bringing some discipline.

People would like to come here and watch a game of football and I am inviting the Government which talks about sports tourism to plan, to let CBC carry 1 or 2 of the games. When people come to Barbados and watch television they want to know what sport is on. Very few sports are carried on CBC. At least if people see cricket, football or whatever on the television they might get interested and want to go out and see where it is played. You do not have that so you are defeating the purpose. If you are talking about developing sports you are not giving exposure to the sports you are hoping to market.

What about basketball? You have to carry out a programme to floodlight the hard courts. You may have seen in the newspapers there are a lot of rows with private sponsors of teams locked in disputes with the National Sports Council over who should erect the floodlights. That is a national scandal and we cannot ignore that. It does damage to sports generally and to the objective of the Minister. The National Sports Council must take

the initiative to make sure that political aspirants don't get in there and confuse the whole thing. Political aspirants will get in and cause confusion if the Government does not look after this responsibility.

I want to join in congratulating the Government of China. We have always found them friendly and willing and cooperative. They have done everything in the initial stages to facilitate the loan to Barbados for the gymnasium. I would hope that other projects will be identified like the gymnasium so that more Barbadians can benefit. I welcome the academy of cricket and I do hope that it has proper management.

I want to tell the Minister I am concerned about the type of planning that goes into this thing. When the decision was taken to expand the gymnasium I would have thought the architects and those involved in the planning should have thought about the parking and the road. That is a part of planning. I hope that no one will raise a question on this.
5.25 p.m.

What we are saying now is that the gymnasium is complete but they do not have any adequate parking facilities. It is going to be some time yet before it can be fully utilised. That is a result of bad or sloppy planning. I know things go wrong but it should have been seen at a very early stage. When you approached the Chinese Government for this loan you should have looked at that component to develop the road. You are now wise after the event. That is where we run into trouble.

Aside.

Mr. DeL. O. BRADSHAW: It is difficult to understand how Ministers over there sit down and think. All I am saying is it is natural. You get the money now to build it. It is finished. It is going to lie down there.

Hon. W. W. HALL: There is no lying down there, Sir. The problem with the parking is simply this. The estimated cost of some of the parking and the road was about \$2.5 million. The tenders were sent out. Then in anticipation of getting this loan, not only the second and third loan, we decided that we would do the entire parking arrangement involving some 1 200 cars and 6 buses and then do the road leading up to Elizabeth Park. Surely, Sir, there is no question of the gymnasium being there and you are getting to it by a helicopter. You will get to it by buses. You should know that. That is exactly what is happening. The tenders have been out. The tenders have gone out again because of this loan. I guarantee the Honourable Member that in another 3 weeks when the tenders are all in work will progress and our estimated time of really getting it on stream would be in November.

I alluded to the fact that we were hoping to get the Harlem Globetrotters coming here in October. We are not going to do that without having a car park. We are not going to come by helicopter.

Mr. DeL. O. BRADSHAW: Mr. Deputy Speaker, that is exactly the point. The point I was making, and the Minister has said it – he has not said anything different. I am saying all of this should have been done before. You have the gymnasium completed now but you are waiting until November to have a road. Do you not understand you, should have plans for your access and parking? What am I really hearing? The Minister should not even get up and attempt to explain this to me. You are going to build a house and now have to look for a step to get into the house. What are you really telling me? The steps should be in your plans how you would get into the house. You have a house and you now have to cut the walls to put in a door. That is the son of thing. I am saying there has to be systematic planning in future. The Ministry should have seen that.

When I was Minister and I planned, I planned for a certain number of cars to suit the 2 400. If you exceeded that and you went for 7 000 or whatever it is, you should have changed your plan accordingly but you did not plan. You went ahead just to say you were getting more and bigger not realising that you did not do your homework. That is the danger.

I am glad that the Minister has promised that when he opens up he will invite me. By right I will be there. He cannot afford to miss me from there. He cannot go out and say it is his project. He has to refer to the Barbados Labour Party. He has to go through the history and you will see the Barbados Labour Party there. We will be taking the bow for it.

I want to welcome the Minister as a member of the Board when it was first conceived. It is my project. You are carrying on where I left off. I welcome that particular aspect of it. I give the project my blessing. I hope too that everything will be done to ensure that it is maintained properly so that we would not have the maintenance costs skyrocketing and then have to come in here for supplementaries.

Mr. D. A. C. SIMMONS: Mr. Deputy Speaker, I believe I will have 10 minutes, then we will interject. I mean I will be allowed 10 minutes and then after that the Honourable Member for St. Peter will talk for about 2 or 3 hours. That part of the budgetary debate would continue until it expires. Presumably we will revert to this sometime tomorrow, Friday or Saturday.

Aside.

Mr. D. A. C. SIMMONS: I believe, Sir, that I am leader of the House because the one who should be leading the House is not here. Where is the Leader of the House, Sir? I am leading the House and I am submitting to you that is how we should proceed. In fact, Sir, I believe the Honourable Member for St. Peter should begin at 5:44 p.m. so that my speech is not disjointed.

Aside.

Mr. D. A. C. SIMMONS: Why do you not make "Goldie" behave himself, Sir?

Mr. DEPUTY SPEAKER: I know of no "Goldie" in here.

Mr. D. A. C. SIMMONS: Sir, I would suggest to the Honourable Leader of the House, now that he has returned, that the other...

Aside.

Mr. D. A. C. SIMMONS: No. I am rising on a point of privilege. I do not want to start a speech that should go on for half an hour, have 6 minutes and then stop. I am trying to seek some guidance. There is nobody on this side that can speak for 6 minutes. I just wanted to know what the Leader of the House is going to do, if he is going to suspend for 6 minutes so that we can come back at 5:45 p.m. I will postpone what I have to say on the gymnasium until that debate revives. I am submitting, Sir, that it would do violence to what I have to say for me to start, speak for 7 minutes, stop for a day and a half and then pick up again.

Hon. P. M. GREAVES: Mr. Deputy Speaker, I beg to move that further consideration of this matter be postponed.

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

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

SUSPENSION OF SITTING

Hon. P. M. GREAVES: I move, Sir, that the sitting be suspended until 5:45 p.m. this evening.

The question that the sitting be suspended until 5.45 p.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the sitting accordingly.
5.35 p.m.

ON RESUMPTION

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

Mr. O. S. ARTHUR: Mr. Deputy Speaker, Sir, yesterday at the very outset of his presentation, the Right Honourable Minister of Finance sought to convey the impression that we are today engaged in a major debate on tax reform in Barbados because of a pledge in 1989 made to this Honourable House during the presentation of the Financial Statement and Budgetary Proposals regarding the need for a comprehensive review of the taxation system of this country.

It is indeed true, Mr. Deputy Speaker, that in 1989 as the then and the present Minister of Finance said, the time was ripe for tax reform. And indeed it is also true that if tax reform had been undertaken in 1989, given the circumstances then, and given the developments which have ensued subsequently, such reform would have required less adjustment and would have been less painful for the Barbadian society.

But if there is one thing and only one that the Minister of Finance and the Prime Minister is good at, it is that he is good at not taking decisions. He has deferred taking firm decisions about tax reform. He has dithered on the matter. We are here this afternoon not because of a pledge made by the Minister of Finance in 1989 in the course of his Budgetary Presentation. We are here specifically because of paragraph 13 and paragraph 34 of the Letter of Intent of 25th October, 1991 of the Government of Barbados to the International Monetary Fund. Sir, you must let me elaborate.

Paragraph 13 of the Letter of Intent of the 25th October, 1991 of the Government of Barbados to the International Monetary Fund formally makes the carrying out of tax reform a part of the general undertaking between the Government of Barbados and the International Monetary Fund 2 years after the Minister of Finance of this country had pledged this House that he was going to undertake tax reform. Two years. It took the International Monetary Fund to come to Barbados to make the Minister of Finance of this country, who cannot make decisions, agree in paragraph 13 of a Letter of Intent of the 25th October, 1991 to formally make tax reform a part of general undertakings between the Government of Barbados to the International Monetary Fund. Paragraph 34 is even more sinister.

The Letter of Intent, Sir, between the Government of Barbados and the International Monetary Fund set specific targets which the Government of Barbados had to abide by up to the end of March, 1992. But the Letter said however nothing about what was going to happen specifically between the end of March 1992 and the end of the programme, which is intended to expire in May, 1993. It was not specific. But it required that before May 15, 1992 – I refer to paragraph 34 – a review will be carried out to reach specific understandings on the specific policies to be pursued in 1992 and 1993 and establish suitable

performance criteria consistent with the continued assurances for the financing of the programme.

Mr. Deputy Speaker, there are 2 specific implications of that undertaking which I have a duty to spell out for the benefit of the House. The first is that although Barbados had specific financial targets to be met until March 1992 no specific financial targets were agreed to in the original Letter of Intent pertaining to Barbados' financial performance after March 1992, it was therefore agreed, first of all, that new financial targets would be set as a result of a review of the programme before May, 1992.

Now, Sir, although the Minister of Finance prides himself on the extent to which he takes the country into his confidence, and on the extent to which he takes the social partners into his confidence, this House and the people of Barbados have not been told of the specific financial targets that the Government of Barbados has entered into to be applied after March, 1992 as part of its programme with the International Monetary Fund.

First, taking, at the very outset of my presentation to the House this afternoon, a call for the Minister of Finance to take this House into its confidence and tell us precisely what are the financial targets applicable to the central Government and to the statutory boards of Barbados which the Minister has agreed to as part of the review of the programme with the International Monetary Fund prior to May 15, 1992. This House must in all matters be supreme on financial issues in Barbados.

There is a second implication. As a result of the review which took place before May 15, 1992 a policy agenda has been put in place which the Government of Barbados has to meet. And I here quote the Letter of Intent. Mr. Deputy Speaker, the Minister of Finance is the consultant in chief. But he has never yet taken this House or the people of Barbados nor the Cabinet into his confidence as regards the content of the policy agenda that the Government has agreed to ensuing out of the policy; review which by May 15 that will allow the Government if those policies are complied with to be assured of and I quote: "continued assurances of financing under the International Monetary Fund with Barbados." This House does not know what are the specific policies, Mr. Speaker that the Government has agreed to.

What he can say is that part of that policy agenda, which has emerged out of the review of the IMF programme before May 15, requires the DLP Government of Barbados which has failed outstandingly Mr. Deputy Speaker to carry out direct tax reform under its own steam, as it could have done between April, 1989 when the need was recognized for it and October 1991 when the Government entered the programme with the IMF, that part of the policy agenda requires that the Government of

Barbados must present to the International Monetary Fund's Board of Executive Directors by July of this year a programme of tax reform affecting incomes in this country.

5.55 p.m.

Mr. Deputy Speaker, I am not going to guess as to the exact date on which the Government is to satisfy the International Monetary Fund on its intent to carry out a programme of direct tax reform in this country. I want this House to understand one thing. It forms a fundamental part of the policy agenda that the Government has agreed to, and it explains why we are here today. I want to say to the House, without involving in any guessing game, I suspect that the deadline that the Government must comply with the International Monetary Fund, Sir, is close at hand and the Government has urgently to follow the dictates of the International Monetary Fund in relation to the carrying out of tax reforms in order to be assured of continued financing under the International Monetary programme.

It is therefore, Mr. Deputy Speaker, very clear that this Parliament is now to be required to participate in a rush job to settle matters pertaining to direct taxes that will in the short and the long term have a most profound and adverse bearing on the financial position of all Barbadians. The sad thing, Mr. Deputy Speaker about all of this is that this rush job could have been avoided.

The document prepared by the International Monetary Fund, that is entitled Reform of the Direct Taxation System, that has already been made a document of this House, indicates that the members of the International Monetary Fund met with the Minister of Finance of this country as far back as March 2, 1992 and that an agreement was reached between the Government of Barbados and the International Monetary Fund regarding the major elements of the direct tax reform that the Government thought desirable, that point in time to put in place in Barbados. I want to repeat that. So far as far back as March 3, 1992, the Minister of Finance of this country met and agreed with the International Monetary Fund on the specific aspects of tax reform that he wanted to introduce in this country. The Minister of Finance had ample opportunity between March 3, 1992 and today to consult with his social partners to make the body of the document incorporating the agreement with the International Monetary Fund available to Parliament, to consult, Mr. Deputy Speaker, with his Cabinet. But we are left, to conclude that despite the fact that the Minister of Finance met with the Fund on March 3, agreed, Mr. Deputy Speaker, on the tax reform programme, it was not before late May and early June - June 2nd to be specific - that this Minister of Finance, who does not know how to make decisions, who is a ditherer in chief, Mr. Deputy Speaker, decided to involve the society in general by circulating the document to the social partners,

inviting from them comment on a document, the elements of which he was in possession of 3 months prior.

I am left also, Sir, to presume that he treated his colleagues in Cabinet even worse than he treated the social partners because I come, Sir, to my second point. Not only is this Parliament today being required by Government to participate in a rush job but it is absolutely clear, Mr. Deputy Speaker, from the substance of the measures presented to this Honourable House, yesterday, by the Minister of Finance that the Government itself and in particular Cabinet has not yet made up its mind **concerning** important aspects of the proposed tax changes that it wants to implement.

The important point in all of this, Mr. Deputy Speaker, is this, that notwithstanding the fact that the Government of Barbados has not yet made up its own mind, and notwithstanding the fact, Mr. Deputy Speaker, that important differences exist between the Cabinet and the Prime Minister and the Government of Barbados and the IMF regarding what should constitute the elements of a tax **reform** programme for Barbados, Parliament is now being called upon to give the appearance of parliamentary sanction since Parliamentary sanction is required before the Minister of Finance can approach the International Monetary Fund in relation to these measures.

I want at the very outset of my presentation in here, Sir, to say this. This House, Mr. Deputy Speaker, this Parliament, cannot and must not establish a monstrous precedent by agreeing to give a Minister of Finance a blank cheque to collect taxes provisionally without Cabinet itself agreeing as to what those taxes should constitute, and without the Minister of Finance himself being able to explain to this House what those taxes represent. I want to say that this House, Mr. Deputy Speaker, cannot approve, cannot give its sanction, nor appear to give a sanction, to tax measures which are open ended and incomplete because this House does not know what it is sanctioning.

Taxation, Mr. Deputy Speaker, Sir, without representation led to a revolution in the United States of America in 1776.
6.05 p.m.

I am not prepared, speaking on behalf of the people of St. Peter and on behalf of the Barbados Labour Party Opposition in general, to be part of any charade or any sham which will give this Minister of Finance a blank cheque that he does not know what to do with, which will put the House of Assembly Barbados in the undignified position of having agreed to a **tax** package, the elements of which have not been specified to the House, Sir.

Let me explain carefully why I am saying this. The Minister of Finance can come to the House and impose

taxes by way of a **Ministerial** Statement. He can do **so**, Sir, on the understanding that the enabling legislation that will allow him to collect those taxes can be brought to the House within a period of four months under the auspices of the Provisional Collection of Tax Act. But he has to come to the House and tell the House precisely what he wants to do.

You were not here, Mr. Deputy Speaker, but in 1987 the then Minister of Finance came to this House and he tried to impose a consumption tax on local vegetables, Sir. This Opposition recognised that as of the instant of his having said so in this House, it would have become the law of the land, because such is the latitude enjoyed by the then Minister of Finance in financial matters. We fought the matter then in this House, Mr. Deputy Speaker, and the Democratic Labour Party Administration had to back off imposing a consumption tax on local cabbages and lettuces and so on and so forth.

We now have a situation, Mr. Deputy Speaker, where this House cannot decipher exactly what is the intention of the Minister of Finance. A fundamental part of the **tax** adjustment that has to be made this year is the **removal** of certain allowances and deductions. But the Minister of Finance is not in a position to tell this House, Mr. Deputy Speaker, which are the exemptions that are going to be removed. He does not know and Cabinet does not know. I am suggesting to the House, Sir, that if we proceed...

Aside.

Mr. O. S. ARTHUR: Mr. Deputy Speaker, Sir, the core of this debate is to be found on page 15 of the Minister's Statement – the elimination of most itemised allowances and deductions. The Minister of Finance of Barbados, Sir, can come to the House and say that I am going to eliminate X and Y specifically and then proceed, Mr. Deputy Speaker, to give effect to that statement before this House under the Provisional Collection of Taxes Act. But the Minister of Finance has no authority nor can this House properly act if the Minister comes and asks to abolish some exemptions putting some people in a different taxable income band and charging them with a different **tar** rate without telling this House precisely what he wants to do.

We do not know, Mr. Deputy Speaker. It is against the Constitution of Barbados for any Minister of Finance to act in such an arbitrary manner. I am saying, Sir, that this House cannot oblige the Minister of Finance in this particular instance because the circumstances under which the Minister has presented his tax proposals to the House, Sir, will represent the clearest example of taxation without representation since the American revolution. Therefore, we have to tell the Minister of Finance to go back. Go and do your homework. Go and agree with your Cabinet.

Tell the International Monetary Fund that the House of Parliament of Barbados that has been in existence for 350 years is jealous, Mr. Deputy Speaker, of its rights and prerogatives in relation to the imposition of taxes on the people of this country. Notwithstanding whatever might be contained in the policy agenda that he has agreed to with the International Monetary Fund, this House must not today surrender the rights to determine the taxation that is to be imposed on the people of this country, Sir. Go back and do your homework and, when you have done your homework, come back to the House and let this House, Mr. Deputy Speaker, decide on what this House will do. But the House of Parliament in Barbados, Mr. Deputy Speaker, cannot today agree to be governed by a policy agenda drawn up between an incompetent Minister of Finance in *vacuo* and *in camera* with the International Monetary Fund and which is imposed upon us as if we, Sir, are people without will.

Mr. Deputy Speaker, in this vein, I want to draw to this Parliament the following conclusions. The law must be certain. In a sense, Sir, there is no need for us to proceed any further. The law cannot be certain because we do not know what the Minister of Finance wants to do. He does not know and his Cabinet does not know.

Mr. Deputy Speaker, I want to draw to this Parliament's attention a matter which is disturbing to the Opposition and which ought to be disturbing to the House and which should be disturbing to the people of Barbados in general. The manner in which the Government of Barbados is now pursuing its relationship with the International Monetary Fund would seem to suggest that as far as the Government is concerned, Barbados has been put into international receivership, the receiver is the IMF and the only role of the Minister of Finance is to incorporate all of the elements of a political fax machine to convey to this House, Mr. Deputy Speaker, messages from the International Monetary Fund and the receiver to the Parliament of Barbados.

Mr. Deputy Speaker, yesterday the Honourable Leader of the House made a lot of the fact that it is not part of our **convention** nor is there any legal requirement that the Minister of Finance must tell anybody in Barbados in advance any of the elements to be incorporated in any budget to be brought before this Honourable House. But we have been subjected to the appalling, the disrespectful spectacle of the main substance, indeed all of the main elements of a Supplementary Budget to be presented to this Honourable House being exposed by a representative of the International Monetary Fund a day in advance of our one and only Minister of Finance bringing it before Parliament.

Mr. Deputy Speaker, Sir, it is a mind-boggling disrespect to Parliament in its entirety, to every Member of Cabinet, to every Member on the other side, to every Member on this side and to all of the people of Barbados

that the IMF can do in Barbados what it cannot do in any other part of the world and that it can do in Barbados, Mr. Deputy Speaker, what is contrary to our law. We had a situation where on Monday evening everything that the Minister of Finance and Economic Affairs of this country **intended** to bring to this House as a supplementary set of budgetary proposals was presented to the people of Barbados in advance, Sir, by a **representative** of the International Monetary Fund.

6.15 p.m.

Mr. Deputy Speaker, this House cannot take this matter lying down. It is disrespectful and I want to build upon the point. We are beginning in this country to strain at gnats while we are swallowing whales. The relationship between the International Monetary Fund and all sovereign governments is a relationship that is governed by law. What the International Monetary Fund can and cannot do in Barbados is governed by Cap. 18A of the Laws of Barbados, the International Monetary Fund Act. The Schedule to that Act sets out the Articles of Agreement of the International Monetary Fund which say what are the limits of the powers of the International Monetary Fund as it pertains to its economic relationship to Barbados.

I want to say to this House this afternoon that I have read those Articles of Agreement between the International Monetary Fund and the Government of Barbados carefully. The International Monetary Fund was established in 1944 under the **Brettonwoods** Agreement with specific responsibilities, not to be an international **writ** server, not to be an **international** receiver, not to be an international policeman who could arrest economies like this economy when it is a delinquent, but with specific **responsibilities** to exercise surveillance over the exchange rate policies of countries - and we acknowledge its responsibilities in that area - and to assist member countries in matters pertaining to the solution of balance of payments problems.

There is nothing contained in the Laws of Barbados, nor contained in any Article of Agreement with the International Monetary Fund, that gives the IMF not only powers to tell us what we must do with our tax system, but also to send a man here for two years to supervise us, Mr. Deputy Speaker, as if Barbados is no longer a sovereign country but a colony of the International Monetary Fund.

I must say this to the House, Sir. I was one of the members, proudly so, of that team which in 1982 negotiated a programme between the sovereign Government of Barbados and the International Monetary Fund. I sat, on 15th June, 1982, in a penthouse in Washington with the IMF and helped put in place a **programme**, but nobody was required to come down to Barbados to supervise us and breathe down our necks. Nor did our programme go beyond the boundaries of economic and financial propriety that must exist between the IMF and any

sovereign Government. Mr. Deputy Speaker, it can exercise surveillance over our exchange rate policy, because **Errol** Barrow agreed to that in 1972 when we joined the Fund. It can supervise policies **specifically** relating to the solution of balance of payments problems, but the IMF cannot tell you what should be the price of bus fares in Pie Corner, nor can it tell you what should be the price of **peas** in the Glebe. Nor should the IMF be in a position to tell you what price school children of Barbados should pay for their school meals. But this Government, without pride, is now allowing the International Monetary Fund to go beyond all boundaries of propriety, to go beyond the law governing its operation and to send low level functionaries from wherever to tell the people of Barbados how to administer their affairs. It hurts me fundamentally as a Barbadian to see the way in which some Barbadians are tripping over themselves to be able to say "I have met the International Monetary Fund people and they have told me this, and they have told me that."

I have already spoken to the Minister of Finance and asked him why was it that he has not yet protested publicly about the way in which matters which are under negotiation between the Government of Barbados and these multilateral institutions are finding their way on to the front and back pages of our daily newspapers. Can the IMF and other institutions hold this country in such contempt that they cannot curb or control the **leaks** that are comprising the ability of this Government to negotiate in good faith with those institutions? Day by day we **are seeing** on the front and back pages of newspapers in this country that officials of the IMF and the World Bank are saying to sources close to the Nation and other places that the Government of Barbados is to do this and to do that. They do not have any respect for them, and it irks me.

I have spoken to the Prime Minister of this country and I want to say on behalf of the Barbados Labour Party this afternoon that they are insulting his office. And if he does not have the manhood to stand up this evening and protest against it, we want to protest against it for him. No Barbados Labour Party administration has ever in the past allowed any international institution, in the process of negotiation with us, to leak fundamental things that could compromise the outcome of the negotiations to the Press without our complaining. The Minister of Finance is mad.

I want to say to the World Bank, to the IMF and others who may be in earshot that we are upset on this side about it and it must stop. I want to say also, on behalf of the Barbados Labour Party that under no circumstances do we on this side have any intention to convene any meetings to discuss anything pertaining to Government's relationship with the International Monetary Fund and the World Bank with any officials of those institutions. Our relationship is in here. We have been elected as proud black people to govern the affairs of Barbados in here. And we are not

going to go, like some members of the private sector, to Washington to say who should be Prime Minister of Barbados and who should be Minister of Finance. We are above that. The Government has a responsibility to report to this Parliament. We have a responsibility when the Government brings matters in here to tell it how we feel about it. If the Minister of Finance feels to **ask us our** opinion in such a good time that we may be able to make a creative input into those negotiations, Sir, we will do so. We will not, Mr. Deputy Speaker, oblige him if in his desire to use this Opposition as stage props in a pseudo consultation process by calling us to 3.30 meetings at 2.30, because we know that that is just a sham and a charade.

I will not leave this discussion this afternoon without letting this House know how fundamentally offended we are on this side that a representative of the IMF in the year 1992, 300 odd years after this Parliament has been established, can present the major elements of a Minister of Finance's budget a day before that Minister of Finance does so to this Honourable House. It is a disgrace! I fundamentally believe that the Minister of Finance has a responsibility to **all** of us and to the people of Barbados as a whole to apologise for that major indiscretion **on his** part. 6.25 p.m.

I also want to say that a lot of roles are being confused in this matter. The Central Bank of Barbados seems to have been the institution which has been principally responsible, if not for the development of **these** proposals, certainly, Sir, from what I can glean, for their articulation and defense.

Now, Sir, there might be talented people in the Central bank who have responsibilities for fiscal affairs. But the Government of Barbados, as I understand it, is collapsing precisely because what people are supposed to be doing they are not doing and some people are intending to do what other people should be doing. I am not **reflecting**, Sir, at this stage on the Minister of Health.

Mr. Deputy Speaker, I have to remind this House of certain facts on this matter. The Central Bank of Barbados is responsible for the development and conduct of monetary policy. It is responsible for the conduct of the function of **banker** to Government. It is responsible, Mr. Deputy Speaker, for the conduct of the function of regulator of the financial institution. It does not have a responsibility for the development of public financial policy. That is the responsibility of the Ministry of Finance.

Now, Sir, if **the** Ministry of Finance does not have, in the Minister's judgment, the capabilities to do it properly, employ the capabilities, even if it means seconding people with talent from the Central Bank of Barbados. We must never allow the Central Bank of this country to feel it is all things to all people. I want to say specifically to

this House this afternoon, Sir, that the things that the Central Bank of Barbados should be doing it **is** not doing because it is involving itself in too many of the things it should not be doing. We hear of the Central Bank of Barbados telling us what the national income is and we are getting accustomed to that.

The Central Bank of Barbados has no more capacity than you to say in practice or in law what our national accounts statistics are. That is the responsibility of the Department of Statistics. Over time it has incrementally taken over that responsibility although in almost every instance, Sir, it is guessing.

The Central Bank of Barbados is responsible in law to be the banker to Government but we have seen it allow Government's overdraft to rise to **\$260** million, over **\$80** million in excess of the legal limit. Why does it not concern itself with being a proper banker to the Government? It is supposed, Mr. Deputy Speaker, to be the regulator of the financial institution. It is only because we, on this side, do not want to precipitate a financial crisis in this country that we do not speak openly about some of the things that have been happening in the financial system of Barbados precisely because the Central Bank is not doing that function properly.

We are hearing that the Central Bank of this country is the place where **tax** reform proposals have to be defended. I know as a fact that a consultant was employed to Government through the Central Bank of Barbados to comment upon the IMF document, absolutely against all of the norms of convention that should govern the development and execution of fiscal policy in this country. It is wrong. I am not going to say that the consultant walked away eventually. I don't want to say this to the House, Sir, that the consultant got so disgusted at what was happening that he eventually walked away from the responsibility. He could not take the foolishness that happens at the Central Bank.

I want to leave the House and I want to leave the Minister of Finance through you with this thought. If your Ministry of Finance is not strong, strengthen it. The Central Bank of Barbados must be in a position always to be in a detached position to the Ministry of Finance. It cannot both approve and reprobate. I do not want to see a Barbados where the Central Bank of Barbados, which in the final analysis as the Government's banker has to advise the Government on the sobriety and seriousness and its fiscal policy is, at the same time, the entity which has developed that fiscal policy. That is what is wrong.

The Government is confusing the role of the institution and this process, and it must stop. I don't want to hear - I don't want to call any names, Sir - but if Government's fiscal policy has to be defended, let the

Minister defend it. Let his Minister of State defend it. Let his Permanent Secretary defend it. I don't want to hear the Central Bank defending it. Let the Central Bank defend the interest rate policy or what is happening in the banking system. Barbados is going to collapse if people are allowed to operate in a situation of functional anarchy, as is now the case, with each man doing what he likes because there is no leadership. That is the point that I want to make before I come on effectively to a discussion of the fiscal measures. These fiscal measures have emerged out of a situation of anarchy. Therefore, anything that has come out of a situation of anarchy and confusion must be itself an embodiment of anarchy and confusion.

It is a great pity, Sir, that we have now reached the stage in Barbados where people in Barbados, can see soap operas at lunchtime but matters which the Government itself agrees are far-reaching, the same people do not have the opportunity to hear what this House has to say about these measures. Mr. Deputy Speaker, Sir, the measures are neither bold nor beautiful.

I really want at the start of this presentation, because I have to go into other matters, to summarise in a succinct way the Opposition's reaction to these measures. I would advise all Members of this House who want to put these measures **into** the appropriate context, to read page 72 of the document entitled "Barbados, Reform of the Direct Tax System" that was prepared by three experts engaged by the International Monetary Fund. It says this:

"In this proposed schedule, all of the revenue-increasing measures are introduced right at the beginning of the reform programme with the exception of the recommended resumption in the basic deduction which would be **difficult** to introduce administratively before the end of the year. At the same time, some revenue reducing measures are introduced at the outset both to pre-empt announcement effects and also to soften the impact of the reform."

Now, Mr. Deputy Speaker, if you ever had any doubts that the International Monetary Fund is a political institution this statement would obviously have to remove **all** of those doubts. What it is saying is that the Government of Barbados has brought to this House a set of measures which by design are a tax collection and **tax** gathering set of measures in the short term but for political purposes we are being told about what will happen in 1993 and 1994 by way of tax reduction, as the IMF says, to pre-empt announcement effects and to soften the impact of the reform.

6.35 p.m.

I want to go further, Sir. The IMF also recognises that it might well be possible - it says that there

are risks in the implementation of any reform – *that* the immediate cut-back of the present income **tax** allowances and deductions will not be sufficiently far-reaching. If that were to happen, it says, the result will be a large shortfall of projected revenues in 1993 which could be made up only by extending the life of the levies.

Mr. Deputy Speaker, I want to start there because this is the whole background behind what we heard yesterday as a series of tax reform measures. The Government has brought into this House a series of measures which it has not costed because it does not know what the cost of those measures are and because the Government itself does not know what it intends to give up, first point.

Secondly, the Government has brought into this House measures which are intended to have an effect in the next 6 months, in the next year **and** in the **following year**. In compliance with the methodology spelt out by the **IMF** it has brought the revenue increasing measures up front but has sought as the IMF said and as the good politicians have said, to camouflage the announcement effect of them by telling you what may or may not happen in 1993 or 1994 depending upon the out-turn of Government revenue, always on the understanding that if Government revenues do not turn out as the IMF says, the option **is** there that the Government must extend the lives of the levies. On what condition now are we in a position in this House to say that these measures are bold and **beautiful**?

I want, Sir, to go into these measures very slowly **and** very carefully. The Minister of Finance is like **Zacchaeus**. He is a tax gatherer. The only effect of these tax measures in the next 6 months, because the IMF programme specifies what must be done in the next 6 months, and the only thing the Government can do in the next 6 months, is to collect more taxes from everybody in Barbados.

Let me say this, Sir. The Government in presenting its measures honestly to the country must tell the country that a package of direct tax proposals are being implemented **as** a package. It is not **just changes** in income tax. There are also changes in the land tax. You have to see the **whole** thing as a package before you can say whether **anybody** has been eased or not.

The Government of Barbados is today implementing a series of direct tax measures in the context of a policy situation where it is introducing user fees. There are 2 ways I know of in which you can pay for Government services. You can either pay for them in the form of taxes or at the point of delivery. It would seem to me that if the Government is going to give us a realistic outline and viewpoint of the real likely impact of these tax proposals as a whole, it must take into account land tax, and also must spell out to this House what are the measures it now has in force and is likely to implement over the course of

the **next 6** months that will affect the level of fees either for education, health, or any of the other services that the Government is now presently providing for the people of Barbados.

Sir, how will these measures affect the real low income people of Barbados in the next 6 months? The low income people of Barbados can be defined as the people whose income are less than \$15 000. Right **now** those persons below \$15 000 are not paying income **tax**. The only direct charges on their income paid into the Consolidated Fund is in the form of levies and stabilisation **tax**. The House can therefore reasonably conclude that if there is going to be an ease on the low income people of this country in the next **6** months it can only come in the form of either the removal or the reduction of the levies, or the removal or reduction of the stabilisation tax paid by persons below \$15 000.

The truth of the matter is simply this. As the Minister of Finance knows, there is no ease to the squeeze of persons below \$15 000 in the next 6 months because they will continue to pay the **stabilisation** tax and the levies on their personal income. Why? The Government is in a financial crisis because of its own monetary and fiscal policy which requires it to reduce consumption of imports to protect the balance of payments. It is not now in a position to give up any income tax at all or any levies. This is a programme, notwithstanding the plight of the poor people of Barbados, is saying today that you have to hold strain for now. Continue to pay the levies and **the** stabilisation **tax**. That is not **all**.

I say to the House you have to look at these measures as a complete package. The poor people in Barbados not only pay stabilisation **tax** and levies, which will not be removed, but a large number of poor people in Barbados pay land tax. The land tax of Barbados is presently structured in this fashion, if you own house and land, they **call** it improved value, up to \$300 000 you pay a rate of 0.5% on the understanding that you only pay the tax on 70% of the value. If you pay promptly you get 10% discount. That is a fact.

A lot of small people own houses because they have worked hard and some own more than one house. A small man who has a house and land valued at \$50 000 is, under the present system, allowed to pay **tax** only on 70% of the value of that house at **0.3%**. Most of them pay promptly so they get a 10% discount. The IMF says dispense with that. 6.45 p.m.

The IMF has told the Government that it must introduce a system of land tax under which you pay 0.35% on the full value on the first \$100 000 and anything above that, Sir, is a tripling of the rate to 0.95%. I have tried my best giving calculations. If a small man has house

and land valued at \$50 000 given the present system whereby he can pay only on 70% of the value and claim a 10% discount he pays \$122.50. But under the IMF proposal, Sir, his tax on the house and land will go up to \$175.00. He will immediately begin to pay more land tax.

The Minister of Finance must not tell the people of Barbados that there is an ease or any growth plan nor any rescue package. The people at the very bottom, within the course of the next 6 months, will not be relieved of the payment of levies nor Stabilisation Tax. But they will continue to pay more for School meals, health, transportation and then come December as well they are going to find that their land tax bill has gone up in the air because this Minister of Finance is not involved in tax reform to ease any burden on the poor man in Barbados, Sir. He is involved in a tax gathering and tax collection exercise, a tax gatherer.

Aside.

Mr. G. S. ARTHUR: We find that – and I am going to give these quickly – for house and land of \$100 000 the present land tax is \$245 if you pay promptly, \$350 under the proposed system. For house and land worth \$110 000 the present land tax is \$259.50 and under the proposed system \$445. For house and land valued \$120 000, \$294 now; \$540 under the proposed system. For house and land valued at \$150 000, \$367 now, \$825 proposed. For a house and land valued at \$175 000, \$428 now, \$1 062 proposed. I am stopping at \$200 000 – because I do not want to go past that to embarrass the Government – you pay 3480 now, \$1 300 in the future. And the Government tells us it is easing the taxes on somebody.

Mr. Deputy Speaker, Sir, the Minister of Finance is not only into a tax gathering exercise, but he is involved in an onslaught of the most cherished value of most Barbadians. Mr. Deputy Speaker, the only stake that Barbadians like ourselves and the vast majority of the people of Barbados have in this country – we do not own the companies – our only stake is in ownership of a house. And the Barbadian public has been encouraged to believe that as a matter of fundamental value we must not rent from anybody, we must own our house. All through the developmental process of this country, from the forties, my grandmother felt that she must own her house, my father and mother felt that they must own their house. I feel that I must own my house. You must have the plot and sale in your hand. The most fundamental relationship of all Barbadians to our development process has been that house.

What is this Government doing, Sir? It is telling the ordinary man in Barbados that you have been told for some time now to invest in a house and claim the mortgage interest on that, and they are taking away that from the

people now. Also in order to pay for the only tax reduction measure in this programme, the reduction in the stabilisation tax on companies, in order to do so we are going to triple in effect the land tax on all of the people of Barbados.

Mr. Deputy Speaker, Sir, do you think you could understand why we on this side fundamentally feel that we have to fight this? Let me put it in background. The Barbados Labour Party has continued its social revolution in this country by the plantation freehold purchase Act. All across there are persons who were former tenants who have come into possession of land. And across Barbados part of the explosion in construction activity has been people converting board houses into wall. The Government speaks in terms of the housing success between 1986 and 1991; but a large part of that has been due to the fact that in every tenantry in Barbados poor people who have never been able to live in a wall house before are living in a wall house for the first time.

We believe in the Barbados Labour Party, we feel so fundamentally, that it would be our responsibility to have a capital gains tax rather than to penalize people whose only relationship to this country has been in the ownership of a housing asset. We feel so fundamentally in this Party. We pledge ourselves to that as a Manifesto commitment. I feel fundamentally that since the ordinary man in Barbados will only ever own a house, and that in the same way you could have had incentives in this country to encourage the white people to own shares in companies, we have to have incentives to encourage people to own their house. Therefore we should never have a tax system in Barbados that penalizes a man because he improves his house. Therefore, we were proposing in our 1991 Manifesto to take the sting out of the land tax because we recognized that you could not tell a man own the land and improve and then when you improve tax him more. Our Manifesto is clear on that point.

The land tax is a relic of a past system where it used to finance a Local Government system. But the Democratic Labour Party abolished Local Government but it did not abolish the financial instrument that used to finance it. Mr. Deputy Speaker, the simultaneous increase in land tax accompanied by the withdrawal of the allowance for persons in Barbados to deduct mortgage interest as part of their income tax affairs is the most retrograde step that any Government of Barbados has introduced since 1937. This Barbados Labour Party will not be supporting it. We cannot. Because it will be an onslaught on the standard of living of the Barbadian people who have been made free by education, used their education to develop a skill and gone out and converted that skill into the only asset at their disposal, a house, if the IMF says so, we say no! And I will not be a part of any House of Parliament that says now that we have set the people of Barbados free

through education, let them build skills, let them own a house now that they own a house, destroy their dreams. Sir, we cannot do it.

6.55 p.m.

We cannot do it. Mr. Deputy Speaker, there is a large number of professionals to whom this measure will mean that they will never own a house, Members of this Parliament must search their consciences and ask themselves: Will you now help all the young black people of Barbados to realise in the future that which you have realised; having a stake in this country?

Mr. Deputy Speaker, I have lived in Jamaica and I have seen when I was living there, a lot of my colleagues lose their homes. The most painful thing you could ever see, Sir, is people having to go to the bank to hand the keys to their house. Sir, it is the most painful thing that can befall a person. In Barbados now, Sir, the Minister of Finance is telling us about how well the economy is doing but he must be told how there are a large number of Barbadians for whom the reality now is that they must hand in the keys to the house to the Bank or the reality soon will be that a house is beyond their capacity. Mr. Deputy Speaker, I cannot, the Barbados Labour Party cannot, be a party to this nonsense.

Sir, we have established that in so far as the Minister of Finance is not removing the levies nor the stabilisation tax and in so far as he is increasing the land tax on owner occupied houses to say nothing about the house that people rent out, the people at the lower income are adversely affected by these taxes.

SUSPENSION

Hon. P. M. GREAVES: Mr. Deputy Speaker, at this point I am going to move a suspension for dinner. I am moving Sir, that this sitting be suspended until 8.00 o'clock this evening.

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

The question that the House be suspended until 8.00 o'clock this evening was put to the House and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the House accordingly.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. O. S. ARTHUR: Mr. Speaker, very early in my presentation I was dealing with the likely short term immediate effect of the proposed tax changes on persons below the \$15 000. To underscore the point, Sir, that far from offering relief in so far as these proposals form part

of an overall package that includes increases in land tax, in so far as they will coincide with the increasing recourse to Government to user fees as a way of having persons pay directly for public services, rather than indirectly through the taxation system, Sir, it is beyond any shadow of a reasonable doubt that this package of tax reform measures will not be a rescue plan for the low income person in the short term but can only adversely affect their standard of living. I think, Sir, I should have to add to that the fact that the land tax itself is subject to increase by reason of periodic increases in the value.

Government also now is committed to the liberalisation of the financial sector which may lead to the mortgage interest rate finding a true market level, implying an increase. And the overall point of what I am trying to lead to in relation to the impact of these measures on the low income person, Sir, is that the possibility is real, that persons owning house and land and having to pay mortgage will find themselves in a position of having to expend a larger proportion of the income on mortgages and on land tax than they have been in the immediate past. To that extent then these tax measures, Sir, will work against the interest of all persons below \$15 000.

Now, Sir, analytically as well, given the nature of the tax proposals that Government has presented to the House, it is vital to ask ourselves the question, how will these tax measures affect, in the short term, persons in Barbados with a gross income between \$15 000 and \$40 000? I am speaking in that capacity to the broad mass of the Barbadian public, the nurses, the school teachers, the postmen, the largest portion of public servants, all of the hotel employees below the professional management level, the largest proportion of private sector persons below the management level. Most of the young black professionals in this country who have recently graduated from the University and are in a position to begin making a life for themselves, at present, most of those persons, Sir, find themselves earning between \$15 000 and \$40 000. I have earmarked them as a special class because the manner in which these tax proposals are structured isolate them as a special class to be affected.

Now, Mr. Speaker, Sir, why do I say that? Under the present tax system of Barbados persons with a taxable income of \$25 000 or more pay a tax rate of 40 per cent on that taxable income. Now, Mr. Speaker, at present the minimum gross income that a person in Barbados must be earning to have a taxable income of \$25 000 is \$40 000 because under current law to arrive at a person's taxable income you have to subtract at least the \$15 000 basic allowance that everybody in Barbados can claim for income tax purposes, so that the broad mass, the people of Barbados now, Sir, who find themselves categorised as the lower middle class or the middle class, earning \$30 000 gross or less are now in a position, Sir, where the

tax rates do not exceed 40 per cent. The minimum income that you have to be **earning** in Barbados right now to pay a tax rate of 40 per cent is \$40 000.

Now, Mr. Speaker, Sir, I want to establish that first. The first aspect of the tax reform proposals that the Minister spoke of is the reduction of the maximum tax rate to 40 per cent. I say that to say this. It is obviously, therefore, the case that the reduction of the maximum tax rate to 40 per cent will not benefit anybody in Barbados who find themselves between gross incomes of \$15 000 to \$40 000. That is a fact. But the point is, Sir, that the broad mass of people in Barbados regarding themselves as lower class or middle class will not benefit from the reduction of the **tax** rate to 40 per cent. But if they are in a position where they are now earning between \$15 000 and \$40 000, they may well find themselves affected by the second part of the proposed tax changes. Those who are enjoying the advantage of being able to claim itemised deductions in excess of \$15 000 may well find themselves caught by the second part of the Minister of Finance's tax proposals where they will be affected by the fact that the itemised deductions will be eliminated, and they will have to pay more taxes.

8.10 p.m.

I want to say, Sir, that the middle class of Barbados in the next six months will not benefit from any elimination of levies or stabilisation tax because they will not be applicable to them. They will not, Sir, benefit from the reduction in the tax rate because the reduction of the tax rate of 40 per cent does not apply to them because they find themselves in an income group below a 40 per cent tax rate at this stage. And they can only be hurt by the elimination of itemised allowances and deductions if they are presently, Sir, in a position to claim **tax** allowances of more than \$15 000. That is a fact. So that there is no more middle class persons in Barbados who will benefit from the reduction in the tax rate nor the abolition of the itemised deductions and some are in a position to be hurt by these itemised deductions. What I can say, however, again is that it is also true for all of them who own houses without benefit of reduction in **tax** rates will not benefit from the Government's refusal to bury levies or stabilisation tax and can only be hurt by Government's decision to eliminate deductions. If they are owning houses, they will have to pay an increase in the land **tax**.

The point therefore, Sir, is the House has to accept **that**, contrary to what has gone abroad in the Press, the lower income people of Barbados and the middle income of Barbados cannot benefit from a process of tax reform for the next six months which does not reduce or remove the stabilisation tax, which only drops the maximum tax rate to 40 per cent and which has as its core the elimination of most of the itemised allowances and deductions.

Mr. Speaker, it is at this point that I really must say that the House would be very irresponsible if we do not get clarification from the Government as to precisely what is its intention in relation to this business about the elimination of most of the itemised allowances and deductions. If it is the Government's intention to eliminate all itemised allowances and deductions, **and** let me say what they are, Sir:

- (a) the ability for you to claim for your dependent relatives,
- (b) the ability to claim for your children and their education,
- (c) the ability to claim for your 'life insurance policies,
- (d) the ability to claim for your medical expenses,
- (e) the ability to claim for your children's life insurance,
- (f) the ability to claim deduction for your payment of NIS,
- (g) the ability to claim for your contribution to a pension fund,
- (h) the ability to claim for any payments by way to the Court for alimony,
- (i) the ability to claim for the wages paid to a gardener or maid that you employ,
- (j) the ability to claim for the insurance premiums on your house,
- (k) the ability to pay for the mortgage interest on your house,
- (l) the ability to claim for the expenses you incur in improving your property,
- (m) the ability to claim for **installing** your water heater in your house,
- (n) the ability to claim if you are renting to claim for your rent,
- (o) the ability to claim for your savings in a credit union,
- (p) the ability to claim for a contribution to a trade union in this country,
- (q) the ability to claim, as we all can claim in this House, for our contribution to our political party,

and our ability to claim for our purchase of shares in a company.

If it is Government's intention to eliminate all of those things, Sir, it has a responsibility to tell us. If it is not eliminating all and only some, it must say so. But, Mr. Speaker, the Minister of Finance cannot come to the House and say that it is his intention to impose some new taxes on shoes and expect that can become law immediately upon his having said so. To that extent, he must understand that when he eliminates some itemised deductions that I have just called he will put some persons in a higher taxable income bracket and cause them to pay a different level of taxes than they are paying now. So that the variation in itemised deductions and allowances directly affect people's taxable income and hence the tax to which they are due.

Sir, it is totally unsatisfactory and unheard of for a Minister to proceed in the manner in which he is intended to proceed. If it is the intention of the Democratic Labour Party as well, Sir, to reduce itemised deductions to only \$15 000, because that would seem to be in keeping with the spirit of the IMF proposals, then say so. The worst relationship that a Government can encourage between itself and the citizens of a country is the relationship of uncertainty. The Government must never put the citizens of a country in a position where they are not certain as regards the manner in which a Government policy is going to affect them. No Barbadian today, Sir, having heard the Minister's statement, can say with certainty exactly what will be his taxable income six months from now and what therefore will be the tax that we will be subject to over the next six months. Therefore, he will not be able to plan his own personal financial affairs.
8.20 p.m.

It may sound like a small matter, but it is policies like these pursued by the Democratic Labour Party which are destroying that factor of confidence in Government and reducing people's willingness to invest, because they cannot see the future, they cannot reasonably anticipate how Government's policies will affect them, and to that extent this society cannot move forward once there is that overhang of uncertainty induced by the lack of clarity in Government's own expression of its policies.

Sir, I am not here to argue a case on behalf of persons in the higher income brackets of this country, but what I was in a position to do was to compare Government's statement to the House yesterday with what was contained in the brief this House was presented with, a document called "Proposed Reforms to the System of Direct Taxation in Barbados" and prepared by the Ministry of Finance and Economic Affairs on 25th June, 1992. I have already established that in the course of the next 6 months Government's proposed tax changes will hurt

everybody at the bottom. We can also establish that they will hurt everybody in the middle. Listen to what this document says about the people at the top:

"The application of the 40% rate and the ability to claim allowances for the first 6 months up to the date of the new tax reform will lead to slight gains from these measures in 1992-93 for the top 5% in the income tax scale."

I want to repeat what I am saying to this House, Sir. Beyond any shadow of a doubt, nobody in Barbados between the income levels 0 and \$15,000 the real poor people in Barbados, will benefit at all either from the changes in direct taxes or the related measures that Government is putting in place as part of an overall change in its policies. Nobody in Barbados between \$15 000 and \$40 000 will benefit from the reduction in the rate of tax to 40%. They cannot benefit from the elimination of the deductions, they cannot benefit at all, they can only also be hurt by the changes in land tax. But we have a document that is telling us that the low income man cannot benefit, the middle income man cannot benefit, but that the application of the 40% rate and the ability to claim allowances for the first 6 months up to the date of the new tax reform, will lead to slight gains from these measures in 1992-1993 for the top 5% in the income tax scale.

This House, therefore, has before it, Sir, not only a financial issue but a moral issue as well. Are we going to sit as Members of Parliament in 1992 and agree to tax changes that will not help the man at the bottom, will not help the man in the middle, but by the admission of the Ministry of Finance of this country will only benefit the top 5% in the income tax scale? The Minister of Finance, and the Chairmen of large corporations in Barbados. Is this what this House is to be reduced to? For that reason alone, Sir, and if for no other reason, this House has absolutely no moral basis for approving the proposals brought before us yesterday.

I go further, Sir. The withdrawal of exemption for pensions income. Mr. Speaker, in many respects this is more a moral issue than a financial issue. The loss of revenue to the Government, admittedly - and the IMF document admits this - from the removal of this measure may be small, very insignificant, so that leaving the existing arrangement in place will not seriously affect the revenue. But it will mean a lot to the people who would have gone ahead since 1986 and have taken the Democratic Labour Party Government at its word. I know people, Mr. Speaker, and I am sure that you know people in Barbados who took personal decisions with their lives. Based upon a reasonable and legitimate expectation that in so far as the Government had committed itself by way of Manifesto and by statement that their pensions would be tax free, they took the decision to forego the possibility of

a larger pension that could have arisen from working longer, and have retired. Now they are going to find themselves in penury and in a quandary because the same Government which encouraged them in 1986 and thereafter to believe that their pensions thereafter would be tax free is now going to introduce this measure that will not substantially reduce Government's revenue, but it is going to radically affect their livelihood. Again, I must impress upon Government that many of these people are still paying land **tax**, some are still carrying mortgages on their properties and the whole thing must be seen in its totality.

Mr. Speaker, when the Barbados Labour Party had responsibility for running the affairs of this country, we had an approach to this matter that the Democratic Labour Party sought to discredit. I remember the Member for Christ Church South fighting on this issue on the principle that if people are allowed to accumulate pension funds tax free they could not be expected thereafter to get access to those pension funds when they retire tax free as well, because you will be giving a person access to the same source of income with two bites at the tax cherry. You are allowed to put pension funds into funds and claim them for tax purposes, so you put in the funds and get a tax rebate for it. Therefore, the argument of a former Minister of Finance, Mr. Tom Adams, was that if you put in the funds **tax** free you could not expect to get back out the funds **tax** free. You got one bite at the tax cherry. In most countries in the world that is how it is done.

But the Democratic Labour Party brought an element of political gamesmanship to this matter. They excited the expectation on the part of people that we were doing something that was fundamentally at variance with the proper **tax** practice. I am saying, therefore, that the Democratic Labour Party now has a responsibility to all those persons who it will now leave in the lurch, whose personal lives it can now possibly disrupt. I do not think it is proper for a Government to be seen to be so entirely in breach of what must be construed as a social contract between itself and the citizenry of the country, particularly, Mr. Speaker, when there is so small a revenue *consideration* involved. It sets a precedent that is going to be an unhappy precedent. And it is going to ask a lot of people in Barbados if they can ever again take a Government of Barbados at its word.

Mr. Speaker, the question of withholding tax on interest. There is a large number of persons in Barbados who are earning less than \$15 000 who have savings in the bank. They are earning interest on the accounts that they have in the banking system. In very many instances, adding the interest earned on accounts to their wages and salaries will not bring them up to the level where they have to pay income tax. The Democratic Labour Party is now proposing that all interest must be subject to 12½% withholding tax at source, so that even if a person would be in a position

where, after he has added his interest to his wages he was below the \$15 000, the new proposal will put that person in a position where he will have to pay a proportion of **tax** on a proportion of the total income.

8.30 p.m.

Now, Mr. Speaker, Sir, is this really the policy of the Democratic Labour Party? Is the Democratic Labour Party now interested in introducing a back door tax of persons in this country whose total income from whatever source does not amount to the income below which we as a country say that people are too poor to pay taxes? That is the issue. If the Government has a policy that says that we must set an income threshold in Barbados based below which people are regarded as being too poor to pay taxes, Sir, it will recognise that a straightforward policy of just imposing a withholding tax on interest earned on your savings account is retrogressive and a policy that is against all the best tenets of social democracy in Barbados. It will also impose an administrative hiatus on the banks. But that is the least of our considerations.

The important point is that the Government has to tell us exactly what is its policy in regard to the people at the lowest end of the income scale. We, in the Barbados Labour Party, are saying that Barbados still needs to increase the rate of savings nationally, that a Government should not be clutching at these marginal increases in taxes that it can get from taxing the savings of people, particularly, the savings of the people at the bottom.

There is already in existence a provision that allows for the withholding of taxes on income on interest above a certain level. I think it is \$6 000. We believe that is a fair and reasonable policy because you have to have a lot of **savings** in the bank to be able to **earn** interest of \$6 000. The poor man at the bottom will not earn any interest of \$6 000. He is not affected by the existing withholding **tax** on interest. Leave the existing policy in place! Again this is another nuisance tax that will unfairly hurt poor people without substantially improving Government's revenue. We would urge Government not to proceed with it.

The Government is making much of the fact that one of the policies for immediate implementation is the elimination of the companies stabilisation tax at the end of June 1992 and its replacement by an increase of the corporation **tax**. Now, Sir, let us back up a minute. This Democratic Labour Party Government, when it imposed the stabilisation tax, promised that it was going to remove the stabilisation tax by the end of the last financial year, March. The Government, Sir, having refused to keep its promise to remove the stabilisation tax at the end of March is now coming to claim credit for having to remove it under pressure of the International Monetary Fund in June.

I am saying to this House, Sir, that the damage has already been done. A large number of companies

which have had to struggle under the imposition of this tax on payroll have already laid off at least 5 000 people. It is totally unrealistic for the Government to believe that the mere elimination of the stabilisation tax now is going to generate an increase in jobs and rehiring of people. It clearly has to be the case that businesses will only be in a position to consider rehiring of staff if the general conditions of business improves and there is an improved demand for goods and services. The damage has already been done. Retention of the stabilisation tax beyond the period when the Government had said it would be removed has been another nail in the coffin that the Government dwells in where its relationship with the private sector is concerned. The private sector does not believe the Government because the Government has not kept its word. Removing the stabilisation tax now is 3 months too late. The people have already been sent home; and until there is an improvement in the condition of business in this country there will be no possibility for those persons who have sent home workers because of the imposition of the stabilisation tax for too long a period to rehire them. This is a matter that will be of no effect where employment creation is concerned.

Mr. Speaker, in relation to next year, the Government proposes, as I understand it, when individuals are concerned to remove the stabilisation tax but as the *quid pro quo* for the removal of the stabilisation tax, it will reduce the basic deduction from \$15 000 at least to \$13 000. People will come out of 1992, Sir, at least worst off at the lower end, and no better off if you are in a lower income or middle income group. So next year what the Government is proposing to do is that it will eliminate the stabilisation tax on one hand and at the *quid pro quo* it will drop the basic deduction you can claim for income tax from \$15 000 to \$13 000. What it puts in one pocket it takes out from the next so you are no better off.

That will immediately increase the number of persons in Barbados subject to income tax. The Government must say so and say so directly. There are persons who since 1986 have not been accustomed to paying income tax, but this DLP Government of Barbados, as of next year, is going to bring more people into the income tax net by the device of dropping the basic deductions from at least \$15 000 to \$13 000.

It says it is going to introduce a new income tax rate of 25% of incomes between \$13 000 and \$37 200. Now, Mr. Speaker, Sir, the Government has not gone to the trouble of costing its proposals but I am saying that right now there are persons in Barbados earning between \$13 000 and \$37 000 who are not paying a tax rate of 25%. That is a fact. There are persons, Sir, in that tax rate who can now if they can claim a taxable income of \$15 000 only pay a tax rate of 20%. The implication next year of Government increasing the tax rate to 25% on all

persons between \$13 000 and \$37 000 will mean again that there are some middle income Barbadians who next year will find that not only their taxable income has gone up but the tax rate applicable has also gone up and they will be awash in tax. I ask the Government, before it introduces these measures, to tell us since I am not prepared to guess on this point – the Government has access to the information – how many people will be affected by this arrangement.

The Government also proposes next year to make a provision whereby an adjustment of the calculation and preferences in respect of in-kind benefits such as automobiles and housing allowances in respect of their inclusion in accessible income. I want to read this again because it is mumbo jumbo but it can have sinister implications for a lot of professional people.
8.40 p.m.

"The adjustment of the calculation and preferences in respect of in-kind benefits such as automobile and housing allowances in respect of their inclusion is assessable income".

Mr. Speaker, let us see if we can bring some light to this matter. At present there are Barbadians who get fringe benefits in kind as part of their contract of employment. You get a car and you are required as part of your calculation of your accessible income to include I think it is 10% of the value of that car. Now, the IMF Report says that including only 10% of the value of the car as part of your income is too low. It proposed to the Government that it should at least increase the proportion of all of those in-kind benefits that a person from year to year includes in calculating his income.

Mr. Speaker, I am not even going to guess what is behind this. The fact is, the Government is now proposing an adjustment of the calculation of its preferences in respect of these in-kind benefits. It is therefore proposing that if you are presently only having to include 10% of the value of your car or a given percent of a house allowance, it is going to increase that. I am saying it is therefore incumbent upon the Government, if it wants to collect these new taxes under the Provisional Collection of Taxes Act, to tell us precisely what is going to be involved because this is going to affect people.

People now will have next year – I am talking about a lot of young professional people – to make specific provision in their tax planning to accommodate the fact that Government will artificially cause them to show an increase in their accessible income, therefore, an increase in their taxable income and to the extent that many of the middle income people will not be paying a 25% rate of tax, or a 40% rate of tax, they will be paying a higher

rate of tax on a higher level of income as a result of this measure alone. It cannot pass the House in this fashion.

I want, Sir, to remind the House of what the IMF had initially caused the Government to agree to. It has told the Government that in the event the behaviour of the revenue does not coincide with the forecast that it must delay the implementation of the various measures that it has to eliminate the levies. That is why in the absence of a statement by the Government in relation to the overall cost of these ~~tax~~ measures we are not in a position to take seriously those aspects of the Minister's statement pertaining to the elimination of the levies.

The IMF has said clearly in their document that the levies must be the point of flexibility. If you find that you have given up too much revenue by the measures you have introduced, defer the implementation of these levies. So that when the Minister tells us that he is going to eliminate the levies in 2 stages beginning in January 1993, and then in 1994, we can only, tell him that given what is set out in the IMF Report to Government, that is not a certainty. That is only conditional upon Government's revenue reaching a certain level and Government not running a fiscal deficit.

We have seen in the recent past where this same Government said it was going to introduce a stabilisation tax and phase it out after a particular time and refused to do so because revenue considerations did not allow it to do so. The history of the Democratic Labour Party in recent time is that it has given promises to the House, and the country, but not kept them based upon revenue considerations. I am not quibbling on this point.

This House is not in a position to adjudicate on the seriousness of Government's commitment to remove the levies in the absence of a clear statement by Government in regard to how much these are likely to cost, whether they are going to lead to a Government deficit, and if in Government's estimation they are going to lead to an increase in deficit. We know for sure that the IMF has already said once your revenue forecasts are off, you cannot implement your commitment to change the levies on time.

Mr. Speaker, Sir, in many respects those cover most of the specific points raised by the Minister of Finance on taxes. I really believe that the Minister's specific approach to the tax reforms is best captured in what I call the quandary of Rio. "In order to build we must destroy, but how, and what, where and when? And if we destroy we must rebuild but how, and what, where and when?" The real quandary, Sir, is the Minister has brought to this House a ~~tax~~ package based on the precept that in order to rebuild we must destroy; but he has not shown us how, and what or where, and when. He is satisfied that if he has to destroy he must rebuild, but he does not know where, or

how, or what, or when. The real quandary that was so admirably spelt out as the Minister of Finance's dominant philosophy on ecological or environmental matters can truly now be said to have invaded the Democratic Labour Party's thinking in relation to how fiscal affairs of this country should be administered.

I am not finished, Sir, because the Minister's speech adverted to a number of matters some pertaining to the economy and some raising issues concerning Government's overall relationship with the International Monetary Fund. The impression was cast that Government's relationship with the IMF has been a glowing success because we have managed to maintain our traditional fixed exchange rate at \$2 to \$1, the fiscal deficit has been reduced, there has been a substantial turnaround in domestic and external financing, that there is increased liquidity in the banking system. The Government is now satisfied there will be a recovery in the economy and that this recovery will be based on a recovery in the tourism sector.

I want to quote this, Sir, "the recovery of the tourism sector is based on a projected increase of 4½% visitor arrivals from the main tourist markets in the short run." Now, Mr. Speaker, I want to say this and say it as emphatically as I can. A 4½% increase in visitor arrivals in the winter season cannot in itself be strong enough to even turn around the fortune of the tourist industry far less turn around the fortune of the economy as a whole.
8.50 p.m.

The Government would have to be mad in the face of a substantial decline in agriculture, in manufacturing, in construction, in mining, in the distributive trades to believe that a 4½ per cent increase in tourism arrivals in 3 months of the year can be the solution to the Barbados economy. I am of the view, Sir, I am seriously of the view that Government's economic policies are totally **unrealistic** because they are being sketched within the context of a view of the economy that is the view of people who are mad.

The Barbados economy is in a position of rampant decline. Doors are closing on this **economy**. There are fundamental problems in the agricultural sector so much so that unless very timely decisions are taken in agriculture the devastation of the rural society may very well – not just a growth rate – but the devastation of the rural society could be the lot of Barbados. In relation to **export** manufacturing there is a clear crisis. In relation to the distributive sector we know that there has been a 28% decline in imports in the first quarter of the year. The banks have operated under the constraints hitherto of a tight monetary policy to have stopped people from restocking. There can be no anticipated growth in the distributive sector once the existing foreign exchange problems in Barbados exist.

Mr. Speaker, Sir, we have to make this point from the Floor of the House because one of the things that we are being charged with, as a nation, by international institutions, is the fostering by Government in the minds of the Barbadian public of a totally unrealistic perspective of the nature of this country's economic problems and the prospects for our immediate survival. I can now begin to understand why the international institutions entertain such a low opinion of the Minister of Finance and why we see such caustic comments on the front and back pages of the newspapers, Sir, about how and what the officials of those institutions are saying about our Minister of Finance when I see brought to the House a Statement which is so offensive to the commonsense of all Members of this House. Everybody in this House knows that it will take far more than a 4½% increase in visitor arrivals in order for this economy...

Mr. SPEAKER: Am I understanding the Honourable Member to say that somebody brought a Statement that is offensive to this House? I want to be clear on that.

Mr. O. S. ARTHUR: I said it is offensive to the commonsense of the Members of this House, Sir.

I start on this point because the Government is alleging that the IMF programme has worked. It has been our contention from the very start that the real fundamental problem with the International Monetary Fund's programme in Barbados is that it did not combine a strategy for management of demand with a strategy for the selective stimulation of those sectors of the economy that were capable of selective stimulation, Sir. That has been our contention from the very start. I put that case to the House again in the Budget that what was necessary is that while the Government was instituting measures to curb domestic demand and reduce import it should have had in existence measures that would stimulate the economy.

The public and the House are being led to believe that the economy is going to grow and that Government is going to have a growth plan. I say to the House that so long as the existing measures remain in force, so long as the measures designed to curb domestic demand and protect the balance of payments remain in force there can be no prospect for the recovery of the Barbados economy in terms of growth. And in the absence of Government's stipulation of a growth package that is directly designed to stimulate those sectors of the economy that can bear stimulation, it is completely nonsensical for the Government and the Central Bank to keep telling the people of this country that growth is at hand.

But the Minister seems to be the victim of a very dangerous self delusion. And there can be nothing more dangerous than to have a Minister of Finance who is fooling himself, because you can never have realistic

policies if you start from the wrong premises and the wrong assumption. Perhaps one of the things that we have to fear most in this Barbados economy is the fact that the Minister of Finance is deluding himself. When he brings a growth package, when he brings a package that balances the protection of the balance of payments, which we need to have, with the stimulation of those sectors that can be stimulated, which we ought to have, then we can believe that there will be a possibility for growth. But in the absence of them the Barbadian economy is headed for a rapid downhill slide in the immediate future.

I would also, Mr. Speaker, be the first person to congratulate the Government if the improvement in Barbados' foreign exchange reserves over the course of the period when this country was under the influence of the international Monetary Fund was due to the fact that we were earning the foreign exchange. If it were the case that the Barbados economy was generating foreign exchange to meet the existing demand to pay for imports as well as accrue a saving which would be put into the reserve then you can say, Sir, that the IMF programme has been working.

But the Government knows the expedience to which it has been put in order to pass the IMF reserve test in December. And the Government also knows, Mr. Speaker, the expedience to which it has been put to pass the IMF reserve test in March. They have nothing whatsoever to do with this Barbados economy earning and generating the foreign exchange to meet our current needs for foreign exchange as well as to allow us to save a little bit.

The Government knows about the extraordinary things that it had to do involving the pre-payment for sugar, getting banks to bring into Barbados foreign exchange in the knowledge that the bringing into Barbados of foreign exchange by the banks would not affect the net foreign reserve position of the Central Bank which is the test to be met, Sir. The Government also knows that it is selling off our assets one by one, by one in many instances at less than their fair market value as a way of being able to prop-up the reserves. The question therefore really arises, Sir...

Asides.

Mr. SPEAKER: Order, please. Order, please.

Aside.

Mr. SPEAKER: I said order. I do not know what that means.

Aside.

Mr. SPEAKER: I would send out all. I would ask all the Members to leave if they cannot comply with the Rules.

Aside.

Mr. SPEAKER: I need to have order, that is what I need to have.

Aside.

Mr. SPEAKER: The Honourable Member for St. John, I am asking for order in the Chamber.

Mr. O. S. ARTHUR: The question becomes relevant because in the body of the Minister's presentation the Minister did not tell us that he is looking for an improvement in the Barbados economy as a result of an improvement in our ability to earn foreign exchange. He did not speak, Sir, of this country's ability in the future to pass the International Monetary Fund test pertaining to reserves by the earning of foreign exchange. He said, "In order to achieve the foreign exchange reserves targets and to cover amortisation payments, I propose to accelerate the divestment programme and to secure unlimited amount of commercial borrowing".
9.00 p.m.

Now, Mr. Speaker, Sir, this is a very serious undertaking on behalf of the Government of Barbados. The Government had a leisurely time within which to sell the BET shares and the Flour Mill shares. It did it badly, Sir, under terms and conditions that in our judgment, on this side, and we are prepared to join in debate on it, Sir, involved bad judgment as the Member for St. Michael North is saying. It entails a giving away of the assets of the people of Barbados.

Now the Government is telling this country that the answer to passing the foreign exchange reserves test as set by the International Monetary Fund, is to accelerate the divestment process.

Now, I feel, Sir, that as a responsible Parliament, this House has a right and a duty to insist of the Minister of Finance that he tells us, since he wants to accelerate, which are the Government properties that he proposes to sell. Whom does he propose to sell them to? What are all the terms and conditions of sale? What is involved in the acceleration of this process, Sir? Are we to understand, Mr. Speaker, Sir, that under the Government policy agenda there will be some enterprises that were to be sold in 1994 and 1996, that the Government now wants to put on the block today? And if the Government is proposing to do precisely that, we must be told. Sir, it is extremely clear.

In the final analysis, Mr. Speaker, Sir, does the Government of Barbados truly believe that it is a realistic

answer to the foreign exchange problem of this country for Government to accelerate the sale of public assets? To the extent that when those assets are sold they are gone forever, at the end of the day, after the assets have been sold, the foreign exchange problem will still be in place. What will be the Government's solution to the recurring balance of payments problem after it has gone through this accelerated process of selling off the public assets?

We are satisfied on this side, Mr. Speaker, we are absolutely satisfied that the Government of Barbados, right now, does not have any answers to the economic problems of the country. The country, Sir, is operating in accordance with economic policies for which there is no mandate.

From what we can glean, Mr. Speaker, the kind of policies that the Government is about to embark on with the multilateral institutions will invite increased hardships on the people of this country and will yield so called solutions that, based on independent analysis, will put this economy in an unworkable position.

I believe, Sir, that to the extent that we are discussing the future economic policy of Government and its position to the multilateral institutions, the Government should also tell this House what are some of the preconditions it has agreed to in order to gain access to World Bank financing. The Government has a policy agenda. We want to know what the policy agenda involves. For example, Mr. Speaker, I am being told that in order for Government to get access to World Bank financing to help agriculture it has to amalgamate the Barbados Agricultural Development Corporation and the BMC. Mr. Speaker, Sir, let us step back from that, Sir. There is absolutely no relationship whatsoever between the amalgamation of the BMC and the ADC and the solution of Barbados' agricultural problems, Sir. The Barbados agricultural problems involve immediate injection of funds right now to recapitalise all of the agricultural enterprises that are in private hands.

Playing around with institutional studies pertaining to the amalgamation of the ADC and the BMC is the kind of foolishness that international civil servants and the World Bank like to see developing countries go through. At the end of the day, Sir, it will not affect the price of peas in Pie Corner. But yet we are hearing that the Government of Barbados has to amalgamate the BMC and the ADC before we can get financing from these institutions to help agriculture, which is now in need of urgent help. Mr. Speaker, Sir, I want therefore to know ...

Aside.

Mr. O. S. ARTHUR: Mr. Speaker, the Government, to the extent that you have a policy agenda decision, has a responsibility to tell us what will be involved, because we have started to see documents which are saying,

for example, that in order to save tourism we have to contemplate, in Barbados, the complete eradication of manufacturing as it now exists. This Barbados Labour Party does not believe ...

Aside.

Mr. O. S. ARTHUR: That is a fact. The document that has been prepared for the Inter-American Development Bank, called "Competitiveness and Export Performance", has at its core a lot of foolishness by international civil servants saying that a realistic solution to Barbados economic problems is that in order to save tourism we have to abolish agriculture and manufacturing. These matters, Sir, have to be seriously addressed for a specific reason; the relationship between the World Bank and the IMF and the developing world is an unhappy relationship.

In the case of Jamaica, Jamaica has had relationship with the IMF since 1977, year after year, but there is no immediate solution to the Jamaican economic problem. The Jamaican economy has, since 1980, had a number of so called structural adjustment loans from the World Bank, as well as sectoral loans from the World Bank for adjustment to the performance of the respective sectors. At the end of the period, the Jamaican economy is growing only by 0.1 per cent. And if, Sir, we should take all of Africa and all of the Southern countries, the relationship between these multilateral institutions and the developing world is that they pull these formulae off a shelf, impose them willy nilly, without reference to time, place or circumstance; and say go ahead and implement them. What are these things, Sir? There are 2 aspects of this situation that we want to talk about and one is about liberalisation.

The Member for Christ Church South has started a serious debate about Barbados freeing up our market at any cost, in a world that is uneven and unfair. The Japanese protect their rice industry and their domestic industry for their products. The Americans protect their industries, Sir. The notion that Barbados should just open up our markets, to all kinds of goods which we cannot produce more efficiently than the rest of the world is going to be a recipe for disaster as certainly as it has been a recipe for disaster in the rest of the world where these policies have been implemented.

Mr. Speaker, Sir, the "all out export policy" is based on a fundamental flaw. It is saying to Barbadian manufacturers, in particular, that since you cannot, in Barbados, effectively compete against imports in Barbados, stop producing for the domestic market and go abroad and compete abroad with the same very goods that you cannot compete with in Barbados. That is what they are saying; that you cannot compete against U.S. goods when they are sold in Barbados without government protection. So Government must remove all protection and you must by

a magical process immediately go to America and compete in the American market with the same American goods that you cannot compete with in Barbados.

Now, Mr. Speaker, Sir, it does not require deep economic analysis to recognise that export at all costs, no domestic protection to industry, is a policy that is not meant to apply in the real world. Because if a Barbadian producer cannot compete against an American good in Barbados, Sir, with protection, pray tell me, how is he going to compete against that American product in America without protection? That is the quandary that the IMF policies and the World Bank policies raises.

9.10 p.m.

Aside.

Mr. O. S. ARTHUR: I am ignoring the Member for St. Michael West. It has to do with the fact that these international institutions operate under a legal mandate which says that in the process of their own adjustment, members having access to their finances should not do anything that is injurious to international welfare. In plain English, Sir, in order for Barbados to help itself, it must not do anything that may hurt America or Japan. I am saying that the time has come for us to tell these international institutions that charity for us must begin at home and that it is unfair and unreasonable for small countries in the process of making their own adjustments to their very serious crisis to be governed by an ideology which says that they must contribute to an increase in international welfare by having such policies that will not hurt other countries. We are living in a world now, Sir, where people are even now instituting policies that can hurt Barbados.

Therefore, we are, within that kind of context and despite the murmuring from the other side, urging the Minister of Finance to open up the debate concerning Government's overall relationship with these multilateral institutions. The Government has a policy agenda. We want to know what that policy agenda entails. We want to be told as a House about all of the preconditions that the Government of Barbados has already agreed to with these institutions in order to have access to sectoral loans. We cannot, Mr. Speaker, at all be satisfied for this country to be put in the same condition as so many developing countries whereby for 15 or 20 years you are on IMF welfare.

It may sound like a small point, Sir, but almost a full year has gone since the IMF programme has been in place. The Barbados Government relationship with the IMF, I am told by the Press, was supposed to end in May next year. But an IMF representative has been sent down here for two years to supervise a programme which to the best of our knowledge is due to end next May. Barbados must

not be allowed to go the way of **all** those countries in the developing world which have seen the short **circuiting** of their development prospect by reliance upon the draconian economic policies, based upon formalised and standard economic theology, Sir, that the IMF and the World Bank practice in developing countries.

Mr. Speaker, the Government has brought to the House an approach to tax reform. I believe that in so far as we have criticised it that I really have the responsibility, Sir, to speak on an alternative approach. **Tax** reform in Barbados, Sir, arises out of the need and because of the fact that too much political gainsmanship has been placed on taxes in this country. Every five years it has become the pattern that a Minister of Finance without reference to norms of financial sobriety, without reference to what is good or sound financial practice makes wide and sweeping proposals most often affecting existing level of taxes with a view to promoting their party's fortunes at the polls. We saw it in 1986, Sir, when the Democratic Labour Party against our advice made proposals that at the time were judged by those of us who held office to be unsound and not prudent. We have seen the Democratic Labour Party recently come out in condemnation of the very policies that brought them into office in 1986. There is nobody on the Democratic Labour Party's side who is free from the legitimate charge that in 1986 they were part and parcel of a process of public deception, even the Member for St. John.

Mr. SPEAKER: I would not accept that the Honourable Member for St. John is deceptive.

Mr. O. S. ARTHUR: What is that, Sir?

Mr. SPEAKER: You said that he is deceptive. I cannot accept that as a parliamentary good comment.

Mr. O. S. ARTHUR: Let me explain my point, Sir. I am saying, Sir, that we have heard a number of very contradictory statements from members of the Democratic Labour Party's side, Sir, including a statement from the Member of St. John. The Member for St. John in 1988 was very instrumental in leading a public charge by the Democratic Labour Party to the effect that the measures which were introduced in 1986 were measures that the Democratic Labour Party people had not seen and were pushed on them at the very last minute. He spoke, Sir, and I am not going to refer obviously to the newspaper **document** because you cannot make that a document of the House, but at a meeting of the Democratic Labour Party...

Aside.

Mr. O. S. ARTHUR: I am not reading. I am refreshing my memory with notes. Sir, he said that as part of the 1986 preparation for election that the Democratic

Labour Party had not indulge in political education, that its members were the victims of economic trivia that was put on them by Dr. Haynes, that what they did in 1986 was build up a little tax reform and called it a fiscal programme, but that fundamentally the members of the Democratic Labour Party did not have time at all to study the 1986 proposals. That was his position, Sir, in 1989. But I challenge the Member to dispute that **writing** in a column called, "It Seems To Me", on March 29, 1987 he said words to this effect, Sir. He said, "Dr. Haynes has stuck closely and sincerely to the Manifesto pledges of the Democratic Labour Party. It has been a long time since we have been able to point a single document which comprehensively outlines the economic policies a government will pursue. Many governments shortly after being elected are bound under policies which endear them to the electorate and pursue policies based on the expediency of the situation. This Government has set itself the task of being guided by those principles on which it was elected." He went on therefore to say...

Aside.

Mr. O. S. ARTHUR: That is exactly what he said. So that, Mr. Speaker, I want to come back to the basic point that political reform must be the first part of tax reform. 9.20 p.m.

We have in this House to institute a system whereby the gravy train mentality to taxes has once and for all to be put behind us. We have to find a way whereby financial measures in this House are dealt with in a businesslike manner rather than within the context of the theatrics that now surround the presentation of budgets. We have to understand that the most important part of the budgetary process is the Estimates and that there must be a consolidation of the Estimates and the budget presentation. And it is for this reason. In the Estimates, Government sets out the basis of its budget, how it intends to spend, and the House very often takes decisions in relation to the subsequent budget debate upon what the Estimates contained, but we have to make sure that all of the Estimates are perused.

I like the system that exists in other countries where, rather than this House go through the Estimates without fully analysing Government's expenditure, that they should go to a financial committee of the House. In particular, Mr. Speaker, no new activity should ever be engaged in by a Government of Barbados without the feasibility and the cost of that activity being isolated in the year in which it occurs, and the House satisfying itself that the activity to be undertaken is feasible and can be supported. There should never again be in Barbados a case where we build a Central Bank which started out to cost \$40 million and ended up costing \$100 million. There should never be a case again where any Parliament in Barbados,

without knowing it, starts a Sherbourne project without satisfying himself that it knows what it is going into. The Minister of Health is not going to like this, but we should never again go into a St. Joseph Hospital without that activity being isolated, its feasibility being studied and the House has been satisfied that in relation to all new ventures the House has seen the activity and we know what we are committing the people of Barbados to in terms of existing commitments and in terms of future costs. That is not now the practice, Mr. Speaker, at the level of our Estimates debate.

Aside.

Mr. O. S. ARTHUR: I apologise to the Member, but I can speak about the Central **Bank**, which is critical of the Barbados Labour Party, but we must never again set out to spend \$40 million and end up spending \$100 million. That is what I am saying. We must never again involve ourselves in a Sherbourne project, which is critical of the Member for St. Michael South, and we must never again – and I **am** not afraid to say so – start St. Joseph Hospital or anything of its kind without having presented to us a complete study as to what we are getting involved in. That is all I **am** saying, Mr. Speaker.

Hon. B. M. TAITT: On a point of order, Sir. I draw to Your Honour's attention that the Honourable Member is a member of the Public Accounts Committee. The Public Accounts Committee has recently given the impression that they are **investigating St. Joseph Hospital** and they have found irregularities. They may not have given that impression, but that impression was given by an article which quoted a source close to the Committee. The Honourable Member now makes a statement which I cannot respond to and is therefore bound to give the impression that he has found things, and I object to that.

Mr. SPEAKER: That could not be a point of order in that form. The second point is that I have already made an observation as to the particular comment you are making, so I am not sure I will allow any more development on that particular comment I made.

Mr. O. S. ARTHUR: Mr. Speaker, I have not referred to any irregularities. All I am talking about is that we too often find ourselves caught with starting things without fully investigating what we are becoming involved in, because of the nature of the Estimates debate.

Asides.

Mr. SPEAKER: May I have some order? Order, please. The Honourable Member for St. Peter.

Mr. O. S. ARTHUR: Mr. Speaker, all I **am** saying is that if Members of the House analyse the existing...

Asides.

Mr. SPEAKER: I have given my assurance that Members will **speak**...

Aside.

Mr. SPEAKER:...The Honourable Member for St. Michael West.

Asides.

Mr. SPEAKER: There is no one person **in** this Chamber who is privileged against the other. All Members are entitled to the same kind of treatment from the Chair. If I ask a Member for order, I expect that Member to respect that appeal. I will now hear the Honourable Member for St. Peter. Please continue.

Mr. O. S. ARTHUR: Mr. Speaker, the House can have the assurance that despite the fulminations of the Member for St. Michael **West, when** the right time comes...

Mr. SPEAKER: The Honourable Member for St. Michael West has not spoken.

Mr. O. S. ARTHUR: He spoke on a point of order, Sir.

Mr. SPEAKER: I have already said that I did **not** accept his intervention as a point of order as it stood, therefore there cannot be any comment.

Mr. O. S. ARTHUR: Mr. Speaker, on my honour I give this House the assurance two things: That I have not given anybody any information concerning what was discussed at the Public Accounts Committee,...

Mr. SPEAKER: I have already made my position clear on that and I am not entertaining any discussion on it. That position has been clarified, **even** by the Leader of the Opposition, who is also the Chairman of that Committee.

Mr. O. S. ARTHUR:...and that anything I am here saying as regards how the Estimates Committee can be improved is not really intended, Sir, to reflect on the Member for St. Michael West. We must understand that we have inherited an archaic system that in a sense excludes Members of this Parliament from participation in taking financial decisions about Government's expenditure in a systematic and scientific way. If we are going to reform the taxation system we must begin by recognising that the first stage in tax reform is in controlling the rate of growth of public expenditure, because the Government only has the need to raise taxes because it needs to spend. You cannot have **tax** reform of any serious nature unless the **Government** has agreed, or has a perception in its

mind in relation to what is the rate of growth of its expenditure in the future. Therefore, Sir, to the extent that the Estimates Committee is the place in which decisions affecting Government's expenditure are made, in order to have tax reform we have to reform the way in which the Estimates Committee works.

9.30 p.m.

I am saying as a contribution to that discussion that it will entail that all new expenditures by Government will have to be isolated and Parliament agree on whether or not it wants to proceed with it based upon its feasibility.

We would also, Mr. Deputy Speaker, have to agree on the creation of any new institution in advance. I am also recommending, Mr. Deputy Speaker, that it is possible to treat the Estimates debate and the Budget debate as one. It is done in other countries. They are effectively one and the same process and this exercise has shown that it is at least possible for the main directions in which Government wants to change taxes to be told to the public in advance. This has now established that.

Since 1961, Barbados has been bamboozled by the mystique of the black box, that budgeting is about the Minister of Finance bringing to the House on Budget day – sometimes without the Cabinet being told about what is contained in it, or only 5 minutes in advance and without reference to the rest of society – a black box containing a series of budgetary proposals. That has been the ruling format within which budgetary measures in this country have been dealt with. It has now assumed a theatrical format which in many respects robs the House of being able to do what has been in part done on this occasion; which is to know in advance, in part, the direction in which Government is thinking where changing taxes are concerned and involving the rest of the society in giving a point of view. When we come to the House to deal with a budget although we may not know in advance the exact details of what the Government proposes to do the public will have contributed to the general direction in which Government's fiscal policy is to be instituted.

Mr. Speaker, what I am saying is something that happens in the United States of America where Government's proposed tax measures generally are known in advance of the coming law. It is discussed freely on all sides of the House and by society. We have become in Barbados the victims of the black box mentality where budgetary measures are treated as solely the preserve of a Minister of Finance, not to be discussed even with his Cabinet colleagues, not to be known by his backbenchers and not to be known by Opposition members nor any members of society. I am saying that it has lent itself to political gamesmanship. It has lent itself to serious fiscal issues not being dealt with sometimes in the businesslike manner in which it must be dealt with; and that as a

consequence this country has in many respects not brought the best minds to bear in the presentation of the taxation policies that this country should follow.

I am saying, given what has happened in the country during the course of the last 5 years, it must stop. A workable system must be found just as what was attempted in this particular instance of involving a wider participation in the formation of fiscal policy. I want, Mr. Deputy Speaker, to close on this point.

The Barbados Labour Party supports tax reform but it is clear to us – and this is the essential point – that the Government has not yet made up its mind in relation to what it wants to do with direct taxes on this occasion. It is merely trying to comply with an IMF policy agenda and have Parliament involved in the appearance of sanctioning what it wants to do. We urge the Minister of Finance to withdraw his incomplete and open-ended proposals. Do not wish to put this House in the position where it has to conspire with the Minister of Finance in setting a monstrous precedent that will put a future Minister of Finance in a position where he can come to this House and make vague statements and then collect taxes under the Provisional Collection of Taxes Act. To the extent that the Minister of Finance is not ready, this House cannot be ready and we urge that the measures be withdrawn.

SUSPENSION OF SITTING

Hon. P. M. GREAVES; Mr. Speaker, I move that this sitting be suspended until 10.00 a.m. o'clock tomorrow.

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

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

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. M. A. King rose to speak.

Mr. SPEAKER: Before the Honourable Attorney General makes his comment, I need to make also an observation for myself. I am becoming very concerned as to how Parliament in some way seems to be seen by others as just another organisation. To me the essence of Parliament is what a Parliament should stand for. Dignity is one aspect, respect for the Rules is another. It has been drawn to my attention that documents have been circulated in this Chamber which are not documents of this House. They have been removed. I am not going to vouch

for the authority for those documents, but it has been drawn to my attention and I am saying that any Member or officer of this Parliament who circulates documents other than the authorised documents of this Chamber should be severely disciplined. I am saying that documents in this Chamber must be documents of this House.

I just draw that for future reference.

Aside.

Mr. SPEAKER: I think you should observe the point I am making that, when an officer of the House circulates – that is the word I used – documents, other than documents of the House, it then becomes worrying because Parliament then becomes just another place.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, of course I have no quarrel with the point you have made, Sir, but I should just like to make it clear that if, as a Member of this House, I have a note to send to the Leader of the Opposition – and I know that he will graciously receive it – it would not be a document of the House in the sense that it would be something which had been laid in the House. It might be a private communication and if I should ask an officer of the House just to take it across to him, I take it that that is not included in your statement, just for purposes of the record.

Mr. SPEAKER: I am talking about circulating in itself, where Members are circulating documents. I am talking in that sense, but it does not preclude Members from going through the normal channels, or even notes sent amongst Members who may need to get those notes. The Honourable Attorney General.

Hon. M. 4. KING: Mr. Speaker, because of the limited time I have at my disposal I shall go directly to substantive issues raised by the Honourable Member for St. Peter. If I have time I shall address some of the peripheral issues with which he dealt.

Mr. Speaker, I should like to make the point that the whole question of tax reform is part of the 1991 Manifesto commitment of the Democratic Labour Party. At page 11 of that document, which is a document of the House, it is stated that the Democratic Labour Party will, among other things –

"establish a committee to carry out a comprehensive review of the tax system, with particular reference both to the relative merits of direct versus indirect taxation, and also to the fairness and equity of revenue raising measures."

That was a Manifesto commitment in the 1991 Manifesto.

When one looks at the substance of the proposals by the Minister of Finance, page 12 sets out the philosophy behind the reforms. It states there:

"....we(seek).....to put in place a tax system which is productive and adequate in its revenue yield, which is equitable both horizontally and vertically, which is certain and just, with everyone paying their fair share of the cost of government, and which facilitates administration, compliance and the fiscal objectives of government for stability and growth."

I do not think that anyone can complain about the objectives of tax reform as stated in those words by the Minister of Finance.

What has happened is that the reform of the tax system will inevitably introduce change. Change is something about which most people are wary, people tend to become automatically upset by the very nature of change itself, they tend to resist change as a natural thing and they do so largely because of the uncertainty which change tends to bring about, and the natural response is to react negatively to change. It is the fear of the unknown, Mr. Speaker, which creates problems for most people.

The public sometimes gets very confused about presentations made by opposing sides, especially when those sides are political parties, on the same facts. The public will be confused that political parties draw completely opposite conclusions on the same set of facts. I have heard people say sometimes: "But how can both sides be looking at the same thing and come to exactly opposite conclusions?"

The Honourable Member for St. Peter has put the Barbados Labour Party's position, the Opposition's position, on the tax reform measures and has indicated that as far as his analysis is concerned, it creates problems for most taxpayers, I think he said, except for the few at the very top. Our analysis of the situation, Mr. Speaker, indicates a contrary position and I think it is worth it to take a little time to look at some of the details to indicate the differences in perspective.

What I want to do, Mr. Speaker, is to look at some of the specific areas of income, allowances in relation to those incomes, the tax payable on those incomes, contributions payable and so forth, and get a net position of the impact on the average taxpayer in the country. I am going to look at a figure of an assessable income of \$13 000 annually. I am using \$13 000 because \$13 000 is the figure to which the allowances would be reduced.

An analysis from our perspective indicates that if a person has an assessable income of \$13 000 the position will be as follows, and I am going to take 3

consecutive years. In 1992, which is this year, the deductions allowable are still \$15 000, so that in 1992 a person with an assessable income of \$13 000 will pay no income tax because the person has no taxable income, but that person today in 1992 will pay a stabilisation tax of \$195, will pay levies of \$618 and will pay National Insurance contributions of \$1 008. So that a person with an assessable income of \$13 000 today, although that person pays no income tax, will in fact pay what I will call tax of \$1 820, because all these contributions and by whatever name you call them, levies and so forth, do amount to a tax.

Asides.

10.15 a.m.

I have just started to speak and they want me in one sentence to address every single issue. That is impossible.

Mr. Speaker, I am going to deal with these issues as I set out to deal with them. I have indicated that for a person with assessable income of \$13 000 in 1992 that person pays tax – I use the word tax generically – of \$1 820 annually. In 1993, the position will be, after these proposals, that a person with an assessable income of \$13 000 will have deductions of \$13 000 and no taxable income, with no obligation to pay tax because the stabilisation tax will be abolished with effect from January 1, 1993. He will pay reduced levies because levies are going to be reduced. He will pay \$325 in levies rather than \$618. The National Insurance deductions will remain the same, \$1 008, so that in 1993 a person with an assessable income of \$13 000 will be paying tax of \$1 333 in 1993 as against \$1 820 in 1992.

Now, tell me if that is a fair analysis and assessment of those 2 years. I am giving the figures as I have worked them out. In 1994, Mr. Speaker, the same person with the same assessable income of \$13 000 because the allowance of \$13 000 has no taxable income, will pay no income tax, will pay no stabilisation tax because it has been abolished. The levies are being reduced so in 1994 that person will be paying levies of \$130. The National Insurance deductions remain the same so in 1994 the total tax which that person will be paying would be \$1 138. In 1992, that person will be paying \$1 820, in 1993, \$1 333 and in 1994 \$1 138. Now, is that, Mr. Speaker, a situation, in relation to the incidence of tax, where it is more oppressive or is not on a clear analysis of these figures, clear evidence that there is a reduction of the tax progressively?

I go to a next set of figures, Mr. Speaker. I am using the figure of \$15 000. I am not going to go through all. A person having an assessable income of \$15 000 in 1992 with deductions of \$15 000 will pay stabilisation tax of \$225, levies of \$713, National Insurance contributions of

\$1 163 and total tax, generically speaking, of \$2 100 in 1992. I am not going through all the figures unless anybody wants me to do that. In 1993, using the same formulation which I did before, that same person will be paying \$2 038 and in 1994 that same person will be paying \$1 813. So progressively in relation to a person with an income of \$15 000 the incidence of tax has been reduced.

Let us go quickly to a person with an assessable income of \$37 200. In 1992 that person would be paying total tax including National Insurance contributions and levies \$10 923. In 1993, that person would be paying \$9 863 and in 1994, \$9 305.

The person with assessable income of \$50 000 annually this year has deductions of \$15 000, taxable income of \$35 000, income tax payable is \$10 000, stabilisation tax is \$1 625, levies \$1 767, the National Insurance deduction is \$2 883 making total contributions to the public purse of \$16 275 in 1992. In 1993, that same person would be paying \$14 983 and in 1994, \$14 425. For the person earning \$70 000, the total contributions to tax in 1992 would be \$26 075, in 1993 \$22 985 and in 1994 \$22 425.

I don't know if I need to do the \$100 000 one. That is the category, I suppose, of the Honourable Member for Christ Church West. The total tax contribution for that person in 1992, if he pays it – I am sure the Honourable Member pays – will be \$42 275, in 1993 \$34 000 and in 1994 \$34 425.

At all levels, Mr. Speaker, the incidence of contributions to the Treasury are progressively reduced. Reforms especially in taxation will always create some disadvantage to some and some problems have been identified because of the elimination of the itemised allowances. I want to spend a little time on the elimination of the itemised allowances. The first complaint that was made in relation to this matter by the Honourable Member for St. Peter is that the Minister of Finance talked in terms of the elimination of most itemised items and that that statement leads to confusion and that it is uncertain.

The Honourable Member makes the point, quite rightly, that taxation has to be certain so that if a tax is uncertain it is of no effect. Now, the statement of the Minister of Finance in relation to the elimination of most itemised allowances appears at page 15 of the document Measures With Immediate Effect – for Individuals:

- (2) The elimination of most itemised allowances and deductions.

10:25 a.m.

I suggest, Mr. Speaker, that one needs to look at the document as a whole and do not look at one sentence

and seek to draw conclusions and interpret the document on one sentence alone.

If one looks at the following clause:- "The withdrawal of exemptions for pension income. Taxpayers over age 60 may claim a deduction of \$20 000." That is a deduction which has not been eliminated. We are talking about the elimination of most itemised allowances and deductions. "Maintenance of the allowance in respect of gratuities payable by virtue of a contract of service with the Crown or statutory board." That is an allowance, Mr. Speaker, which has not been eliminated. The statement says that allowance has been maintained. When you are talking about the elimination of most of the itemised allowances, those which are not maintained are eliminated.

Some other allowances you will see in the statement have been maintained, for instance, allowances in respect of foreign exchange earning activities and contributions, contributions to the Tourism Development Corporation and marketing as well. Those are allowances which have been specifically maintained. There are allowances also in relation to dependent children.

The Statement, when you look at it as a whole, indicates the allowances which are to be maintained. If all the others are going to be eliminated and most of the deductions, then you must say that you are eliminating most of them. But you look at the document as a whole to see those which are maintained and then by a process of elementary logic, I would think, the rest which are not maintained are being eliminated.

Now, Sir, the other concern which has been raised in connection with this matter is the elimination of the deductions in relation to mortgages and house repairs. This is a matter which has concerned a large section of the community. An important question in analysing the impact of this, first of all, is to determine how many taxpayers in Barbados are in a position to claim allowances in excess of the \$13 000 which would be the level to which the allowances would fall.

I believe there are about 26 000 taxpayers and there are about approximately 3 000 who are in a position to claim allowances in excess of \$13 000 annually. When one looks at the Income Tax Form there are a number of allowances which you can claim. For most people when you add up the total allowances which may be claimed they do not come to \$13 000. The present position is \$15 000 but for most the figure of \$13 000 will not be reached even when you include the allowance for the status of the person.

The problem for people who have allowances in excess of \$13 000 is, particularly in relation to mortgage interest, largely those persons who would have taken

mortgages within the last 2 or 3 years, recent mortgage owners. The position in relation to amortisation payments, as is well known, is that those payments are heavily front-loaded with interest at the beginning so that the interest payments are very high up front and gradually move towards an equalisation, then towards the end with the majority of the payment being in relation to the principal.

The greatest beneficiaries of the provisions in relation to mortgage interest allowance would be those with recent mortgages, those with substantial mortgages, and those with more than one house who have mortgages. The position in the end would be that those who had large mortgages and were able to make use of this facility would, in essence, be subsidised, let's face it, by the other taxpayers from the point of view of raising the revenue required.

I do admit, Mr. Speaker, that there will be cases of genuine hardship. Those will relate to persons who are on the margin, so to speak, those persons who would have allocated every penny they own and committed to life.

Aside.

Hon. M. A. KING: Do not mind the people in Sargeant's Village. The point I make is that there are a number of persons who will be adversely affected by this. What I would like to encourage the banks to do is, wherever possible, to reschedule those people's mortgages, re-organise the amortisation payments, extend the time within which they can make their repayments and wherever possible provide an opportunity to permit them to meet their payments. The bankers by and large are not unreasonable people. I believe that in difficult, economic times like this it is not asking the banks too much to make that adjustment. In fact they have a moral obligation, I suggest, to assist people who find themselves in genuine difficulties and who are on those margins.

Before I finish, Mr. Speaker, there is a lot more which I needed to say. There are a couple of quick points which I crave your indulgence to make in response to comments made by the Honourable Member for St. Peter. He 'spoke very disparagingly about the Minister of Finance's Statement about 4% growth in tourism being available to assist in recovery. Now, when one looks at the statistics, one sees that..

Mr. SPEAKER: I am going to give the Honourable Member one minute to do all his finality.

Hon. M. A. KING: In 1990 tourism accounted for 80% of the earnings of all the sectors including sugar, manufacturing and tourism. Tourism accounted for 80% in 1990.

10:35 a.m.

In 1991 tourism accounted for 83.9% of the gross earnings of those three sectors. So that if you have a $4\frac{1}{2}\%$ improvement in tourism, Mr. Speaker, you have a $4\frac{1}{2}\%$ improvement in a substantial part of the economy. Mr. Speaker, I am saying that that statement needs to be looked at in context until perhaps, we discount it in that regard.

I wanted to say a brief word on the Honourable Member's comments on tax reform but I do not have time to develop that. Sufficient to say that he made the point that one needs to rationalize the mechanisms for expenditure approval. That is a position with which I agree. What needs to be done is that in preparing the Estimates of Expenditure for the Ministries and Departments we need to sit down and to appraise and analyse the proposals for expenditure and all that needs to be tightened up. I accept that. But I do not have time to develop it. But it is a position with which I totally agree and a position which will certainly lead to improvement in Government expenditure.

Thank you, Mr. Speaker.

Mr. SPEAKER: I think Honourable Members need not get too worried because there will be some time overruns on other Members and I am prepared to allow the debate to have its full expression.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, this is the fifth major financial statement coming from the Honourable Minister of Finance in 15 months. And, Sir, even though at first the impression may be given that this particular statement limits itself to the question of taxation reform, it is my view that judging from the state of the economy and from the normal role fiscal policy should play in an economy that these particular measures leave a lot to be desired.

As you are aware, in the words of the Central Bank Report coming out in June 1992, our economy has been hard hit by recession, real output remains depressed and unemployment continues to be high. We witnessed in the last year and a half or so, a steady decline in the economy which, in my view, calls for urgent remedial action that would be enough to impact positively on the economy. In that the measures as enunciated in here day before yesterday do not address a large number of concerns, in my view, they fail.

If one were to look at the question of a fiscal policy and then compare what a well thought out fiscal policy would be like compared with these measures, two gaping omissions meet the eye from the outset, Sir. The last Member who spoke, the Honourable Member for Christ Church West Central said that the Manifesto of the Democratic Labour Party promised tax reform. We on this

side would have hoped that such tax reform would have been comprehensive and meaningful. But in a situation, Sir, where in this economy large amounts of direct taxes as well as indirect taxes exist we find that these taxation measures do not all address the question of the effect of indirect taxation. To that extent we cannot comprehend that these measures are comprehensive or holistic enough given the fact that a wide range of consumption taxes, customs duties, stamp duties and a lot of other taxes have existed over the years in Barbados and rather than have the Honourable Minister of Finance address the overall effect of indirect taxation, especially on the productive sectors we would have had a narrow lopsided and even warped approach to the question of fiscal policy where only one particular aspect of the general fiscal policy has been addressed. This leaves us on this side extremely disappointed.

There is also another dimension to the debate as well, Mr. Speaker, Sir, and this is the question of to what extent and in what ways can fiscal policy be used to stimulate economic activity. Nothing that has been said by the Honourable Minister of Finance addresses the question of fiscal reform in relation to using fiscal reform to stimulate productive activity in this economy.

I have no difficulty in associating with the remarks of the Honourable Member for St. Peter who suggested that taken at first face, taken *prima facie*, these measures smack very much of tax gathering measures. We must conclude that these measures are tax gathering measures especially because of a boast in the document that was represented here that the Government is moving towards bringing revenue and expenditure in line. That being an objective of these measures, therefore, Sir, we insist that the measures are designed to raise revenue so when Government looks at its expenses and determines these expenses against the revenue, the policy would have been to generate as much revenue as possible to match expenditure and to bring the economy into closer equilibrium. And to that extent the measures are designed to raise revenue. I was not impressed with the argument of the Honourable Member for Christ Church West Central who said that since there is reference in the document to particular deductions and allowances, it follows automatically that if there is direct reference to particular allowances and deductions that those that are not mentioned are the ones that may go. We cannot accept that. If you were to refer to last year's 1991 Income Tax return form you would recognize that at the moment some 38 allowances and deductions exist. We over here are unclear as to precisely which of these allowances and deductions will be removed and which ones will be retained. The vagueness that accompanies the principal Financial Statement made by the Honourable Minister of Finance in here earlier this year continues in this current document. Sir.

When the Honourable Member for St. Peter said that the measures are open-ended and vague we had no difficulty with associating with that. But, Sir, I want to look at a number of concerns in the document. To that end, Sir, I want to refer from time to time to the document itself and from time to time to Volume 19 No. 1 of the June 1992 Central Bank Economic Review. This is what we find. According to the document presented here by the Honourable Minister of Finance, he suggested that there is a hope and expectation that somehow these measures would assist the economy to grow by some 1%. And he suggested that this economy might grow by 1% if accretions and improvements in tourism occasion such an increase in the GDP and the national income. The growth that he is expecting is a growth that is pinned on the expectation that tourism will improve. But let us see what the Central Bank Economic Review has to say about tourism. It says at page 1:

"Activity in the tourism sector declined. The 4% contraction in arrivals compared with decline of 8.3% and 10.2% in the same periods of 1990 and 1991 respectively. Visitors from the UK and the USA were down 12.3% and 11.4% respectively. The market share of US visitors to Barbados, which was 49% five years ago, fell to 29.6% this year."

I am repeating that, Sir:

"The market share of US visitors to Barbados, which was 49% five years ago, fell to 29.6% this year."
10.45 a.m.

In addition it goes on to say that cruise ship passenger arrivals declined for the first time in 5 years with 8.6 per cent fewer visitors than in the first quarter of 1991. This refers to activity in tourism in the period January to March of this year. What this is saying, Sir, is that our principal market, the United States of America, has declined as a market. That the visitor arrivals from the United States of America to Barbados have gone down. Sir, we on this side maintain that even if the Honourable Minister of Finance might want to allege that existing international economic circumstances impact negatively on Barbados, we know that there came a time in this country's affairs when Eastern Airlines went and this Government made no proper alternative arrangements for the replacement of Eastern Airlines. That was followed by the collapse of Pan American Airways and this Government – I am sorry the Honourable Minister of Tourism is not here – did nothing, in our view to replace Pan Am and get a situation to emerge where we could capture tourists from North America.

Indeed American Airlines cut back their services to the extent where, rather than get direct services from Barbados to destinations in the United States of America,

we got a situation 'where American Airlines goes through Puerto Rico and you have to connect there, Sir. We had a short flirtation with an untried airline and that short flirtation brought very little.

I am saying, Sir, in circumstances where these things have occurred, where we have lost aviation, where we have lost international transport and where we have not replaced it properly and where domestic conditions in Barbados, namely crime, Sir, act as disincentives to encouraging tourists to come to Barbados, the Government, if they had been far sighted enough, would have done something to alleviate the problems facing tourism. I am referring to this directly, Sir, because, as you will recall, at the start of my contribution here today, I said that one aspect of fiscal policy must be to set fiscal and taxation machinery in motion by a clever set of policies and programmes whereby fiscal policies can be used to stimulate economic activity. It is not correct, Sir, for the Members of the Government side to be talking about these taxation measures being so complete and comprehensive in a situation when that aspect of fiscal policy that should impact on growth positively has been totally ignored to the extent, Sir, that these taxation measures do nothing for the productive sectors in that aspect by the omission, the Government has failed. This is in addition to the fact that, as I said earlier, indirect taxes have not been addressed at all.

In the Barbados Labour Party our policy is that proper tax reform must be complete, the whole system of taxation must be carefully evaluated and if there is an overhaul of the taxation it cannot be partial and lopsided. In addition, Sir, the Central Bank Report goes on to say that in relation to construction, activity fell in 1992. That is one particular sector where indirect taxes, as many Honorable Members will tell you, can impact negatively on the sector, Sir. A whole range of materials that are used in the construction sector are subject to indirect taxes. Increase the cost of these materials, Sir, and make it more expensive and more difficult then for people to build and eventually, as it becomes more expensive to build, the demand for the services of contractors will go down, and of course, construction workers would not get work or would be put out of work and such like..

I am saying, Sir, when the Honourable Minister of Finance has ignored to examine the extent to which excessively high indirect taxes can impact on the economic sectors he has failed in his delivery and there is no point invoking the pledge in the Democratic Labour Party's Manifesto by which the Government, when seeking to gain election, had promised an overhaul of the taxation system.

Our view is, Sir, that the circumstances facing the economy and the Government's involvement with the International Monetary Fund, have been the factors that have brought those measures to this House today, Sir.

It is not a question that the Government would so determine to reform the system that they brought the measures at this time. It is precisely because of Government's wanting the IMF deal and the IMF money that we have seen these measures here today. It is a situation where, you want my money, you have to do as I want you to do. It is like a fellow given a chance to get some money and the money lender saying, 'Okay, you want my money, do as I say', that type of meretricious approach. In addition, Sir, and this matter was adverted to somewhat by the Honourable Member for St. Peter, as you would have been aware, the last 18 months or so have been extremely difficult months for manufacturers. The Honourable Member for St. Peter made it clear that the export manufacturing subsector has been dealt a heavy hand by Government's policies in recent times. There is nothing, Sir, in these proposals to indicate that Government has appreciated the role that export manufacturing has played in an economy like this, that is short of foreign reserves.

Let us see, Sir, what the Central Bank has to say about manufacturing and there are 2 saddening things. The production of wooden furniture in Barbados fell 54 percent, Sir. Beverages and tobacco went down 18 per cent. The production and output of wearing apparel went down 50 per cent. Chemicals went down 19 per cent. Sir, the manufacturing sector, part of which exports, has got nothing out of these taxation measures that would stimulate the sector and encourage the sector to produce for export. In that regard, by this omission on the part of the Government, it is therefore a clear cut situation of Government failing to use taxation policies in the role of national development.

The Honourable Minister, at page 8 of this document, spoke and I am quoting from the document presented to the Opposition after the presentation by the Honourable Minister of Finance. He says:

"Let us look at the achievements we have been able to register as a country." This, Sir, must obviously be a clear response to a famous calypsonian who was trying to suggest, that when he, by careful research evaluated the performance of the country, he did not see anything being done. This obviously is a response to Duke Check ED Shirt W.B.R.A. etc. Let us look at the achievements we have been able to register as a country.

Sir, a cynic hearing this would pause and say, I really will listen, what achievements there are that have come to Barbados under the Minister of Finance at this time, Sir? He goes on to say that one achievement was the maintaining of the parity of the exchange rate and then he goes on to boast about the reduction of the fiscal deficit.

As you will recall, in 1991, in the first budgetary presentation of 1991 we saw an enormous and unacceptably high fiscal deficit, perhaps to the tune of in excess of \$300 million and that deficit as projected is part of the reason why we are here today debating this Resolution. The Government by bad and shoddy planning, has projected expenditure way ahead of revenue. When it could not generate income it had then to undertake a large number of extremely painful measures, measures which in the words of a member over there, were murderous. This is what we have had as a result. These are some of the things that have aided the Government in reducing the deficit. Massive layoffs, perhaps some 6 000 layoffs. The Government is boasting that its fiscal deficit has been reduced but when we ask at what cost, massive layoffs, reduction in severance benefits, higher taxes across the board, salary cuts, reduced welfare services, higher NHC rates, higher bus fares, higher school meals, higher cost of school textbooks, Sir, and of course the pending privatisation of the public transport.

10.55 a.m.

Sir, even if one takes it that the Government's deficit has been reduced and one asks what has contributed to the reduction, nothing great has contributed to the reduction in the Government's deficit. Instead, a lot of pain and suffering have been inflicted on poor, innocent people some of whom in these measures will experience further pain and suffering. Of course, Mr. Speaker, I am referring to the reduction of the tax concession from \$15 000 to \$13 000. The effect of this, Sir, is that immediately more people on meagre incomes already hit by high prices, higher bus fares and higher charges for textbooks and user fees will have to pay taxes. People formerly exempted from paying taxes will now have to pay taxes, Sir. This is one of the most immediate effects of the whole thing and it cannot be any comfort to these people for them to be told, "Well, do not mind you have to pay taxes because sometime in the future we will ease the stabilisation on you". It is like giving them back their stabilisation tax and taking it back in the form of higher direct taxes. We feel on this side that this is a scenario that we just cannot understand, because our policy has been that those with small incomes who suffer and who find it hard to eke out a living should be spared the burden of having to pay direct taxes. In addition to this, Sir, the reduction from \$15 000 to \$13 000 is a continuation of the repudiation of the manifesto of the Government and the Government's policies, which has been brought on not necessarily because of any more careful economic planning, but has been brought on most obviously at the urging of the International Monetary Fund.

We have a situation in Barbados, too, where there are those people who went to school and studied hard, qualified and tried hard to get good jobs and they acquired mortgages, Sir, and continue to have to pay fairly high charges in this country. We have a situation

where these middle income people are called on perhaps in a more severe way than ever before to increase their contribution to the national revenue. The middle income people who are already hard hit by high mortgages and high mortgage interest will have to pay increased taxes. But one thing about these measures, Sir, that must be dealt with is the question of the boast that the maximum tax bracket will now be 40 per cent. Sir, this boast is an idle boast because those persons in that bracket represent a strident and tiny minority of citizens. In any event, if a government is committed to the principle of socialism, that this Government has said that it is, one wonders how, can you ease the rich when you are inflicting suffering and agony on the poor and, to my mind, that smacks very much, Sir, of an element of regressive taxation policy.

Aside.

Mr. R. C. EASTMOND: The overall effect is that some 90 per cent of the tax-paying population of Barbados will be worse off as a result of these taxation measures and only a tiny few would have been given ease and some concessions, Sir.

Apart from these concerns, there are one or two things that must be raised at this point. The Honourable Member for St. Peter has said that there were expressions that were not too clear to him and I have difficulty with a measure that is proposed, namely a 12.5 per cent taxation levied by way of withholding tax. Let me put myself different, Sir. There is proposed a 12.5 per cent withholding tax across the board. As is administered right now, withholding tax is a tax that only certain people have to pay. It is levied on only a select, few like people who are not resident here but who own shares in companies here and there is some withholding tax on interest and the like. But based on the way in which this withholding tax is expressed, the question that naturally arises is: Will it be a general 12.5 per cent withholding tax imposed on all interest irrespective of the level of interest or irrespective of the quantum? Is it a situation where if 12.5 per cent is imposed on interest then the balance of the money left would be added to one's other income if one has other income, Sir? This is a question that has us baffled and this question invites greater clarification.

Sir, to conclude, these policies are difficult to support in addition to the fact that they are fairly burdensome on the poor and, as I said, they lack completeness in the reform. The reform is incomplete. The reform does not look at the entire tax system. The reform ignores completely the system of indirect taxation. It does not look at the question of using taxation as a stimulus. Therefore, like the Honourable Member for St. Peter, I myself am unable to support these measures.

Finally, Sir, even though there is reference in the statement by the Honourable Minister of Finance that he has come once rather than periodically, monthly or weekly digging up for taxes, we still wonder how come, Sir, in 15 months your economic policy could be such that you had to come to this Honourable House five times in the 15 months yet denying that you are being piecemeal about your planning. Yet by your very behaviour and policies you indicate that indeed you have been piecemeal or perhaps you have been hesitant to introduce policies just because you are rigid on some big fat lender whose money you want and whose money you take at any cost. Thank you very much, Mr. Speaker.

Mr. SPEAKER: The question...

Hon. D. J. H. THOMPSON: Mr. Speaker, the specific points that I wish to deal with up front relate to the presentation by the Honourable Member for St. Peter during yesterday's response to the **tax** proposals which were delivered by the Minister of Finance on the previous day. His presentation, Sir, reminded me of a comment that I was once forced to write on a file in a Ministry that should remain unnamed, "that with much effort **and** strain he brought forth an act". The entire presentation of the Honourable Member for St. Peter rested on some fanciful assumption that the Government was suggesting to the people of Barbados that the tax relief proposed by virtue of the Supplementary Budgetary Proposals was to have immediate effect.

11.05 a.m.

In other words, that there was some kind of hoax on this side to give the impression to the people of Barbados that there was immediate **tax** relief effective 7th July. There is no contention anywhere, not even in the newspapers where they carry charts of people's net tax position over time - present, 1993 and 1994 - there is no assertion anywhere on the part of the Government or any agent of the Government that the proposals which have been introduced mean an immediate benefit for all Barbadians. He therefore predicated, and the substance of his speech rested, on the fact that in the next 6 months some people would not benefit and that therefore something had to be wrong with assertions by other people, not by the Government, that the tax proposals would have resulted in immediate benefit to all Barbadians.

Sir, if you build up a speech on that basis and spend a whole day outside of the House of Assembly sitting down, and the best you can do is produce an argument that resembles a gnat, after all of that straining and hard work, it disappoints me. I have no problem, I consider myself to be a politician. I am not schizophrenic in my approach, I am not an economist on one occasion or a lawyer on another and a politician on the next, but the Honourable Member yesterday delivered a political speech.

This is an Opposition which on every occasion lets you know that they have all kinds of secret documents. They knew what was happening at the DLP Headquarters on Saturday night, and it seems strange to me that the same people, or person, that they can send pimping around at the DLP Headquarters to find out what is happening they could send pimping around elsewhere, whether it is in Government Headquarters or the Central Bank, to solicit the relevant information.

Mr. H. deB. FORDE: On a point of order, Sir. The Honourable Member is accusing the Opposition of being pimps and sending people to pimp around. I am taking objection to that implication.

Mr. SPEAKER: It is very simple. The term "opposition" has always created a problem for me and the Leader of the Opposition, because the term "opposition" does not necessarily refer to Members in here alone. I will also say that if an Honourable Member feels offended by a statement I will always ask the Member speaking to clarify that position so that Honourable Members will not be brought into dispute.

Hon. D. J. H. THOMPSON: Mr. Speaker, I did not see any of the Members over there at any meeting that I attended at the Democratic Labour Party Headquarters, and therefore no reference to a pimp could at this stage include any of those Members. I said if the Opposition sent somebody, or wish to send somebody, or is in the habit – I am going to add now – of sending people to pimp around at the DLP to find out what we are doing in our parliamentary group, meeting or otherwise, they can solicit the relevant information by sending people to pimp wherever they want. The Government has brought forward its tax proposals and all of a sudden they cannot calculate anything. The Honourable Member for St. Peter has difficulty working out all kinds of things. This is the same person and same Government that in 1986 had all of the calculations down pat and were in here gyrating, Mr. Speaker, with words over who was right, whether it was the back raise or what came subsequently and this country was engaged in a big exercise trying to work out whose costing of proposals was correct. I have heard the Honourable Member for Christ Church South say that there was a philosophical difference between him and the DLP in those days. The 1986 exercise had nothing to do with philosophy, it had something to do with degree, the degree to which you are going to give concessions and the degree to which you could afford to give them. If that reduces itself now to philosophy in 1992, as the Honourable Member for St. Peter seeks to suggest, if a sterile exercise in working out whether \$15 000 or \$12 000 is better can be reduced to philosophy, then something has to be wrong with the kind of exercise that we have in here.

It is precisely that which has led to the mystique of the Budget, and I am glad to see that after several budget debates where I have complained in this Chamber about this build up to a budget presentation, and people suddenly dressing up in their finest and making these big presentations to the country, when half of the population is not listening to them, needs to be changed, and all of a sudden the Honourable Member for St. Peter had echoed those remarks. But he echoed them at the end of his speech, and that echo came a long time after. There was a lot of quarrelling in here about whether it was a budget, how much notice you must give for a budget and so on. This is the kind of – and I have to describe it as trivia that characterises this particular exercise in tax reform.

Now there had been some misrepresentations, and there is obviously a lot of confusion, in the mind of the Honourable Member for St. Peter and the public must be aware of some of these things. He is suggesting that we, meaning Barbadians, are debating tax reform because paragraphs 13 and 34 of the Letter of Intent suggests that. The Honourable Member for St. Peter has been debating tax reform in this Chamber with Members on this side from 1989. There was no Letter of Intent then. We have discussed **tax** reform in budget after budget. We have discussed tax reform in every single Estimates debate. He agreed in 1991 that **tax** reform was desirable and I am saying that whether it is produced by a Letter of Intent, by a Development Plan, by an agenda set by me or by him, if tax reform is desirable, however it comes, so long as it is beneficial to the majority of Barbadians, then it is important. The fact that we have finally come to the point in Barbados where we are debating tax reform is an important concession that has to be made by Honourable Members of the Opposition.

One seems to get the impression that the Honourable Member for St. Peter – and the Opposition, I presume – is suggesting that all the tinkering with the **tax** system began consequent on the 1986 General Election, but there was a lot of tinkering before that as well. Anybody who took up the Income Tax Act would see that a large number of the deductions and allowances and amendments to the Act took place in the 70's. Right through that period there have been piecemeal adjustments for a long time. It has not been a 1986-92 phenomenon, the Honourable Member for Christ Church South will admit that he did piecemeal adjustments, or he should, and his predecessor would have to admit to piecemeal adjustments and those before him. This has been the history of the development of the Income Tax Act, but we are given the impression that what has occurred in the past 5 or 6 years is the only kind of tinkering that was going on. I am saying that an overhaul of the tax system was necessary way back in 1984, and previously, as much as it is necessary now.

11.15 a.m.

It redounds to the discredit of Honourable Members on that side as much as to any other Honourable Member who wishes to take the blame who was in here at that time that tax reform was not initiated way back then. Therefore the argument about when the reform comes and who precipitates it does not make sense to me.

I do not place value on an idea simply because it is a Barbadian idea. There are good ideas that come out of England and every day the Honourable Member for St. Thomas goes in the Law Courts like any other lawyer and quotes copiously, as I used to do, from law books in England. There are people in other disciplines who draw on the vast reserves of knowledge which exist in other parts of the world. Not every idea that comes with the label Barbadian has to be the best one. We live in a world that is interlocking and that is one of the points that the Honourable Member for St. Peter has to understand.

Barbados cannot have a tax system totally and completely different to the trends occurring throughout the world. There are many countries in the Caribbean, the developing countries and other countries, that have had to carry out reforms of this nature and to some extent either Barbados is going to fall in line with some of these developments or we are going to be left behind. Not all developments are going to be attractive to us but some of them are attractive and some of them are developments that we should pursue. People should have wide, expansive and open minds on issues of change, particularly, in a period of structural adjustment and not feel that an idea if it comes from the IMF has to be bad but if it comes from Barbados it has to be good, or if it comes from the World Bank it is bad, but if it comes from Mapps St. Philip, it is good. I don't think that is the way that people should look at the development of human kind.

Tax reform is vital in Barbados. The tax system, as it exists, is complex, burdensome and inequitable. Those are facts which nobody would wish to dispute in the course of this debate. It fell to this Government to carry out the reforms which would reverse those trends, and we have done it. The House, therefore, has to understand that in respect of this debate there are some matters which have been carried beyond what I would consider the limit.

The Honourable Member for St. Peter began his presentation by saying – and this is still a clarification – that the Minister of Finance has not indicated which itemised deductions or allowances have been removed. The statement was clear on the elimination of most itemised deductions. What followed on in that speech is an indication of those that remain. Page 15 – Calculation of tax on contract service gratuity calculated at 50% of the gratuity, Section 9(1)(n) of the Income Tax Act. That remains. Page 16 – Tax credit for foreign exchange

earnings, Section 12G of the Income Tax Act. That remains. Page 16 – Market development allowances in respect of the tourist industry contribution to the Tourism Development Corporation.

Mr. D. A. C. SIMMONS: On a point of order. The document from which the Honourable Member is quoting. He talks about pages 15 and 16 and is referring to pages 15 and 16 presumably of what the Member for St. Michael South brought in here day before yesterday. I have pages 15 and 16 and I don't see anything on pages 15 and 16 of what I was given that is similar, far less identical with it.

Hon. D. J. H. THOMPSON: Page 15:

"(3) withdrawal of exemptions for pension income. Taxpayers over 60 may claim deductions of \$20 000. Maintenance of the allowance in respect of gratuities payable by virtue of a contract of service with the Crown or statutory board."

That comes from Section 9(1)(n) of the Income Tax Act and the tax is calculated on 50% of the gratuity. That allowance remains.

If you turn to page 16, the Honourable Member will see at No. (9):

The elimination of "excess" allowances for expenditures, with the exception of credit for foreign exchange earning activities..."

and that can be found in Section 12G of the Income Tax Act.

"... and contributions to the Tourism Development Fund."

That can be found in Section 12E of the Income Tax Act and there is an excess allowance in respect of contributions to TDC and market and research allowance. I hope that clarifies that.

On page 17, the last sentence in the paragraph before "With Immediate Effect":

"The market research and development allowance to 150 per cent of expenditure incurred to procure extra-regional markets will be retained,".

Again that comes from Section 12D of the Income Tax Act.

Finally, it indicated that the basic allowance will be shifted from \$15 000 to \$13 000. Those are the allowances that remain. It is as simple as that. All of the other

itemised deductions which appear on income tax forms, the savings and cooperative societies, the medical expenses, etc., all of those have been eliminated.

Now, let me make the point for the benefit of Honourable Members. The figures are very clear. There are only just over 3 000 Barbadians of the 26 000 people who file tax returns whose allowances – that figure is based on the 1990 data. Twenty-six thousand, one hundred and eighty three people filed tax returns in 1990. There are 3 206 people whose allowances push them beyond \$15 000. Three thousand, two hundred and six persons out of 26 000 Barbadian who file tax returns whose allowances amount to more than \$15 000. So there are only 3 206 Barbadians who take the tax returns form and are able to itemise each of those allowances and get benefits that exceed \$15 000.

The Honourable Member for St. Michael West will deal with the categories to show that any argument that is made in this debate that suggests that the retention of allowances benefits the vast majority of low-earning Barbadians is a misplaced argument. We have the figures. There are of course some people who live at the very margin, and let's be frank about this. A person who has a very high mortgage interest payment, who claims every conceivable deduction and who has actually planned carefully such as to push his allowances beyond the \$15 000 mark will be affected. We have to accept that in any system of tax reform there will be people who will gain and there will be people who will lose.

I am on the side of those who will gain even though I myself will not gain. I cannot see any Member of this House earning a salary as a Minister who under this adjustment by 1994, if they were claiming high allowances could benefit. I prefer to remain on the side of the people whom I represent in St. John because there are thousands of working class Barbadians whose total income does not even exceed \$13 000. They will be relieved of stabilisation tax. They will be relieved of 2.25% of the levies on January 1, 1993, 2.25 % and the balance of the levies, except the 1% training levy on January 1, 1994. By January 1 1994, they will no longer have 5% on their gross removed. Their net position will be better.
11.25 p.m.

There are 14 000 Barbadians whose taxable income is in the range of 0 to \$10 000. There are only 91 whose taxable incomes goes from \$90 000 to \$100 000. I am fighting for the 14 000. I believe this package is the package that the people earning \$23 000 and below, rising to \$30 000 and below, will benefit more substantially from by 1994. Nobody has made any case that they will benefit from tomorrow morning. I wish that notion to be removed from the minds of the public because there was never any intention to create any such illusion or fanciful approach.

I have to be on the side of those who will benefit. I am saying to you that even in respect of pensioners the majority of them in Barbados, and we met with every single union, as far as I know based on those who are members of the – I am assuming it still exists – Coalition. They sat down at Government Headquarters in the Conference Room. He is speaking about consultation? This file contains all of the commentaries that have come from every single private sector organisation in Barbados on the tax proposals. We sat down with them. We went through every single concern they had. The head of the private sector organisation, Mr. Goddard, the head of the Barbados Employers Confederation..

Aside.

Hon. D. J. H. THOMPSON: Sorry. I only identified him because that is also a loose group that is not defined. All of those organisations were involved. The Economic Consultative Committee met at Dover. Then we took them almost group by group. We agreed – and this is the point that had me upset. I heard the Honourable Member for St. Thomas suggesting that people had access to the Budget that was presented.

Mr. SPEAKER: Not in this debate.

Hon. D. J. H. THOMPSON: Sorry, not in this debate. I should clarify this for his benefit. The only reason why this has had to come as a budgetary proposal is because the only way you can levy any increased taxation under the Provisional Collection of Taxes Act is via a budgetary proposal, not by any ministerial statement as the Honourable Member for St. Peter said. It must be actual budgetary proposals.

Aside.

Hon. D. J. H. THOMPSON: You said a ministerial statement. It might have been an error but I wrote it down. It must be a budgetary proposal. We have not taken the position that these are any budgetary proposals. We have made them available to the public. We have had extensive discussions with all the interest groups most of whom have been happy. I see the National Union of Public Workers has come out in support of these making the point that, of course, there will be some losers. But they are certain the people who they represent will benefit from these and they have to stand on the side of the gainers.

Those of us who say whether as trade unions or politicians or in any other category that we represent poor people have to understand that the people who will benefit from these proposals are the poor in Barbados. That has to be understood. They will be relieved of the heavy levies which were imposed in the 1980s by the Barbados Labour Party and subsequently by other administrations.

They will be relieved of all the other taxes on their gross income which gives them hell to pay when the month comes.

Aside.

Mr. SPEAKER: I think I must agree that the language ought to be what we know to be parliamentary language.

Hon. D. J. H. THOMPSON: Yes, Sir. I am sorry about that. I was using that as a phrase in itself.

Mr. SPEAKER: You must remember that you are in a special place.

Hon. D. J. H. THOMPSON: Perhaps, you may wish to strike it from the record, Mr. Speaker.

The point is that those impositions are being removed from their backs. This Government can only come out on their side on this issue. I am saying that any amount of sophistry and a lot of talk about people with documents before the Budget, we tried to encourage discussion on them.

I apologise to the Honourable Member for Christ Church West for the fact that the synopsis did not arrive on time. There were some private sector people who apparently went to the Ministry of Finance and collected their own copy of the synopsis because we said it would be available. That is how it got to Dover. It has nothing to do with any Government giving any instruction to anybody whether from Barbados or the International Monetary Fund to read out anything at Dover. We encouraged that discussion.

I am saying to you that I have read the IMF Act too. The Honourable Member for St. Peter is not the only person who reads legislation. He said the Act says that the IMF is not an international writ server. There are a lot of things...

Aside.

Hon. D. J. H. THOMPSON: I believe he forgets what he says sometimes when he speaks in these debates but I write down everything. Those people who saw me in here yesterday would see that I took down 10 pages of what he said. I do that all the time, Mr. Speaker, because I have always been taught by the Honourable Member when he said he did not say what he said. Nowadays I write it down. Any time I am going to respond to anybody in here I write down what they say.

He said the Act did not establish them as any international writ servers. They were established in 1934.

But it did not establish them either as an organisation the resources on which we cannot draw. Those resources do not only mean monetary resources. The IMF has a procedure where it can provide you with resident representatives or other kinds of staff to assist you in the process of carrying out the programme. There is absolutely nothing wrong with that.

I hope there are Barbadians working for the IMF who go to other countries and help advise people on their economic policy. I hope they are not treated with the same kind of attacks that have been levelled on people who come here to represent the IMF in Barbados. I go to Washington and the United Nations and I meet Barbadians working in those organisations. I hope that as contributors to those organisations other countries do not feel they have the right to abuse Barbadians who work for those organisations.

Mr. SPEAKER: One minute more.

Hon. D. J. H. THOMPSON: The IMF representative is here to assist the Government in the programme. He has been able to talk to many of the social partners and discuss these proposals. That is what the Government thinks is an ideal scenario.

Let me get to the last point, Mr. Speaker, which relates to pensions. Somebody – Houdini, I think, is the best description for him – who issues press releases and now calls in on all the call-in programmes gave the impression that introduction of these measures would have a substantial effect on pensioners who came to Barbados to retire. Barbados has several double taxation treaties. We have double taxation treaties with most of those countries, or the majority of them from which those pensioners would come unless they are coming from Fiji or some other country where we have not yet had a chance to negotiate those kinds of treaties. I think there is one that applies to Commonwealth countries generally.

Do not frighten people who have come to Barbados to retire. There is no point frightening people on those kinds of matters. There may be some who will suffer but the vast majority of those persons, if they are taxed in their own jurisdictions on their pensions, and most of them are – Barbados is one of the few countries in the world where pensions are not taxed. Most of them are taxed at home and, therefore, would not be required to pay any more tax in Barbados. That is a clear point. It is only a novice who would issue a press release indicating that these measures would devastate people who he encouraged to come here and retire. It has something to do with people's egos in this process.

Tax reform is about Parliament, it is true, but it is also about getting discussion from the bottom up,

assuming that this Parliament is the up. Start at the bottom. Let the process work through the system and encourage public officers to be out in the public fora discussing issues.

11.35 a.m.

Every week, in this Chamber, or every time that there is a debate on anything to do with Parliament people lament the fact that as politicians we have a heavy burden in promoting and defending policies which sometimes are very technical and intricate and whenever now we ask public servants to go out and seek to explain to the public whom they serve like us and who pay them like they pay us, we are now being told that you must be selective, only certain people must speak on certain topics and certain others must speak on other topics.

This tax reform, Sir, as far as I am concerned has my full support. I am giving whatever personal weight, as little as it may be to these proposals because I sat down with the social partners myself on the instructions of the Minister of Finance and discussed these proposals with them and refined them. Several concessions have been made for the interest groups. I believe the Honourable Member for Christ Church East Central will be able to indicate the kinds of concessions that they won or fought for in respect of these proposals on behalf of their individual constituencies. These proposals will benefit the poor at the end of the day. In any debate like this whenever we take measures that impact on the poor I express my reservations and move on. But in this particular case these measures will have their best and most beneficial impact on the people I represent and I am going to give them my full unswerving support.

Thank you, Mr. Speaker.

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

Mr. H. A. BLACKMAN: Mr. Speaker, my first comment is that now confusion is worse confounded. I have just heard that I am to understand what allowances are being given when the Minister of Finance on the very night that he delivered his proposals said he did not know what allowances were given. That is what the Minister of Finance said, he did not know what allowances were being given and that they would come down in subsequent legislation within 4 months. But you are telling me I should understand it. Mr. Speaker, I do not respond to nonsense.

Almost exactly one year ago the Minister of Finance came in a hurry to a group of persons and asked that group of persons to agree to certain measures. The impression given then, in fact the statement made at that time was that if you do not agree to these measures by such and such a time – I believe it was by September – that the world

would come to an end. The very impression given to that group. I, Mr. Speaker, was part of that group and I agreed. I said okay. It is now, gentlemen, to come to an end on September 4 I do not want it to end so quickly so I am going to agree. Go ahead. By agreeing to that rush measure what happened? Severe, social dislocation came about in this country. Mr. Speaker, there were strikes, demonstrations, all sorts of things, in fact the country was almost brought to a standstill because a Minister of Finance acted in a rush manner and we agreed.

Mr. Speaker, today we are once again asked to agree once more to something in a rush manner that has to be done by a certain time.

Aside.

Mr. H. A. BLACKMAN: Before Mr. Speaker, let me say up front I am not supporting any measure, full stop, and I am going to give my opinion as I speak. We have certain problems in this country serious problems. One of the problems is that the IMF, the World Bank and the Minister of Finance the three of them together acting as a tag team have paralysed the country. Not a single decision, I am going to repeat it, not a single decision of any financial or economic nature is being made by the Minister of Finance of Barbados in this country. Not one. How can it be? Mr. Speaker, we had a situation within the last week or so where the Minister of Finance was out of the country, and an IMF inspired and produced document was discussed. The Minister of Finance was not here. The Minister of Finance returned on Sunday night. By Tuesday, the Minister of Finance had a budget ready with almost every single word of that document that IMF inspired and produced document, in the Budget. What happened? Are you surprised that the very night when the Minister of Finance was asked what were the allowances he did not know? He had only come back a day and a half before. He did not know. You have to understand we have to have some sort of....

Mr. Speaker, Barbados was always a proud country. I heard the Honourable Member for St. Peter saying that the Minister of Finance was dithering. The lending agencies prefer to say indecisive. He does not make decisions. Certain lending agencies prefer to say incompetent. Let me say something here now. All of us agree that the taxation system in Barbados needed reforming. There was no doubt about that. In fact, let me quote here. In the Budget of 1989 the Honourable Minister of Finance at that time said:

"The issue on which opinions are divided is the relative merits of indirect versus direct taxes. I am conscious that there appears to be a preference for indirect taxation, and that in Barbados such a shift has occurred. I think that the time is now ripe for a comprehensive review of the tax system...."

A comprehensive review of the tax system!

"... with particular reference to the fairness and equity of revenue raising measures in Barbados."

It was repeated in the Democratic Labour Party's Manifesto of 1991 page 11:

"The Democratic Labour Party will establish a committee to carry out a comprehensive review of the tax system...."

A comprehensive review of the tax system!

".....with particular reference both to the relative merits of direct versus indirect taxation, and also to the fairness and equity of revenue raising measures".

Mr. Speaker, all of us agree that the country had been moving too far towards indirect taxation and that it needed to come back. All of us agreed that the reform of the tax system was necessary. What we have here, Mr. Speaker, is not a reform of the tax system. I do not care what anybody, whether it is the Minister of Finance or any one of them in front there tell me about 1993 and 1993. I could speak about 1998 and 1999 too.

11.45 a.m.

I want to know what is going to happen to the people of Barbados this year. This is not a reform of taxation. This is a proposal to extract as much as possible out of the citizens of this country this year and depending on how much money you collect or extract out of the citizens of this country then next year or the following year, or the following year, you may be able to release the levies. That is what this all about.

Mr. Speaker, I am speaking about a Minister of Finance who does not make a decision at all, Mr. Speaker, let me tell you, this is a book written by the World Bank on April 20, 1988 on the instructions of the Minister of Finance. It says here under, "Barbados the need for economic adjustment." Here the World Bank is telling Barbados, since April 20, 1988 that there was need for economic policy adjustment. This was put in the waste paper basket. Not a single person in front there has ever seen this, unless they got it from somebody else. Not one. This was since 1988, Mr. Speaker, that the World Bank was telling the Minister of Finance that you need economic policy adjustment. Are you surprised when the World Bank is so tight on Barbados? Are you surprised?

When I heard Sir Douglas Lynch saying that the Minister of Finance had ample warning from the World Bank, I did not understand what he meant. I said, what is all of this about the World Bank, until I butt up on this.

Mr. Speaker, let me proceed. If you are going to reform a tax system, Mr. Speaker, I believe you have to look at the reasons for the allowances being put in the first place. If you are going to remove allowances you should look for the reasons why the allowances were put on in the first place. That is the first thing you have to do if you are going to remove them.

Mr. Speaker, I took the time to look up why some of these allowances were put on. In 1986, the then Minister of Finance said in the Budget of July - It is on page 3772 of the Debates for 1986... The Minister of Finance, at that time, Dr. Haynes said: "All pensions will be exempt from income tax". And there was a loud, "hear, hear!" And you know who said that. Then the same Minister of Finance, in fact the Hansard says that, B. M. TAITT said "hear, hear!" Then the Minister of Finance in 1986 went on and said, "There will be no taxation of severance". Again, Mr. Speaker, "Hear, hear!" Then the Minister of Finance went on, "Fifty per cent of insurance premiums on owner occupied homes will be deductible". Again "hear, hear!" Also, "The full cost of repairs in any year will be allowed as a deductible expense."

Now, Mr. Speaker, I then looked for the reasons given by the Minister of Finance at that time and these were the words that the Minister of Finance said at that time. Laudable words.

"These proposals, Sir, in relation to a home represent only a partial restoration of the tax benefits which the Democratic Labour Party provided in the past. They will assist in stimulating activity in the construction sector whilst giving significant relief to home owners".

He went on:

"Home ownership, Sir, is one of the corner stones of democracy in Barbados, and it must be promoted. Fiscal policy must be directed towards improving and maintaining a healthy housing stock in Barbados".

Now these were the reasons given for the allowances given with regards to home ownership.

Mr. Speaker, the Honourable Member for St. Michael South, page 3782 of that 1986 debate. This is part of the statement by the Honourable Member for St. Michael South who is now the Minister of Finance. This is what he said at that time - April, 1986. Remember what I just read.

"The presentation of the principal spokesman for the Opposition was very much to the point, it was learned, it was pungent and it was penetrating..."

Now this included the reasons for giving those allowances. The Honourable Member for St. Michael South continued:

"What the Member for St. Michael South Central actually did today was to diagnose the problems within the economy of Barbados and then to present the kinds of proposals which would restore the sick economy back to a sound state of health."

Mr. Speaker what the Honourable Member for St. Michael South was saying is that the economy was sick in 1986 and that the measures giving allowances to people would restore the economy back to health.

Mr. Speaker, he went on and these are his words in 1986, and so we are left with this situation in which in the economy of this country today, April 1986, the manufacturing sector is a weak indicator, pointing downwards. Sounds familiar? Agriculture, both sugar and non sugar – a weak indicator, pointing downwards. Sounds familiar, like what's happening now? The tourism sector – a weak indicator, pointing downwards. Sounds very familiar? But at that time, those measures giving people relief was considered as what was needed at that time. They were needed in order to get the thing to point upward. Now, every single sector of this economy is pointing downwards and after taking 8 per cent and all of that, you are going... All the talk, Mr. Speaker, I am going to point out one thing. Before I get to that, let me say this. How can any person, whether it be the Minister of Finance or any other one of his colleagues on the front bench or the back bench, who has lived in Barbados all his life, fail to understand that the only thing a Barbadian likes to own more than his own house is life. A Barbadian does not buy shares, he does not buy stocks, bonds. He wants a house. Even the Lotto winners, with the shock still in their heads say, "I don't know what I am going to do with it, but I am going to build a house". And what are you doing? In these measures here, you are preventing people now from buying a house. All of those people, the nurses, the policemen, the civil servants, all of them who are thinking of building a house or buying a house, all of that has gone through the window. That is a thought and those who have houses, they had better be careful because that is going from them as well. Nobody has spoken about the land tax here today. You have all of them getting up and saying this is what is going in 1993, what is going in 1994, they are talking about what is going in 1995. Tell me what is going to happen to the people of this country, this year in this tax gathering exercise.

Let me point out something, Mr. Speaker, before the time comes and I don't get to it, because this is very important. This is extremely important, Sir. Mr. Speaker in the presentation of the Minister of Finance, this is what the Minister of Finance said under Revenue Maintenance

The proposed tax system should be more revenue efficient than the present system
11.25 p.m.

Revenue yields will be maintained – and he gave the measures that would maintain them – by the imposition of the 40 per cent flat rate of PAYE this year immediately, the abolition of the itemised deductions immediately and the use of the \$13 000 allowance immediately. He said that revenue will be maintained.

So, we read the document, Mr. Speaker, prepared, printed and produced by the World Bank from which this was written. This was taken from this. (Pointing to a document) IMF. Let me read it on page 2. Remember the Minister of Finance said that revenue yields will be maintained. Listen to this one. I will make it a document of the House if I have another copy. This is a document dated 11.1.86. Even on the first day, The Proposed Reforms of the System of Direct Taxation in Barbados. This is what it says: "High revenue yields are achieved by the imposition of those same three things." He said that the revenue yields will be maintained. This one says: "High revenue yields are achieved by the imposition of those three things." It did not stop there but it went on: "Even though high revenue yields" No more maintaining any level. They are expected to be high. -- "Even though high revenue yields are expected, the burden of tax on the poorer classes will fall. Now listen, Mr. Speaker, and this is important. If this says that high revenue yields are expected because of these three things that have been imposed but that the tax on the low income will not be too great and the people at the top will benefit, who has got to pay it, Mr. Speaker? The middle has got to pay it. These high revenue yields have got to come from the middle. They are the nurses, teachers, civil servants in the Ministry of Finance and the policemen, that is where it is coming from. That is where you could predict high revenue yields from those three things. If the people in Barbados do not understand what is happening, Mr. Speaker, I will tell them something. I am not even touching on the land tax because that is monstrous. You have to understand, if the people in Barbados do not understand that this is the time to cry hard, full stop. By the time they are ready to cry hard, there will be nothing hard to cry for. I cannot understand when I hear people making excuses, but we are in the thing already. You are in water already and cannot get out.

...ing me that the IMF is such a heartless organisation that it will be satisfied just because it wants you to reach a particular target for you to destroy your whole society. Are you telling me that? What is happening, Mr. Speaker, is this. We have a Minister of Finance who does not make a decision at all and what is happening is that the Minister of Finance is in his element because as long as the IMF and the World Bank are here he does not have to make a decision. To think

that people are sitting down and going ahead with this nonsense all of the time and do not understand that it is no longer DLP, BLP, NDP or anything. This is Barbados we are talking about now. We have a decision where there is now no confidence in the Prime Minister and the system at all. We have a situation where in this Budget we can hear that the banks are awash with money, but when the Government throw out Bds \$80 million in Treasury Bills, the Central Bank still has to take out Bds \$40 million because the banks say they are not taking any chances with it. The interest on Government paper is at the highest level, but the banks say they are not taking it up because they do not trust who you have as Minister of Finance and they do not trust the system. Until the people in this country understand what needs to be done, we are doomed. People have got to understand that. They have to understand it.

Mr. SPEAKER: Order please.

Mr. H. A. BLACKMAN: You have a situation, Mr. Speaker, where the Office of Prime Minister has now become a laughing stock. All the other Prime Ministers that I know of, when negotiations were going on they got their functionaries, the lower people to do their negotiations.

Mr. SPEAKER: There are one or two things that I have to caution the Honourable Member about. I think taking the cue from other Members that they all understood how I think the debate must go. But you must fall outside of the category of dealing with that rule which I said is very pertinent to the debate where you are going to deal with the conduct of people, especially Members of this Chamber. You have to be very careful to stay outside of that regulation.

Mr. H. A. BLACKMAN: I am trying to point out, Mr. Speaker, where the problems in this country lie.

Mr. SPEAKER: Yes, you can mention the problem but you have to stay within the context of that.

Mr. H. A. BLACKMAN: I am trying to point out where the problems lie. All other Prime Ministers before when negotiations are taking place in any country send...

Mr. SPEAKER: That is not the point I wanted to make. The point was when you say "laughing stock" it is offensive to Members. It is offensive and, therefore, you have to keep outside of that.

Mr. H. A. BLACKMAN: Well. I will withdraw "laughing stock". But the point that I was trying to make is that a Prime Minister does not take part in negotiations. You have functionaries. Even your Permanent Secretary and Junior Minister go and sit down and negotiate. They report to you and you say, "Okay. Do not budge. You can ease them a little bit there but do not move from this one."

The Prime Minister goes in at the last minute and signs. That is how Errol Barrow used to operate. That is how Tom Adams operated. Now what do we have? We have a situation where a Prime Minister of this country is sitting down. Bree operated – sorry, who is Bree? The Honourable Member for Christ Church South I am sure operated that same way. We have a situation today, Mr. Speaker, where a Prime Minister sat down with ordinary functionaries and ordinary fellows down the line all day and all-night and negotiated with them. Are you surprised that the IMF treats Barbados with little respect?

We have a situation, Mr. Speaker, where our Prime Minister and Minister of Finance left Barbados and went up to the IMF – Did you all forget this? – and sat down almost literally at the doorway waiting to see if they would pass the Letter of Intent like how you would sit down at the hospital and wait for an X-ray.

Mr. SPEAKER: I cautioned you on that already. You can make comments but not in that tone. The problem with that is that if you are going to discuss the conduct of a Member of this Chamber there is a specific ruling. If you are making a comment, you make your comment but you cannot discuss it. The Honourable Member for St. Peter made comments but he did not discuss it. I accepted that as a true interpretation of the rule. But if you go into the discussion of the conduct of a person then you are outside of the rule. Unless you want to change that rule, that is the only way.

Mr. H. A. BLACKMAN: Mr. Speaker, with all due respect, if I am trying to point out the reason why the IMF will have no respect or treats Barbados as a colony, and I am trying to give the reasons, I cannot say such and such a thing without giving the truth.
12.05 p.m.

Mr. SPEAKER: Because there is provision for that. If you want to deal with that in a detailed manner, then you do what is required of you. Bring a Resolution to deal with that. I have always said that, but the comment has been made.

Mr. H. A. BLACKMAN: Mr. Speaker, let me just say this. The problem in Barbados today stems mainly from a lack of confidence. I do not care how many times anyone tells me that the IMF programme is working. We who live here know that it is not working, and no IMF programme will work unless the people of the country and those who have to invest have confidence in the leadership. There is no gainsaying that matter; it is a fact. There is no confidence in the system, there is no confidence in the Minister of Finance and in the present system, and all the talk, all that would be happening here, Mr. Speaker, when we agree to these, is that certain persons would be losing their houses.

Take, for example, a person living, say, in St. Philip who had \$40 000 and went to Barbados Mortgage Finance Company to borrow \$80 000. He got some of his family and some of his friends on Sundays to help come and mix the concrete, pour the floor and the ring beam, so he ends up with a home. Other people may come and build around him. Through no fault of his own the value of his house has gone up now to \$200 000. You are telling that man that he no longer is going to pay \$500 or \$540 yearly for his house, but that he has to pay \$1 200 or \$1 300 that year. Actually, he is paying the Government to live in his house now, so any time you do that you are making the man pay to live in his house. Remember, Mr. Speaker, that gentleman's land tax would have gone up. He would have had 8% removed from his salary. That man's wife might have been laid off last month or the month before. That man is the same man who, when he is driving his car to work at Inland Revenue, you told him last week he has to pay more for gasoline.

What is happening is that people in here are taking these things in isolation. You are now destroying people after weakening them last year. This is like knocking down a man in a boxing match and then when he is lying down you keep beating him. This is what is happening, and people are agreeing to this.

There are a lot of things you have to understand. These matters were discussed in the Minister of Finance's absence. If these were discussed and agreed to in his absence, then "the fellows have agreed to them already, I was not here." But what did they agree to? I cannot support this measure because I believe it is a breach of promise, I believe it is a breach of faith. Every single person in Barbados agreed there was going to be tax reform, but do you think that if the Honourable Member for Christ Church East had gone into Ealing Park and told those people they were going to take away their ability to claim their allowances he would have won a seat? Do you think if I had gone into Ruby Park, Cane Garden, Crane, Union Park – I have about 40 in my constituency, it is all right for the Honourable Member for St. John to stand up and say that his constituents are poor and he is speaking on behalf of the poor, but you have already destroyed the poor last year, so how can you speak for the poor now? You had people at NCC carrying home on Friday evenings \$13.08. Last Saturday a lady showed me a cheque for \$10.75. You have already destroyed the poor, you cannot speak for the poor. How can you speak for the poor when you have already destroyed them? And now you are coming for the middle class.

hlf. SPEAKER: One minute more.

hlf. H. A. BLACKMAN: Do you think that in an area where the Honourable Member lives, where about 90% of his constituents have mortgages – Wanstead Heights, Wanstead, Oxonards, Husbands – how is he going to tell

those people that from next year they will have to pay \$1 300, when they are only paying \$500 this year? What sort of thinking could go into this? People have to stop taking things in isolation. Barbadians cannot take any more.

I saw in a newspaper this morning that the cost of electricity has gone up. That same man I was talking about must have electricity, so he has gone again. You have to stop taking things in isolation, and you wait until a time when the economy is at its worst and remove the allowances from people. How can you do it? It is a roundabout way of doing things. At the very time when people need a safety net and any sort of allowances you can give them, you are taking away all the allowances from them.

Mr. Speaker, let me say this. I was born probably the poorest person in Barbados, if not the poorest man on earth. Any person who lived in Marchfield, St. Philip will tell you. My duty is not to be B, D, N nor Z, my duty is to speak on behalf of people. If any measure comes in here that I believe will benefit the people of this country, Mr. Speaker, I am going to vote for it. I may not speak, but I will vote for it. When I am not voting for a measure I am going to speak, because I will tell you why I am not voting for it. That is how I operate. There is not any "you have to do this to keep the party together." I do not operate that way, I cannot do it. I speak on behalf of people and I hope that people and Honourable Members in here stop isolating and saying "my constituency does not have this, therefore I can do this." It cannot work that way.

Mr. Speaker, in closing let me say this. I would appeal to all the people who have authority. The point is, I cannot see how any person who has analysed these could say that these are for the benefit of people. I do not want to know about 1993, 1994 or 1995, tell me about 1992. That is what I want to hear.

Thank you, Mr. Speaker.

hlf. SPEAKER: I am under no obligation to wait on any members. If time elapses and no members indicate they wish to speak, then I will put the question.

Hon. H. B. St. JOHN: Mr. Speaker, we have now had the opportunity of listening to 3 members on the Government side putting forward the reasons in support of these tax proposals.
12.15 p.m.

We have also had the benefit of the speech from the Honourable Member for St. Philip South who formerly held a post in the Ministry of Finance. It is quite clear to us from the speeches of the Honourable Minister of Finance and the speech of the Honourable Member

for Christ Church West Central and the speech of the Honourable Member for St. John that the Government is seeking once again to indulge in a revenue raising exercise and that, in so doing it intends once again to confuse and delude Barbadians, by failing to explain in simple and clear language the impact of the proposals they are bringing to us.

I am shocked that this community is being called upon to debate these measures without the benefit of a costing by the Honourable Minister of Finance or the Minister of State in the Ministry of Finance. That is treating the public with the greatest degree of contempt. I think it is time that it be said, there is only a limit to the capacity of a human being to take insults.

If the Honourable Minister of Finance and the Minister of State and the Honourable Members on the other side, with the exception of the Honourable Member for St. Philip South, continue to heap these insults upon the people of Barbados they will be the ones laying the foundation in this country for a revolution. It will be their conduct that will precipitate activities in this country that none of us want to see. These measures are part and parcel of a regime imposed on this country by the Democratic Labour Party in which vast sums of money are being raised in order to pay for the insatiable appetite of the same Government and its incapacity to run this country within reasonable means.

This Budget comes after 6 or more budgets by the Democratic Labour Party and, with one exception, everyone was revenue raising. People well recognise that this Budget is a total reversal of the measures introduced by the Democratic Labour Party in their first budget in 1986, by eliminating the vast majority of the exemptions which existing income tax law allows all Barbadians to claim in the determination of their tax. That measure alone is the greatest act of reversal for it was this political party in 1986 that changed and increased the amount that could be claimed in those allowances by well over 50% in some cases and 50% in most of the others.

When we look at such matters as mortgage interest, we must recall how it is that each of every one of the members on the other side, with the exception of the Honourable Members for St. Michael East and St. Michael South Central who were not here at that time fully supported the concept of unlimited mortgage interest, unlimited repairs and 50% reduction in land tax for people who were living in their households. What has happened to them today? In a surreptitious manner, in a concealed, left-handed manner, they are being taken away and Mr. Speaker, I want to say I regard that conduct as despicable. They don't have the courage and honesty to come in here

and make it abundantly clear to the people of Barbados that they are reversing the policy that they themselves espoused.

Hon. M. A. KING: On a point of order. The Honourable Member is accusing Honourable Members of lacking courage and honesty.

Mr. SPEAKER: The Honourable Member well knows that words, said in a certain form, could result in a breach of the Rules of the House. I am suggesting that the Honourable Member do one or two things, either rephrase the language or withdraw that remark.

Hon. H. B. ST. JOHN: I don't want to cause any unnecessary offence, Sir. I will withdraw the remarks, but the facts speak for themselves. The Minister of Finance in 1986, and the Democratic Labour Party Government, in clear and unequivocal language came into this House of Assembly and increased mortgage interest and made it unlimited. The Member for Christ Church West Central was an avid supporter of that policy. Today the Minister of Finance is taking it all away and the Honourable Member for Christ Church West Central is an avid supporter of the Minister of Finance's proposals. I say he has turned turtle. He "skin a cuffin". In my language, anybody who does that is not worthy of the respect or the confidence of the electorate. When you do that you should be man enough to make a confession.

We cannot conceal these facts. It is a very serious thing for a country when you have a government that in 6 years comes to this House on at least 7 occasions and with the exception of one occasion has devastated the country with increased taxes on each and every occasion. That is the problem. The problem in Barbados is not that our tax system was fundamentally flawed. The direct tax system was worked on from the beginning of the 1980's. People forget that every year measures to relieve income taxation were introduced in this Legislature.

Only a person who has little understanding of the history of taxation in Barbados could fail to appreciate that the abolition of death duties, the acceptance of the principle of indexation of allowances, the introduction of tax credits, the introduction of measures to ensure that the tax bands are reduced from the top rate of 70% down to 50% were not important reform measures. All of these were introduced before 1986.

12.25 p.m.

What is more, we cannot discuss this question of tax reform without taking into account the fact that all of them, and particularly people like the Honourable Member for St. John who gets in here and tells the public that he is on the side of the poor, look at him. You can see that he is not on the side of the poor. This Government and he are

so much on the side of poor that he is supporting **tax** measures that are going to take, as a whole, well over 30% of the Gross National Product of this country.

We are in trouble with our taxation because the Government takes too great a percentage of the GNP of this country in taxes. That is why the point raised by the Honourable Member for St. Philip South is a very valid point. You cannot discuss these **tax** measures except in the context of the totality of the **tax** burden and what has recently taken place with the demands of Government upon all sections of this community.

These income tax measures must be looked at in light of the increase in user fees in this country. In the Ministries of Education and Health they have increased. At the Transport Board they have increased. All around us we are seeing that the Government cannot contain its voracious appetite for revenue. That is the truth.

Now, Sir, I feel we must understand in this country that there are a few things all of us have fought to ensure take place in Barbados. One of those things is the fact that as Barbadians 90% or more of us, less than 100 years ago were all in the same playing field in which everybody was living in a situation in which we today would regard as most undesirable. Every effort was made, whether through education, fairness in employment practices, or improvements in the economic position, to ensure that there was an improvement in our condition. Part of that was derived from the fact that in the distribution of the burden of taxation every effort was made to ensure that one did not discourage house ownership, savings and the provision for old age. Those are three important objectives.

We are told now that with the exception of National Insurance contributions, and I take it that the deduction of National Insurance payments have not been removed – I would be glad if the spokesman for the Government would correct me if we are wrong – that all efforts on the part of the people in Barbados to make provision for their old age are being discouraged because you have to do it out of your after tax pay. This is a very serious thing.

This country is becoming a country in which, certainly in the last part of this century and into the next century, more and more people will be living beyond what is regarded as retirement age. This Government ought to be encouraging people to make provision for their old age, not discouraging them. Do not tell me about a country like Bolivia and say that you are following Bolivia, or Colombia. What is the life expectancy there? They are not our models.

Sir, I have studied in great detail this question of pensions. It is my view, and it was always my view, that an analysis of the situation shows that if you want to

promote equity, fairness and encourage people to relieve the State in their old age of responsibility, that you should allow and encourage those people to build up their own pensions, whether through a national pension scheme such as the National Insurance Scheme or together with that in conjunction with the allowance by way of insurance or special pension schemes.

What we are doing, Sir, is **taxing** both. It was never so. In addition to your National Insurance contributions which were deductible **from** your income tax, you are allowed a deduction of \$1 800 for life insurance. You were allowed to subscribe to a private pension plan up to \$1 000. Then that was subsequently increased. Your pension in those days was taxed. Of course. You cannot have your cake and eat it too. But what you are saying now is that you cannot have your cake at all because you are taxing both at the time when you are building up and you are taxing again. You are subjecting that proportion of money to double taxation.

Aside.

Hon. H. B. St. JOHN: You would not understand that. It is not surprising to me that they do not understand. The tranche of income that is used to create pension is being taxed. The result of the pension is also being **taxed**. All of that is going on and we are to take that?

The Honourable Member for St. John says that he is on the side of the poor. He is on the side of those who are paying their National Insurance and cannot get a reduction from their taxes with respect to that.

Now, Sir, there is a lot of talk also about there being only 3 600 people in 26 000 who file tax **returns**. The greatest reform that was needed in taxation in Barbados could have been created by the appointment of 20 additional people in the Income Tax Office to deal with the tax dodgers. That is the greatest reform that could have been created.

12.35 p.m.

Put people in there to see that people in Barbados, including members of this House of Assembly who do not pay taxes that they should be taxed. That is what we should be doing. The greatest piece of tax reform that could **take** place in Barbados is to increase the inspectorate in the Inland Revenue Department to ensure that people who do not pay taxes should be paying taxes including members on this side and that side, as the Honourable Member for St. Philip South said whether you are B, D, Z whatever. It does not make any difference to me.

Mr. SPEAKER: I am not so sure that that statement could be left as it is because my understanding is that members have their PAYE deducted at source, so I am not so sure that that is a fair comment.

Hon. H. B. St. JOHN: If there are any, Sir. Nobody should be above the law. You are going to tell me that in this country with a per capita income of some \$11 000 and a working population of over 100 000 that you are only going to have 26 000 people filing tax returns? You are only going to have 26 000 filing tax returns? That is an important point, Sir. You cannot discuss tax reform in Barbados, except in the context of taking those matters into account. You have to deal with that.

What we are having is a most inequitable situation in Barbados in which people who are subject to PAYE are paying a disproportionate burden of the taxation and there is a large number of people who are going to escape the burden. I have no qualms about this at all. Therefore, Mr. Speaker, Sir, I say that this exercise apart from the devastating social consequences and economic consequences which the taking away of the allowances will have on particular interest groups is but an incompetent exercise. It is characteristic of how the Government carries out its business. That is how it is.

Since this is a Budget, Sir, there are a few other observations that the Honourable Minister of Finance made that I would like to deal with. And I want to deal with this question of privatisation. I feel very strongly about this. I understand that the Government – and the Government says there will be – is still pursuing its policy of selling Barbados' assets in order to increase revenue. I want to make it clear.

I understand that among the assets that they are selling is Heywoods in St. Peter. I am going to lay on the Table of this House two documents, one showing the accounts of Heywoods Corporation for 1989 and for 1990. I am going to get the photostats and lay them. I give the House the assurance. Because it shows some of the reasons why we are in this position. Here was a corporation that the Government was receiving \$2.5 million on its investments. In comes the Democratic Labour Party and appoints people in charge of that business. They negotiate a contract, totally unfavourable to the interest of Barbados and the revenue drops from over \$20 million to \$14 million between 1988 and 1990. God knows what the revenue is today. That contract makes provision that the tenant, the operator is to get a percentage of the gross revenue up front and that the Government must, out of the gross revenue also, put in a special escrow account 8% of the gross revenue for repairs and maintenance. We in this House have not yet been told about that contract.

I checked here very carefully and I saw that the last document of the Tourism Investment Corporation that was laid on the Table of this House was somewhere like 1985. I hope the Public Accounts Committee deals with them. Like we have asked the Government, the Honourable Minister of Housing to bring the new lease arrangement

with the **Hilton Hotel**. The point of the matter is, Sir, that you cannot privatise assets like *that* when you have an agreement which is already in existence which makes the asset unattractive other than to the people who have the existing agreement. That is the point. The only person who would be interested would be the people who have the existing agreement because if a third party buys it, you cannot give him possession without paying out the people with the agreement. This is a very important and serious point because you must not sacrifice the assets of the people of Barbados in the short term. You must let the Inter-American Development Bank, the World Bank, the International Monetary Fund know that these assets you hold only as trustee for this period of time that you are in office. That is what you must do. And you cannot sacrifice the people's assets because of that. Why do they not ask you to tell MOBIL to leave tomorrow morning and that is a monopoly? Why do they not ask you to do that? Of course we know why.

But the point is this, we all know why. The Honourable Members on the other side, despite the fact that they know why are not going to be men enough to stand up and look after the interest of the people of Barbados. I say that advisedly.

What we feel, Sir, is that tax reform, direct tax reform should also take into account the need for a review of indirect tax reform. We have been in all of our consideration of this, stressing also that Barbados has, to take into account the totality of its taxation system, the fact that it is part and parcel of the integration movement in the Caribbean. We have to take that into account.

It is clear that in the pursuit of tax reform little attention is being paid to the fact that this Government by raising indirect taxes in the form of stamp duties, in the form of increased consumption tax, in the form of differentials between CARICOM and non-CARICOM Governments has placed itself in a position that it is being forced by the World Bank, as part of the conditionalities to drive a wedge between itself and its colleagues in the rest of the Caribbean. It is a very serious point.
12.45 p.m.

The capacity of Barbados to implement its Caricom commitment to a single market by a definite date has been seriously eroded by the taxation policies pursued by the Democratic Labour Party when they increased year after year from 1987, 1988, 1989, 1990, 1991, consumption taxes and stamp duties. This is the position. That is why you find yourselves now in a position where you are between a rock and a hard place. That is your problem. You have not passed that. I listen with amazement when people can say that we have passed that. We can never be past that with 25 per cent to 30 per cent unemployment. The cost of the Government's fiscal policy, as well as

monetary policies at the behest of the International Monetary Fund, the World Bank and others has been paid for in the large and phenomenal amount of unemployment in Barbados. Unemployment in Barbados is the cost of those worries. The Honourable Member for St. John should go and search his conscience and say to himself and say "Oh my Lord, I have failed because I have subscribed to policies which have cost 30 per cent unemployment in Barbados." Thank you, Sir.

Mr. R. L. MORRIS: Mr. Speaker, one can imagine that after the difficulties of 1991 that each succeeding budget will lead to a repetition of discussions about those difficulties in which we find ourselves, a continuing diagnosis of the problems and either attempts to find measures to bring us out of these problems and carry us forward or a constant harping, a constant criticism and condemnation of every measure that is to be attempted.

Clearly, Sir, you cannot recognise that we have been in difficulties for some time, that we are in an IMF Programme and keep going back to that as a position of a negative from which to start our debate. This is a fact. This is where we are. Those who will not recognise that are not living in the real world. Barbados in 1992 is in an IMF Programme. That is where we start from. Barbados has to try to get out of that IMF Programme. That is what we have to be thinking and you have to try and get out as soon as possible. These are facts of life, so all the discussions about the role of the IMF as though they should not be in the exercise, is only futile and vague and uninformed thinking.

We have to recognise, Sir, what we have to fight for in this country, whom we have to fight to get what we want and how we have to conduct the fight. That is extremely important and this tax reform exercise is part of what we have to fight for. We have to understand that quite clearly. Both sides are agreed that there is need for tax reform. Both sides are agreed that this tax reform should have come long ago and I will not repeat in detail what other members have so eloquently said already, that we went through the tinkering of the seventies and the tinkering of the early eighties and the tinkering of '86. Nobody has described this one now as a tinkering. Not yet. I have not heard that. It seems to me that everybody has accepted that this is tax reform, recognising that has been said by others who have just spoken that in fact it has been a contest now of looking at indirect taxation reforms. True we are not doing the things simultaneously but clearly there is a commitment to move on to the other reform and we will not now see in its entirety what is going to happen until we get to that exercise. But clearly let us look at this exercise and in examining the exercise I think we need, first of all to look at the system that existed before and try to compare it with what is being attempted at this time.

We need to recognise too, Mr. Speaker, that tax reform is not an end in itself. It is but a tool to a particular end and that end, as I understand it, Sir, is an equitable and judicious distribution of the resources of our country. That is a major end of any tax programme that we have.

When direct taxation was introduced in our country in 1921 it was because of a clear understanding that those who could afford to were not providing resources for the improvement of our country, so that a narrow band of persons were enjoying the fruits of our country and there was no development. There were not the goods and services that would have flowed to the people at the bottom of the system and that is why it was introduced in 1921. And if in 1992 we recognise also that there is danger in the country's inability to sustain the goods and services for the masses of people without a change in the taxation system then you can have no justification for maintaining the system as it is. None whatsoever. When you examine the direct taxation system that existed before, among the problems that can be identified clearly, and I would support the Honourable Member for Christ Church South on this because it is germane to the discussion. It cannot be fair, in a country like Barbados, with over 100 000 people working that only 26 000 are filing. It cannot be fair. It cannot make sense.

Aside.

Mr. R. L. MORRIS: But if you have further information I am going by the information as has been provided and you can challenge that information.

Asides.

Mr. R. L. MORRIS: I will get the figures from the Honourable Member. But what is the figure then? I cannot believe that it is going to be significantly more than the 26 000 and I will challenge that they will go past 30 000 out of a work force of 100 000. So, even if the amendment of the Leader of the Opposition means that that number goes up, I will challenge that in Barbados with 100 000 people working and with a per capital income of \$1 200 that, in fact, only 26 000 or 30 000 should be paying taxes and I would go further and say, Sir, that I believe that most of the persons paying taxes are employees of the Government. Government workers basically. Most of them are Government employees. Some private sectors, especially those on PAYE, but I believe that most of them are going to be Government servants, civil servants and some of the public servants. Not so much the casuals and the temporaries, et cetera, but those in established positions, you can bet they are carrying the brunt of the burden in this country and that the private sector is the delinquent area in terms of paying taxation in this country. That is manifestly unfair. That is where the brunt of the problem is and that has to be changed. It means that a

small group of people are carrying the burdens of this country. That is not equitable, that is not just, and that has to be changed. It is not a problem of those who, perhaps, have broken periods when they were filing or paying. That is not a major problem. The major problems are those who have never tried, who have no interest in filing whatsoever. Who have hidden and carried away, who have no interest in paying. Not those who file late or break a period in their filing, those are not problems. The ones who have huge houses, big cars and don't pay any taxes and clearly the problem has to be with how our institutions function in our country. It is the whole problem of compliance, making sure you go after those should be within the system. That is vital and I agree completely with the Honourable Member for Christ Church South that that has to be an issue any time we are discussing direct taxation.

12.55 p.m.

A second problem, Sir, in the old system was that there were too many levies. I remember the Honourable Member for Christ Church West Central and myself agonising each time we had to come in here where there was an increase on a levy and each time supporting it, but each time calling on the Government to change the system because philosophically we do not support levies. We have never done that and will not support them. I believe that the Government has to be complimented in finding a way of getting rid of the levies. I called on persons like the Honourable Member for St. Peter who has taken a similar position in condemning levies over the years that now they have been removed that he should give the praise where it is due, that the Democratic Labour Party has lived up to a contract and a commitment that it will remove levies because they have always understood that the levies were a group of regressive measures of collecting taxes from the people of this country.

I say to you that if there is one good thing that has happened in this reform measure, it is the removal of levies that must be praised. They hung around the necks of the poor people of this country and now they have been removed like iron collars around their necks. Let us therefore give praise where it is due that the Government has taken a position to remove these levies. When we beseeched former administrations to change them, nothing was done. In the early administration of the Democratic Labour Party after 1986, the change was not forthcoming. It has now happened.

A third problem, Sir, is that many of the levies, because they were payroll levies and perhaps the worst of the lot was the recent Companies Stabilisation Tax, had an extremely deleterious effect on the workers of this country. When you sat down to negotiate with an employer, clearly he understood that his obligation was to take that money off of his payroll and pay it to Government. Therefore, it affected workers in either of two ways. Either some of

them were sent home or you could not negotiate an agreement to improve the workers' standard of living because it was a payroll levy. It had nothing to do with whether the company was profitable or not. Once you had a payroll, you had to pay a percentage of that as a levy. Employers act in one way – protecting the bottom line. They recognise a certain flexibility in their labour costs and they either terminated workers through redundancy or they put them in all sorts of short-time arrangements or they refuse to give them any extra money. So I am glad that in a reform we recognise that that kind of taxation has no place in a modern system of taxation and that had to be changed.

Clearly too, Sir, if you look at the old system, let us recognise that a provision which was made in 1986 where all of the mortgage interest could be claimed as a deduction and all of the house repairs could not be tenable for all times. That would have to be a short-time expediency in order to get the housing sector going.

Aside.

Mr. R. L. MORRIS: Well, even if you say that, Sir. As a leader of a party, I am sure the Honourable Member would know how to do that and he is recognising that there are certain things that can be done to do that. In his time certainly, Sir, he may do the same. But clearly, Sir, it seems to me that at that time if you were trying to push housing as one of the areas of growth in the economy, you might have taken a measure like that. But I do not see how that could have been sustained. Clearly, there is room for capping something like that. We had objections to it from a philosophical point of view because we recognised that it could lead to certain inequities in the system and it could allow certain small groups to benefit in a way that will be totally out of focus with the entire community. So it is not the sort of thing that you could have stood on. Yes, it is true that members of the Democratic Labour Party in 1986 might have applauded that measure. But because you applaud a measure today that does not mean that 10 years from now you might not reverse it. What man with any intelligence does not understand that these things are relative and that the thing you put in place today you may change sometime down the line because times change? What is relative for one time cannot be relative for the other. I do not understand these kinds of positions where every measure you take is fixed in steel or cast in stone or iron. I do not think that men are made in that mold. I do not think that people are made in that mold. We recognise, Sir, that we have to change according to the circumstances. That is what public policy is all about. Analyze the situation and come up with the solution as it relates to a particular situation. So we could not have supported that, Sir.

On the question of pensions, Sir, we feel strongly about taxing pensions. But we recognise that

there are certain professionals who might have been members of this Chamber, for instance, who draw healthy pensions and draw down fees that would come to considerable figures. Would that person's pension necessarily be treated in the **same** way as some other person who has as their only means of livelihood a pension from some source? Well, clearly there is some room for discretion in the way we look at something like taxing pensions. Therefore, the cap on pensions is something that we can understand. Clearly, pensions cannot be treated **as** though there is one kind of pension arrangement. There are several types of pension arrangements **but** some will be inequitable. If we allow certain persons who get pensions and also get several other incomes to remain without the pensions being taxed, that would be inequitable and therefore we felt that was a flaw in the existing system.

Another flaw, Sir, is that we believe that at the top level of income earners there would be some feeling that, if you are working and you are using initiative but that you are not maintaining enough for yourself, the time will come when you will feel why should I keep pushing because sometimes at the top level the taxation can be burdensome. But those persons are the ones who provide employment for other people down the **line** and you do not want your taxation system to be a deterrent to those who will be working and producing for others to get something.

1.05 p.m.

When you move down the band to **40%**, you are moving in the right direction. In other words, in a system you have to recognise that the taxpayers of this country will be stratified, segmented and varied. You cannot satisfy every group, but you have to look for a system that gives **the** greatest good for the greatest number, the best for the most. That is how we have to be thinking in any situation like this.

Let me admit to you, Mr. Speaker, when I read that report from the Fiscal Department of the International Monetary Fund, I did not like what I was reading. The persons who penned that report showed a lack of knowledge and consciousness and awareness of Barbadian culture and how we had reached this position. If that report had come in this Chamber, Sir, it would have been tossed out by all of us. I have no doubt in my mind about that. It could not come here. That report could not have come here because the recommendations could not come here and the Democratic Labour Party could not have brought it in here.

When I read it, I was particularly concerned about the question of the total removal of mortgage interest and the increase in land taxes altogether. I have strong concerns about it, but I recognise that individuals will be affected differently. There are persons who have paid for their houses, interest and principal. There are some people who will, therefore, not find that to be a particular difficulty.

There are some persons who have paid off for the first 5 or 6 years already and, therefore, there is no problem because they are into principal but there are others who recently would have gone into a venture to build a house against the background that they thought they would be able to claim all of the interest. Clearly those persons are going to be put in a very difficult position because they have been taken by surprise. I **cannot** quantify the number but there **will be** some out there. Some will be in more difficulty than others dependant on their own personal circumstances, what their cash flow is, their other arrangements and what they have to fall back on. Everybody is not going to be in the same circumstances but these are the ones who will hurt and they are by and large not the persons who are paying mortgages of \$350 or \$450 a month because most of those persons will be caught within the \$13 000 base exemption anyhow. Those who will be able to go past that and significantly those who planned against that will be hurt and will therefore have to try as far **as** they can to restructure their own arrangements. There are going to be several persons placed in a difficult position. There is no question about that.

Can you so arrange an entire system and policy that you can cater to every individual? Is that at all possible? Let us ask a question? Those persons who are paying mortgages and fairly big mortgages, those who are called on to pay land **tax**, are those the poor people in our society? What have they demanded in terms of goods and services from each successive Government? Have they demanded that their children get free primary, secondary and tertiary education? Have they demanded that where they live in heights and terraces should have Barber Green roads throughout? Have they demanded that there should be proper street lighting and proper drainage so that when the rain falls not a bit of water will collect on the streets? And have they demanded the best health services anywhere in the world? Have they demanded that the Police Force should be excellent? Have they demanded all these things and do they not understand a concomitant responsibility to pay their taxes? And with these taxes on houses and lands is it inequitable that you can afford these things and that you do not pay for the goods and services? If they do not want to pay for these goods and services, who are the persons that they are calling upon to do so? The 14 000 or 15 000 persons who file taxes who are below \$15 000 in income? The persons who are not working at all in our country and are in an increasing number?

Mr. Speaker, what I am saying is this. Of those who have much, much is expected. A basic and simple premise on which we have to base democracy. Yes. People are privileged in our society. When I look at income bands in our country I would say that the lower income group would probably be \$15 000 or less, the middle goes up to about \$45 000 and of course there are differences in the terms of where you want to go, and then above that. You

might want to use 3 salary scales rather than 3 because you might want to talk about middle income and upper middle before you get to the fellows who really work for a lot of money in this country.

Of course, in Barbados, matters about who work for money is so opaque and you don't discuss those things in this country. There are one or two persons' salaries that you know but the people who work for money in this country nobody discusses their income. In America you can get Forbes magazine which will tell you who the new billionaires, the millionaires and the super-millionaires are, but in Barbados, the impression is given that everybody is poor and that only a few of us work for 5 cents but we know that cannot be true.

We know the property they own. We see the cars they drive. We see their lifestyle and we know there are rich people in this country. Quite a few. The discussion about wealth and income in Barbados is hidden behind a veil. You pull out one or two people's salaries and discuss them but the salaries of the ones who are working for the different directorates and have briefs for every big business are not discussed in this country. That is beyond the pale. You can discuss how much an NCC worker carries home in his pay packet on Friday evenings but you cannot discuss the big people's money in this country. They hide behind all kinds of covers and robes, but we know who is making money in this country. Not the robes that the Honourable Speaker would wear. The Honourable Speaker is not in that group. He is rich in his integrity. He does not make the money in this country.

Sir, I wonder sometimes, all those persons who really own plantations, all those who own ancestral lands, the thousands of acres of our 106 000 acres in Barbados of which they own almost half and live in Great Houses, why are their salaries and incomes not discussed. Why don't you discuss what they pay to this country in terms of land tax and other direct taxes. They are never discussed. They are beyond the pale.

We recall very well in this country there was a time when in order to vote you had to have property and to pay taxes. That was the basis of our system in this country. In order to vote you had to pay land tax and other direct taxation. We will never subscribe to that but we do believe that those who have great stakes in this country should be prepared also to show their responsibility.

As a member of a trade union movement along with the Coalition whose worthy leader is here with us and will most likely look at those elements, we had certain concerns and, as I said before, one has to recognise what to fight for, whom to fight for and how. We recognised the counter fight and therefore we sought to deal with those who brought forward recommendations and to support positions

that we felt were tenable positions. We recognised that the private sector would bring forward their own positions but we represent a particular group of people and therefore we put in our proposals which will be dealt with by the Honourable Member for St. Michael Central. We went into serious consultations.

Now, I find it very difficult to understand what is happening in this country. Some people say to the Government that it needs to consult, talk and express views, and when it does that, it is criticised for doing that. I find it difficult to understand what the Opposition wants in terms of how Government should function. Consultation and discussion takes time. It is a very expensive process and when it involves the whole question of when to finalise discussions and move forward. You do not agree on everything.

1.15 p.m.

As I understand it, Sir, if Government has a policy decision which it is willing to change because of the negotiating process, then the widening of that process should not be criticised.

The Dover Convention episode whether or not a functionary of the IMF went there as a consultant or assistant, basically there were two sets of proposals. There was one proposal coming from the International Monetary Fund. You ask a technocrat for his opinion. He did his work and he put it before you. But then Government had to take a position. Government's position had to be responsive to the needs of the country, the social partners and then the man in the streets. How could Government go and ask for an opinion if it did not first expose what its policy would be? What its ideals and programmes would be also? It would have been totally indefensible if Government had gone to the persons who went to Dover Convention Centre and said it was going to a direct taxation policy and did not say what it intended doing. Therefore, you have to reveal some of the information which is here before us.

What process do we want? Are we saying we should have discussion with the people and then come to Parliament or are we saying we must come to Parliament first each time? What do we want? I am saying this is a serious matter and it is serious because it speaks to how we consider democracy and where we want to go in the future.

Mr. Speaker, I just want to conclude on the point that one of the things we are very happy about too is the fact that the report suggested we should tax severance payments and unemployment benefits. The Government, from a philosophical point of view, remembered that they were taxed by the Barbados Labour Party Administration before. I believe on a recommendation from the IMF, or

the World Bank, or on their own, but I heard members referring to the 1988 World Bank Report, what suggestions were made and how quickly or not Government responded. World Bank Reports do not vary too much, Sir. Between 1979, 1980, 1981 and 1982 they came back with the same prescriptions. You could have read one 6 years ago so somebody who read 1988 as though it was the first document produced would not understand that the prescriptions have been the same thing each time for each administration. They would not understand that.

We are very pleased, Sir, that severance pay will not be taxed as well as unemployment benefits. I am sure all the dockers, the Transport Board workers and all those persons in the public and private sector who may have to be severed will understand that at least some consideration was given to their point of view and even though it might not be too much to think that you are going home, the point is that our voices were heard. I think we need to recognise that was a positive thing coming out of these.

Sir, I have no difficulty in saying that we have to make several more changes in this country. This is one of the first ones. This is part of structural adjustment. This is the first organised bite at structural adjustment because we have gone through the stabilisation. We have to adjust the taxation system. We have to adjust the monetary system. We have to adjust agriculture. We have to adjust right through because if you adjust the economic areas then you have to get to the social areas because education now has to be the underpinning of all of these. We have to address that too. A country has to get into a structural adjustment mode otherwise we would perish for the future.

I thank you, Sir.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I now move that the sitting be suspended until 2:15 p.m. today.

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

The question that the sitting be suspended until 2:15 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly. 1.25 p.m.

ON RESUMPTION

Mr. SPEAKER: This sitting is resumed. Do any other members want to contribute? The Honourable Member for St. Michael South East.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I rise to speak during this debate because after listening to various speeches made on both sides I feel compelled to say a few

things which were not said during the course of this debate, so far.

Honourable Members from the other side have concerned themselves with the ~~tax~~ restructuring and that sort of debate. It may sound very well for those who like to take the academic road towards certain matters. But I have always learnt that it is best to see things in a certain light and to see how one could apply them to the present day situation especially as they affect the average person.

I agree that there is need for tax reform. There is need for reforming everything for that matter. We have had reformation from time to time in different countries and all that means is that there comes a time when the country has got to stop and take stock of its position and where it intends to go. Therefore one cannot quarrel with the attempt of any Government to bring about tax reform. But at the same time, the Government must not feel that an Opposition voice to these measures or any tax reform is one of not only automatic support but one grounded on mere criticisms and one based on one's desire to see the country remain where it is. We want to see new and bold initiatives because I think that is the way forward. But at the same time we have to make sure that these new and bold initiatives do not hurt people. That is what we have got to understand. We have to take into consideration how these bold initiatives are going to affect everyone not only today but in the future. We have to make sure that in the present climate, especially the economic climate that these things are done in such a manner as not to cause further social dislocation.

I want to submit that these measures, despite what that Government says, will create hardship to some people. I totally disagree with the Member for St. John on this, that he is concerned about the people at the \$14 000 bracket. Those people are also affected. I want to make this point because it is all right for people to make those statements and feel that way but I want them to understand that it goes a bit deeper. When you analyse very closely what you are talking about when you talk about the people in that bracket you will see that they are affected and seriously at that. Those are the persons who cannot afford to build a house in the \$100 000 range. There are people who had benefitted through the Tenancies Freehold Purchase Act, as initiated by the Barbados Labour Party.

I well recall an argument made by the Right Honourable Member who is now deceased saying that the Tenancy Freehold Purchase Act would cause several people who now rent to own properties and the then Government's intention was to bring these people on the tax roll. That was the Right Honourable Member for St. John then. What I am saying is that we have got a situation where those people have benefitted from a piece of land, they have erected a house and the average price

or the average valuation of the house is \$50 000. What we are going to see is that those persons will come on to the tax roll and those persons will be taxed for the first time and there are several thousands of them. I am talking about those poor people, not one nor two. We are talking about people even in the Government housing estates, like in the Bay Land.

What I am saying is this – because it is something that we have got to watch – we have seen a development where Government... You see you blow hot and cold that is the Government. You encourage people to purchase these house lots and at the same time before they can catch themselves, before they can complete the purchase, they are now faced with an additional tax burden. Do you know what you are going to find? People who have got an option to buy or rent would opt to rent instead of purchase because when people realize they have to pay taxes, never mind that some people would want to own a particular piece of property, they would not like the idea of paying taxes. What would happen as a former member of this Honourable Chamber used to say, is that it would impinge on the pockets of the poor people. When I talk about houses in the bracket of \$50 000, I am referring to people who are conductors and drivers and scavengers and grave diggers and maids. I am talking about those persons, and carpenters and masons. Sometimes we occupy ourselves with the people who live in the heights and the terraces and we forget that poor persons are out there.

What are you leaving the people in Haggatt Hall to do when you are going to offer them the land to buy. They are now taxpayers. They have to pay taxes. What I am asking is what about those people now being faced with a mortgage and higher taxes and most of them have been sent home? I must raise some concern for 700 or 800 people who will go home from the Transport Board and other places. They have committed themselves to a house mortgage through their credit union and without any work at all, without the necessary retooling to put them in a position where they can benefit from other job opportunities. You are now saying to them pay additional taxes by December or January of next year. This is the cruel thing about it. You are severing these people at the end of the year and the same people who have got mortgages cannot find the money to pay the mortgages and they will be faced with an additional burden of trying to find money to pay the taxes. I am saying some of them are coming on to the tax roll for the first time. The Government had to figure that out.

The Government can feel happy and relaxed. I know the devastating effect this will have on people and the political fall-out it will have. So the Government can smile. I know there was a time not too long ago in the 1970s when it was said in the constituency of St. Philip North that the then candidate was responsible for recommending

the increase of land tax that that candidate suffered. As far as I am concerned I have every good reason to smile because I know that it would be very difficult for them to hold me back when I am on the loose, in the election campaign, especially in those areas. Because I would be highlighting the fact that it is through this present Government that caused them to pay all of these taxes and stop their children from going to school. I will be saying that. I have to get up in here and talk and defend it. I am going to say this. I want my voice to be heard because I speak for the people in Fort George who will suffer greatly. I speak for the people who live in Wildey Garden and in East Terrace. I speak for the people in the Pine as well. I speak for those people who are taxpayers, Mr. Speaker. I also speak for the people who are in the Farm. I have to worry about them.

You see, Mr. Speaker, some people do not really understand what their responsibility really is. I have a responsibility to those who are poor and not so poor and those who are rich and not so rich. I have a representative number of those categories in St. Michael South East. 2.30 p.m.

I am worried because there is a development going up in Fort George. I mention Fort George and I can mention Cane Vale. The Minister of Housing has got to be worried. He has to be worried as to how soon he can complete those 200 or so houses down Cane Garden because the Minister of Finance will be watching him carefully. He has to be watched carefully and I want him to understand this. The Minister of Finance has brought these measures down. He knows there are over 200 incomplete houses in Cane Garden and if those houses are sold at an average of \$100 000, he knows that is \$2 000 000 and the Kt. Honourable Prime Minister and Minister of Finance knows that he can realise at least \$6 000 000 or \$7 000 000 so I hope that the Minister of Housing will understand he has a job to do – get those houses completed so that some money could go to the Treasury so that we can get the hinges of the economy moving. I hope he understands that.

Asides.

. Mr. SPEAKER: Order, please.

Mr. DeL. O. BRADSHAW: Mr. Speaker, as well, we have to be concerned because we are talking about reforming the tax base and this is to bring us some money. I have heard, coming out of the debate, concerns about what these measures will bring in. Now, I am saying this. In the financial year 1991, the Government made a projection and it was expected to haul in a full 25 per cent over and above the taxes that they calculated to bring in. If the Honourable Members on that side cannot understand, let me explain it to them. There are a number of people who have not yet come on to the tax roll. Their

properties are not yet registered with the Land Valuation Department, hence they have not yet been assessed for tax purposes. Now, that exercise is done every 3 years. This is now the time to carry out that sort of exercise. We do not know what the Land Valuation Department and the Land Tax Department will come up with to show how many more people have come on to the tax roll during the last 3 years. That is very important. The Minister of Finance will have said, based on what these figures were and up to what date. I know full well they have got to be projections and the Commissioner of Land Tax, under the Law, can recommend a reduction or an increase in land valuations at any time, obviously, after consultation with the Minister of Finance, especially in economic circumstances. What I am saying is this, none of us in here, and I mean even the Minister of Finance, can say with any degree of certainty or accuracy what figure he will be able to get from this exercise. There is nobody in here who can do that. If anybody is going to be intelligent and proclaim that they know about these measures and want to endorse them, I will put it to any member of that side to tell me how much money is going to be realised from these measures and not one of them, I submit, Mr. Speaker, not one of them over there knows. Not one of them has a clue, not even the Minister of Health, he does not have a clue about anything at all.

Mr. Speaker, it is very, very important to talk about having a neutral budget or what not. It is all right for us to talk about that. I want to know what these measures will cost because as I have said, I have just quoted one particular project and I am stating here that the Government can realise \$7 000 000 from the Cane Garden project because it is not yet completed and when it is finished they can realise that. I am saying that is just one development. There is another development now being done by Ideal Homes at the Crane in St. Philip and there are other developments that are now in the course of completion. It would mean that these profits will come in and the Government would have additional money. I am saying all of this, because if the Government does not understand what I am saying, it means that additional money which the Government did not even budget for would be available to it and therefore it might be able to complete its projects that it cannot now complete. That is what I am saying.

We should be careful in bringing these reform measures to see that we do not take in much more than we really need. I am going to say this and I am going to stand by it in the record. You can quote me at any time. We are going to be raking in more money than the Government projected to take in. That is why I am saying you have to look at it. The revenue taking could have been increased by having the exercise done next year.

Mr. Speaker, I was surprised that some members who said that they had the interest of workers at heart would get

up and make a speech and don't really understand. I cannot understand how an Honourable Member could say that he discussed these things. I want to know if he approved them. He did not say that. He stopped short of saying he approved them. I was saying this, one thing I can say for the Barbados Workers' Union – I am talking about an organisation – is that it has been consistent over the years in objecting strenuously to any measure that impinged on the pockets of the workers. Whether it was a matter of severance payments, levies, the Barbados Workers' Union came out against it.

Asides.

Mr. DeL. O. BRADSHAW: That is what I am saying. I know the original leadership, I said the original leader. The present leaders, I don't hear them square up with that. I want to know whether they are on the same tract as the former leader because most of these comments are coming from the former leader. I just want to know if there is some consistency. I am watching very carefully and listening to hear if there is any departure from the course.

Something is wrong because I did not hear ...

Asides.

Mr. DeL. O. BRADSHAW: The NUPW are a bundle of jokers at some times. Agree to what? They don't understand the measures and are agreeing. A bundle of jokers they have now. I can say that. If the Union or whoever agree to these, they have got to be jokers. I say that. I am on record as saying they are a bunch of jokers. They are not aware of the plight of the workers. I am saying to them, and I can challenge them, because these are measures and I cannot see how anyone at all could sit down and I have not heard them saying to the public up to this day that they have endorsed them. I don't hear those remarks on the Floor of this House that they have endorsed them. If that is the style, there is something wrong. But as I said, what else do you expect when the people who sit down with them representing the unions are also members of the same party in power, fait accompli.

I am open for any attack from any member from that side or from anyone at all. I am capable of defending myself because whenever I go out there I make sure that I have reserves to deal with such things.

Mr. Speaker, you are faced with a situation where people find that they were paying \$200 a year for land tax and by November/December when these land tax bills go out, will wake up and find that they have to pay near \$600. 2.40 p.m.

I want members to understand. I hear some of them in here with this logic which is not based on any common sense at all. They are **talking** about just because a person may have a big house that constitutes that the person is working for money. That is nonsense. It tells you that they do not understand how the system works. You can build a house by putting on a little piece at a time. The house may cost \$20 000 and you add on and on. The Land Valuation Department sends out an officer and he revalues your property and then you pay **taxes** based on that revaluation. Some people who would have started building to accommodate a child or two would find that the children after attaining the majority age have married or gone abroad and you are left with a large house. It was never intended for them to have a big house for luxury but rather to accommodate your **poor** family. Because you have done that and now you are left with old aged parents they must now pay for doing that.

Sir, what I am saying is that these are circumstances that you have got to investigate on an individual basis and the Honourable Members on that side cannot quarrel with that argument. They do not understand that. You have to look at the cases and see whether they are people who just built a big house or why they built a big house. I am saying that a lot of people are faced with a big house or what appears to be a costly house because of changed situations. We have to look at that. So it is not fair to think that because you see a fellow in a big house or on an acre of land that he is living above his means. Now we must not read that into it. That is why I am saying that we may very well find that a lot of people are trapped in this situation now. Where they were paying \$600 a year for taxes, they will be now called upon to pay \$1800 a year for taxes. I am going to tell you when it comes. It comes around Christmas time. I know that. If you do not understand that in Barbados around Christmas time like December and January, those are the tight months and you are required to pay within the 30 days after receiving the Land Tax Bill. You have built in a condition that you will get a 10 per cent discount if you pay. So people rush to pay their land taxes on or around that time in order to save 10 per cent of whatever the taxes were.

Sir, I have not heard the Minister of Finance or the Minister of State in the Ministry of Finance say whether the people will be given this 10 per cent. I have not heard that. It is not really in the measures. What I am saying is that whereas before you had an allowance for one to get a rebate, there is no rebate being mentioned here. I am saying that the taxpayers should have been told this, but no information is available. I want Honourable Members on that side to understand that at Christmas time things are usually tight and people would have used up their monies. If you want evidence, it is this. That is why the public servants were bitter when they heard that the Barbados Labour Party had decided not to give them the Christmas

allowance. They did not like that because it is a month where things are tight for people generally in Barbados. Now the result will be that in the month of January people are going to be faced with an increased tax bill.

Sir, all I am going to say to members is this. I do not **know** whether they live in China or wherever, but I know that when people get those tax bills they treat them seriously. Let me tell you that it is a time when you do not see many smiles on their faces. It is unlike any other bill or notice of payment for any utility or any other service. So I am saying that you will see what will happen when those people would have already suffered because of a decrease in their salary. No one can tell me that it is made up by reducing the level of the **tax** base. That is pure nonsense and it is not an argument that should be encouraged. It must be thrown through the window immediately. It must not be allowed to surface or gather any root. Yes, you are going to reduce the percentage from 60 to 40, but at the same time you are taking away the stabilisation tax. Whereas you are reducing the stabilisation **tax**, you are carrying up their income tax. In other words, what you are seeing is a transfer of the deduction of the stabilisation tax on to the income **tax**. That is all it is. The same deductions are there so you are not gaining one thing in this regard. Absolutely nothing! For instance, where the stabilisation tax in one case was \$1113 and the tax payable was \$5160, you are now going to pay \$6000. In other words, you took off the stabilisation tax and, when you add the income **tax**, there is **no** gain. There is nothing. All you have done is to transfer work on paper. So I do not know where the benefit really is and Honourable Members on that side must not seek to convince the public of Barbados that there is any substantial gain.

What I am saying is that you must look at how it is going to affect people. If people are going to be buying property, Government has not put in place the system to enable the smooth transfer of these things. The prospective purchasers will now have to pay, depending on the delay, part of this land tax and the greater the land tax the longer a period it will take to close a deal. That would mean that the purchaser will also suffer, not only the vendor. Now all of these things must be put in place.

Sir, I am going to say to the Government that I do not think that the Land Valuation Department has put in place the mechanism or structure to deal with these changes as yet. I do not think that. I doubt very much that they have done that and this exercise is going to involve a tremendous amount of work. I feel that this system should have been put in place a long time ago.

I hope that the Government recognises that it has a duty. Although these measures are put in place, the Government can at anytime review them. Nobody knows or can predict with any certainty what is going to happen in 1993 or 1994. It all depends on the market

out there. I want to correct members whom I have heard from time to time talking about real estate. Do you know what is going to happen? The Government is going to end up with a lot of real estate on its hands. That is what we are going to see. It will not only be the commercial banks that will be selling out. The Government will have to do a lot of selling out of properties now. That is what we are going to see. Because there are going to be people who cannot pay and who have not been able to pay their present land tax when it was less. I doubt very much based on that premise whether they will be able to pay the increased land tax and the Government will have to sell them out. I have seen a lot of people lining up because they are saying that they are not going to deal with the real estate commission fee. Let me deal with the marshals because we know properties are going to come up. There are some people out there, Mr. Speaker, who will be only glad to hear that the land tax people are moving in on someone in here or even you, Sir.
2.50 p.m.

They are out there queuing up. They are only waiting for a name and they are looking at your house and keeping in check with people in the respective departments to see whose property is being put up for auction. They are out there like sharks with money to buy them all. There will be many more of these cases because of these measures.

The banks have said that people are defaulting on their mortgages. If they are defaulting now on their mortgages, don't you understand that by placing an additional tax on them that they are going to find it more difficult to pay for their properties? It is quite all right for the Government to sit down and talk. They will support every measure because that is what is expected, but I have a duty to criticise them because I know they are wrong. Sometimes they confess they are wrong.

Mr. Speaker, all I am saying is that these measures do not help to accommodate the people at the bottom rung of the ladder. What I would have wished to see in the measures would be something including ways and means of how to generate employment because that is what budgetary measures are all about. Here you have a package of tax reforms, but you don't have anything to go along with it to show how you are going to put more and more people to work so that the Government could benefit from increased revenue.

I am beginning to wonder. That is why the point was made by an Honourable Member on this side that the Government has narrowed the number of persons from whom you can get taxes. If fewer people have jobs or are in the job market, you have fewer people to get taxes from. That is why I am suggesting to the Government that in future it could spread the base and try to generate

employment so that more people could find work and the burden will not have to fall as it now does.

I feel that one of the main reasons for these measures is that Government has found itself with shrinking revenue and, therefore, it is taxing. When it does that, and runs everyone, those who are now crippled by these measures will find it difficult to survive and the other people are not benefitting. We have to understand what is going on. The Government might take comfort; but not only from this side, but from its own benches it can hear criticisms. It must listen to the criticisms. If it thought that we speak this way out of political expediency, it must ask itself why its own colleagues can sit down and criticise its policies. There has to be some justification.

Mr. Speaker, I am not supporting these measures. I am not convinced that it is fair and equitable, and I am not convinced that good enough reasons are advanced that it is not unfair to most people. I am aware that people are going through the grind at the moment and I cannot as a representative of a constituency and a member of this Party lend my support to any measures which would erode the confidence of the people and at the same time make inroads into their pockets. Mr. Speaker, these measures are not well thought out. They are rushed. Enough inputs have not been made from those who should be making inputs and I say they are going to fail and I am not supporting these measures.

Mr. H. deB. FORDE: Mr. Speaker, it seems as though there are not many more members who wish to speak. In those circumstances, I may well be winding up before the Prime Minister's reply on this measure.

My friend, the Honourable Member for St. Joseph, later this evening at the NUPW Headquarters will be speaking on the subject, "Parliament: its composition and role and its effectiveness as a means of controlling the Executive". If, indeed, he wished to use an example of the way in which Parliament has become an ineffective instrument for controlling an Executive, what is happening today and what happened yesterday in this Parliament is a striking example. There is no doubt in my mind, Mr. Speaker, that a good deal of the sovereignty which Barbadians have fought for over the last 350 odd years has been lost. Indeed, I would say that the effectiveness of representatives in Parliament has now been so undermined that no matter how trenchant and how valid criticisms may be of executive policy the trenchancy and the pungency of those criticisms no longer weigh much.

I am appalled and disgusted at the manner in which this whole tax reform exercise is being conducted. Mr. Speaker, the Rt. Honourable Member for St. Michael South has described his Statement as a Supplementary

Financial Statement and Budgetary Proposal. There are two things that strike one immediately about it.

First, there is the fact that although this is supposed to impact on the public at large, the public at large was given no official statement from the Rt. Honourable Member or his Government that he was going to make this Statement at a particular time.

I am going to repeat it, Sir, in different language. I believe that where a Government is making a fundamental change in the system of laws governing people, where a Government is making an important announcement which it says is going to impact on the livelihood of those people, the Government is under an obligation in the interest of the people and in its own interest to give adequate notice so that citizens can be aware of what is happening.

Mr. Speaker, this is even more important in circumstances where the debates of this Parliament are not broadcast or televised as a matter of practice. Whatever criticisms may be made or whatever justifications have been made for these measures, we are solely dependent today on the media with a limited circulation to get those criticisms and those justifications over. One who believes seriously in democracy cannot be happy with the fact that the Budgetary Statement which is supposed to impact so fundamentally on the people of this country has been brought to the House in almost clandestine manner, in my opinion, in which it has been brought; Nobody knew exactly when, where and at what time the Prime Minister's Statement would have been made. No arrangements were made for that.

The second criticism I make is that this Supplementary Budgetary Statement must have some impact on the Budget insofar as it affects either the revenue side or the expenditure side. Common sense will tell us that if certain allowances and deductions are being withdrawn and certain additional allowances and deductions are being given, and if the tax structure and tax bands are being changed, then this would have some implications for the Budget which was given in this House less than 2 months ago. I do not know any Parliament in the world run by a competent Government that a Government would come into Parliament, announce **tax measures** that have financial and monetary implications, sit down at the end of the day and the Minister has not told us how much it costs. I think it is a shocking disgrace and shame to this country that Parliament has been reduced to almost a rubber-stamp by the Government of this country. It augurs badly for the future of democracy in Barbados. It augurs badly for the future of the social and political stability of this country.

3.00 p.m.

I said only a few days ago in Parliament, and I am going to repeat it for posterity, we are failing the people in

that we are ourselves denigrating the very parliamentary institutions which ought to be buttressing the people's rights. We have had examples in the Caribbean before where this has happened. We have had the spectacle in Trinidad and Tobago, Dominica, St. Vincent and the Grenadines and Grenada of the people finally reacting in the wrong manner to these continual onslaughts on their institutions. It is a great tragedy that the party which boasts of having brought us **from** colonialism are **not** now only taking us back to colonialism, but they themselves are destroying the very institutions that should be standing up for freedom.

I regret very much in my 21st year in this Parliament to see the manner in which these so-called fundamental proposals have been introduced. You talk to the Government you are almost talking to a stone wall. They hear your criticism. Even although some of them recognise that the criticisms are justified they seem either unwilling, unable or un-something in order to put matters right. It is a great tragedy for us, Sir.

The other point I wish to make, Mr. Speaker, is that although the Manifesto of the Democratic Labour Party, as indeed the Manifesto of the Barbados Labour Party, called for tax reform yet I seriously agree with the point of view expressed by the Honourable Member for St. Philip South when he said that none of the 28 of us in the Honourable House, including you, Mr. Speaker, would have spoken to the people in the last election and have told them that, we were going to be introducing as part of that **tax** reform package the sort of measures that we are now introducing and withdrawing all of their deductions with the exception of a few, and allowances. I do not believe that there are any members in this House, including myself, who would have had the courage in the last election, to have advanced exactly these proposals.

Now, Sir, that has a serious implication for the democratic system. The implication for those of us who are democrats and believe in the parliamentary system of democracy is this, that where we are making such fundamental changes we must adapt the manner in which those changes are made in order to test the people themselves. The ultimate test is an election. That is why when I saw the document from the International Monetary Fund I said, speaking on behalf of the Barbados Labour Party, that such drastic changes are usually preceded by an election. But even if the Government does not have the courage today to face an election, now the people have understood the **truth** that I told them since 1989. If even they do not have the courage to do that, there are other ways of testing public opinion. I say that public opinion on these issues have not been properly tested.

Let me start with the parliamentary way, Mr. Speaker, of testing public opinion. You could have published a Green Paper, you could have had a debate in this

House at the highest level on the basis of that Green Paper and invited comments from the public at large and give them adequate time.

I made a statement, Sir, when we were arguing a night ago concerning the procedure we were going to follow for this debate. I made a statement that every one of the major social partners who sent in written comments to the Government or who met with the Minister of State, Ministry of Finance and Economic Affairs, told the Government that they were not given adequate time, every one of them. Whether it was the Barbados Workers' Union or any trade union, the Employers Confederation, the Association of Professional Accountants, each one of them pointed out to the Government that the Government's methodology was wrong and it could not get the best advice from the public of Barbados who were being affected by the way in which the Government was going about these changes. That is a very caustic and trenchant criticism of a Government.

It comes ill from the Prime Minister's mouth to get up in here and make us believe that he has had adequate cooperation from the private sector, or the trade unions, or any other person on these. It is a bad sign and I will tell you why the Prime Minister has had to do this. The Honourable Member for St. Peter gave some of the reasons. I am going to give the additional reasons. The Government has to report to the IMF by July 10, 1992, tomorrow, that this is passed. The Honourable Member did not state the date. Honourable Members should know. I do not talk to the IMF functionaries here. When I was a Minister I did not talk to them at that level either. Criticism has already been made about how the Prime Minister is handling this matter.

Honourable Members must know that there is a level at which we in the Opposition, if they in Government do not, talk to all of the international institutions. None of these matters are secret as they seem to think they are. They have to report tomorrow, by the 10th, therefore the agenda for the people of Barbados is not being set by the people of Barbados and their representatives. The agenda is now being set in Washington. What are we doing it for, Sir? Fifty-eight million U.S. dollars. At the end of the day the people of Barbados have sold their manhood and womanhood for U.S. \$58 million, something that you could normally go down Broad Street and borrow from BARFINCOR, or the Royal Bank Trust. That is really what we are talking about here in Barbados.

Errol Barrow said that we will wake up one day and find we did not have a country. What he did not recognise was that it would be his successors to whom he handed over the legacy who will be selling the country down the drain in the way in which we are being sold down the

drain in Barbados today. I feel very bitter in my mind. I am not normally a bitter person, but I feel bitter about these matters.

3.10 p.m.

I will tell you why I feel bitter. I have always tried to keep public life at a certain level. I had to stand up in the last few years and listen to the trenchant criticism and to see the nasty advertisements put out by the Democratic Labour Party and its President against me when I spoke out about what would happen when the IMF came here, Sir.. I had to stomach all that well knowing that I was telling the truth. I say to the Prime Minister – he went on the radio the other morning and said I had certain documents so I was telling the people a lie – tonight if he can walk down Broad Street and he and I are met by 10 people to test who tells the truth in this country and who tells the lies I will pass the test. He can have any lie detector and he will never pass the test, because the people have now recognized that every time that I have made a statement on public issues in this country they can rely on those statements that I have made and every time I said that something would happen, they could rely on it.

I am not Saint Henry, Sir. I am not Saint Henry as the Honourable Member for St. John is saying. But what I have been is extremely consistent in the stand that I have taken on issues in this country. If I had not been consistent, I would have the humility and the dignity to come out and apologize and say that I had gone wrong. I wish to God that I could say the same for the Honourable Member for St. Michael South and some of the other Honourable Members who, sotto voce, make the statements they do. I wish I could say the same for them.

I want to say too that what pains me about this exercise is that in political life we very often say about each other that this person is a conservative or this person is not acting on behalf of the people. We say that in a general way. But I want to remind members of this House of this. I do not know any member of this House, and there are 28 of us, whom if you go back 2 generations, not more than that, you would not find to come from among the poor. Let us be very frank and candid. All of this nonsense that we get on with, we come from among the poor.

I was recalling over lunch, Mr. Speaker, Sir, sitting next to the Honourable Member for Christ Church East Central where most of us were born, that when we were growing up there were not many houses which were not chattel houses. If you had a chattel house which had in jalousies and some glass then people started to say you were a little better off than the other person. But I do not know – point and show me anyone in here – an Honourable Member whose parents 2 generations ago could look around and say that they owned a wall house and land worth \$200 000 or \$150 000. Not even the

Honourable Member for St. Michael East. I knew his father very well, one of the best entertainers that I have ever known in Barbados, a very original man. Probably 2 generations down but not the third generation down. We cannot say it. Not even the Honourable Member for Christ Church South. There are not many of us, even if there is one. This is certainly far less than 100 years ago, less than 50 years ago.

We must recognize that the people who have now moved from the lower end of the socio-economic ladder and have climbed slightly into the middle class or rather at the lower end and the middle and upper middle class have only come there recently. Capital formation in this country has not been of long vintage. The reason why our predecessors in this Parliament constructed income tax and other tax legislation as they did was to achieve certain social objectives. One such was to encourage people to save, to expand their capital base, to own their own homes, to educate their children and to prepare for their old age. Very important considerations, Sir.

I have heard the Honourable Member for St. John and others say that the people who would now live in houses of \$400 000 and \$200 000 are doing very well and you had to shift investment into shares and what not.

I am saying that these tax measures are destructive of capital formation among the classes that we should now be encouraging to go into capital formation. Deductions for mortgage interest, a deduction for life insurance, deductions in relation to retirement plans, one of the reasons, the principal reason why they were granted was to encourage capital formation. How many of us when our parents died could say that they were handing over anything to us at all? Maybe a chattel house before. Certainly many of them did not have the land to hand over. Up to now we were able, as the plantocracy and the aristocracy used to do before, to carry life insurance because we do not have anything else by which to save and by degrees you find that you are creating capital formation and going into other forms of savings and investment.

I am saying, Sir, that the Government is destroying all that. When the criticism comes that they are destroying the middle class and that they are destroying the very opportunity for widening investment in this country, we are saying it for the reasons which I have just explained. Let me tell you. I am going to go into some of the technical aspects of these tax proposals because one thing which is obvious is that the Government itself does not understand the Income Tax Act. What is even more obvious is that the Prime Minister is fortunate that he has someone to write his speech for him. Because I seriously believe that if he had to stand up and justify his proposals or to put them forth on his own and debate as I am debating with scarcely

a note in my hand, he would not understand the ramifications of these matters. In fact it is very obvious, from his speech, that he did not even understand the ramifications of what he is saying.

I am going to deal with some of the technical aspects because unfortunately in the limited time available to me I have to do it in this way. The Prime Minister said that with immediate effect the following measures will take effect. Among those are the elimination of most itemized allowances and deductions. No sooner had the Prime Minister spoken than I gave a press conference and I said that there is no certainty arising out of the budgetary statement. Under the Provisional Collection of Taxes Act one has to be certain because the moment that he has concluded his speech that is the law of Barbados.

Today we have had a reply from the Government side. The Honourable Member for St. John has said, as has, the Honourable Member for Christ Church West Central, that we are mistaken. The speech is absolutely clear, they say, because if you take the other things mentioned in here then these are all that are remaining, everything else would have gone. I suggest, Sir, that that is not true either. I will tell you why.

The Income Tax Act is so constructed that nowhere in it will you find a definition of an allowance or a deduction. And secondly, Sir, there is no such thing as an itemized list of deductions or allowances. There is no such thing in the law and there is no such thing even in the literature that is put out by the Inland Revenue Department. The forms from the Inland Revenue Department do have a certain number of the things that are allowances and deductions but they are not all because, to find out what you are allowed to deduct sometimes or what becomes an allowance, you have to look under the sections of the Act dealing with what is assessable income and what is included and what is excluded.

Let me take one example. Under section 10 of the Act, amongst deductibles, in calculation of assessable income, a person is allowed, in arriving at his assessable income, to take out the total amount of debt owed to that person and established by him to have become bad debts in that income year having been included in calculating his assessable income for that income year or a previous income year.

3.20 p.m.

Now, if I am to take the Honourable Member for St. John and the Honourable Member for Christ Church West Central at their word it would seem that that has now been abolished. I take one example. I don't believe that that is what the Prime Minister intended. I don't believe it. I am going further, Sir, I am going to challenge them

because the Honourable Member says the mortgage interest deduction would be abolished immediately from the revision date. We don't know the revision date. I will assume for the purposes of this debate that the revision date is yesterday when the Minister spoke. Today, enquiries from the Inland Revenue Department have been bringing forth to the people who are asking what is their **tax** position, that they will be allowed mortgage interest rates for 1993 capped at \$8 000 and will get 50 per cent of that. Somebody does not know what is going on. I said that enquiries to the Inland Revenue Department essayed that mortgage interest rate will be allowed in the period July to Decembzr 1992 and that the ceiling is \$4 000, 50 per cent of the \$8 000 allowable for 1993.

Now, Sir, I am citing this as an example of the confusion that has resulted in the system from the statement of the Honourable Member and the way in which he made his presentation. I am going a little bit further, Sir. I am going to ignore that. The Honourable Member for St. Michael West says that if that is so it must be some functionary. I am going a little further, Sir. Now, I asked on what types of interest ...

Mr. SPEAKER: Just one moment. The Honourable, Member seems to suggest to me that he did not make such a statement because it was not recorded. So I don't think you could put it in the record.

Mr. H. deB. FORDE: An Honourable Member, Sir, who must remain anonymous.

Now, Sir, I am going to take interest. The Prime Minister says that immediately there will be 12.5 per cent withholding tax on interest. Let me give you an example, Sir. There are various instruments which have **been** introduced into Barbados to encourage people to invest in Government savings: National Development Bonds, Government Savings Bonds, the Barbados National Bank, to encourage a greater equity in capitalisation of the Bank and in sugar bonds. Now, Sir, I ask this. Interest flowing from those investments are normally allowed to be deductible ...

Asides.

Mr. SPEAKER: Honourable Members ...

Mr. H. deB. FORDE: You will have to give me another half hour. Sir.

Interest flowing from those, Sir, are allowed to be deductible in the calculation of assessable income. What am I being told by the Government? Is the Government now, by the Prime Minister's word, his dicit, telling us that interest is no longer tax free when you have gone on the

strength of the Government's undertaking and bought a National Development Bond that still has 12 years to run? Or Savings Bonds? Or that you have invested in the sugar industry in order to help resuscitate agriculture and that automatically now he has **reversed** and broken his contract with investors in this way by saying that **tax** on interest is payable? Now if that is not so, I say that the Prime Minister in announcing the elimination of **most** itemised allowances and deductions was not doing what the Honourable Members for Christ Church West Central and St. John have said, or if he was doing that, then I say the Prime Minister does not understand the policies that are necessary in this country today, absolutely gross ignorance or the Honourable Members are misleading this House. They cannot have it both ways. I say that the Government continues to be incompetent and it pains me, Sir, at this stage of my time in national life to hear people contend that we can't lead this country. We would lead it much better than it has been led in the last 5 years because we have greater knowledge of what is involved.

I want to go on too, Sir, to deal as well with the special rates. They say there will be elimination of lower special rates for companies. Let me quote his words:

"The elimination of lower special rates for companies"

What does that mean? The Minister has got up and said that companies, in future, will pay an increased rate of 40 per cent. He has not made any distinction among companies and then he says the elimination of special rates for companies.

Now, Sir, we have insurance companies that pay 5 per cent on their **gross** investment income. We have building societies that pay 20 per cent if they build 5 houses or more and there was a reason for that. We also have construction companies and there are a certain number of other companies, for various reasons, that have been given a lower rate. What is their tax position tonight, including International Business Companies? What is their position tonight? Therefore we say the Prime Minister cannot be serious if he comes in and makes an announcement in this way. This is the man into whose hands we have given the running of the ship of state. **He** does not know what it means. His functionaries, his Junior Minister do not know what it means and what is very serious is that the Attorney General who has to advise him on the law, is understanding it differently from how he is understanding it. He is understanding it differently in his answer to the Press from how the Inland Revenue Department is understanding it and the country can't understand it at all. And then, I must in public life not expose this type of blissful ignorance that I see being **perpetrated** on the people of Barbados.

I do not know what we have come to, Sir, but no IMF functionary or any official could tell me ... I am going to go back on it, Sir, because I am going to give you a bit more, Sir. I said, Sir, that if you are an insurance company with investment income in Barbados, the **tax** you pay is 5 per cent on your investment income. You don't pay the normal 35 per cent corporation tax. Has that facility been abolished? If you are an old lady up in St. Matthias, and you took the Government at its word and you have bought a savings bond with your \$7 000 that you had and you have a savings bond that has 5 years to run and you are getting interest on it at 10 per cent, free of tax, \$700 although you have not got a taxable income, will 12.5 per cent be taken out of that? Am I to understand that is **what the** Minister meant? That is what he said and if he says it, it is the law. The two Honourable Members there understood it that way. Sir, I could go on and on. Let me take another example. Covenants. Now, Sir, this is a very important area.

3.30 p.m.

We have been able to alleviate the suffering of the unhealthy, old people, and those in need by allowing those of us who are a little better off and to covenant a certain percentage of our income per annum for at least 7 years or for the life of the person for whom we covenant. That is the only way the YMCA, the YWCA, the Boy Scouts Association, the various churches, the home for the indigent and the Salvation Army have been able to help the poor and particularly in this time of need when the Government confessed that it has not been able to maintain a proper safety-net for the people who are suffering in this country. It is important that those of us who are a little better off are able to help these charitable institutions. According to the interpretation of the Minister's statement by his Attorney General, that has gone by the wayside. Do you mean this Government is so unconscionable, so hard **hearted**, so in favour of human suffering and degradation that it has to take away some change that you are giving to the Salvation Army? Do you mean the IMF is going to come and tell you honourable gentlemen about action? Sir, I hear my little 4 year old son every morning talking about "dodos". A dodo is a bird that does not understand anything, Sir.

Aside.

Mr. H. deB. FORDE: It is when he sees certain pictures in the newspaper. I did not want to say it. But I am concerned that we are seeing this attitude in this country from people who are now guiding the affairs of the country because I cannot understand how we can bring a series of measures down here, and announce them in this way without understanding exactly how we are doing what we are doing, Sir.

I could go through, Sir, other sections...

Mr. SPEAKER: I am afraid that you may not have that time. We are on **overruns** now.

Mr. H. deB. FORDE: All right, Sir. You will have to give me a **couple** of more minutes, Sir. That again, Sir, is one of the reasons why I am objecting, not to what you are ruling because you are within the law, Sir, to the **parliamentary** system as it stands. But it is in the people's interest that they hear the Leader of the Opposition and, in my view, we must make provision for that in this country. Otherwise, I am going to be the first to lead a new revolution to break it all up. We are either going to be heard in this **country** or we can move from the position of descent within the rules of the country or we are going to have to refashion the rules. That is what is going to happen. I am not accepting that I cannot hear anything on CBC. I am going to go into CBC and sit down and I will broadcast the audio in Barbados. This foolishness has got to stop. It has to stop.

Sir, I told the Prime Minister outside yesterday that I have given 90 per cent. My 10 per cent now comes. I am keeping my 10 per cent in the interest of this country and I am going to stand against every man, **woman** and child that will deny those rights. I am putting it in the House.

I want to say, Sir, that the pension position is very serious. I heard the Honourable Members say in here that, in relation to pensions, people who have retired to Barbados will be allowed, on the basis of the arrangements between Commonwealth countries in the double taxation treaties, to have the benefit of the double taxation treaty and not be taxed. I say as a lawyer that it is not true, Sir. It is not true. Under our Section 10 again, certain income received as social security if there is an agreement is allowed not to be deductible. If what the other side said is the correct interpretation, that has gone through the window.

Also, if those Barbadian citizens and others who were getting a pension from a **company** overseas brought the income into Barbados, one-half of it is taxable under the double taxation agreement later on in the Act. What are you telling me now? I say that people have made this their retirement home on the basis of the understanding they had with the Government and it is again a breach of good faith on the part of the Government to withdraw these matters. I will tell the Government something. Jamaica made the mistake of accepting some of the advice of the IMF without **double** checking it. Jamaica is now introducing legislation to encourage as part of its tourism development retirees who want to come in and live there as pensioners and contribute to foreign exchange and help towards the tourist growth and employment.

I believe, Mr. Speaker, you have allowed me to go over my time and I am grateful. I believe, Mr. Speaker,

that I have sufficiently illustrated and shown that the proposals which have been brought to this House are based on a misunderstanding of the existing **tax** proposals and that the Minister has no **firm** grasp of the implications of the measures which he has announced to this House. I say, Sir, that it is a great tragedy. In the interest of Barbados, I am going to suggest to the Government that within the next week or two, relevant information be brought here to clarify the position. Otherwise, we are going to be in great confusion and it will be very difficult legitimately and lawfully to collect taxes from people when the state of the law has been placed in the confusion in which the Prime Minister has placed it. Not even a primary school boy who had the first grounding of legal understanding of the Income Tax Act will make the sort of mistakes that I have seen made in here by these statements.

I regret very much that I have had to speak in the way that I have had to speak on some of these measures, but I want to advert to one last matter, Sir, and it is this. Some play was made as to what the IMF official did at the Dover Convention Centre. First, I say that it is legitimate for the Government to explain government measures to the populace in meetings. But the 150 people who went to the Dover Convention Centre who were expecting the Honourable Member for St. John to come to them and explain what decisions Government had taken on the IMF proposals found themselves confronted not by an official from the Ministry of Finance, not by a Barbadian or Caribbean man from the University of the West Indies who may have been advising the Government, not by someone from the Central Bank who, in my view, might have been up there carrying out the job that should be carried out by the Ministry of Finance, but by an IMF person. I want to finish on this, Sir.
3.40 p.m.

I believe it is absolutely wrong and improper for the Government to have sent a man from the IMF to meet with the public of Barbados in those circumstances.

The final point. There is a convention that is not being followed in this country. In England, ministerial statements that are budgetary are guarded to the chest. I have compared the Minister's supplementary statement with the document that was released at the Dover Convention Centre. Every substantive measure that is in the Minister's statement, with the exception of verbiage, is contained in there. There is a tradition in England, which is referred to as the Dalton Principle, that, if that happens, the Minister resigns, but this Minister does not follow convention. He does not believe that those conventions are applicable. I say to him it is a great tragedy that by his actions he continues to undermine parliamentary democracy and does not see it as part of his role to establish a future on which people will respect freedom.

It is not enough to **talk** about consultative democracy if you are not living out in your daily lives in this country the very consultative democracy and participatory democracy that can withhold freedom for the people of Barbados. I regret that we have met our period of gloom during his stewardship, and I say to him: Go!

Mr. D. A. C. SIMMONS: Mr. **Speaker**, today is a very sad day in the history of Barbados. I am depressed and have been for the last few months. You **probably** noticed I have been less than my – as the Honourable Minister for **Tourism** would say – ebullient self, in the last 6 or 8 months. It is because I am sharing with a lot of the members of the general public a sense of hopelessness and frustration, disappointment and despair about the future of Barbados under, not only this Prime Minister but the present Government. I wish to say quite sincerely that there are members of the general public of high esteem and repute, of deep intelligence, who have said that they understand the Prime Minister's problems as Minister of Finance; that he does not have the technical competence to deal effectively with the Ministry, and he can be excused. He never made a special study like Dr. Haynes and he is not trained like the Honourable Member. He has to operate, as some batsmen in cricket do, within limitations.

The disappointment in the society at large is that there are at least two members of the Front Bench in whom the public had some confidence but no longer have any, one of whom is the Attorney General who has been a great letdown and the other is the Honourable Member for St. John. Members of the public who do not come in here have a perception of him as being a bright young man with a future. I have to disabuse their minds from what I have seen of him in here. He is the type of person who when the Public Service Reduction of Emoluments Bill came in here was able to say in the yard that the proposals are immoral, and still vote for them.

He did. Do you want me to call the names of the people he spoke to?

Hon. D. J. H. THOMPSON: Mr. Speaker, the Honourable Member is misleading the House. At no point, during the course of the debate either in here or in any discussions outside did I say the 8% cut was immoral. The issue has always been whether it was constitutional or not.

Mr. SPEAKER: Now. I am not concerned with what the Honourable Member said outside. I think the last few words of the Honourable Member was that he would call the names of persons apparently not in this Chamber. If it is the implication that a comment made outside is placed on Hansard appearing as though it were said in this Chamber then it cannot go into Hansard. So the Honourable Member will have to phrase that a different way.

Mr. D. A. C. SIMMONS: Sir, he did.

Mr. SPEAKER: The Honourable Member has denied that.

Mr. D. A. C. SIMMONS: It is his word against mine, Sir. I will give him the names because one as recently as yesterday reminded me.

Now, Sir, on the Back Bench. For a long time I thought that members on the Back Bench had the independence of mind and spirit to vote according to their consciences sometimes. Sometimes I get the impression that their consciences have gone on holiday and they vote in accordance with the dictates of the Party. None on that side, except the Honourable Member for St. Philip South, appears to be interested in the survival of Barbados as a nation.

Certain remarks made by the Honourable Member for St. Thomas were ordered to be expunged from the record by Mr. Speaker.
3.50 p.m.

Mr. D. A. C. SIMMONS: They are lucky, Sir. I was going to call them all political. It is true. You are the biggest disappointment....

Mr. SPEAKER: Order, please. I have already made a ruling in respect of that imputation and that will not be heard anymore in this debate. Continue.

Certain remarks made by Mr. D. A. C. SIMMONS were ordered by Mr. SPEAKER to be expunged from the records.

Mr. SPEAKER: I am reaching a stage where I am going to say to Honourable Members that the debate tends to decline. I will ask those members to take their seat if they are not speaking within the context of what we understand the debate is about. I am not going to let this debate decline. For my part it was an excellent debate. The level of debate was very high. Any member who strays that far I will ask to take his seat.

Mr. D. A. C. SIMMONS: They sit down in here and hear a Prime Minister come and tell us that land taxes will go up, in some cases a house of \$175 000 goes from \$428 to ... and ignored that. Not one of them. That is the imputation.

Rt. Hon. L. E. SANDIFORD: Those words were not spoken by me in here or outside. The Honourable Member has just said that I said those words.

Mr. D. A. C. SIMMONS: The implication about what he said about the increase in land taxes meant, as the

Honourable Member for St. Peter said yesterday, that for example, some people in this country who have a house, I am thinking of somebody very close to the Prime Minister too, her house will go from \$428 in land tax to \$1 062, valued at \$175 000. That does not bestir the consciences of Honourable Members on the other side to speak out against it. Members on this side do not understand that in the last 18 months **we have seen**, contrary to the policies of the Democratic Labour Party, thousands of people going home, losing their jobs. Apart from the Honourable Member for St. Michael South East, hardly a whisper of concern about those people.

We have seen correspondingly an increase in crime. We have seen the increases creeping in indirect taxation and affecting the cost of living. We have seen the user fees go on. The gas prices went up while the Minister of Finance was in Trinidad. We get total support for all of that, oppression against the **poor** people of Barbados, from all of them on that side except the Honourable Member for St. Philip South who saw what was happening early, who had the courage and stepped off and whose esteem in Barbados has gone up nationally whereas all of the others have correspondingly dipped, never to rise again. They cannot get out of it. You will hear about this Sunday night. I am not talking but you will hear about it.

I am amazed, **Sir**, that the attitude of the Democratic Labour Party is that anything the Prime Minister brings in here, right or wrong, they must say "yes" to, even when it is pointed out from this side that it is wrong or it is folly. They must say "Yes".

I support the Leader of the Opposition. A taxing statute must be certain. The taxpayer must never be left in doubt because it is construed literally **as** to what is the imposition. The Prime Minister himself said on television the other night during the Press Conference that he himself could not spell out then all of the matters that would be removed from Schedules A and B of the Income Tax Form. You would have to wait until the legislation came down. Yet today the Minister of State in the Prime Minister's Office came in here and said that all have gone except what is in the statement on pages 15 and 16. Honourable Members on the other side have failed to apply any philosophical basis to those several deductions that have been allowed in Income Tax legislation for all the years.

I understand that the Honourable Member for Christ Church East Central said that he is philosophically unhappy with some of the things. That is a kind of wishy-washy statement like he said when the levies were put on earlier in 1986 that he was philosophically opposed to levies and every year voted in favour of a budget which increased the levies. I cannot treat him seriously.

Now, Sir, take gardeners and household help. I will start there, items **39** and **40**. An appeal was made by a previous Minister of Finance in the Democratic Labour Party Government, Dr. Haynes, in July, **1986**, begging Barbadians to employ gardeners and maids to help out.

Aside.

Mr. D. A. C. SIMMONS: It came with us but I think the allowance was increased by **Dr.** Haynes. He carried it on to try and create some form of employment for persons very low down in society whose educational levels did not permit them to **earn** income in higher types of jobs. **All** of that has gone now. The implication of that is if you cannot claim a gardener's allowance or household help which the Democratic **Labour** Party **5, 6** years ago supported, some people who presently employ gardeners and household help will have to send them home. You used to get a **tax** benefit for it. You are no longer going to get a tax benefit for it. The taxpayer is going to keep them on? You have to send them home. That does not offend the consciences of members on that side. They have no sense of outrage at some of these things?

House insurance premiums you could get 50% off. We have the mortgage interest and repairs. The philosophy that informed that package of measures was to encourage Barbadians to move from the chattel dwellings which our forefathers were **raised** in and enhance the quality of the household. There was legislation in **1980** which gave an immediate fillip to people in tenancies to build wall houses and so on. They were encouraged to do it in the knowledge that they could get some of the interest in our time off. Dr. Haynes gave unlimited interest. Let us assume that was too generous a gift of deduction.
4.00 p.m.

We have heard nothing from the Minister about a ceiling. I want to say from this side that in respect of mortgage interest we are calling on the Government rather than completely abolish the deduction of mortgage interest to put a cap on it to say for example that up to \$1 000 a month should be deductible. Any excess over that will fall into your assessable income. Think of the developments in this country. Think of the whole of Husbands, West Terrace, Oxnards, Ruby Park, Elizabeth Park, all of them. Those people are going to be severely disadvantaged and, according to the Governor of the Central Bank some months ago, he knows that there will be houses that will be sold out. Is that something that you can feel comfortable with? I know the Prime Minister does not feel comfortable with it. I know him long enough to know that deep down he does not feel comfortable with it. But the others out there are making no suggestions to him to help him. I am making one. Go back and think or when you are bringing in the legislation...

Aside.

Mr. D. A. C. SIMMONS: Do you want me to come over there? Even though the Prime Minister is inviting me to take his seat over there, I want him to know that I could not lead that team. No, Sir. I am making a serious suggestion. I might have more chance **over** here than there.

I really think the **Prime** Minister needs to rethink the question of mortgage interest. Our suggestion is that if the country cannot afford the leakage we must find a mid point otherwise we are going to wipe out a large number of persons. I do not know what the members of the trade union said about line 47 of Schedule B of the Income Tax Form because we introduced in our time savings with a co-operative society or credit union and you were able to get deductions for savings with a co-operative society, to encourage savings.

The Prime Minister proposes, according to the Honourable Member for St. John, to abolish that too. That will weaken the co-operative movement early. There would be a disincentive for anybody to invest in a credit union if he cannot get the **tax** benefit. I want to hear the trade unions on that, if they have not spoken already. But we all had said - when we were dealing with the new co-operatives legislation - all of us spoke of the way that the credit union movement burgeoned in the last 10 years. And removal of this incentive, in my submission, will substantially weaken, if it does not kill off, the credit union movement. But we were looking at more than that. We were looking at a credit union movement that was so strong that it could move into areas of equity ownership in profitable enterprises in this country.

How can the Prime Minister now, if he has any philosophy, if he has any vision about where he wants to take Barbados, where he wants to take the credit union movement, now abolish that advantage that has been given to credit unions over the years.

Shares in a public company. I do not have any problem with that. That can go. It really is not that **fundamental** at this stage. That is all right when there is a lot of liquidity and you want to move quickly towards economic enfranchisement and get people to invest in companies and so on. We understand that the economy is contracting. But if the economy is contracting you cannot kill everything the same time. There has to be some areas where there can be an ease. I am trying to identify those and ask the Prime Minister to deal with them. Or the land **tax**, Sir. At the moment you cannot pay your land tax by instalments. When it falls due you have to find - mine has gone from whatever it was to about \$2 250 or something like that. I have to find that whenever it is due. One shot.

A lot of civil servants and people who are on fixed incomes and people who are suffering the 8% cut would be asked to find the substantial increases that the Honourable Member for St. Peter read out yesterday. One **time**. I am appealing to the Prime Minister in the name of humanity to allow land tax to be paid by instalments. I know what the argument will be. The argument will be that it has not been done all the years and it is going to be difficult. Nonsense! How much is it going to cost to set up a little computer system that can take care of that? I want the Prime Minister to consider that.

Aside.

Mr. D. A. C. SIMMONS: The Honourable Leader of the Opposition, *sotto voce*, is **making** a sound point, "without penalties." Introduce it and say that you will be able to pay your land taxes in three instalments between a specified period, 8 months, 9 months, whatever. Give people a chance. It may even help the cash flow position. They have a discount now, if you pay up front.

The mechanic...I do not want to debate on my feet, I am putting it up as a policy and asking the Minister to give some ease because he must know, I am sure he has relatives who are on fixed incomes who have suffered the 8% cut and the increases and all the other things who have to pay land tax. And when he thinks it out I am sure that he will come to the conclusion that if he wants equity in the tax system – as he says is an objective of these tax proposals – it will be equitable and more humane. Nobody wants the increase but if we have to live with the increase, we have to live with it. The thing is to set it down as gently as possible for those who are affected.

According to what the Honourable Member for St. Peter was able to expose to us yesterday, and the Honourable Member for St. Philip South today, there is going to be a tremendous additional burden of taxation on virtually all taxpayers in the short run. What bothers me is that you are hitting the individual taxpayer very heavily in this Budget but at the same time eliminating the Companies Stabilisation Tax from the end of June.
4.10 p.m.

You are easing the companies and hitting the small man. I have worked it out, Sir. What they have done is to have removed the stabilisation tax from companies and put it on to the individuals, especially through the land tax. That is all that was done day before yesterday. Sir, that is unfair. That is disgraceful. That is why I am upset and that is why I spoke in very emotional terms and very harsh terms but I cannot believe that Members on that side can't see it, or if they see it that they are so spineless, or indifferent, to let it pass.

Sir, Cap. 85, The Provisional Collection of Taxes Act. It says "Budgetary Proposal" means any proposal made to the House of Assembly for the purpose of raising revenue to meet public expenditure. The Prime Minister told us the increase of the general corporation tax rate to 40 per cent is one that **falls** straight within this and the reduction of the maximum tax rate to 40 per cent for income year 1992.

For the purposes of this Act, expressions referring to the imposition of a tax shall be read **as** referring to imposition of a new tax subject to this Act, where

- (a) the imposition of a **tax**, or
- (b) the increase in the rate of an existing tax,

is contained in any budgetary proposals, then from the date specified by the Minister in such budgetary proposals the imposition of such tax shall be **as** effective as if an enactment had been made or passed imposing such **tax** and the tax should be payable as from the specified date. Well you can't want it any clearer. Everything that was said in here day before yesterday becomes law under Cap. 85.

The criticism of this side is that for that law to be effective from day before yesterday, those parts of the Budget where he said measures with immediate effect, the law must be clear and certain, and where it is not clear I hope the Prime Minister in his reply, now that it has been drawn to his attention, will illuminate for the benefit of Members of the House, and not only for us but for the public at large. It cannot remain after the Prime Minister sits down tonight that we **still** have paragraph 2 on page 15 – "Elimination of most itemised allowances and deductions". People who are to make up payrolls and issue pay slips and so on have to know with specificity from, Tuesday, far less today, what allowances ...

Aside.

Mr. D. A. C. SIMMONS: The Prime Minister... You are not Prime Minister? You are changing the law. You said most and I want to know which ones.

Aside.

Mr. D. A. C. SIMMONS: The tax planners ... I can't believe you know which ones are coming off. The Prime Minister is saying to me the tax planners know who to ... This has nothing to do with tax planners. This is to do with every working person in Barbados. I am not talking about the big accounting firms. I am talking about the employers. I am an employer. I have staff in my Chambers to pay.

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

Mr. D. A. C. SIMMONS: They gave out wrong information today. You said call them and they said \$4 000 will be allowed, not \$8 000. Sir, let me go on. I really thought the Prime Minister appreciated the point. Taxpayers over the age of 60 may claim a deduction of \$20 000 in relation to pensions. What is the position, Sir, in relation to pensions – the withdrawal on exemption for pension income. Taxpayers over age 60 may claim a deduction of \$20 000. What is the position, and I am not saying this pejoratively, Sir, of the Honourable Minister of Agriculture who is a pensioner and also a worker in the Cabinet. He is drawing a pension, which at the moment is tax free. What about the High Commissioner for London. You want me to call ... I am not saying anything nasty about ...

Mr. SPEAKER: What I am saying is for clarity and to be sure that we are not going to get very close to these standing orders. Another example ...

Mr. D. A. C. SIMMONS: No, Sir, I am giving an example. I give you that assurance.

Mr. SPEAKER: Another example ...

Mr. D. A. C. SIMMONS: What do you want me to do? Get down on my knees? I give you that example.

Mr. SPEAKER: I want you to be clearer.

Mr. D. A. C. SIMMONS: I am not sharing the lashes now, Sir. That was at the beginning. What I am doing now is trying to clear up the areas of obfuscation.

Mr. SPEAKER: All I am saying is that I would prefer not to have that Minister's name drawn as an example.

Mr. D. A. C. SIMMONS: Sir, let me take the case of the Ombudsman or the High Commissioner to London, who is drawing a pension tax free, and at the same time receiving a salary and allowances which will be subject to tax under the general law as of Tuesday. How do you compute. I raise it because I have somebody in my Chambers who is in that position. He is receiving a pension and also receiving income. One is tax free the other is taxable. How do you compute this allowance of a deduction of \$20 000 in that case? I would like to know how it is to be done. People are asking.

Aside.

Mr. D. A. C. SIMMONS: You are guessing, man. You are the Minister of Finance? You were. I want to hear the Minister of Finance tell it. These are grey areas which need to be clarified.

Sir, now that the Prime Minister has come back in I want to reiterate another point. On page 16, the increase of

the general corporation tax rate to 40 per cent. That is clear. There is no difficulty with that at all. I understand that. The elimination of lower special rates: Now, I want to say it because the Prime Minister was not here when the Leader of the Opposition spoke and I don't think he may have adverted to it. There are certain types of companies which are given special rates. Indeed Insurance companies pay 5 per cent of investment income. **Fiscal** incentive companies, some construction companies pay a rate of 20 per cent. International Business Companies, mortgage companies, those in paragraph 8 page 16 of the Budget, mean that in future those that pay 5 per cent will now pay an additional 35 per cent to bring them up to 40 per cent and comply with the general **tax** rate. Does it mean that those special companies, construction, mortgage and so on that I mentioned which pay 20 per cent will now have to pay additional 20 per cent? That will be a **massive** increase – an additional 20 per cent to reach the top rate for companies?

4.20 p.m.

It really does not make sense. You were saying that. But I want the Prime Minister to be sure. **This** is no jokey business. This is serious. This is why the tax in the matter must be settled. We are not bluffing when we say that. He can tell you that. You must be certain. If you say that you eliminate the lower special rates and we take the 20 per cent and so on as being the lower special rates, are you now saying they all have to pay 40 per cent? They will want to know and the **Prime** Minister has a duty to clarify this in the national interest.

Mr. SPEAKER: Time has expired. There were some **overruns**.

Mr. D. A. C. SIMMONS: **Overruns**, Sir? I am not a construction company, Sir. I may have worked with C.O. Williams Construction and Don **Blackman** in the **overruns**. But, Sir, I really have the feeling that the **Prime** Minister is at sea in this area.

Certain remarks made by the Honourable Member for St. Thomas were ordered expunged from the record by Mr. SPEAKER.

Mr. D. A. C. SIMMONS: Sir, I am going to conclude. If you do not like that, Sir, I will have to say that I **feel that** the Prime Minister sometimes behaves like an object, which if you bring it in the House of Assembly and let it go, that it is likely to do damage when it escapes. He has done tremendous damage to the Barbados economy.

Sir, I just want to say that I support what the Leader of the Opposition said about the denial of the democratic process in Barbados. We are seeing a whittling down of that, Sir. The Prime Minister himself was challenging his own party recently and had to respond and

tell the members who challenged him on his undemocratic ways that he had just read the latest book on democracy. None of them could tell him anything about it because they had not read it.

Mr. SPEAKER: That is the end of the Honourable Member's time. Is there any other member who wants to speak? If not, I will call on the Right Honourable Prime Minister to conclude the debate.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I really do not think that there is very much to detain us in this Honourable Chamber. Quite frankly, Sir, when we look at this entire debate and judge the points of substance that have been made, they really and effectively boil down to some comment about land taxes and that is the main burden of what has been spoken. There have been a number of subsidiary points and queries which have been made and which have been directed at the Minister of Finance when in effect they are administrative problems that are dealt with from day to day by the administrative departments of Government. To ask the Prime Minister to pronounce upon the administrative details of matters is really misunderstanding the role of the Prime Minister.

Aside.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I really did not interrupt them when they were speaking. I did ask the member whether he was going to withdraw the offensive words about defect of reason. Sir, I listened to his contribution and it was riddled with defective reasoning. Sir, that particular contribution was certainly not among the best that he has made in this particular Chamber. I have come to the conclusion, Mr. Speaker, that once again the Opposition has been placed on the horns of a dilemma. They do not know how to deal with these particular reforms. It is clear to everyone, as the Member for Christ Church East Central has said, that there is need for tax reform in this country both of the direct system and indirect system. Did you hear, Mr. Speaker, anyone of them get up and in clear unequivocal terms say, "We believe that tax reform is necessary for this country"? Did you hear them say in clear unequivocal terms that they believe that tax reform is necessary and that they agree with Proposal A or Proposal B and, if there were 20 proposals, that they agree with 15, 5 or 3 of them?
4.30 p.m.

That is what I expect a responsible Opposition to do, but when persons get up and in a cover of emotionalism seek to sidestep the issue, spend time rehashing old arguments, old allegations, old criticisms and do not come to the issue, then I say that that is a disservice to this country.

I do not wish to follow in the footsteps of the Leader of the opposition in the way he approaches these debates. He gets very emotional and very carried away and everything I say he gets annoyed about, even though it is well known I do not attack him unless he attacks me, and then I counterpunch real powerfully.

Aside.

Rt. Hon. L. E. SANDIFORD: Do you see what I mean? He went on national television and said that I was escorted out of this Chamber.

Aside.

Rt. Hon. L. E. SANDIFORD: On radio, Sir.

Aside.

Rt. Hon. L. E. SANDIFORD: You could not have seen that, because it is untrue, and he elevates that into an untruth on the national radio, and when I refuted that he was very annoyed about that. That is the only comment I make. . . .

Mr. H. deB. FORDE: On a point of order, Sir.

Rt. Hon. L. E. SANDIFORD: You cannot shout at me on a point of order.

Mr. H. deB. FORDE: Well, I am on a point of order. You should know better. Sit down.

Mr. SPEAKER: Let me make this point very clearly. The Leader of the Opposition will forfeit his right on a point of order by trying to suggest that someone should sit down when I did not say that. The Honourable Member rose on a point of order and I will give him the opportunity to speak on that point of order, but no member has any right to say that. If the Honourable Member wants to be on a point of order, so be it.

Mr. H. deB. FORDE: On a point of order, Sir. The Honourable Member is accusing me of being a liar. He said I have said untruths. I suggest that that is unparliamentary.

Mr. SPEAKER: If the Honourable Member feels that is what it is, but I think members can settle that easily.

Asides.

Mr. SPEAKER: That has always been my position when I am unclear as to the interpretation of statements. "Untruth" by itself is not unparliamentary; it is not unparliamentary in the context in which it was said and therefore I asked the Honourable Member to do

what I would ask any other Honourable Member to do. If the Honourable Member complains, and if that is the interpretation that he implies, then I will ask him to withdraw it. That is the general ruling.

Rt. Hon. L. E. SANDIFORD: Sir, I am quite happy to withdraw it if his conscience will say that he has not spoken untruths. Let me make it clear, Sir. I am referring to an untruth, not untruths. I was referring to one specific case, but I will withdraw "untruth", Sir. I do not really wish to get into that kind of debate. That is what I am saying, but if he. . . .

Aside.

Rt. Hon. L. E. SANDIFORD: That is what he is annoyed about, because I replied to him.

Sir, no tax reform – and that is what we are talking about – either indirect or direct taxation, can keep rates as low as possible, at a moderate or adequate level, if general expenditures are too high. This is one of the major points I was trying to make in my presentation, and which I have to stress again, that we have to have an overall, overarching approach to fiscal and monetary matters of which direct and indirect taxation.

Aside.

Rt. Hon. L. E. SANDIFORD: and that is exactly where we have started, at that particular point, to reduce the fiscal deficit in this country and every time we have come with provisions to reduce that fiscal deficit there has been no support of these measures from the Opposition, except on one occasion by the Member for St. Peter, for which he was roundly and wrongly criticised by some of his own colleagues.

Secondly, Sir, these proposals have been prepared against a background in which the tax imposts on individuals in this country have been inordinately high, and the tax reform is seeking to reduce some of the imposts on individuals in this country. In many instances, when you take all of the imposts together, whether they are levies, the various social security taxes or other kinds of imposts, they may add up in simple terms to 30.25%, 52.5% or even 62.75%, depending on the income bracket in which the individuals find themselves. We are seeking to carry out reforms in these areas, but we are being given no credit by the Opposition for that, and yet this is the main reason why we are here, to carry out a reform of the tax system and we have already started the process on the direct tax system.

Aside.

Rt. Hon. L. E. SANDIFORD: Of course we are widening the net. we are widening the base. Sir, this is the

drift and thrust. It is tax reform and it is a framework measure which puts in place the framework within which we are going to conduct the fiscal policies of this country. These reforms do not mean that it is the end of adjustments to the tax system, but we are putting in place the major framework within which we will be reviewing the tax system.

4.40 p.m.

It is also accepted, Sir, that the system is cumbersome, and we need to simplify it. This direct tax reform is an approach to that matter.

Some queries were raised. If I may deal with some of the specific questions that have been asked relating to the maximum rate of income tax, the reduction to 40% for income year 1992. What in fact we are seeking to do is to ensure that the existing structure will remain, that is, at 40% and for the remainder of the income year those for 45....

Mr. D. A. C. SIMMONS: It is not 40%, Sir. He doesn't know. Are you satisfied now? And he is in that bracket.

Rt. Hon. L. E. SANDIFORD: Sir, the reduction of the maximum rate to 40% for income year 1992 will be interpreted for administrative purposes. The effective date will be July 1, 1992 and the structure of the 40% will be there, except for the 45% to 50% rates applying to that July. In relation to the elimination of the itemised allowances and deductions, the effective date is July 1 and persons would have been paid at the 45% and 50% rates before July 1st. After July 1st, the 40% rate will come into effect.

Asides.

Rt. Hon. L. E. SANDIFORD: As far as the elimination of the itemised allowances and deductions is concerned, the \$15 000 basic allowance will be in effect for all taxpayers for income year 1992. However, where individuals have allowable expenditure in excess of \$15 000 incurred before July 1, 1992 they will be allowed to claim this instead of the \$15 000 basic allowance and no further deductible allowance will be permitted for that year. We expect that there will be a revenue loss of \$2 million to \$4 million. You see, we are dealing with a situation from the start of the financial year until July 1 and for the period after that, using July 1 as the effective date. I think the member for St. George South understands that it is necessary to do this because the statement and the proposals came in on Tuesday. So you have to make allowances for the period prior to that.

The withdrawal of exemptions for pension income: Pensioners under 60 will claim the \$15 000 allowance

for income year 1992 and those over 60 will claim the \$20 000 allowance. A revenue gain of less than \$1 million is anticipated.

Introduction of final withholding tax of 12.5% on interest. All of these queries were raised and I am seeking to give some information on them. I have already said that when the legislation comes there will be further opportunity to examine these matters. The legislation will seek to give effect to these. The Commissioner will notify banks directly and also publish notices of requirement under **this** measure. That is precisely what I was saying, that at the administrative level, queries will be dealt with. Revenue gain of \$3.75 million is expected.

Introduction of final **tax** on dividends of 12.5%. This measure refers to ordinary dividends which were subject to **tax** at the corporate level as well as the individual level. It is to be noted that this measure does not relate to preference dividends. Revenue loss of between \$.5 million and \$1 million is expected.

Elimination of Companies Stabilisation Tax after the end of June 1992: I can pass on. I don't need to comment on that further.

The increase of general corporation **tax** rate to 40%. Revenue gain is expected to be \$4 million.

Asides.

Rt. Hon. L. E. SANDIFORD: On the stabilisation tax the revenue loss is estimated to be approximately \$21 million.

The elimination of lower special rates: This refers to firms constructing two or more houses paying corporation tax at 20%. There are not many of these companies and the revenue implications are insignificant. These refer to construction companies.
4.50 p.m.

The elimination of "excess" allowances for expenditures, with the exception of credit for foreign exchange earning activities, and contributions to the Tourism Development Fund: These allowances refer to research and development, market development, allowances for the tourist industry, Tourism Development Fund and tax credit in respect of foreign currency. I refer to them specifically in the Budgetary Statement. That is why I put the matter in the way I put it when I used the word "most". It was quite clear I identified some of these points.

The Proposals make reference to the retention of allowances for foreign exchange earning activities and contributions to the Tourism Development Fund. All of the

activities in the 4 **areas** to which I made reference are foreign exchange earning activities. In addition the Budgetary measures mentioned that the market research and development allowance equivalent to 150% of expenditure incurred to procure extra-regional markets will be retained.

In a **general** way, Sir, the Inland Revenue Department will be issuing the necessary instructions to employers on how to make the tax deductions to give effect to the new proposals. That is the only point I have been making that even when we **talk** about certainty, we know that the **tax** lawyers and those who indulge in the euphemistic term "**tax** planning" in spite of that certainty there are always arguments between the Inland Revenue Department and the attorneys, accountants and so on who specialise in this particular area.

Aside.

Rt. Hon. L. E. SANDIFORD: Sir, it is not for me to say because all of the questions that have been asked I am certain that the members of the Opposition have their own information and answers to those questions. When I am asked about all of these allowances, the Income Tax Act itself refers to initial allowance on conversion of residential property. It refers to building allowance. It refers to all kinds of other things which I really did not think I should be going into details on these matters.

The particular suggestion that land tax might be paid in instalments, is something we will have to examine. If it is feasible administratively that will be considered. I will have to examine that and come to a determination on it.

There was some question about the levies. The levies that will go include the transport levy, the health levy, the unemployment levy which together with the removal of the stabilisation tax will remove considerable burdens on workers in this country, particularly those in the lower income brackets. I want to make that point clear. These measures are clearly, contrary to the thrust of the Opposition, trying to indicate, imply and give the impression that these are not measures in the interest of the workers of this country, we have to spell them out. I have given them I have detailed them – the transport levy, health levy, unemployment levy as well as removal of the stabilisation tax.

Aside.

Rt. Hon. L. E. SANDIFORD: We will have to look at national insurance in due course. This has been promised from 1988.

Mr. H. deB. FORDE: The Prime Minister has just made a point. I want him to clarify it. The

unemployment levy the Prime Minister said is going to be abolished in 1994. There are implications for that. I am asking on a point of explanation, will the Prime Minister explain whether it is intended to increase the national insurance contributions and so people will be paying more by way of national insurance contributions?

Rt. Hon. L. E. SANDIFORD: As the Honourable Member knows, examination is being given to the viability of the National Insurance Scheme as a whole. This Honourable Chamber has had to deal with matters relating to national insurance before. I am pretty sure that we will have to revisit this matter again.

A charge has been made that with the reform taxation system, I believe some member or more than one member suggested that the middle class will be wiped out. I do not remember which Honourable Member made that statement.

Aside.

Rt. Hon. L. E. SANDIFORD: I did not hear that and I do not hear those kinds of comments. I thought it was the Honourable Member for St. Peter who had made the comment. Figures were quoted. I will give an example. The Honourable Member for St. Peter has given his example and I will give another example because the figures that I am giving will not support any claim that any middle class will be wiped out.

Take a middle income person without dependants who is being paid at the rate of \$37 200 per annum. During the financial year 1991/92 his allowance to start with is \$15 000 leaving his taxable income at \$22 200. At present, out of this he pays taxes of \$5 160 per year, stabilisation tax of \$1 113 per year, levies of \$1 767. His total tax deductions are, therefore, \$8 040.

Now, under the revised reform system which will become fully effective in 1993, his allowances are \$13 000 leaving him with a taxable income of \$24 200. He pays 25% income tax on this amount which is \$6 050. Stabilisation tax which was previously \$1 113 is now abolished. Levies will be reduced from \$1 767 to \$930. This give him total deductions of \$6 980. This scenario shows that his total deductions will have declined by \$1 060. In other words he will pay \$1 060 less in deductions for 1993.

5.00 p.m.

Now assume – the trouble is you always jump to conclusions like doubting Thomas and do not want to wait for an answer – that the same individual has a property of \$150 000, part of the improved value is liable for tax. His present tax is \$368. Proposed tax will be \$825. His change in tax will therefore be \$825 minus \$368 equals \$457. The individual is better off to the tune, therefore, of \$1 060 minus \$457 equals \$603 per annum. By 1994 the gain will

increase to \$1 163. If the same individual has 2 or more dependants the overall gain will go to \$1 411 in the year 1994.

The Honourable Member for St. Peter has chosen some examples and I have gone through in detail another....

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I have not during the course of my presentation cited any numbers to this House apart from on land tax. So that the Minister in saying that I cited numbers pertaining to the middle class; insofar as the Minister is referring those numbers to me, he is misleading the House. But Mr. Speaker, Sir, to the extent that it is now possible for a person in the middle class earning \$37 000 a year to claim more than \$15 000 in deductions, could the Minister tell the House what would be the effect of his tax changes on that category of persons because he is only speaking in terms of a person in Barbados who can claim only \$15 000 or less?

Mr. SPEAKER: Will the Honourable Member continue?

Asides.

Mr. SPEAKER: Order, please.

Rt. Hon. L. E. SANDIFORD: Sir, I really do not know what were the other points of substance that were raised. There was something about covenants. I think the Leader of the Opposition, the Honourable Member for Christ Church West, raised the question about covenants. I would wish to give him the assurance that it is not intended to eliminate the provision of covenanting.

Aside.

Rt. Hon. L. E. SANDIFORD: Are you objecting to this now? Do you want them to go or do you want them to stay? The covenants will not be...

Mr. Speaker, I have said already that when we strip this debate of the emotionalism we come back down to the basic thing: My shoulders are broad and so are the shoulders of this Government. We have taken many criticisms as we seek to deal with the fundamental problems in this country. We must make our economy competitive if we are to earn the foreign exchange we require in order to maintain a sound external balance and also sound internal fiscal and monetary positions. That is absolutely necessary. Our main problem is, and that is where it started, with the foreign exchange earning sectors of sugar, manufacturing and tourism. We have to turn those areas around and make them competitive, more productive and more capable of earning foreign exchange.

This will not be done simply by saying this should remain and that should remain whenever we come to reform the system. Members do not like to hear it but these are the facts, because the former Government also when it was the Government, the Opposition, those Members sitting over there, had to go to that same institution which they have been abusing and criticising, all of them; they had to go there and they were all principal members and principal actors in going to the same International Monetary Fund.

Asides.

Rt. Hon. L. E. SANDIFORD: We are members. We are all members of the International Monetary Fund...

Asides.

Mr. SPEAKER: Order, please.

Rt. Hon. L. E. SANDIFORD:...and we pay our subscriptions to it and we are entitled like other countries in the world to go to the International Monetary Fund.

Asides.

Mr. SPEAKER: Order, please.

Rt. Hon. L. E. SANDIFORD: What I and my Government are being criticised for is that we advised the people that we would do so.

Mr. SPEAKER: The Honourable Member will just pause one moment. I am asking Honourable Members to be quiet. Be quiet, please.

Rt. Hon. L. E. SANDIFORD: Sir, the problem is that they went to the International Monetary Fund and borrowed their funds but in addition to that made a substantial number of market borrowings without being able during their time effectively to restructure the foreign exchange earning sectors of sugar, manufacturing and tourism. That is the position. We have to do that restructuring now. There is no escape from it and nobody else is going to do it for us. Therefore we have to reform our tax system, both direct and indirect.

Before I close let me make one clarification I am not revisiting the area of blind trusts or anything like that. When I referred to covenants let me make it clear I was speaking about covenants for charitable including therein religious purposes. I assume that is the context within which the Honourable Member spoke, not for charity but for that which is charitable, that is maternal and paternal and familial; I am saying maternal, paternal and familial. Those kinds of covenants will be retained. That is what I am saying, I don't know if the Member for St. Thomas understood me incorrectly.
5.10 p.m.

So, you see, Sir, we take into account, and I listen very carefully and turn the cheek when it is necessary but I will slap back when it is also necessary. I will do that, Sir, and that is what Parliament is about. There has been no fundamental change in the role and functioning of Parliament and its development.

Certainly for the purposes of these debates, we have followed scrupulously the rules for dealing with these matters. To erect now, some kind of nine pins just to knock them down and bring Parliament into disrepute by conjuring up all kinds of old fashioned statements about the role of Parliament which have been knocking around since the 1970s and the 1960s and about the decline in the role and function of Parliament, is really old fashioned. The Member for Christ Church West is obviously giving the Member for St. Joseph the kind of lead that he should take in his particular debate and is setting out the outlines for it, a lot of old hat and nothing else.

Let me say, Sir, that I am in agreement with a proposal for Committees in Parliament. I have already discussed this with the Leader of the House and I expect that the Committee system will be used more extensively. This will involve members of both sides of the House. If they will shoulder their responsibilities adequately, as far as committee work is concerned, there can be no problem about that.

Sir, there is nothing to hide in these particular matters. That is what Parliament is all about. Once again we have demonstrated, as a Government, that we can take decisions and that we can take decisions courageously. I want it to be known clearly that what is happening now, in this case, is that they want to tell us not to take decisions but to wait, then when it suits them they say that we are acting too slowly and we can't take decisions. I believe they even appropriated a word called dither. We have taken the decisions crisply and if, during the workings of the new system, we find that it is necessary to make amendments or changes or adaptations, we can do that. That is what good governance is all about, and, Sir, I want to make these matters absolutely and pellucidly – as the Honourable Member for Christ Church West Central would say – pellucidly clear.

Sir, with those words, with a clear presentation and explanation of these measures, with a sound philosophical position of the need for tax reform and with an indication as to the way forward we shall be going, not only this year, Sir, but next year and the following year and into a complete restructuring and improvement of this economy, I beg to move, Sir, that this resolution do now pass.

Hon. P. M. GREAVES: I am not seconding it, Sir, it has already been moved.

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

AYES: Rt. Hon. L. E. SANDIFORD, Hon. P. M. GREAVES, Hon. M. A. KING, Hon. E. E. GREAVES, Hon. W. O. FRANKLIN, Hon. W. W. HALL, Hon. C. V. WALKER, Hon. D. J. H. THOMPSON, Hon. D. W. BOWEN, Mr. L. L. BRATHWAITE, Mr. C. L. TROTMAN, Mr. J. O. TUDOR, Mr. R. L. MORRIS, His Hon. T. C. ESTWICK – **14** Ayes.

NOES: Mr. H. A. BLACKMAN, Mr. H. deB. FORDE, Mr. D. A. C. SIMMONS, Mr. O. S. ARTHUR, Hon. H. B. St. JOHN, Mr. L. R. TULL, Mr. DeL. O. BRADSHAW, Mr. R. C. EASTMOND and Mr. G. W. PAYNE – **9** Noes.
5.20 p.m.

Aside,

Mr. SPEAKER: Order please.

GOVERNMENT NOTICES

Mr. SPEAKER: If there is no objection, Government Notices will be taken.

Hon. P. M. GREAVES: Mr. Speaker, I would like to give notice of a Bill entitled Companies Stabilisation Tax Bill, 1992.

FIRST READING OF BILLS

Hon. P. M. GREAVES: Mr. Speaker, I move that the Companies Stabilisation Tax Bill, 1992 be read a first time.

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

RE:FURTHER CONSIDERATION OF ITEM NO. 5 –
RESOLUTION TO APPROVE THE BORROWING BY
GOVERNMENT OF THE BARBADOS DOLLAR
EQUIVALENT OF THIRTY MILLION
RENMINBI YUAN FROM THE
GOVERNMENT OF THE
PEOPLE'S REPUBLIC
OF CHINA

Hon. P. M. GREAVES: Mr. Speaker, as you will recall, there was consideration of a matter that we were doing immediately prior to the Supplemental Budget which

was approved by the House and we should now like to revert to that particular item of Government Business. I think it is Item No. 5 relating to the Chinese matter.

Mr. SPEAKER: If there is no objection, then Order No. 5 and I will put the question now that this Resolution do now pass.

The question that Order No. 5 do now pass was put and resolved in the affirmative without division.

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, that concludes Government Business for this sitting.

Aside.

Hon. P. M. GREAVES: I said that it concludes Government Business. What disrespect are you talking about?

Aside.

Mr. SPEAKER: The Honourable Member has risen, I believe, on the adjournment. So proceed.

Hon. P. M. GREAVES: Yes, Sir., I am being distracted by some mumblings from some old person on the other side.

Mr. SPEAKER: I am sure we do not have any old people in this Chamber.

Hon. P. M. GREAVES: Anyhow, Sir, I move that this sitting be adjourned until Tuesday, July **14, 1992** at **12** o'clock noon.

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

The question that this sitting do now adjourn until Tuesday, July **14, 1992** at **12** o'clock noon was put and resolved in the affirmative and Mr. SPEAKER adjourned the sitting accordingly.
5.25 p.m.

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BRADSHAW, Mr. **DeL. O.** (St. Michael South East)
BRATHWAITE, Mr. L. L. (St. Michael North East)
EASTMOND, Mr. R. C. (St. James North)
FORDE, Mr. H. **deB.** (Christ Church West)
GREAVES, Hon. E. E. (St. Lucy)
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HALL, Hon. W. W. (St. Michael West Central)
KING, Hon. M. A. (Christ Church West Central)
MILLER, Miss B. A. (City of Bridgetown)
MORRIS, Mr. R. L. (Christ Church East Central)
PAYNE, Mr. G. W. (St. Andrew)
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TULL, Mr. L. R. (St. George South)
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