
THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday, March 31, 1992

Pursuant to the adjournment, the House of Assembly met at 12.20 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 Labour, Consumer Affairs and the Environment)
Hon. N. K. SIMMONS, (Minister of Justice and Public Safety)
Hon. H. A. BLACKMAN, B.Sc. (Econ.), (Minister of State, Ministry of Finance and Economic Affairs)
Mr. O. S. ARTHUR, M.Sc. (Econ.)
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 Community Development and Culture)
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
Mr. D. W. BOWEN
Mr. G. W. PAYNE
Mr. R. C. EASTMOND, B.A., LL.B.

Prayers were led by Rev. Father Ivon Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Thursday 19th March, 1992.

Hon. P. M. GREAVES: Mr. Speaker, I beg to move that the Minutes of the proceedings of this Honourable Chamber for a meeting held on the 19th March, 1992 be taken as read and confirmed.

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

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I am to announce that I am in receipt of the Annual Report of the Ombudsman for Barbados for the year 1991.

GOVERNMENT NOTICES

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

The Barbados Economic Report, 1991.

I am also commanded to lay:

The Central Bank of Barbados Annual Report, 1991.

Mr. Speaker, I beg to give notice of:

A Bill to amend the Employment Levy Act.

Hon. P. M. GREAVES: Mr. Speaker, there are other matters which we wanted to give notice of at today's sitting but apparently, Sir, they are not yet with us. I will seek your leave, Sir, later in the sitting to revert to the Order of Business for the purpose of giving notice of those other matters of which notice should be given.

FIRST READINGS OF BILLS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I beg to move that the Employment Levy (Amendment) Bill, 1992 be now read a first time.

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

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

CONGRATULATORY SPEECHES

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise to make a congratulatory speech in respect of a recent privilege and honour which has been bestowed upon one of our Members, namely, the Member for St. Michael Central. News broke last week that the Honourable Member had been elevated to the position of President of the International Confederation of Free Trade Unions. Sir, it is our wont that where Members have achieved significant advancement in their personal or other kind of career, in this case that would be in terms of service to country, then it is fitting that we should recognize the achievement and duly acknowledge the honour.

The Member for St. Michael Central is very well known to all of us and is very well known in our country. He is the General Secretary, Acting of the Barbados

Workers' Union and, in that capacity, he has demonstrated the knowledge, the administrative capabilities and the tenacity of spirit needed to guide the destinies of the leading trade union in Barbados. Beyond that, Sir, it is only recently, I believe some 2 or so years ago, that as a result of his vast experience as a trade unionist and his commitment to the cause of workers that he was elevated to the position of President of the Caribbean Congress of Labour.

12.30 p.m.

Following upon that, Sir, he has now become the President of the International Confederation of Free Trade Unions. Now that particular body, Sir, that International Labour Organisation, if my memory of history serves me right, was founded, I believe, in 1949 as a result of a split in the international labour movement when certain unions had bitter disagreements with the World Federation of Trade Unions and decided to form their own body which became known as the International Confederation of Free Trade Unions. The objective of that body was, Sir, to maintain consultations and to establish collaboration among trade unions which operate, not under communist domination as the charge was, but under free democratic approaches. Ever since then, Sir, certainly from our own perspectives, that part of the international labour movement under the world leadership of the International Confederation of Free Trade Unions has been the one to which the Barbados Workers' Union and most of the unions in the Commonwealth Caribbean and I believe, Sir, in Western Europe and parts of Asia and Africa, belong. So the split in the international trade union movement was one of the products directly of the cold war that followed the hot war which ended in 1945.

I think it is a tremendous tribute, Sir, to the Barbados Workers' Union, to its retiring General Secretary, Sir Frank Walcott, and to the general labour movement in Barbados, that such a distinction could come to Barbados and should come to someone who is a youth. I am sure he would not mind, just look at him and see he is a very youthful person. Therefore it is a tribute, not only to the labour movement in Barbados and the Caribbean but also to this young man who has demonstrated such a knowledge of trade union philosophy, trade union activity and trade union objectives.

I know, Sir, there are others who would wish to speak and can speak more knowledgeably on these matters than I myself can, but I could not allow this opportunity to pass without noting these inter-connections, without congratulating the Honourable Member for his own personal achievement and, by reflection, the achievement of the labour movement in Barbados and the labour movement in the Caribbean. I am sure, Sir, just as he has done in the past, he will wear this recognition at the international level very comfortably and lightly and

will deepen his own understanding of the intricacies of the labour movement worldwide and the interplay of that movement with national objectives.

I am confident, Sir, that he will achieve these things and that he will bring further honour, with which goes responsibility, both to himself, to the union of which he is the leader, to those other parts of the labour movement in Barbados which he articulates and also with the Caribbean labour movement of which he is also the leader.

With those words, Sir, I extend my own personal congratulations for an achievement well deserved.

Mr. H. deB. FORDE: Mr. Speaker, Sir, the Right Honourable Member has spoken well and long and I am sure you will not wish me to delay the House on this matter. I would wish to associate the Opposition and myself with the congratulatory remarks made in respect of the appointment of the Honourable Member to the post of President of the ICFTU.

It is timely, Sir, that I should say that the Barbados Labour Party had the foresight, some 51 years ago almost, to have founded the Barbados Workers' Union and that foundation has obviously been a solid foundation on which others have built and the union has come to maturity at a very critical time in the history of our nation as well as at a critical time in the history of nations and of the working class movement as a whole.

In 1949 when the ICFTU was founded, the then leaders of the union led by the redoubtable Sir Grantley Adams, Mr. Grantley Adams as he then was, saw the wisdom in joining those who believed in freedom and, therefore, we joined with the ICFTU as we believed it offered a genuine democratic future for the workers of the world.
12.40 p.m.

Sir, it is a bit ironic that Sir Grantley Adams was the butt of criticism by many of those who called themselves the progressives. I think history has a way of eventually repaying people for their good acts. I think it is fitting therefore, today, that the foundation which he has laid and which has been built on by others have now manifested itself clearly in the recognition of the Honourable Member for St. Michael Central, and in his own right and his union coming to play such a leading role in world trade unionism.

I think the Honourable Member would be the first to recognise that to whom much is given from him much is expected. Obviously, Sir, we will be expecting a lot from him in the new role he is called on to play. Even more important than that, I think the workers would be expecting a lot from him in this role.

We wish to say, Sir, that both from a national and a regional perspective it is an honour for our country and our region. We hope that his 4 years in that role will prove extremely beneficial for the country and the region. We have no doubt that the Honourable Member will give of his best and make a mark not only for himself but for his union and Barbados as a whole. Therefore: we join in the congratulations.

Hon. E. E. GREAVES: Mr. Speaker, I would not wish this opportunity to pass without rising to offer my sincerest congratulations to the Honourable Member for St. Michael Central on what can be considered as an outstanding achievement. I have no intention of going into the history of the formation of the International Confederation of Free Trade Unions. I think the Honourable Prime Minister did that quite well.

The Honourable Member for St. Michael Central follows in the footsteps of some very important people in terms of the formation of the ICFTU and the role which the Barbados Workers' Union played in that formation. The Honourable Leader of the Opposition made reference to the role which Sir Grantley Adams played in the formation of the ICFTU.

The General Secretary of the Barbados Workers' Union became a member of the Executive Board of the ICFTU in 1954 and continued in that role until his retirement a few months ago. Of course, in the early 1970s he was elected Vice President. I suspect he was probably one of the longest serving members of the ICFTU. The fact we have reached a point where the Acting General Secretary of the Barbados Workers' Union has now been elected to this prominent world body of trade unions is a tribute not only to him personally, but it is also a tribute to the Barbados Workers' Union, Barbados and the regional trade union movement.

We know of his skills and his abilities. Therefore, we certainly wish him well and recognise that he will be able to do a very important job of now uniting, in my view, probably what now remains to be united, the world trade union movement. I know now that all of the barriers or most of them which formerly separated the movement, because of the removal of these barriers one would see an opportunity for the trade union movement to be reunited in the world. I am sure this will be one of the tasks which will confront him, the way in which the very delicate balance has to be achieved in that particular area. I know this is not beyond the Honourable Member.

Let me also state that it will mean quite a lot for us and the Caribbean because it will bring us into focus with the International Trade Union Movement. It is an achievement for the Third World because, if my memory serves me correctly, the Honourable Member for

St. Michael Central is the second person from the Third World who is elected to head this body, the first person being Mr. P. P. Naryanan from Malaysia. When he achieved that particular height we in the Third World felt very proud because we recognised what this meant for us. For the Honourable Member for St. Michael Central to have achieved it at such an early age is a clear indication of the regard in which he has been held among his colleagues in the International Trade Union Movement. I therefore want to wish him well and let him know he is following in the footsteps which have made a mark.

I would note rather humorously that he has followed me all the way. He followed me to the University of the West Indies, the Barbados Workers' Union, the International Trade Union Movement and Parliament. I am sure he has had a good upbringing in this particular area. He will be able, therefore, to give of his best. I have no doubt this will be something of which we can all be proud. I offer my congratulations to him.

Thank you.

Hon. B. M. TAITT: Mr. Speaker, Sir, as the representative of a constituency that is contiguous with the constituency represented by the Honourable Member, I believe I can claim the right to speak on behalf of a large number of ordinary people in this country who will rejoice with the Barbados Workers' Union and the other unions of the Caribbean in this signal honour that has come to the Caribbean and to Barbados in the unanimous election of this elderly youth to the position of President of the ICFTU.

Greatness has come to many of the sons of Barbados in one form or another – after all we have taken it for granted that we have at some time or the other over the last 25 years had the greatest cricketers of the world as part of our everyday ordinary existence. We have had some of our political heroes well known on the international scene and we have tended to take it for granted when these accolades are given to us through the sons and daughters of our country. The truth is that his election is probably the greatest expression in a singular way of confidence in Barbados as a country.

The International Confederation of Free Trade Unions represents in excess of 100 million people. It was founded by trade unions from 55 countries. Today, that has been multiplied to the point where there is a multitude which no man can number. The fact that the Honourable Member for St. Michael Central has been singled out to follow on the sterling performance of the former General Secretary of the Barbados Workers' Union is something which we as a country must not only applaud but we must take note. In recent times, Sir, Barbados' turn has been coming. We

went pretty close to being elected President of the United Nations General Assembly.

12.50 p.m.

Well, the point of being nominated and being a candidate is itself a signal honour at that level. I was not in any way suggesting by saying "close" that the vote was close, but I think the fact of winning the approbation of enough states that to become a serious contender in that kind of forum is significant. We have had other international accolades but this one will stand out because this one is the epitome of operations at the international level for a non-Governmental organisation. The ICFTU is no mean organisation. It is a formidable arrangement of trade union might for us to be literally in charge of and I will make bold to say that the Honourable Member will only within the next 6 months or so become fully seised of the enormity of the power of this position. Any of us who have observed this international organisation will know that they wield significant power. I am grateful that I am able to say that I number among my friends the President of ICFTU. I hope the Honourable Member will have health and strength to be able to continue to carry on his work at the levels and standards which he has set. Those of us who have observed him functioning, especially as a man, has had nothing but admiration for his capacity to be even in the most difficult circumstances, true first of all to his God and to himself.

Sir, I shall not say anymore for fear of driving him into tears because he has been known in circumstances like this one to break down emotionally. I want him to know that all the people of St. Michael are grateful and happy and rejoice with him and the Barbados Workers' Union at this time in his life.

Thank you, Mr. Speaker.

Mr. R. L. MORRIS: Mr. Speaker, I rise to say a few words on behalf of my colleague who also happens to be my immediate superior. These comments that I make are from my long knowledge of the Honourable Member for St. Michael Central and also from a close view of his work and the work in the workers movement to which he belongs.

The Honourable Member is fortunate to be one of those few persons who have started from the lower rungs and was able to succeed to the pinnacle. In fact, some people come in midway and, therefore, the top is made easier. He joined the union as a secretary. When he came in 1971, it was not the kind of development of a person coming from outside from a foreign interest. But he indicated very early that he wanted to be a branch member. At this point in time, he is at the top of the international labour movement. Very few persons in history will ever be able to attain that distinction. Therefore, I think we

ought to recognise that as a head of over 100 million persons in 152 countries that the Honourable Member is, in fact, on the top of a pyramid.

Sir, comments have been made about the roles of other Barbadians to the ICFTU in 1939 – of the role played by Caribbean persons like the late Sir Grantley Adams and Mr. Frank Walcott, who is now Sir Frank. But I think we need to comment more on the times than on the persons. It is significant that mankind must have looked on in despair at its future driven by ideological differences in 2 massive portions of the world being unable to agree about the future of homo sapiens. I believe those persons who were agonizing at that time when the Honourable Member was only 5 years old and some of us were not yet born, and I am speaking of those adults of that day such as Sir Frank and Sir Grantley, were wondering what would happen in the world tomorrow and how could they bridge the divide. In fact, some of them did not know whether they would reach the 1990's but were hoping along the way. Today, we are in the fortunate position as human beings that that divide has apparently begun at this point in time to disappear. The challenge now is perhaps as great as it was in 1949. The challenge is to bring this great one world together, one world in terms of the trade union movement and one world in terms of the world economy. All of that is the result perestroika will bring to workers throughout the universe. This is a known fact.

Sir, we have heard that resources will be shifted from the Third World to what used to be called the Second World. We have heard, in fact, that the restructuring after glasnost and perestroika was necessary in countries that have not reached the level like Barbados in terms of its distribution of resources. I am talking about the so-called Second World where we are learning about all of those massive potentially wealthy countries. We are now learning that Barbados can teach them lessons in democracy. I think it is, therefore, fitting that the socialists have been given the challenge at this point in time. We make the point often that quality is quality. I think Barbados is exemplary in the world in terms of how it has used its scarce resources to reach economic levels which is the envy of almost everyone in the world.

Sir, the Honourable Member for St. Michael Central has demonstrated in his term of office at the Caribbean Congress of Labour that he understands the broad issues of the whole world because, if not, his peers would not have elevated him to the top. He has demonstrated to the Caribbean Congress of Labour that he understands the workings of that organisation. He has been part of the workings of that organisation and they had predicted that the task before him is one he is fully seized to pursue successfully.
1.00 p.m.

With his colleagues in the trade union movement, I join with my colleagues on this side and of course colleagues on the other side – all of us who are Members of this ancient Parliament – in congratulating one of our members on this achievement and to wish him well in his future activities.

Mr. SPEAKER: I have known the Honourable Member for a very long time – to be exact, from the time he first entered the teaching profession, and I was very much taken up and impressed by his dedication and commitment. He is a devoted person to duty and most of all a very sincere person. I am sure that any person who builds his life on such planks will always reap the successes. It is not a surprise to me that he has reached, at such an early stage in his life, this kind of achievement, which I believe would be very difficult for others to emulate.

I can only wish him success and hope that he continues to build on those good values that I am sure he is capable of pursuing and not only bring honour to this Parliament but, as the Honourable Member for Christ Church East Central has said, to Barbados. Barbados needs, more so at this time, that kind of courage to carry it through into the international world for its own survival.

I am therefore very happy to associate myself with such glowing compliments and hope that you will cherish them for all times.

Mr. C. LeR. TROTMAN: Mr. Speaker, the world is but a small place and, one may properly say, getting smaller every day. Within that small world Barbados is but a mere village, a village that is constantly under the microscope. I was therefore amazed, Mr. Speaker, to note the level of awareness which there was at the level of the International Confederation of Free Trade Unions of the post July 1991 trade union activity here in Barbados. I was pleased to note that there are most within that body who recognise that, notwithstanding the efforts the world over to trample trade union rights and human rights generally, the efforts made by the trade union movement in Barbados at that time were indicative of the efforts being made by workers and their representatives to ensure that trade union rights were assured, and may be continued to be assured, in the democracy that we in Barbados have held very dearly over the years, and which we are satisfied will continue to remain this way given our current approach on either side to the political way of handling the affairs of our country.

It was that recognition of the position taken by Barbados and by the leadership in the labour movement which in some great measure, as I understand it, led my colleagues at that forum to consider elevating me to this very prestigious position, a position which in humility

I confess myself very humbled by the exercise but willing and ready, with the help of the Great Master and with the support of colleagues whom I hold very dear, to pursue with the same vigour that it has been my wont to pursue other such challenges.

In this regard, Sir, I wish to look a little bit at Barbados and to recognise that when we were in the post July activities of 1991 there were some areas where the matter was not fully addressed and where, if it were fully addressed, in the time and in the circumstances it was not fully understood. This gives me a very good opportunity, Mr. Speaker, to express my sincere thanks to two political leaders who were able to have a vision of exactly what the Trade Union was trying to do, and which I myself was endeavouring to do, and who advised me that while they were political leaders interested in advancing political interest, they were sufficiently interested in seeing the labour movement remaining undivided and in seeing the Barbados Workers' Union maintaining its vision, that they advised me that I should not lose sight of the trade union agenda and that I should vigorously pursue that trade union agenda and not allow the myopic who were around and about to pressure the movement generally and myself in particular into taking stances which may have destroyed the movement. Now he is not in This Place – I refer to Dr. Haynes of the NDP – but I refer as well, Sir, to the Honourable Leader of the Opposition, the Member for Christ Church West, who gave me of the benefit of that kind of advice and to whom I shall remain very grateful, because it says that men and leaders can rise beyond narrow partisan politics or partisan interests and can assume national and in fact international interests and dimensions in the interest of the larger good. The Barbados Workers' Union must be grateful for people who see that there is, recognisably, a role which this organisation has played in the past, and which the organisation will continue to play in the future, given that kind of approach that I have enunciated.

It is, Mr. Speaker, that similar kind of interest in the wellbeing of democratic peoples across the world which in my view has led to the members of the ICFTU giving me this very signal honour. I think that it is not an honour which I should embrace to myself alone, I shall recognise, as my colleagues have done, the great work which was done by the two members of the Barbados Workers' Union in 1949 who went to a London conference that saw the foundation of the ICFTU. I would wish you to know, Sir, that those members are still remembered now by the outgoing ICFTU personnel who were very careful to note that the same Pepe Naryanan, to whom the member for St. Lucy referred, and Sir Frank Walcott of the Barbados Workers' Union were the last of those founding members who were retiring in 1992. It was somewhat unfortunate that in both instances, Mr. Speaker, the unkind hand of fate prevented both of them from being present at their retiring

congresses. The brother from Malaysia with his 70 000 members could not attend because of illness, and we all recognise the illness which has led the retired General Secretary of the Barbados Workers' Union from going to his final congress. In paying tribute to the outgoing President, I recognise that the tribute to me is much more applicable to the previous General Secretary of the Barbados Workers' Union. Given that appreciation, I think I need to pledge to this House, to pledge to the people of Barbados, to pledge to the wider Caribbean and to my constituents among the 110 million persons within the ICFTU that with God's guidance and the assistance of my colleagues in the labour movement and the experience which from time to time I have gleaned from sitting at the feet of the various Gamaliels within the labour movement that I shall endeavour to bring honour to this country, honour to this region and honour to democratic peoples all over the world.

1.10 p.m.

I am obliged to you, Sir.

Hon. P. M. GREAVES: Mr. Speaker, earlier I indicated that I would seek to have some matters laid. These are now ready and before we complete Government Business I seek to revert to that item.

Mr. SPEAKER: If there is no objection, then that matter will now be dealt with.

PAPERS

Hon. P. M. GREAVES: Mr. Speaker I am commanded to lay:

The Road Traffic (Amendment) Regulations, 1992,

The Road Traffic (Security of Load on Vehicles) Regulations, 1992.

Hon. N. K. SIMMONS: Mr. Speaker, I would like to lay the Report of the Commission of Enquiry into the Escape from Glendairy Prison of Junior Brathwaite on August 19, 1991 and from the Maximum Security Section of Denzil Roberts, Peter Bradshaw, David Oliver and Winston Hall on September 5, 1991.

GOVERNMENT NOTICES (REOPENED)

Hon. P. M. GREAVES: Mr. Speaker, I give notice, Sir, of the following Bills:

The Theft Bill, 1992,

The Criminal Damage Bill, 1992,

The Criminal Law (Arrestable Offences) Bill, 1992,

The Offences against the Person Bill, 1992,

The Public Order (Amendment) Bill, 1992

The Barbados Constitution (Amendment) Bill, 1992.

I also give notice, Sir, that replies to Parliamentary Questions are ready as follows:

Reply to Parliamentary Question No. 15 asked by the Honourable Member for St. Michael South East,

Reply to Parliamentary Question No. 27 asked by the Honourable Member for St. Andrew, and

Reply to Parliamentary Question No. 29 asked by the Honourable Member for St. Andrew.

FIRST READING OF BILLS

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

*The Theft Bill, 1992,
The Criminal Damage Bill, 1992,
The Criminal Law (Arrestable Offences) Bill, 1992,
The Offences against the Person Bill, 1992,
The Public Order (Amendment) Bill, 1992,
The Barbados Constitution (Amendment) Bill, 1992.*

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, for the purpose of the matters to be dealt with by this Chamber at this sitting which include the delivery of the Financial Statement and Budgetary Proposals by the Minister of Finance, I am moving that Standing Orders Nos. 6,16,18,20,42(5),43 and 44 be suspended for the remainder of this sitting.

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

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

GOVERNMENT BUSINESS

ORDER NO. 1 - RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT VAUXHALL, CHRIST CHURCH

Hon. E. E. GREAVES: Mr. Speaker, this is a Resolution seeking the approval of this Honourable House for the acquisition of 5 418.3 square metres of land at Vauxhall, Christ Church for the establishment of a senior citizens' village. As Minister responsible for Housing and Lands, I would want to indicate that rather than dealing with the details of the rationale for this, I will seek merely the acquisition. I am sure that the Honourable Member for St. John, the Minister who has portfolio responsibility for the National Assistance Board and the Housing Welfare Programme will go into the details relating to the rationale

of the whole concept of the development which we are seeking to establish here at Vauxhall in Christ Church.

Let me say that we are going the route of compulsory acquisition because the negotiations which were taking place by private treaty broke down and we, therefore, have to go this route. We consider that it is important that we move to develop a concept like this to pay attention to our senior citizens and to ensure that they are provided with a kind of environment which would be a credit to them and certainly to this country. We have to recognise the role which they have played in the development in this country. We would want to avoid the situation where our senior citizens are left in a situation where their general living conditions are not acceptable and where they have difficulties in being able to have access to facilities which we consider to be the norm in this country.
1.20 p.m.

I am seeking therefore to move that the Resolution for the acquisition of 5 418.3 square metres at Vauxhall, Christ Church, for the establishment of a senior citizens' village be now passed. The maps relating to this particular acquisition are available. I will be happy to pass them over to Honourable Members for their perusal.

Thank you.

Hon. D. J. H. THOMPSON: Sir, I wish to second this Resolution and take the opportunity to point out a few features of this particular project. I should start at the point by saying that successive Governments in the past 20 years have moved from an attraction for institutional care to a movement away from institutional care. This particular project is designed not to take us back into the days of institutional care, nor is it designed completely against the concept of institutional care but it falls somewhere in between the 2 differing opinions.

The National Assistance Board presently has a programme which offers repairs to elderly citizens for owner occupied houses. It also makes loans for welfare houses. It lends welfare houses to senior citizens who may be renting land in a tenantry or otherwise renting a house on a spot of land. It also has a programme of resital of houses for elderly persons who are eligible who cannot afford such resitals. What has happened over the years is that in providing these welfare houses there has been a substantial maintenance cost to the National Assistance Board in addition to which very often the elderly people died and their family may move into the house and the National Assistance Board had great difficulty in getting them out of the house.

There is also the considerable administrative problem of tracking down these houses and the use of these houses. Therefore, the National Assistance Board has rightly

come to the conclusion that this is a most inefficient way of handling the problem of providing welfare housing for senior citizens and has decided that a more efficient way would be to have areas in Barbados which would be designated as senior citizens villages where the senior citizens could rent concrete units. The maintenance costs would be considerably lower and the facilities that are provided in those units would be much better.

As it stands now, there are many senior citizens whose homes may be repaired or who may live in welfare houses. As you would know, Mr. Speaker, their toilet and other facilities for ablutions are sited somewhere from the home. Very often they have to go down steps and cross a yard to get to those facilities. This poses a problem because the National Assistance Board has also had to install handrails and improve the steps and those kinds of amenities for senior citizens where those houses exist. Therefore, in response to this the National Assistance Board feels that a project which incorporates these facilities would be more suitable. This project envisages a number of units which are essentially duplex units built of concrete – that is, what people would call prefab houses, would be constructed.

Another point that should be made is that this is not going to be the first of these kinds of projects because, of course, the Soroptomists Senior Citizens' Village in Eden Lodge is modelled on this. If one looks at that project you would see that the actual cost, staff-wise – the staff complement that is required to manage that project – is considerably less than the staff required for the Home Help Programme. So it is possible for the National Assistance Board to run a project like this with about 2 or 3 home helpers on the site and without having all of the other kinds of staff support which is necessary in normal institutional care.

It would not be true to say then that it is entirely novel to Government because over time there have been discussions about a facility like this in Haynesville and Ferniehurst, none of which came to fruition because of the difficult financial circumstances that existed at that time. Subsequently Fitts Village, St. James was looked at and a whole number of other sites. The National Assistance Board has finally settled on this particular area in Vauxhall, Christ Church which, I think, would house about 14 of these duplex units. The area is most suitable for this kind of development.

Let me also say that elderly persons are having the same difficulty that other citizens have in acquiring house spots. Whereas the National Assistance Board may be willing to provide a welfare house, sometimes the problem is that the owner of a spot on which the dilapidated structure exists, assuming that the person is living in that structure, may not agree, or may give great difficulty to the

National Assistance Board to remove that structure and replace it with a better facility.

We have been having severe problems with owners of land who rent them to elderly people, who have really been taking them for a ride and treating them terribly as if they themselves did not have parents or grandparents, and have not been permitting Government agencies like the National Assistance Board to assist these elderly persons. I believe all of us can point to scenarios like this where elderly people are not allowed to improve their physical conditions because the owners of land give great difficulty and then Government agencies tend to walk away from the scene when they are unable to easily carry out the repairs or whatever work they are required to do.

A project like this should also relieve the pressure on the District Hospitals. I know the Ministry of Health is probably inundated with calls for the institutional care of elderly persons. As I understand it, the District Hospitals, some of which were phased out under the last administration, signify that the number of places available to the elderly in these Hospitals has declined substantially while our elderly population is growing. We need to take a very careful note of the trends in relation to the distribution of our population by age because I have a great fear, based on the statistics that are available, that we are going to be able to provide well into the future – certainly in my old age it is doubtful we would be able to provide, based on the existing national insurance and social service arrangements – the kind of care that is going to be necessary for the larger number of elderly persons in Barbados. This is something we have to look at very carefully. It should relieve pressure on the District Hospitals and, hopefully, it will be an impetus to provide other sites like this for the care of the elderly in Barbados.

The last point I want to make relates generally to the question of the elderly in Barbados. The National Assistance Board had been able, within recent years, to encourage the children of elderly persons, or relatives, if they are alive, to assist with the house repairs. The usual formula was that once a person requested the house repairs there was an upper limit of \$2 500 that could be spent. 1.30 p.m.

This upper limit was spent on both materials and labour. But we have found that with the increasing cost associated not only with labour but with the building materials that we can provide the materials and have the children of the owner provide the labour or the other way around and therefore get more out of the kinds of repairs that we are doing for the money that has been allocated. But there are still too many Barbadians, in prominent positions and elsewhere I would assume, who are not paying attention to the problems that their elderly parents, and, grandparents are facing. It makes the work of

the National Assistance Board much greater and certainly more onerous than is necessary. If we are a caring and humane society which is in pursuit of social justice, I would like to see more Barbadians working towards the provision of these kinds of assistance to elderly people in Barbados, not only through the service clubs but you can rest assured that the Government agency, particularly the National Assistance Board, when it is doing its investigations is going to be speaking to the children of those elderly persons and asking them to make their contribution towards the repairs and towards the kinds of facilities. We will be seeking out the children to ensure that they make a contribution to these repairs or other facilities.

The National Assistance Board has also been working on a day care programme for the elderly and has been using community centres for this purpose where they are engaged in handicraft, games and other kinds of activities which are helpful to them both physically and mentally. For this programme to be successful it is also necessary for persons to get them to the locations because we do not have enough transportation. Again this is an area where children and relatives can play a very important role in providing transportation and other assistance to get the elderly to these day care centres. This is a positive development which I think would go a long way in removing the need for greater institutional care but looking now at innovative ways of assisting the elderly particularly those who are in difficult circumstances. I hope that this particular project will be but the beginning of a new phase in the development of services for the elderly in Barbados. We will ensure that these units are affordable and that the amenities that are provided are in keeping with the standards that we think are necessary for our elderly to live in comfort and with the level of care that is commensurate with our goals for social justice.

With those few words, Sir, I beg to second the Resolution and have great pleasure in being associated with this particular project.

Mr. SPEAKER: Are you seconding the Resolution?

Hon. D. J. H. THOMPSON: Yes, Sir.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am glad that the Minister responsible for Community Development has given this Honourable Chamber an insight as to what the purpose of this Resolution is all about. But there are some questions I would like to have answered and I think that this Honourable Chamber should have answered. First of all we want to know what is the cost of the land and, if possible, if the Minister could give us an idea as to what is the projected cost of putting up these buildings. Because we have to look at cost, especially in these bad times when we can ill afford to allow lavish spending or lack of proper policing of these buildings which, no doubt, will be paid

for from public funds. I am not satisfied that it is enough to say we are going to put up these buildings. This is not novel. It is not the first time that this was done. There is already precedence and therefore I am not going to be critical in that area.

I do not think it would be a good thing for us to have to come in here wise after the event when we learn that the cost of putting down this particular village or these units have escalated in some form or another or it is at a cost that we could best have left it out for somebody else to undertake. I would want the assurance given that we are not going to see the sort of cost that has followed other Government undertakings. Those are the two questions, in addition to some other observations which I have.

I wonder if the Minister or his Ministry has looked at extending the Golden Rock Senior Citizens Home. There is enough room there and I would think that since there has been a pressing need, lots of people have applied to live in the Golden Rock Home, I am wondering if the Minister is in a position to say how many applications he has had and whether there is any intention of Government to extend the Golden Rock Senior Citizens Home. I agree with him that such a policy would relieve the District Hospitals. But as far as I understand, it is not the policy of the District Hospital to take certain people, if they are not ill. They are encouraged to go out in the Home. At the same time it tells me something about the Ministry itself, National Assistance, because some time ago they recommended to the BLP Government that it was best to encourage people to live in their own homes rather than have them in institutional care or in the sort of thing that they are now recommending.

Aside.

Mr. DeL. O. BRADSHAW: The Minister says they are going to rent. I would want to know what sort of rent he is looking at. You have to look at the type of people. If they are going to be pensioners and if they are going to be paying their pension towards the rent or, whether they are people who are loners whose families have abandoned them and if they are going to take them in one of the homes we have in Christ Church. I want to know this. The idea is okay but you need to define clearly what would be the purpose of this particular project.

I would hope that the Minister understands too that you have, for instance, a private residential institution at St. Barnabas. The Barbados Labour Party Government did inject some funds and encouraged that institution there. As I said it is nothing new to me. I am very glad that he has come along on the line and he has followed the Barbados Labour Party in its approach to this particular question of old age people who have got some strength in them. They still have some know how and some skills which could

be put to **good use**. Like the one at St. Barnabas erected in the church yard, the old school building, used for that. The senior citizens go there during the day and they are taught certain subjects including basket making and other craft. I think it is in the right direction.

I would hope that the Minister look at advancing a subvention to the St. Barnabas project. It is not in my constituency so I am not putting in a plug for my sake here. I think it is serving a very good purpose and I would think that from time to time they fall short of funds. I know that there are people who volunteer their services and I think they need to be complimented. I do not think I want to be partisan in this. I know that there are people from the opposing side that give of their service. But I think that they need to be commended because it is something that I think that one should really look at. I would like to see the Ministry look very closely at giving grants to such institutions. My understanding is that the Anglican Church in some other areas was thinking along these lines. I would think that Government could incorporate this in their policy. It blends beautifully. Once Government has an input I think Government has a right to see that things go towards the development of these senior citizens. So while I want to support it, I am not so sure that we have got a clearly defined policy setting out what is going to be the position. It is going to require staff and I have some reservations about staffing these institutions now.

1.40 p.m.

Aside.

Mr. DeL. O. BRADSHAW: The Minister has said that. Don't forget that the home helpers are employed by the National Assistance Board and this is a national assistance project. Now, at what level would home helpers operate? What would they be doing, making messages? Or would they be doing the same jobs they are doing now? Some changes will have to take place. These are the things I need to be quite clear on. It is all right to talk but when you come down to the nitty gritty and you have to work things out it is then you find that you have got overlapping responsibilities and lots of problems. Is it going to involve someone living in the area to make sure that everything goes well? You are leaving senior citizens alone. Whether you have a wood house or a concrete house, you have to think in terms of the hazards, for example, fire, and how to deal with these things and how you are going about the selection process. What are you going to do? I want to know because there are certain people, though they are old, they will not be capable or they will not be the best persons to be selected to live in these houses.

Aside.

Mr. DeL. O. BRADSHAW: Oh yes, but there have to be some other criteria which have to be used in order to

select these people.' I want the Minister to set out these things because a paper should be up before him and all of these things clearly set out. They are going to start like the hostel at Black Rock. There is a hostel there, controlled and operated by the National Assistance Board but there are heaps of problems. Even getting some of the people who should go back into the society with their families... This has to be studied very carefully and I know the problems that are associated with the one at Black Rock. There are people in there who are able bodied. There is, one guy out there, a short fellow, always out at cricket and it is said he should not be in there, but where will you send him? Is that the type of person that you are going to discharge from that institution and put in one of these institutions? I feel this is the sort of person. Or, are you going to allow them to stay in the ones like Black Rock. There has to be a clear policy. It is quite all right for the National Assistance Board to undertake these projects but at the same time I would hope that careful thought and consideration is given to the persons whether they are trained or adequately trained to run such a village. They will need proper supervision, persons who understand and relate to the people and relate to the surroundings and know exactly what is expected of them. Not just to give somebody a job. Otherwise you are messing up the lives of people and you are creating greater harm in society when you fail to come up with a clearly defined workable policy for old age pensioners. You can make a mistake with a young person and you can correct it, but when you make these mistakes with senior citizens, people who are advanced in their years, then it is a very terrible thing and it causes a lot of problems.

I want the Minister to understand that this side does not have any real objections to the venture but I want him, to understand there are some problems that could be associated with such a project and I do not want to be in here and hear a resolution is passed and everything is all right and then it is thrown us at a later stage that we agreed. I want it to be recorded that there are some problems which the Minister needs to look at. It is all right for departments sometimes to throw things at a Ministry. They will come up with anything and say this is a good and lofty idea.

Now what about the question of a vehicle? I want to tell the Minister something. Go gingerly along on this, tread carefully because I know that funds are being solicited. I don't want anyone to misunderstand or misinterpret me. I know that a committee is set up and that committee has responsibility for soliciting funds with a view to purchasing a vehicle but I want the Minister to understand another problem. The vehicle has to be driven by somebody. Mechanical work will have to be done on it. I want him to look carefully at that. If they buy a vehicle, and something goes wrong it will need repairs and

would want to know, since sometimes you exhaust all the funds buying a vehicle, and you have no money for maintenance. I want them to look at that. I do not want the National Assistance Board to come and tell me they are buying any vehicle ...

Mr. SPEAKER: We are not discussing National Assistance Board per se, neither are we discussing vehicles.

Mr. DeL. O. BRADSHAW: Now, Mr. Speaker, I am aware but this is relevant because my understanding is, according to the Minister, and I am responding to the Minister...

Mr. SPEAKER: I am not saying you should not mention it, all I am saying is, you need not expand.

Mr. DeL. O. BRADSHAW: What I am saying is, if you have a vehicle for the purpose of moving these people around then you will need some control and I would want to know if the National Assistance Board that is building this hostel would be responsible for the maintenance and upkeep. That is all I want to know. As I said I am reading in the papers and I am hearing from some of the committee members that they are raising money to purchase a vehicle. If I am hearing otherwise from the Government I would like that clarification from in here because I am hearing members of the committee and other people saying they are begging for money. It is in the newspapers. At the same time if the Government is getting a gift I want to know what are they raising the money for. Why are we being misinformed? That is all I want to know. I want to know what the money is for and what the committee is all about. The Minister owes it to us to tell us what the committee is all about, if it is not set up to raise funds. They have been begging for donations. I know that. If I hear now it is a gift I want that because I want to make sure that this project goes without many problems. One or two may crop up but I want to make sure that we can eliminate or reduce the possibility of major problems which this Honourable Chamber will have to come face to face with. I am just highlighting these problems.

I think the DLP Government way back in the sixties, talked about a senior citizens village. Why wasn't this carried out? I don't know. A very good idea. A good plan, but it never came about and I want to make sure that this is not aborted, that it is not left on somebody's desk and nothing is done. I want to know because sometimes we come in here and we pass certain resolutions and give the go ahead but then somewhere along the line some officers find it fit to prevent the implementation of this project.

I hope the Minister of Housing who introduced this would give us something. We want to know the cost of these things because we want to make sure. We want to know if this is a pilot project. It is important that we get

the cost. We can't overlook these things. I am just trying to be helpful as far as the Government is concerned. I am trying to let these Ministries live within their means and make these officers realise that Parliament is not prepared to abandon its responsibility of overseeing and that the funds that are passed for these projects are well spent. That is all I have to say, Mr. Speaker.

1.50 p.m.

Hon. N. K. SIMMONS: Mr. Speaker, I support the Resolution and I would just like to indicate that the Honourable Member who just spoke must know the guidelines under which the National Assistance Board operates and it is not for all and sundry. I think he knows that it is for the old and indigent; the old must also be in need. People who can afford their own home or who can afford to rent will not be the beneficiary of this project. When I was in the Ministry, the idea came up because of 3 problems. Firstly, the National Assistance Board was finding it extremely difficult to site houses and very often, where old people were using the National Assistance Board's houses, the land was only given to them because of their relationship with the landlord. As soon as that person died, the landlord asked that the house be moved. Hence, the National Assistance Board was finding it extremely difficult to find house spots. Secondly, when they looked at the cost of building the wooden units, there was very little difference between the cost of building a wooden unit as opposed to building a stone unit and added to that would have been the cost of repairs. The National Assistance Board found that as soon as they repaired a house, let us say in January depending upon where it was, the same house was so weather beaten that they had to more or less build the house again. That is another problem. The wood nowadays, as we know, is not as good as wood let us say 20 or 30 years ago and it is creating a problem. Added to that, as the Minister said, is the question of facilities. Sometimes where these people live they may have to go up and down 10 to 12 steps to get to and from the yard and arthritis among other things creates serious problems. The question of installation of electricity is another problem because you are not sure how long the house will be there, so that having to put an oil lamp in a house would create a serious problem. Therefore, the Board came up with the idea that they would try to purchase a piece of land on which to put senior citizens homes.

Now it is quite different from the home in Golden Rock. The home in Golden Rock is for old people who cannot do for themselves and who need around the clock attention. As I understand it, the concept of this is for old people who can get around and take care of themselves, who can go to the post office and shop for themselves and people who would hardly even need the Home Help attention. These are old people who need a house but they are strong enough to take care of themselves. That is the concept of this village. As to the idea of putting

somebody in charge, nobody will be in charge. Nobody is in charge of an old person who lives in St. James or Holders Hill who goes to the post office and who catches a bus. But the problem is that increasingly we have found in providing a wooden house is that land was scarce and you could not put the facilities as you would want to do. Therefore, they came up with this idea of having the village as is now decided upon.

Sir, I just thought that I would enlighten the Member about the idea. It is not one in which you have to have round the clock attention. Indeed, an institution like the district hospitals around the country is what that is all about. The reason why we are moving away from that care is because it is so expensive. This way it is less expensive where you take care of yourself.

Thank you, Sir.

Mr. R. L. MORRIS: I rise to support this Resolution and I look forward to welcoming these constituents. I should like to express appreciation to the Member of St. Michael South East for asking questions based on his experience and knowledge of what can happen in a practical situation. I feel confident also that the Minister will respond to address the issue which was raised. My primary concern is that a senior citizens' village is located in an old area like Vauxhall where care should be given to them. It is fortunate that this village is going to be adjacent to the church. In fact, I believe the Honourable Member for St. Michael South Central was a choir person since 1959 and I think he has been a lay preacher. His interest has now been shifted in another direction. I also would like to join the Member for St. Michael East regarding his comments of non-Governmental community organisations such as the Lions who will make themselves available to render assistance to this village. I, too, would like to know about the security because I believe that this village should be secured. I do not think that Barbados is a country where our senior citizens are so well protected and these persons are an easy prey. I believe that the security of that village has to be looked at very carefully. I do not know of any gangs in that area, but nowadays there are visitors from elsewhere.

Mr. Speaker, this is to support the Resolution and I hope that this test case will prove to be successful and in its utilization that it will be able to iron out any difficulties. Certainly, on behalf of Christ Church East Central we stand ready. We believe that any funds that can be spent on them are welcome. Thank you very much, Sir.

Hon. E. E. GREAVES: Sir, the only question which I am cognizant to answer is the question as to the valuation of the land. As I indicated, there has not been any decision on that land. I am permitted to say that the Land Tax

Office has valued it at \$145 000 and this is what the solicitors are asking for.

I beg to move that this Resolution do now pass.

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

SUSPENSION

Hon. P. M. GREAVES: Sir, I am moving the suspension of this sitting for lunch today until 3.45 p.m.

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

*The question that the sitting be suspended until 3.45 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.
2.00 p.m.*

RESUMPTION

Mr. SPEAKER: This sitting is now resumed..

QUESTION TIME

Mr. SPEAKER: The Honourable Member for St. Michael South East, Question No. 15.

Mr. DeL. O. BRADSHAW: Mr. Speaker, Question No. 15 reads as follows:

"To ask the Minister of Housing and Lands: Will the Minister take appropriate steps to ensure that rental units owned by the National Housing Corporation in Pinelands, Parkinson Field and Wildey, Saint Michael are painted and treated for termites as soon as possible so as to prevent further rapid deterioration of the structures of those homes?"

Hon. E. E. GREAVES: Mr. Speaker, the reply to Parliamentary Question No. 15 is as follows:

"Subject to the availability of funds, the Corporation proposes to effect repairs to, and replace windows and roofs of units at Pinelands, Parkinson Field and Wildey, St. Michael. Action is also proposed with respect to the treatment of termite infestation."

Mr. SPEAKER: Any supplementaries?

There being no supplementaries, the Honourable Member for St. Andrew, Question No. 27.

Mr. H. deB. FORDE: The Honourable Member is not at present here and I would ask that the reply be laid.

Hon. P. M. GREAVES: Mr. Speaker, on behalf of the Prime Minister, and in the absence of the Honourable Member who has asked the Question, the Member for St. Andrew, I lay the reply to Parliamentary Question No. 27.

Mr. SPEAKER: There is most likely the same problem with Question No. 29.

Hon. P. M. GREAVES: No. 29, Mr. Speaker, was asked by the same Honourable Member, the Member for St. Andrew, who is not now in his place. I lay the reply to that Question.

Mr. SPEAKER: End of Question Time.

GOVERNMENT BUSINESS RESUMED

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

ORDER NO. 5 - FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR THE YEAR 1992

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise to present my Financial Statement and Budgetary Proposals for the financial year April 1, 1992 to March 31, 1993. In doing so, let me say that I shall be building upon the successes which we as a country have been able to achieve in past years. For example, we in Barbados have been able to achieve the fourth highest per capita income among independent countries in the whole of North America, Latin America and the Caribbean, after the United States, Canada and the Bahamas. We have also been able to maintain a relatively low level of inflation, provide employment opportunities for over 80 per cent of our labour force, and improve the quality of life of our people. Our country reached its pinnacle of development to date in 1989.

These are achievements of which any nation should be proud. They are achievements which we in Barbados should be proud of, particularly because of our small size and limited resources.

Let me say, therefore, that the Financial Statement and Budgetary Proposals for this coming financial year will be taking a positive look towards the recovery of our economy from the uncertainty and loss of confidence which have bemired most economies around the world over the past 2 years. We will therefore be looking forward purposefully and realistically to the re-sparking of the impulses for growth in the engines of our economy.

In this exercise, then, we shall be pointing the way forward. We shall be using this Statement and Budget for 3 main purposes. First of all, taken in its entirety, it will be a tool of accountability to enable Parliament and the people

whom we represent to understand clearly how the funds appropriated have been or are being utilised. Secondly, it will be a management tool enabling the managers of the public service to utilise available resources in the most efficient manner possible, and thirdly, it will be a tool for economic policy formulation and implementation in terms of resource allocation and distribution, and in terms of securing stabilisation and a sound balance among various macro-economic elements, including the fiscal and monetary components, price stability, employment, growth and balance in the external sector.

But before I proceed any further, let me lay the foundation for what is to follow. Twice before, in the history of Barbados as an independent country, our nation has had to face the deep, dislocating economic shocks of global recession, brought on in 1974-75 by a fourfold increase in oil prices and in 1979-80 by another substantial increase in oil prices.
4.05 p.m.

In the period 1974-76, the then opposition Barbados Labour Party severely blamed the Government of little Barbados for the recession then afflicting the country, much as in the period 1990-92 that party is again severely blaming the Government of little Barbados for the recession now afflicting us.

They succeeded in the 1974-76 period, but I will use every sinew and muscle in my body to prevent them from succeeding on this occasion. For during the period 1980-82, that Barbados Labour Party pinned responsibility, not on themselves, but on the international recession.

Indeed, the very first words of the Letter of Intent of August 1982 penned by the then Prime Minister, Mr. J. M. G. M. Adams, and the then Governor of the Central Bank, Dr. Courtney Blackman, were as follows:

"Dear Mr. de Larosiere,

During 1981 and the first half of 1982 Barbados has been adversely affected by the recession in the industrial countries."

The times were bad, and were best described later in the year by Prime Minister Adams in his memorable words:

"... our back is to the wall."

The next year he expressed his utter disgust at those who spread rumours of devaluation in these words:

"... I regard this totally false allegation as the most dangerously irresponsible statement I have heard in 20 years of public life; for there are few things

more damaging to the immediate financial comfort of a country than a deliberately false rumour of devaluation."

Over the past year, I have had to take some hard and painful decisions relating to our economy. The decisions were hard and painful because the problems being dealt with were themselves hard and painful and chronic. The problems which confronted our country under the 1982 IMF programme included a contraction in real GDP of 4.6 per cent, low sugar production, a decline in tourist arrivals, a fall in manufacturing output, a drop in public sector savings, a decline in net foreign exchange reserves and a sharp deterioration in the public finances.

If these problems have a familiar ring to them, if they sound familiar to us, it is because they are still with us. They do not go away like people do. The Government was able to resort to large exceptional borrowings on commercial terms for balance of payments support. But the hard and painful issues relating to policy and structural changes in tourism, manufacturing, agriculture, particularly sugar agriculture, and export competitiveness still remain to be dealt with. As a country we cannot avoid them any longer. We have to face up to them.

That is what I am seeking to do. The decisions which my Government and I have taken, and will have to take, are in the best interest of the survival of our people. I hear the moans and groans, and I know they cause pain. But, like good medicine, they will bring gain for all of us. Our diagnosis was right, and the people have co-operated in spite of some restlessness and convulsive reaction.

We have put in place a stabilization programme. It is our programme to deal with our problems, and we have been able to elicit the support and backing of the IMF for our effort. This is part of our strategy for recovery. The strategy is working, and I want you to work with me and my Government for the remainder of the exercise.

REVIEW OF THE ECONOMY

I will now proceed to provide a report on how the economic situation has evolved over the past year, and the measures which the Government has instituted to mitigate the impact of an inhospitable external environment. Painful though those measures have been, I am convinced that they are rooted in an appropriate diagnosis of our underlying condition and, if steadfastly pursued, will result in the recovery of our economy to robust health.

To date, there have been many and conflicting diagnoses of the economic illness which has beset our country, and the resulting prescriptions have been both unpalatable and impractical. It is my duty, therefore, to correct those wrong-headed impressions and interpretations,

and to set out in clear and unequivocal terms the Government's analysis of the economic situation, what it has done to date to correct the imbalances and distortions, and what it will do over the next 12 months. My statement, therefore, will present a review and analysis of the current economic situation. It will, then, provide a detailed examination of the policy responses which form the core of our economic management effort. It will present a timetable for all the major initiatives on which the Government will embark, and it will conclude with an assessment of the medium-term outlook for our economy as it responds to those initiatives.

INTERNATIONAL ECONOMY

During 1991 the international economy was cluttered with stagnating economies, with business failures and massive lay-offs in both the private and public sectors. Social unrest and loss of confidence within the international Western capital system were matched almost simultaneously with the collapse of the Communist socio-economic system in the Eastern European Countries.

In 1991 real output in world economic activity grew by a mere 1.0 per cent, the lowest rate of growth in a decade. Economic growth in the major OECD countries in 1991 slowed gradually due to continued fiscal and monetary restraint. Economic growth was estimated at 1.3 per cent in 1991 compared with 2.6 per cent in 1990. Expenditure cut-backs featured prominently, representing a continuation of a policy regime instituted since late 1989 to deal with a contraction in world economic output.

Declines in real output were recorded in Canada and the U.S.A. In the United States, economic activity declined by 0.7 per cent when compared with a 1.0 per cent increase in 1990, while in Canada it was 0.3 per cent, falling below a recorded 0.5 per cent increase for 1990. In the United Kingdom real output declined at a rate of 2.3 per cent over a positive growth rate of 1.0 per cent in 1990.

For the first time in many years, the Japanese economy showed signs of slowing, with growth declining from 5.6 per cent in 1990 to settle at 4.8 per cent in 1991, while Germany, still grappling with the implications of a united economy of its Eastern and Western parts, registered, a growth rate of 3.2 per cent compared with 4.9 per cent in 1990.

With few exceptions, most of the major industrial countries recorded lower rates of inflation in 1991 than in the previous year. This was due primarily to a fall in oil prices and the general lowering of interest rates. In the United States, prices rose by 3.8 per cent compared to 5.4 per cent in 1990. In the United Kingdom, inflation fell to 4.7 per cent from a high of 11 per cent in 1990, while in Canada consumer prices grew by 2.5 per cent. The

capital markets, hard hit by declining levels of liquidity and influenced by a regime of increasing interest rates, remained tight and unaccommodating, especially to developing countries.

4.15 p.m.

Indeed, there was a marked reduction in growth of total external debt of developing countries in 1991. It is estimated to have increased by 1.8 per cent, compared with 7.1 per cent in 1990. This slowdown could be attributed primarily to a reduction in the availability of funds for lending, and policies geared more towards debt reduction by developing economies.

REGIONAL ECONOMY

As a result of recessionary conditions in the international economy, particularly in the major OECD countries, coupled with the effects of the Gulf War and the concomitant fall-off of tourist travel, economic growth in the region slowed during 1991, with only St. Lucia and Trinidad and Tobago performing better than in the previous year.

Mr. Speaker, let me digress for a moment and look at trade within the region. Barbados remains unswervingly committed to the regional integration movement. Consequently, my Government will continue to maintain its active support for the integration process which began in the late 1960s.

Barbados' contribution to the growth and development of intra-regional trade during this period has been outstanding. And indeed, since 1988 – the year in which the region successfully arrested the declining trend in intra-regional trade which was evident in 1984 – Barbados' contribution to this performance has been significant.

In 1988 Barbados' intra-regional imports were valued at BDS\$163.3 million – a 21.1 per cent increase over the 1987 level. In 1989, Barbados again increased its intake of intra-regional imports by 13.1 per cent to the level of Bds\$184.8 million. In 1990, Barbados continued this trend of increased imports from the region in recording a value of Bds\$219.7 million or an increase of 18.8 per cent. This performance enabled Barbados to continue as the Member State registering the highest level of intra-regional imports since 1988. For in 1988, 1989 and 1990 its share of the value of total intra-regional imports was 22.3 per cent, 20.3 per cent and 22.6 per cent, respectively. And even for the first half of 1991, a period for which we have complete regional trade data, and when total intra-regional imports recorded a slight fall, Barbados was one of the few countries and indeed the only MDC, to record an increase in the value of its intra-regional imports. This illustrates the fact that Barbados has been the leading importer of goods from CARICOM since 1988.

Barbados has also achieved a comparable performance on the export side, for in 1988, we successfully arrested the declining trend of our exports to the region when trade increased by 26.6 per cent to Bds\$94.7 million over the previous year's level of Bds\$74.8 million. In 1989, Barbados continued this upward trend in its exports to the region when exports increased to Bds\$123.8 million or 30.8 per cent over the 1988 level. And again in 1990 this export performance was sustained by an increase of 6.5 per cent over the previous year's value of exports. And, while it is projected that Barbados will record a slight decline in the value of domestic exports to the region, it is hoped that this will be only a temporary occurrence, for we are determined to ensure that, like in previous years, we will continue to increase the value of our exports to the regional market which, since 1988, has been one of our major export markets.

Of course, Mr. Speaker, while we are proud of our outstanding contribution to the growth and development of intra-regional trade, we, at the same time, would like equally to ensure that we can significantly increase our domestic exports to that market. To achieve this, we in Barbados will have to redouble our productive and marketing efforts. We will also have to ensure that we produce in the most efficient manner, and that the products which we offer for sale are of the highest standards. We must also redouble our efforts in increasing the range of products which we now produce. It is evident that, for us to be successful in these endeavours, some structural adjustment in industry will have to take place. My Government will be prepared to facilitate this process of adjustment.

NATIONAL ECONOMY

As is the case with all small open economies within the region and outside, Barbados continued to be adversely affected by negative international circumstances. It is estimated that economic output declined by a further 1.0 per cent to reach 4.5 per cent in 1991-92. This was compared to a 3.5 per cent decline in 1990-91, and reveals yet another unsatisfactory year as the major productive sectors of the economy performed poorly.

Though there was expansion in the offshore sector, all the others: tourism, manufacturing, agriculture, wholesale and retail trade and transport declined noticeably.

TOURISM

In tourism, the continued effects of the recession in the traditionally strong markets of the USA and Canada, in conjunction with the Gulf War, contributed an estimated 5.8 per cent in the value-added in tourism compared with 9.8 per cent in 1990. The total number of long-stay and the average length of stay declined noticeably.

Long-stay arrivals fell by 8.8 per cent to reach 394 222 as compared with 6.3 per cent in 1990. Visitors from the U.S.A. and Canada showed sharp decreases of 16.9 per cent and 20.0 per cent respectively. Arrivals from the United Kingdom fell by 7.1 per cent while those from Germany and Italy recorded increases of 59 per cent and 54.3 per cent respectively. Overall there was an 18.7 per cent increase of visitors from continental Europe. It is expected that this growth, due largely to more affordable airfares, intensified marketing and better performing economies, will continue into this year. Arrivals from CARICOM declined by 6.8 per cent as a result of difficult economic conditions in the region. Average length of stay increased marginally from 6.8 per cent in 1990 to 6.9 per cent in 1991.

The strong growth in cruise ship passenger arrivals experienced in 1987 slowed somewhat in 1991. Some 529 cruise ships called at the Bridgetown Port bringing 372 140 passengers compared with 362 611 in 1990. 4.25 p.m.

MANUFACTURING

Manufacturing remained uncompetitive for most of the period under review, with activity declining by 4% following upon a 2% decline in the previous year. Food production fell marginally to 0.1% in 1991 while production of garments and electrical components fell by 24.4% and 15.3% respectively. Chemical products declined for the second successive year and was 2.5% below 1990.

CONSTRUCTION

In the construction sector activity continued to be depressed as a result of tight monetary policies introduced by the Central Bank to reduce net money demand, the demand for goods and services and to protect the balance of payments, as part of Government's stabilization programme with the International Monetary Fund.

Output is estimated to have declined by 11% following upon a 10.2% decline in the preceding year. This decline was accelerated when Government was forced to put major capital works programmes on hold in order to cut overall expenditure.

AGRICULTURE

Agricultural output recorded a decline of 8.5% in 1991 following a year of growth in 1990. It is estimated that sugar production declined by some 5.2% to reach 65 700 tonnes in 1991, the lowest in 60 years. Though prices on the international market remained buoyant the area under sugar cane declined to 10.3 thousand hectares, 2.1% lower than the 11.5 thousand hectares planted in 1990.

Non-sugar agriculture output declined for most of the year, although there was some improvement during the last quarter of 1991. This decline coincided with a decline by approximately 4% in the amount of hectares planted in vegetables.

ENERGY

Domestic crude oil production increased marginally during 1991 in contrast to a decline in natural gas production. Oil imports declined sharply during the year. In 1991 crude oil production was 454 514 compared with 454 424 barrels in 1990. Nineteen new wells were sunk from which 134 568 barrels were obtained. As a result 55.9% of local demand was met compared with 31% in 1990. Moreover, oil reserves stood at 3.3 million barrels.

Natural gas production at 30.3 million cubic metres was 7.9% below the 32.9 million cubic metres produced in 1990. There were 590 new gas connections in 1991 bringing the total connections at December 1991 to some 13 935.

During 1991, 18 931 barrels of liquified petroleum gas (LPG) were produced while water consumption fell from 48.6 million cubic metres in 1990 to 44.5 million in 1991.

RETAIL/WHOLESALE SECTOR

During 1991, the wholesale and retail trading sector grew in the first half of the year but registered an expected decline in the latter part of the year, as Government moved to cut aggregate demand through a reduction in real wages in the public sector, a freeze in the private sector and the introduction of tighter monetary policies.

INFLATION

The rate of inflation, though increasing from 3.1% in 1990 to 6.3% in 1991, still remained at moderate levels. The increase was anticipated and reflected increases in consumption taxes, rising interest rates and higher user charges for public services. The index for transport rose by 17.48 while that for alcohol rose by 8.3% and prices for food and beverages and housing increased by 4.8% and 11% respectively. The cost of medical care also rose.

FISCAL REVIEW 1991/92

CURRENT REVENUE

Growth in current revenue was sluggish in fiscal year 1991-92. Current revenue is expected to rise by 9.4% to \$1 012.1 million from \$925.3 million in 1990-91, on the strength of higher taxation of incomes and profits and of goods and of services. The deterioration of the

external sector was reflected by the reductions in revenue from trade related taxes.

Government introduced a stabilization tax of 1.5% on taxable incomes of individuals for income year 1991 and also a stabilization tax of 5% on taxable incomes of corporations for the last six months of 1991-92. These new taxes serve to raise revenue from incomes and profits by 15.9% to \$282.9 million.

A number of new measures facilitated a 13.6% increase in revenue from goods and services in 1991-92. The basic rate of consumption tax was raised twice during the year, a 20% surcharge was placed on the importation of certain luxury goods and a number of increases in user fees and charges were introduced. A total of \$330.7 million in taxes on goods and services is expected to be collected in 1991-92.

During the year there was a contraction of imported goods and services. Taxes on international trade and stamp duties are therefore expected to fall to \$90.5 million and \$87 million respectively in 1991-92 as compared to 117.8 million and \$101.1 million respectively in 1990-91.

In the fiscal year 1991-92 property taxes are expected to grow by 24.9% to \$57.7 million while non-tax revenue is expected to rise to \$62.4 million from \$49 million in 1990-91. Special Receipts are expected to amount to \$88.8 million.

CURRENT AND CAPITAL EXPENDITURE

Current expenditure, inclusive of amortization is expected to total \$1 126.6 million in 1991-92. This level of expenditure which is only 5.9% higher than in 1990-91 is the result of Government's effort to reduce its fiscal deficit, under the stabilization programme. Debt servicing requirements notwithstanding, all other categories of expenditure experienced declines in the fiscal year.

An 8% reduction in civil service emoluments and the retrenchment of some casual and temporary workers in the public sector is expected to reduce expenditure on wages and salaries by 10.3% to \$403.4 million. It is anticipated that Government's outlay on goods and services will fall by 22.3% to \$94.9 million. And current transfers will decline by 10.9 per cent to \$233.0 million as a result of Government's expenditure reduction measures. However, despite significant cuts in such spending, interest and amortization costs were large enough to increase overall expenditures. Interest payments are projected to rise 24.3 per cent to \$162.2 million. Amortisation should more than double to 233.1 million, from \$92.2 million in 1990191, on the strength of the repayment of the Japanese Yen Bond Series B Loan.
4.35 p.m.

During 1991/92, a number of on-going capital projects were placed on hold and the start-up of some new projects was postponed. Consequently, capital expenditure is expected to fall to \$120.5 million, which is just under half the \$249.7 million in capital spending incurred in 1990/91.

When amortisation is excluded from current expenditure and the revenue and expenditure of the Printing Office and the Airport are excluded from Central Government's accounts, current revenue will be reduced from \$1 012.1 million to \$999.6 million and total expenditure reduced from \$1 247.9 million to \$1 035.2 million.

Based on the most recent information, therefore, the overall deficit for the financial year 1991192, is now expected to be contained to \$35.6 million or 1.0 per cent of GDP. This **outturn** will have resulted from the slowing in growth of current expenditure to 5.9 per cent, a reduction in capital expenditures by 51.7 per cent and revenue growth of 9.4 per cent. The **outturn** can be contrasted with the ratios of overall fiscal deficit to GDP of 7.8 per cent in 1990191 and 2.7 per cent in 1988189.

FINANCING OF THE FISCAL DEFICIT

Government depended mainly on domestic sources to finance its deficit in 1991/92. Of the \$199.4 million in financing in the fiscal year, \$175 million or 87.8 per cent was provided from internal sources.

Government was forced to make heavy use of short term borrowing from the Central Bank, to the tune of \$117.2 million, in view of a weak institutional investor response to issues of Government paper during the year. Treasury Bill redemptions outstripped the roll-over of existing issues and the placement of new bills, so that Treasury Bills are expected to add negatively to the total of domestic financing in the year. This is in contrast to the \$12.0 million which Treasury Bills contributed in fiscal year 1990191.

The contribution to financing of most other Government paper in 1991192 was weaker than in the previous financial year. Among them, Treasury Notes contributed \$21.2 million, just over half the \$41.0 million of 1990191, and Government Savings Bonds offered just \$2.1 million compared to \$7.3 million in 1990191. Debentures, however, contributed \$8.0 million to financing in 1991192, having made no contribution the previous year. Moreover, the sale of government shareholdings in Barbados External Communications Limited at \$48.5 million, supplemented total domestic financing.

Of the \$24.4 million in foreign financing, the Inter-American Development Bank supplied the largest single institutional component of \$11.6 million, followed

by the World Bank, \$5.7 million and the Caribbean Development Bank, \$1.2 million.

NATIONAL DEBT

The National Debt is expected to be \$1 810 million at March 31, 1992, compared with \$1 872 at March 31, 1991. This represents a decrease of \$62.1 million or 3.3 per cent. The foreign component is expected to fall by \$116.3 million, or 13.0 per cent, from \$896.0 million at March 31, 1991, to \$779.7 million at March 31, 1992. The domestic component is expected to increase from \$976.8 million to \$1 031.0 million or 5.5 per cent.

MONETARY REVIEW 1991-92

Under the stabilisation programme, monetary policy has complemented fiscal policy to restrain aggregate demand in order to build up the stock of net international reserves. Credit restrictions, changes in interest rates and in commercial banks' reserve requirements were the main monetary policy tools utilised.

CREDIT POLICY

To curtail the supply of credit in the banking system, global credit limits were placed on commercial banks and there was a 3 percentage increase in the proportion of deposits which banks must hold in government securities. Also, the Central Bank raised its discount rate from 13 per cent to 16 per cent in July and subsequently to 18 per cent in August, with the intention of discouraging commercial banks from making frequent calls on the Bank's discount window. In addition, the Bank imposed a penalty charge of 36 per cent on the cash reserve deficiencies of commercial banks.

INTEREST RATE POLICY

In an effort to stimulate deposit growth while restraining credit demand, the Central Bank raised the minimum savings rate from 5.5 per cent to 7 per cent in July, and at the same time removed the ceiling on the average lending rate. As financial institutions competed for deposits in an environment of tightened liquidity, interest rates rose. The prime rate rose from 14.5 per cent to 15 per cent by year-end and from about 10.25 per cent to 11 per cent in July. The mortgage rate was also increased from 9 per cent to 11 per cent in order not to starve the mortgage markets of resources.

ECONOMIC OUTLOOK FOR 1992/93

It is projected that there will be an ease in the international economic recession. This should lead to positive growth in the economies of our major trading partners.

During 1992/93 it is anticipated that there will be real growth of 1.2 per cent and, during my presentation, I will be outlining various strategies which are aimed at stimulating the productive sectors.

It is anticipated that the rate of inflation will be no higher than 5 per cent and that there will be a surplus on the external current account. The net international reserves of the Central Bank are expected to increase by US\$29.0 million, implying a recovery in official gross liquid reserves to 2½ months of imports at the end of 1992/93.

MONETARY POLICY STANCE FOR 1992/93

Monetary policy may be eased during the course of fiscal year 1992/93 because of an improvement in Government's financial position and the elimination of the Government deficit. Government should not have to borrow from banks and financial institutions as in fiscal 1991/92. The private sector should therefore have access to the full amount of deposit growth and funds accumulated with financial institutions. This should increase the availability and reduce the cost of funds to the private sector. If Barbadians retain their thrifty habits and banks deposits grow normally, it should be possible to remove credit limits in due course and interest rates should begin to ease. No change in the mortgage interest rate is contemplated until interest rates begin to moderate.

4.45 p.m.

It is expected that Central Government operations will be contained to a balanced financial position and that there will be overall equilibrium in the public sector operations for 1992/93.

It is expected that, in respect of the Estimates of, Revenue and Expenditure, both the Revenue and Expenditure Accounts will stand at 29 per cent of GDP. It is also expected that the wages bill will be kept to 10.0 per cent of GDP.

I expect that all Government agencies, including those statutory corporations and companies whose operations are being monitored under the current stabilization programme, will recognise that, if a balanced financial position is to be achieved, and that is our objective, then increases in expenditure in any areas during 1992/93 will have to be matched by an equivalent amount of savings.

In other words if, for example, it becomes necessary to increase expenditure on an item under the economic classification "Goods and Services", an equivalent amount must be saved on an item or items within that same classification.

Current Expenditure, including amortization, is estimated at \$1 072.9 million, Capital Expenditure

at \$175.5 million and Current Revenue at \$1 077.9 million, resulting in an overall deficit of \$170.5 million to be financed as follows:

	Million	Million
Total financing requirement		\$170.5
FOREIGN FINANCING	\$161.5	\$161.5
Multilateral institutions	77.5	
Bilateral arrangements	5.5	
Suppliers' Credit	14.0	
Divestment	40.0	
Commercial borrowing	24.5	
DOMESTIC FINANCING	\$ 9.0	\$9.0
National Insurance Fund and		
Non-financial Public		
Enterprises	9.0	

As indicated, to complete the public sector borrowing requirement, it will be necessary to borrow approximately Bds \$25.0 million on the capital market during the coming year. However, to the extent that there is a shortfall in the proceeds from divestment, the amount will have to be increased as becomes necessary up to maximum of US\$20.0 million.

During fiscal year 1992/1993 foreign amortisation and interest are \$102.0 million and \$66.7 million respectively. In addition, there will be an outflow of funds resulting from the capital expenditure which is estimated at \$171.1 million excluding acquisitions.

STABILISATION

It will be recalled that in my Financial Statement and Budgetary Proposals of April 2, last year, I devised a programme which was directed at stabilising the economy. The reduction of the fiscal deficit to around 4.0 per cent of the **GDP** was part of that effort. There was nothing intrinsically wrong with that policy objective, for other countries were entering into stabilisation programmes with fiscal deficits of 4.0 per cent or thereabouts. The measures were achieving their objectives. One of the major assumptions of my policy framework, however, was that there would have been a turn-around in the world economy, leading also to greater accommodation in the capital markets.

A combination of worsening circumstances forced me to intensify the stabilisation programme with the assistance of the International Monetary Fund. But there can be no doubt that it is a programme whose origins and objectives were home-grown.

Let me once again repeat that I was seeking to stabilise the economy and defend the value of the Barbados dollar by correcting the twin deficits, the dual imbalances in the domestic and external sectors. By June 30, 1991, however, our gross liquid reserves had fallen to US\$18 million or just about one and a half weeks of imports. Our external position clearly had to be protected. I saw it as my evident and inescapable duty to restore financial stability and improve conditions for the resumption of growth. A viable balance of payments, the resumption of growth in stable economic conditions, price stability and control of excessive build-up in external debt constituted the major aims of our programme.

The economic stabilisation programme worked out in consultation with the International Monetary Fund is designed to rehabilitate our financial position by correcting the imbalances in the domestic and external sectors of the economy, and improve conditions for the resumption of sustainable growth. That agreement with the IMF is providing us with just over US\$58 million in balance of payments support during this year or so, with US\$28.4 million being allocated on a stand-by basis and a further US\$29.7 million being provided from the Fund's Compensatory and Contingency Financing Facility.

Confusion sometimes arises over the relative merits of stability and growth as policy objectives in adjustment programmes. It is my view that these are not alternatives, but they should be considered together. Stability by itself, which is limited to fiscal and monetary restraints, can lead to stagnation, and growth without stability can lead to high inflation and severe pressures in the external sector. That is why we have adopted a comprehensive adjustment programme, aimed at both financial stability and the restoration of conditions for sustainable economic growth, and that is the essence of our Economic Recovery Programme.

On September 17, 1991 I presented a statement to this Honourable House in which I outlined the problems which the economy of Barbados had encountered in the recent past and the proposals of the Government for resolving them. At that time, I described the general dimensions of a programme for stabilising the economy and putting it back on the road to sustainable growth. The programme involves the implementation of fiscal, monetary, incomes and external debt management policies, in combination with measures to promote reforms in the structure of production in our economy. In addition, since changes of the magnitude necessary to pull our economy out of the doldrums into which it has been blown by unfavourable external circumstances cannot be achieved without some social cost, it contains arrangements to mitigate their more harmful consequences.

4.55 p.m.

The programme of economic recovery has been the subject of much debate and discussion in this Honourable Chamber and in the country at large. Sadly, at times the expressions of parliamentary and popular opinion have revealed a less than satisfactory understanding both of the dismal science of economics, and of the fundamentals on which the programme is based. Perhaps it is best that I dismiss those utterances as attempts to secure a petty political advantage from our recent misfortunes. For, I find it impossible to think of any valid political doctrine which does not claim that something should be done, or not done, without also specifying the circumstances from which the policy arises.

It was Plato who first articulated the view that the republic of politics could be built on helping one's friends and hurting one's enemies. Happily, Plato subsequently raised politics to a higher standard. The promotion of effective change and economic growth in a very small society like ours requires us to recognise that at bottom we are all ordinary Barbadians struggling to achieve and maintain an acceptable quality of life in a turbulent world.

In designing a credible and sustainable adjustment programme, I have worked assiduously to build a social consensus, particularly because I have recognised that our human condition often induces us to react to change in a negative manner.

I have tried to promote an understanding that Barbados, though an island, cannot insulate itself against external shocks and that the key to our economic survival is our ability to adapt to unanticipated events and circumstances. I have explained that the economic diplomacy of a small island state, in times of economic dislocation and distress, must be founded on the effective use of the resources of the multilateral financial institutions of which it is a member, particularly when the provision of those resources on mutually agreeable terms demarcates the difference between recovery and disaster. That was the position in 1982 when the Government of the day entered a programme with the IMF. That is the position today as well.

I have found it necessary to remind the representatives of the multilateral institutions that economic prescription has to be tailored to the reality of maintaining social stability in very small fragile economies like ours. But I must make it clear to all and sundry that we, as Barbadians, must accept that this is our programme. No country, whether large or small, can avoid the process of adjustment. The challenge is how to manage a programme of adaptation in a manner which enhances the future capacity of our economy.

At the centre of the policies and actions necessary to put the programme in place is the commitment to

maintaining the current exchange rate regime which is anchored on the current parity between our currency and the United States dollar. As a prelude to embarking on this programme, I have carried on intensive discussions with the social partners who have all agreed that the fixed parity has been the anchor on which the confidence of producers, consumers, savers and investors and ordinary Barbadians has rested for the past 16 years.

The terms stabilisation and structural adjustment have now become household words. Yet, the daily use of these terms in the print and electronic media, and indeed elsewhere, suggests that their precise meaning has been lost on those who expound on them most frequently. I feel, therefore, that it is appropriate for me to explain what the Government considers to be the essential elements of the stabilisation and structural adjustment programmes, so that its economic management effort can be seen in a proper perspective.

Stabilisation policies seek to achieve sustainable reductions in the current account of the balance of payments and the fiscal deficit, as well as to bring the rate of inflation to a sustainable level. Structural adjustment, by contrast, is usually defined as a process of implementing reforms of policies and institutions, both of a micro-economic nature and of a macro-economic nature. Structural adjustment includes, also, institutional changes such as those which require the removal of public sector inefficiencies. These changes seek to improve resource allocation, increase economic efficiency, expand growth potential and increase resilience to future shocks. Adjustment, loosely defined, involves policies to achieve changes in external and internal balances, as well as changes in the structure of incentives and institutions, but where the focus is on the former, the resulting process is identified as stabilisation. Where it is on the latter it is described as structural adjustment.

Structural adjustment programmes involve a menu of options for policy reform which can be set out as follows:

- overall macro-economic programming
- monetary policy
- trade policy
- fiscal policy
- public sector management
- financial sector policies
- anti-poverty policies
- agricultural sector reforms
- industrial policy reforms.

As policy-makers, we must not allow our concentration on individual issues and problems, no matter how legitimate, to obscure the importance of the fact that economic management initiatives involve a complex interaction of policies. To intervene successfully to

bring about positive change we must be constantly aware of the trade-offs between policy options.

Let me give an example. Stabilisation measures are required for a fiscal contraction to reduce aggregate demand in dealing with balance of payments problems and problems of inflation. But those measures may be damaging to growth in the short term. Structural adjustment policies would seek to secure growth in the longer term, but the growth must be sustainable.

The stabilisation component of our adjustment effort has sought to correct the widening current account deficit in the balance of payments. The measures undertaken to date have involved the reduction of the fiscal deficit, and the tightening of monetary policy with the aim of dampening the demand for imports. The fiscal measures have sought to reduce the fiscal deficit by 5.5 per cent of GDP in the second half of the financial year 1991/92, to bring the overall deficit to 1 per cent of GDP at the end of the financial year 1991/92 compared with the deficit of 7.5 per cent of GDP which was incurred at the end of 1990/91. The **outturn** figures for the financial year 1991/92 indicate that the deficit reduction objective has been achieved.

5.05 p.m.

The measures which have been implemented to improve the fiscal accounts were detailed in my Supplemental Financial Statement and Budgetary Proposals of September 17, 1991. In summary, they involved expenditure reductions distributed almost equally between current and capital outlays, and increases in revenue through the raising of ad valorem rates on consumption taxes, the raising of the rate of the stabilization tax applicable to incomes over \$15,000 per year, and the introduction of a temporary company stabilization tax.

The fiscal measures have been complemented by actions to tighten monetary policy, which have involved increases in the Central Bank's discount rate and the requirement of commercial banks to increase the ratio of their deposits which are held in government securities. Further, global credit limits have been placed on commercial banks. The ceiling on the average lending rate has been removed and the lending rate on residential mortgages has been unified at 11 per cent.

THE BUDGET JUDGEMENT

I have analysed with you Barbados' financial and economic performance during the 1991-92 financial year. As a result, I have formed the judgement that the prime national objective of Barbados for the financial year 1992-93 must be to put and keep in place a strategy for economic recovery based on the goals of stabilization, the resumption of growth and enhanced prospects for our people. We must work harder than ever in order to bring

about that economic recovery and we must do so first of all by putting behind us once and for all the siege mentality, the aura of doom and gloom that seemingly envelopes so much of public expression and private gossip.

I have formed the judgement that the strategy for economic recovery must be realistic, not quixotic. It must be comprehensive, not limited. It must be sound, not shallow and it must be durable, not evanescent. We cannot hope to spend our way out of the prevailing conditions, for such spending will only make the fiscal deficit, as well as the external imbalance, worse.

We all want a strong economy, a job-creating economy, a growing economy and a low debt economy. We all want an economy that is sedulous of the poor, the sick and the disadvantaged. We all want an economy that promotes quality in life. If we want these things, then we must work realistically to bring these things both within our reach and within our grasp. That is why I have formed the judgement that what we all really want is the strategy for economic recovery, and I invite you to co-operate with me and my Government to bring this about in our national interest.

TAX REFORM

The strategy for economic recovery with its emphasis on both stabilization and growth must take into account the role that taxation plays in the economy and upon people. The Government relies substantially upon taxation and to a lesser extent borrowing, in order to pay for its expenditure commitments. Taxation plays a significant role in the allocation of resources in our economy, in directing investments into desirable activities and in promoting income distribution. As the needs of the society and economy change, so too must there be changes in the tax structure, including changes in the tax base, tax incidence, tax rates and tax expenditures. There must also be changes to effect greater ease in administration and compliance.

All of what I have just said fortifies my judgement that there is need for major tax reforms in both the direct and indirect tax systems designed to foster economic growth and employment. Over the last 15 or more years, each new tax measure, whether introduced to reduce the structural deficit, to strengthen the foreign exchange position or for some other purpose, has tended to make the structure of taxes, levies and social insurance more unduly complex and cumbersome.

During the coming financial year, therefore, a major tax planning effort will be launched leading to major tax reforms. The goals of the tax reforms will be to continue to improve the tax system and to focus more sharply on the tax effort level and its contribution to the national imperatives of stabilization, growth, employment,

import reduction, export enhancement and a sound external balance. The reformed tax system should hopefully more effectively provide the Government with the revenues it requires for public expenditure, should hopefully better reflect concepts of equity and fairness, should hopefully be efficient and should hopefully extend somewhat the benefits principle of taxation to ensure that in certain circumstances those who benefit from a service should make a direct contribution to its financing through user fees and other cost recovery measures.

INCOMES POLICIES

In my supplemental statement and budgetary proposals of September 1991, I explained that my consultations with the social partners had revealed an overwhelming desire, on all sides, that the programme of adjustment should not include a change in the existing parity between the Barbados dollar and the United States dollar. This social consensus has been respected and is at the core of our stabilization programme.

But the real world of adjustment requires clear choices and the acceptance of an incomes policy is one of the hardest.

As I have indicated previously, the stand-by programme with the IMF is based on a freeze of basic wages in the public sector for the financial years 1991/92 and 1992/93. I have also announced a guideline for wages settlements in the private sector which recommends that over this period all wage settlements should be based on a freeze of basic wages for the first 2 years of the settlement period with allowance for productivity bonuses and profit-sharing arrangements.

The strict observance of this guideline is vital to our effort to improve our international competitiveness and this should not be considered as a mere abstract statement. What it means in human terms is that Barbadian producers should be able to sell enough goods and services abroad in order to pay for our imports and to provide wages and profits that are better than before. That is what growth is all about, it is what productivity is all about, it is what the creation of national wealth is all about.

The incomes policy component is also the centre-piece of the framework of the financial policies which must be observed in 1992/93. Pay increases must be related to productivity gains. Ability to pay must also be an overriding factor.

5.15 p.m.

For a wages and incomes policy to work effectively, all sides must understand that one of the basic factors in wage determination must be the ability of the enterprise to pay. But most disagreements occur over whether the enterprise is in fact able to pay. There must therefore be

more transparency and openness on the matter and more information available on which a determination can be made.

THE SEARCH FOR PRODUCTIVITY

In recent times, there has been much discussion about productivity, both here in Barbados and abroad. Nothing is more antithetical to productivity decline than recessions. If growth is indeed to be a major component of our strategy for economic recovery, and it is, then it is my judgement that there must be a meaningful search for productivity increases.

Productivity is the amount of output generated by a given unit of input. It is the ratio of output to inputs and there are productivity gains if the same amount of inputs generates increased output. Productivity growth, being the rate of growth in productivity levels, can be measured from one period to another.

Productivity gains can result from increases in labour productivity defined as the quantity of output generated by a given unit of labour. Labour productivity can be due to better training and education of the labour force, or to the acquisition of better skills, or to harder work. But productivity gains can also result from improvements in technology, in research and development or in capital employed.

Whatever the cause of productivity increase, it is important that as a country we should be able to identify it, measure it and put in place mechanisms to enhance it. For our ability to increase our exports and compete more effectively in the international economic arena will depend upon it.

PRIVATISATION

Let me say a few words about privatisation, which I am using to refer to policies which seek to transfer certain functions from the public to the private sector, including the sale of public enterprises to private interests. I should add that the privatisation may only be partial and that the leasing and contracting out of services are also embraced under the term.

There are those who approach the question of privatisation as an article of faith. Such persons will argue that privatisation leads to greater productive efficiency and to greater allocative efficiency. Such gains may or may not result. What I will say is that my Government is adopting a pragmatic approach to the issue. We are seeking to streamline public sector operations and to utilise the resources resulting from the sale of assets for the purpose of repaying some of the public debt, rehabilitating the public enterprise sector and investing in certain, governmental investment projects.

In pursuit of these objectives, we have already divested the Government's shares in the telecommunications sector, and we are well on the way towards doing the same with the shares in the Flour Mill and the Pine Hill Dairy. We will continue to contract out some infrastructural works and discussions are going on about privatisation in public transportation.

On December 18, 1991, transactions were concluded for transfer of Government's shares of 18 million in Barbados External Telecommunications and 1 605 124 in **Bartel** to Cable and Wireless.

This divestment was proposed in order to obtain the foreign exchange required for the repayment of the 1986 Japanese Yen Bond. In view of the limited time available to meet the Yen Bond deadline, Government received on request from Cable and Wireless a short-term line of credit which was made available to the Central Bank, pending the completion of formal transactions for the sale of shares to that company.

The total price paid for the shares was US \$24 408 351 which was based on the Stock Exchange valuation of their current market worth. The BET shares were sold at **BDS.\$2.40** while those of **BARTEL** were sold at **BDS.\$3.50** per share.

My judgement is that privatisation is a desirable plank in Government's economic recovery programme. Every effort should therefore be made to ensure that maximum returns are garnered from the sale of public assets or from other forms of privatisation. But although we are committed to a programme of divestment of public enterprises, we intend to do so only in those circumstances where it can be justified as the sensible thing to do.

AGRICULTURE

Mr. Speaker, the sugar industry and agriculture in general have been the subject of intensive discussion over the past year. The recommendations contained in the **Landell Mills Report** on the agricultural sector of 1988, have been studied by sub-committees organised by the Ministry of Agriculture, Food and Fisheries, and a comprehensive action plan will be presented to Cabinet for its approval shortly. The preparation of the action plan has benefitted from consultations with the Inter-American Development Bank and the Caribbean Development Bank which have indicated an interest in providing financial assistance for the implementation of the agricultural sector reforms.

The programme for arresting the decline of the sugar industry constitutes the most critical area of the agricultural reform agenda. The existence of a guaranteed preferential export market, and the demand in the domestic market

provide the basis for a strategy that seeks to return sugar production to the level of 75 000 to 80 000 tonnes per year in the first instance. The guaranteed European Community market with its preferential prices justifies a strategy of promoting cost efficiencies in the industry which will generate the much-needed foreign exchange from the sale of our sugar at a higher price level of profitability than obtains at the moment.

A firm of international consultants has prepared specific proposals for the recovery of sugar production. My Government supports the arrangements whereby Booker-Tate will provide interim management assistance to the Barbados Sugar Industry Limited for a 4 months' period during which the Government and the sugar industry representatives will prepare a coordinated response to the current crisis.

Our immediate concern is to ensure that the maximum output of sugar from the 1992 crop is achieved. To this end my Government will make arrangements for the additional financing required to be provided by the Barbados National Bank. But, we must look beyond 1992 in dealing with the problems of the sugar industry. The Government is giving careful consideration to proposals for dealing with the indebtedness of BSIL to the Barbados National Bank. No final decision has yet been taken, but the most favoured position is that BSIL should be placed in receivership and a new integrated production and marketing public company be established with the BNB as a major shareholder.
5.25 p.m.

The programme for recovery of the sugar industry requires action to be taken to bring the lands of the plantations which are heavily indebted to the BNB, and in consequence are now left idle, back into effective use. The longer these lands remain idle, the higher will be the cost of rehabilitating them both in financial and social terms. The Barbados National Bank will use its leverage, as the financing agency which has provided considerable sums of money to the owners of these plantations to ensure that a viable scheme is put in place for the recovery of its loans. But it must be clearly understood that the Government will not permit any further unjustifiable alienation of agricultural land as a means of enabling indebted plantation owners to discharge their obligation to lenders. Indeed the Government intends to amend its land use policies to ensure that holdings with good agricultural capability remain in agriculture and that effective sanctions against the environmental degradation which results from the misuse of agricultural land are strictly enforced.

I shall deal briefly with measures which the Government considers necessary for efficient financial intermediation and maintaining public confidence in the financial system. As I have just indicated, there are problems with the BNB's agricultural portfolio which

have been caused largely by the poor performance of the sugar industry. The BNB has had great difficulty, in recent months, in maintaining an adequate liquidity level because of the size of this non-performing portfolio. Since my Government regards the BNB as an important part of the financial system, it is my judgement that it should be restructured and placed on a sound commercial footing, as a matter of priority.

MITIGATION OF ADJUSTMENT

It is generally accepted that adjustment processes can have an adverse effect on the more vulnerable socio-economic groups in society through the reduction of real incomes, the displacement of workers and the ability of the Government to maintain the accustomed level of services. It is, therefore, my judgement that programmes should be devised which can mitigate the undesirable effects of adjustment.

With this in mind, in response to representations by the trade unions my Government modified the unemployment benefits in the public service to 60% of insurable earnings for the first 10 weeks and 40% for the remaining 16 weeks. This compared with an initial cutback to 40% of insurable earnings for 26 weeks that had gone into effect of September 30, 1991. In the case of severance pay the original programme had made allowance for one month of pay to public sector employees who were scheduled to be released at the beginning of October 1991. To ease the burden on workers recently released from the public sector severance awards were raised to the level that is legislated for the private sector. Barbados has a highly relatively developed social safety net. Free education and health services are available to all. Prescription drugs and welfare services are available free for people in difficult circumstances. There is no substantial evidence that the reduction in financial resources available for the social services sector will cause any severe disruption in the delivery of those services. However targeting the neediest groups and improving efficiency in the delivery of services will allow for the maintenance of level and quality of the social services. In this regard the Health Services Rationalization Studies being carried out by the Ministry of Health will seek to rationalize and integrate the health services emphasizing community based primary care for the elderly as well as the physically and mentally dependant. Efforts will be continued to make the Drug Service Scheme more cost effective by, *inter alia*, reviewing the prescription process in order to avoid wastage.

Cabinet has already concluded that the Barbados Agricultural Development Corporation should make some of its lands available to displaced workers and to others who are interested in farming. I am advised that over 200 persons have applied for access to these lands and some 500 acres of land on the various BADC estates have been

identified for use in the programme. A *committee* made up of representatives of the Ministry of Agriculture will be interviewing the applicants to assess their capability for farming, will determine the size of the farm lots and the type of **lease/rental arrangements** and will also give technical advice on the crops to grow.

The **transformation** to open market economies entails social cost in the form of worker displacement but it also opens up opportunities for a dynamic business environment. Rapid retooling and upgrading of work force capabilities will be necessary to take advantage of these opportunities and to attract investment.

The Government is currently discussing a third education and training project with the World Bank. One of the objectives is to improve the quality effectiveness and efficiency of technical and vocational education and training. This project will provide assistance to the National Employment Bureau to allow it to develop, in a timely manner an action plan to provide different types and levels of education and training measures and other suitable labour market measures relevant to the needs of unemployed and displaced workers. A Needs Assessment Survey of retrenched workers is to be carried out by September 30, 1992 and a training plan, based on the survey results is to be prepared by October 31, 1992.

The second road maintenance and rehabilitation project being discussed with the World Bank is expected to have its training component expanded to include approximately **US\$500 000** to finance the retraining of displaced Transport Board employees.

My Government, in pursuit of its stated policy of encouraging economic enfranchisement will also take steps to ensure that displaced workers of the Transport Board are given an opportunity to participate in the privatized transport system, as owners of capital assets.

The fourth LOME Convention in an effort to ensure that structural adjustment is economically viable and socially bearable makes additional provision for structural adjustment support once a country has in place a structural adjustment programme approved by **the** multilateral agencies such as the World Bank. The funds are used to finance **sectoral** or general import programmes and the counterpart funds generated can be used to finance, *inter alia*, measures to mitigate negative social consequences of structural adjustment. Such measures may include nutrition and health support for target groups, retraining, payment of redundancy to public workers, small labour intensive projects, the provision of subsidisation of basic tools and measures to assist workmen, the aged, the handicapped and other vulnerable groups.

Barbados will have access to structural adjustment support under the LOME Convention, if a structural adjustment programme has been agreed with the multilateral agencies and the counterpart funds generated can then be used to mitigate some of the negative social impact of adjustment.

STRUCTURAL REFORM OF THE ECONOMY

Mr. Speaker, earlier in my statement, I outlined the major components of a conventional, structural adjustment programme. It is my judgement that in Barbados certain structural reform should be implemented in order to return the economy to a sustainable growth path.

The stand-by programme which the Government has initiated with the financial support of the International Monetary Fund envisages a number of structural reforms to improve external competitiveness, to remove disincentives to export activity and to encourage a more efficient allocation of resources in the public and private sectors. 5.35 p.m.

The stand-by programme which the Government has initiated, with the financial support of the International Monetary Fund, envisages a number of structural reforms to improve external competitiveness, to remove disincentives to export activity and to encourage a more efficient allocation of resources in the public and private sectors. These general policy objectives must be translated into a matrix of specific action which must be accomplished in a number of critical areas.

Dealing, first, with trade reform, I am confident that the reform of the trade regime and trade policy is both necessary and urgent. No one can deny that the future growth of the economy of Barbados will depend on how well it adapts to a changing world market for goods and services. To achieve a better relationship between the structure of domestic output and international market demand will require a substantial shift of incentives from favouring production for domestic consumption to encouraging the generation of goods and services for export.

If I may judge from the response which greeted my decision last September to remove the concessions which were previously granted for the production of commodities for domestic consumption, what seems to be at issue is the phasing and sequencing of the trade liberalisation effort. Indeed, we seem to be faced with the classical difference between gradualism and more immediate treatment of the problem. As is now well known, I was able to reach agreement with manufacturers and agricultural producers that a 50 per cent rebate would be granted on the import duties and stamp duties which would otherwise have been

chargeable on the inputs used in production for domestic consumption for the period of January 1 to March 31, 1992. But, Mr. Speaker, I will deal with this matter later in my Budget.

EXPENDITURE ARREARS

During the 1991/92 financial year, the shortage of Government revenue resulting from the fiscal deficit led to a temporary inability on the part of the Government to meet promptly its financial obligations to its domestic creditors and suppliers. The resulting expenditure arrears, a feature that has surfaced from time to time in the past, create considerable hardships and difficulties both for suppliers of government goods and services as well as for Government. More often than not, the suppliers will face higher interest charges, and cash-flow problems, and they may charge the Government higher prices in order to offset the risks involved. The Government on the other hand may face higher than market prices for the goods and services it requires and may as a consequence have to reduce the amount of its purchases.

For these and other reasons, my Government is opposed to the build-up of expenditure arrears, which in effect constitutes a type of forced financing, and which creates ill-will among Government suppliers and creditors. Steps have therefore been taken to eliminate by the end of the current financial year all known outstanding arrears due to Government suppliers and creditors. Furthermore, in the interest of prudent financial management, I have decided that such arrears should not be allowed to be built-up unduly in the future. The transgressions of current and previous Government must not form part of future public financial behaviour. But the best way of achieving that objective is to restrain both expenditure and revenue at sustainable levels and I am calling upon all Barbadians to support me in this endeavour.

PUBLIC SECTOR REFORM

In my supplementary budgetary proposals presented on 17th September, 1991, I pointed out that in order for any programme entered into with the International Monetary Fund to be a success, channels of co-operation had to be maintained with various groups in the economy.

I have endeavoured to maintain those channels of co-operation with the public service through meetings with the Coalition of Trade Unions, starting as far back as July 1991 when it became evident that a programme with the International Monetary Fund was inevitable. I have been reassured from time to time of the commitment and genuineness of the Coalition in doing everything possible to correct the economic situation and in trying to gain the co-operation and understanding of the members.

The discussions are still on-going and have always been predicated on the understanding that the existing parity of the Barbados dollar *vis-a-vis* the United States dollar would be preserved in any adjustment programme.

Under the terms of the agreement with the International Monetary Fund, less than 2 000 casual/temporary officers would be laid off from the central Government as one of the measures to reduce public expenditure. This objective has been achieved. Although these workers would not have been eligible for the payment of severance since Government employees are an excluded class, it was agreed that eligible displaced workers would be paid the equivalent of one month's salary as compensation. This amount was calculated on the basis of the affordability of Government to pay these monies and varied from previous agreements that workers should be paid on a basis similar to their counterparts in the private sector. In order to achieve these payments the employee's portion of the Employment Levy was increased by 0.5 per cent up to March, 1992.

The Coalition of Trade Unions pressed for the benefits to revert to similarity with persons in the private sector. This has subsequently been agreed and those eligible public servants who have been displaced will receive severance payments on the basis which existed prior to the adjustment and the new arrangement from 1st December, 1991. Since funds will still not be available at this time to pay any more than the one month's compensation determined previously, it was agreed that payment equivalent to one month's salary be made with immediate effect and the remainder after March, 1993. Ministries, Departments and Statutory Boards have been circularised on the procedures for payment.

In order therefore to make the future payments, it will be necessary to continue the increase of 0.5 per cent in the employment levy contributions made by the employee after March 1992. This measure will yield approximately \$7 million for a full year.

It was also agreed that unemployment benefits would be paid on the basis of 60 per cent for the first 10 weeks and 40 per cent for the remaining 16 weeks from September 30, 1991.

Concern was expressed by the unions that nothing was being done for the large number of hardship cases which were resulting from the layoffs. A Review Committee has therefore been set up under the chairmanship of the Head of the Civil Service to examine these cases and, where possible, to request re-employment.

The greatest stress must be placed on productivity within the public service at this time. A reduced workforce does not necessarily mean a decrease in productivity. The

Ministry of the Civil Service has therefore embarked on an exercise to update its records in terms of numbers and posts in the first instance, to be followed by in-depth inspections in selected ministries/departments or boards. Inspections will be based on requests from agencies or on the findings from the first phase.

The aim is not a further staff reduction, but the achievement of the most effective and economical use of staff. The opportunity will be taken to confirm that work presently being done needs to be done to fulfil the terms of reference of the particular organisation. This exercise will help managers in the public service to improve their organisation and working methods by advising them from a basis of experience gained from other inspections in the Service.

5.45 p.m.

In looking at productivity, I need to look also at work integrity and the development of a Code of Ethics for the Public Service to promote even more dedicated and loyal public servants.

ADMINISTRATIVE REFORM

At present the Public Service comprises 15 ministries, 81 boards and 9 public companies, and the major task facing the Service is to carry out a basic self-examination and reform to meet the changing needs of the staff and clientele and to keep abreast of changes in technology. The Public Service has fallen behind in some of these areas, but the opportunity is being taken at this time to rectify the situation and to improve in cases where steps have already been taken.

The Ministry of the Civil Service has to assume the role as the agency responsible for administrative reform in the Public Service, which is one of the main reasons for its creation. To date some progress has been made, but there need to be more vigorous inputs from throughout the Service.

The new amended General Orders will shortly be available. These new orders take the form of a personnel management code where persons employed, especially in the references to the rules and regulations governing personnel matters in the Civil Service.

As has been mooted on many occasions, and more than once in this Honourable Chamber, it is vital in the Civil Service to have easily available records that will allow us to determine what expertise there is available. The civil service constitutes the largest amalgamation of talents in the country, but at present there is no way in which it can be tapped or real use made of these resources. Our resources are lost to us if we do not devise ways of making use of them. During 1988, the Ministry of the Civil

Service attempted a census to bridge this gap in our information system, but it has not yet been for reasons which are not clear. I am directing, therefore, that the Personnel Administration Division, the agency which will make the most use of the information, and the Data Processing Department, during this financial year complete the census and have the information regarding skills and qualifications ready for use.

One of our major aims in improving productivity is to ensure that officers are adequately prepared for the jobs which they are called on to do. The Training Division will be charged with the responsibility of assisting with more in-service departmental training courses. More emphasis will be placed on use of the computer by secretaries as an everyday tool. Officers need to refresh their memories in terms of basic rules and regulations and their interpretations. The emphasis which I have asked to have placed on training in basic rules and their interpretation not only serves to reduce research time, but will also permit better understanding of procedures by all levels of staff.

The reduction in overseas training is caused by the lack of resources, but this does not mean that the training thrust is in any way reduced. The challenge to the Training Division is to bridge this gap by mounting training which is being sought by public officers.

The critical challenge presented to our structural adjustment programme arises from the need to promote the development of a more focussed and efficient public sector, simultaneously with the process of adaptation in the private sector. To respond effectively requires us to pursue three inter-related agendas, namely, reform of administrative procedures, enhancing the capacity of public servants to respond to private sector needs and the rationalisation of public enterprise.

Barbados can take pride in a public service which has contributed to the process of economic growth by the maintenance of high standards of efficiency and performance in the execution of traditional tasks. The public service, however, must adapt to the changing demands of the private sector and must adjust its work methods and procedures accordingly. My Government commissioned the Inter-American Development Bank to undertake a short term consultancy last year to perform a diagnostic study of the budgetary process in Barbados. The study was required to identify the key problems affecting the budgetary process and also included an examination of the organization of the offices involved in the process, as well as the flow of information and resources between these offices. The report of the study has been completed and its recommendations are currently under examination by Government.

Emerging from the report, and also under examination by Government, is a draft proposal for a technical

cooperation project to modernise and automate the offices involved in the budgetary process, and to provide their staffs with appropriate training, with a view to improving their operational capabilities. Our aim is to enable the Government to prepare, monitor and control the budgetary system more efficiently and in a more rational and consistent manner within a wider macro-economic framework. The project is estimated to cost a total of \$2.6 million, with a local counterpart contribution for support services estimated at \$200 000.

The proposed technical cooperation will provide advisory services, guidance and training in several areas.

TRADE, INDUSTRY AND COMMERCE

In an effort to generate new life in this sector, plans are afoot to rationalize the policies, functions and structure of the Barbados Industrial Development Corporation and the Barbados Export Promotion Corporation. Under the proposed rationalization a new entity with a suitable name such as "Barbados Business and Investment Authority", will be created. This new entity will comprise 5 divisions having responsibility for the general management of Barbados' investment and export promotion programmes. These divisions will be:

The Export Promotion Division
Industrial Development Division
Financial and Offshore Activities Division
The New Enterprise Division
The Small Business Division.

SECTORAL REFORMS

My Government recognizes the importance of tourism to Barbados, not only in light of the number of people it serves and the vast human, financial and physical resources it employs, but because of the great benefits tourism and its related activities bestow on individuals and our society as a whole. The recovery of our economy depends to a large extent on the performance of the tourism sector.

It is my judgement that the economic recovery strategy must address the issues of marketing, the financing of improvements to hotel plant and the strengthening of the institutional structure of our promotional agencies.

The marketing strategy for tourism will tackle both the growth market of Europe and the sluggish markets of the United States and Canada.

To implement the marketing strategy, closer collaboration will be forged between the public and private sectors. To ensure that the effort to improve the marketing of our tourism is supported by the provision of high quality products, financing will be provided for the refurbishing

of hotel plant and for investment in new facilities through the multilateral agencies. I recognize that hotel owners and new investors require a financial environment which guarantees the profitability of efficiently managed operations. The fiscal and tax reforms that I have described will be an important supporting element of that environment. It can be further enhanced by the creation of a social consensus on an incomes policy which directly links employee compensation to productivity and includes arrangements for profit sharing. My Government is fully supportive of schemes to encourage employee participation in the ownership of hotel plant through the provision of incentives under the tax reform programme.

5.55 p.m.

It is my judgement, too, that decisive action must be taken to ensure that the public at large understand how vital is the recovery of tourism to our economic well-being.

The programme of structural reform in the tourism sector cannot be implemented without generous external financing. In the financing table in the Estimates for 1992/93, I had indicated that Government's expectation of the inflow which will be provided by the multilateral financing institutions is approximately \$77.5 million. I have no doubt that it will be possible to reach agreement on a financing package which is tied to a programme of consistent and thorough-going reforms. The securing of that assistance will be accorded the highest priority in the months ahead.

In addition, my Government proposes to bring before Parliament, during the course of the coming financial year, new legislation which will, for the first time in the history of this country, establish in clear and unequivocal terms a national tourism policy.

This legislation will seek to provide the vehicle which will enable Barbados to optimise the contribution of tourism to its economic prosperity. It will also seek to promote quality, integrity and reliability in all travel and tourism related services offered to visitors to Barbados and will seek to ensure the compatibility of tourism with other national interests in conservation and environmental protection.

The proposed legislation will further seek to re-organise the Board of Tourism by reducing the size of the present Board and making it a more compact and action-oriented executive body to implement national travel and tourism policies under the aegis of the Ministry of Tourism.

In addition, a Tourism Advisory Committee will be established to provide representation for tourism and other social, economic, and community interests whose co-operation in the development of our tourism product is

vital to its future success. This Committee will maintain a continuing dialogue with the streamlined executive Board of travel and tourism.

BUDGETARY PROPOSALS

I now turn to the budgetary proposals which will become operative during the 1992-93 financial year and which will assist greatly in achieving the economic recovery strategy.

Reduction in Government Expenditure/Revenue

Year after year, under successive Governments, there has been substantial and inexorable growth in the public sector and, inevitably, in public expenditure. Correspondingly, there has also been an inevitable growth in Government revenues from taxation in order to meet the increasing expenditures. In our present condition, we cannot continue with that trend. I will therefore roll back Government expenditure as a percentage of the Gross Domestic Product from 30.0 per cent to 29.0 per cent. I will also roll back Government revenue as a percentage of the Gross Domestic Product from 32.0 per cent to 29.0 per cent.

REFORM OF DIRECT TAXES

The system of direct taxation will be reformed in order to better achieve the objectives of economic efficiency in the allocation of resources, administrative simplicity in the ease and inexpense of administration, enhanced fairness through the reduction of horizontal and vertical inequities, and greater flexibility in the making of adjustments to meet changing economic circumstances.

The reforms will generally seek to:

- (a) simplify the various taxes and levies on labour and on the payroll,
- (b) harmonize taxation of capital income while ensuring that the tax burden on capital will not increase,
- (c) rationalize the individual income tax and social insurance systems,
- (d) reform taxation of the family,
- (e) broaden the tax base to allow for a reduction in taxes on low income employees by reducing distortions to the tax system caused by exemptions and deductions which cannot be justified on grounds of efficiency or equity,

- (f) the stabilization tax on companies will continue to be in effect from April 1, 1992, but will be eliminated during the course of the fiscal year,
- (g) eliminate the individual stabilization tax by the end of the fiscal year,
- (h) phase out the payroll levies over a two-year period,
- (i) lower the maximum rate of income tax,
- (j) harmonize the individual tax and social insurance schemes in order to slow the tendency to sharp increases in the marginal tax rates, and
- (k) re-assess the present income deductions and credits to reduce abuse and give greater support to families.

Details will come later in the new financial year.

REFORM OF INDIRECT TAXATION

The system of indirect taxation will also be reformed. The wide range of stamp duties and consumption taxes will be replaced in due course perhaps by a single general sales tax, or by a value added tax. Details will come later in the new financial year.

Productivity Board

I will take steps during the 1992-93 financial year to establish a National Productivity Board to promote the concept of productivity as a key variable in the strategy for economic recovery. The Board will monitor all aspects of productivity, **establish** a standard for the measurement of productivity and **seek** to install quality as an ideal in all aspects of production in Barbados. The National Productivity Board will be integrated with a restructured National Economic Advisory Council. The Board which should include equal representation from employers, employees and the Government, will come into being only after **consultation** with the social partners.

PRIVATIZATION

A Privatization Unit will be established shortly within the Ministry of Finance and Economic Affairs to manage the divestment programme of Government. The Unit will ensure that the Government obtains fair returns in all the circumstances from the privatization process.

The Government will, during this financial year, seek to divest itself of 40 per cent of its shares in Barbados Dairy Industries Limited to be offered on the buyers' market. It is proposed that the shares will be offered on the

following basis: 20 per cent, or 1 000 000 shares will be offered to the farming community, dairy workers and any other interested nationals, including Barbadians living abroad. The other 20 per cent of shares are being offered to the Inter-American Investment Corporation, the private sector ~~arm~~ of the Inter-American Development Bank, to be held for a period of 5 years, and thereafter a formula for disposal worked out.

The Government is proposing very shortly to conclude negotiations for the sale of 3 500 000 of its 4 200 000 shareholding in Barbados Mills Limited to Maple Leaf Foods Inc. of Canada. The price of each share will be US\$1.85. Barbados will have a director on the Board of Barbados Mills, Barbados Feeds Ltd. and Super Poultry. The Government will still retain 10 per cent of its shareholding in Barbados Mills Ltd. and 30 per cent of the shares sold to Maple Leaf Foods will be offered for sale to members of the public on request from the Government made after 3 years.

6.05 p.m.

CONCESSIONS TO MANUFACTURERS

The 50 per cent rebate granted to manufacturers and agricultural producers during the period January 1 to March 31, 1992 in respect of import duties and stamp duties which would have been chargeable on inputs used in production for domestic consumption, will continue in force, until the study of the indirect tax system has been completed and alternative measures have been devised which would maintain existing levels of revenue, while reducing the average incidence of taxes on intermediate inputs. If the current schedule for tax reform can be maintained, I anticipate that the new regime would be in place before the end of fiscal year 1992/93.

TAX-FREE BUDGET

For many years now, under successive Governments, Barbadians have held their breaths and their belts at this point in the delivery of the Budget. Well, the apprehension can now subside. In order to continue to build up the resources from which to pay severance to eligible displaced Government employees, the employees portion of the Employment Levy had been increased by 0.5 per cent up to March 31, 1992. I have decided that this increase will continue beyond March 31, 1992 until further notice. Apart from this I will impose no new taxation in this Budget. It will be, in common parlance, a tax-free budget.

OFFSHORE AND FINANCIAL INSTITUTIONS

Provided Barbados is to remain competitive as an offshore business centre, concessions in place must constantly be reviewed and when appropriate, extended to match those being offered by other centres. In this

regard, my Administration has recently placed on the statute books the International Business Companies Act, 1991-24. That piece of legislation revised the law governing international business companies carrying on the business of international manufacturing or international trade and commerce from within Barbados. It also seeks to encourage the development of Barbados as a responsible international financial centre and provides incentives by way of tax reductions, exemptions and benefits for international manufacturing and international trade and commerce from within Barbados.

Furthermore, debate will commence in the new financial year on the Financial Intermediaries Regulatory Bill. The Bill will seek to make new provisions for the regulation of banks, the banking and finance business of trust and finance companies and the deposit-taking of commercial houses in order to safeguard Government's sound financial system and preserve the integrity of that system.

MONETARY

My Government proposes in due course to make foreign currency transactions freer when the foreign reserves become more plentiful. In the meantime, any operator of a business who earns and uses foreign currency in the line of business can get a foreign currency account at the Central Bank.

I now turn to the conclusion.

To be sustainable, our adjustment efforts must not only be comprehensive, but also realistic. They must aim at increasing the efficiency with which human and material resources are used, and they must not ignore the legitimate needs of the poor and the disadvantaged. Above all, while the structural reforms require the generous external financial support of the multilateral financial agencies, we must never forget that they are our own responses to problems which we have identified, and which we must resolve.

The financial programme which I have just described is founded on the recognition that continuing fiscal deficits generate a fundamental macro-economic instability which ultimately destroys productive endeavour. In less than a year we have turned the fiscal situation around, from major deficit to basic balance. Admittedly, there have been costs, but these will be short-lived if we pursue the programme that I have outlined. We can do this effectively by foregoing and sustaining a working partnership between private initiative and public purpose.

The economic crisis has stimulated innovative responses such as the creation of the high level foreign exchange committee. Within this co-operative framework

the public sector and the private sector are jointly exploring new avenues for promoting growth through the export of goods and services. We have seen how this joint approach can create a vibrant offshore financial sector and we can replicate its benefits in tourism, manufacturing and agriculture. It is this new harmony that gives me confidence that by creating space for the private sector to do the things it can do better, the Government will find room to do what the private sector cannot do at all.

Mr. Speaker, the task before us is clear. It will require all the resources and the resourcefulness of Barbadians to ensure that we ride out this international crisis that has humbled even the great economic powers of the world.

We must be prepared to make sacrifices and to increase our productivity wherever we find ourselves. Sir, we must labour judiciously for this land that we all love, whether we are in field or in factory, in government or in the private sector, in the office or in the parks or on the beaches. We must economise and put aside that dollar for a rainy day. We must make use of our local food and products with creativity and imagination to ensure that we put money in the hands of those who toil tirelessly to quicken the soil and all that is upon it and those that turn the wheels and fashion the clay.

As a people, we have to be realistic and pragmatic as we seek to face and address our problems in a head-on fashion. When tough, albeit painful decisions have to be taken, we must do so in a concerted and resolute manner with the knowledge that there is a purpose for doing so, and that is our survival and that of our children, as well as the maintenance of a standard of living to which we have become accustomed.

The days of out-and-out political harangue, partisan politicking, political hypocrisy and hyperbole should be set aside for honest and constructive criticism and political maturity.

So this is not the time for the faint-hearted or for those who cast around for life jackets the moment that clouds appear on the horizon, for such an attitude builds neither nations nor people. Indeed, we will be negating the very struggles of our forefathers if we were to fail to meet this challenge as they courageously met those of their time. I am confident however, Mr. Speaker, that the vast majority of Barbadians have settled down to this task and history will say of us when describing this period that they stood fast, those loyal sons and daughters and with backs to the moon and faces turned to the sun, with our unshaken faith in God and the support of my colleagues and the vast majority of Barbadians, we shall keep our hands to the plough. In good times and in bad times we must stick

to the task at hand not matter how difficult or how seemingly impossible.
6.15 p.m.

In this Budget I have made some of the most sweeping and far-reaching proposals ever made in any Budget ever delivered in this Parliament. There are proposals which will secure the recovery of our economy from the ills that have afflicted it for almost two decades. I understood to help to solve those problems. I have not shirked those responsibilities. I have prepared a programme and have obtained the support of the international financial institutions for it. The vast majority of Barbadians also have confidence in me and my Government. The only people whom I cannot persuade are those over there and their supporters. However, Mr. Speaker, I am of the firm view that with time they too will see the light

Thank you, Mr. Speaker.

Mr. Speaker, in order to lay the foundation for the debate which will follow, I beg to move the following the following Resolution:

WHEREAS, despite the difficulties which are being experienced in the international economic environment, the Government through its various policies has been able to bring stability to the Barbados economy;

AND WHEREAS, the fiscal deficit has been substantially reduced and the slide in foreign reserves has been halted;

AND WHEREAS, the Government is about to implement a number of measures which will lead to the rehabilitation of the productive sectors and will result in the resumption of growth in the economy;

BE IT RESOLVED that this House note Government's achievement during the year 1991/92 and give its full support to Government's efforts to improve the performance of the economy and the standard of living of the country.

Hon. P. M. GREAVES: Mr. Speaker, I second this motion and I reserve my right to speak.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I now move, Sir, that the sitting be suspended until Thursday in the afternoon at 3.55 p.m.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly at 6.21 p.m.

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

Mr. O. S. ARTHUR: Mr. Speaker, Sir, this Budget Debate is all about the future of Barbados, the competence of the Minister of Finance and the confidence which this House and the society in general should repose in that Minister and his capacity to lead this country through these turbulent times. But no matter what Members of this House may have to say, Sir, and no matter how this House itself votes on the Resolution before us today, history will have to record that the most massive and the most unambiguous vote of no-confidence ever registered in a parliamentary democracy against a Prime Minister and Minister of Finance was registered yesterday in the form of the resignation of the Minister of State in the Ministry of Finance during the course of the Budget debate and immediately after hearing the presentation of his Minister.

Mr. Speaker, Sir, 18 years ago as a young and – despite the propaganda of the DLP – a relatively uninfluential economist, I first experienced the excitement of being a member of staff of the Ministry of Finance and Planning in a developing country. Since then I have had the privilege of serving both as a public servant as well as a policy-maker in the Ministry of Finance. I know on the basis of that experience that there are few opportunities for a public servant which are more rewarding than the privilege to serve in whatever capacity in the Ministry of Finance.

I therefore believe that I can properly say that there is no one on the other side who is more loyal to the purposes of the Democratic Labour Party and who would have been more zealous to serve in whatever capacity, but **more so** as a policy-maker in the Ministry of Finance than the Honourable Member for St. Philip South. His departure under the painful and sad circumstances under which he has left leaves us to draw the conclusion that there is a deep, a widespread and a dangerous disorder within the Ministry of Finance and Economic Affairs of this country.

Indeed it is a sad but true commentary that the only institution in Barbados with which the Ministry of Finance and Economic Affairs over the course of the past five years can be adequately compared is Glendairy Prison. Everybody has tried to escape from it. We have seen, Mr. Speaker, Sir, in 1987 a Minister of Finance who could take no more and he stepped off the compound. We have seen again in 1987 a Governor of the Central Bank leave the institution. In less than five years we have seen two Directors – not one – of Finance leave one of the highest civil service offices in the land. Now we are confronted

with the sad spectacle of a Minister of State in the Ministry of Finance, a decent and honourable Member of this House forced to leave under the most grievous circumstances. In the same way and for the same reason that there was recently a Commission of Enquiry into the state of affairs at Glendairy Prison I truly believe that Barbados' economic circumstances warrant the establishment of a Commission of Enquiry to investigate into the state of disorder which so evidently reigns at the Ministry over which the Prime Minister for the time being presides.

We have, in this House, seen ample evidence of this financial and economic disorder in the course of the last 2 weeks. I must remind you, Sir, that within the last week this House was presented with the spectacle of the financial bedlam of two sets of Estimates being presented before us, none of which bore any relationship to the other. We saw in those Estimates, Mr. Speaker, every prop pulled from under every economic sector in Barbados. We saw as well, Mr. Speaker, Estimates presented to this House the purpose of which clearly could only have been to emasculate every statutory institution of Barbados. The full story has not yet properly been told. We must tell it during the course of this debate.

The people of Barbados must be told that Estimates of expenditure were presented to this House in condition of disorder and bedlam, in which there was no subvention whatsoever to the National Housing Corporation on its current account to enable it to undertake the task of attending to the needs of Housing in this country. The public of Barbados must be told that Estimates of expenditure were presented to this House which contained a set of misguided priorities; that whereas \$1.3 million could be found as a subvention to the Caribbean Broadcasting Corporation, no subvention could be found for the National Housing Corporation. We also saw in those Estimates of Expenditure an increased subvention to institutions such as the Barbados Workers' Union at a time when the Government found it necessary to reduce every subvention to every Ministry in Barbados that has a relationship to the productive sectors of this country. We saw Estimates of expenditure which represented and portended another increase in lay-offs from the public sector. For how else can we explain cuts in the public sector wage bill in the order of 23% this year, as compared to the subvention that was given last year.

I am submitting to this House, Mr. Speaker, that a similar kind of economic disorder surrounds the presentation of this year's Budget. The Minister of Finance and Economic Affairs managed in the course of his presentation to compress a five minute speech into 2½ hours. He came dangerously close, in my submission, to qualifying himself to be arrested for loitering. Indeed the Budget could have been presented in three words drawing from the speech of General Douglas MacArthur to say merely "I shall return."

The whole purpose of the Budget was to set the stage under the Letter of Intent signed by the Government of Barbados with the International Monetary Fund for two more Budgets to come during the course of this financial year. Its whole purpose has been to put Barbados on hold, to put this country on hold while the Minister of Finance and Economic Affairs goes about certain travels which he has to attend to and to put this country on hold while he resolves an impasse between himself and the World Bank and other multilateral institutions, an impasse which could very well compromise the ability of Government to give effect to the policies over which the Minister of Finance and Planning wants to preside.

I have received a large number of calls from concerned Barbadians who are of the view that there is no need to dignify Tuesday's Budget with a response. But I believe that we have a responsibility in this House to rise above the low level that the Minister established by way of a budgetary presentation on Tuesday. The facts are that in this country, Mr. Speaker, Barbadians of all walks of life are beginning to experience naked poverty on a scale never before seen in this country. There are Barbadians who do not know how to pay their mortgages.

4.10 p.m.

There are Barbadians, Mr. Speaker, who have now to resort to the expedience of deferring bills from month to month; one month they pay their telephone bill, the next month they pay the electricity bill but they are no longer in the position, Mr. Speaker, of being able to pay all their bills, at once. This Barbados Labour Party has a responsibility not to sink to the level of the Government but we have a responsibility to focus the real issues that face the people of this country. In the course of this Debate, Sir, I want simply, and without any great technicalities, to explain a number of things.

I want first of all, Sir, to look at the background to the Budget. I want also, Mr. Speaker, to put the Barbados Labour Party's point of view on the programmes that the Government of Barbados is now executing in collaboration with the International Monetary Fund and drawing from our experience, as a party that has had over 50 years in public administration, to draw public attention to some of the grave deficiencies in that programme.

I also believe, Sir, that we have a responsibility, during the course of this Debate, to explain to the people of Barbados who are genuinely confused, exactly what structural adjustment of this economy must entail.

I also feel, Mr. Speaker, that we have a responsibility as well to address some of the peripheral issues that were raised by the Minister of Finance in the course of his presentation. The Public of Barbados wants to hear a real position on privatisation. The public of Barbados, Mr.

Speaker, Sir, wants to hear a real position on the purposes of an incomes policy for this country. In the course of my presentation it will be my purpose to try to give the Barbados Labour Party's alternative as to these particular concepts that are now befuddling the people of this country.

Before I go into those particular matters, Sir, I believe that there are some issues raised by the Minister of Finance that require a direct political response. The Minister of Finance, in the course of his presentation urged that the days of political harangue, partisan politicking, political hypocrisy and hyperbole should be set aside for honest and constructive criticism and political maturity. He also tried, Mr. Speaker to paint himself as a man most sinned against than sinning, to create the false impression that, **as** he said in his presentation, all problems in Barbados are simply the problems caused by international recession.

I want to say to this House, Mr. Speaker, that it does not properly fall to the lot of this Minister of Finance and Economic Affairs to lecture anybody in this country about political hypocrisy. I must take this House back to 1986 and remind the people of Barbados through this House that in 1986 the Democratic Labour Party's Manifesto containing a series of proposals, which in the judgment of this Government now, has wrought untold damage on this country, was first of all presented in the constituency of the Minister of Finance and Economic Affairs.

I must remind this House, **as** well, that the only member of the Democratic Labour Party, who in this House, said anything in support of those economic policies which are now condemned by the Democratic Labour Party, was the Minister of Finance himself. In July of 1986, after the measures were presented by the then Minister of Finance, he said on seconding the motion, "Promises made promises cut".

I must also remind this House, Mr. Speaker, that it was the same Minister of Finance and Economic Affairs who is now talking about our reducing political hypocrisy and taking political harangue out of public affairs in this country, that it was the same Minister of Finance, who in late 1990, when posed with the question as to how he proposed and what would his party do to deal with the severe economic affairs of this country, said that it was not his intention to cause the Democratic Labour Party to commit suicide.

The public of Barbados has not been told, but it is a matter of fact, Sir, that prior to the 1991 election the Government of Barbados, through a document called an Aide Memoire, gave certain commitments with the World Bank as part of its intention to execute a project with the World Bank, called an export development project. The Government of Barbados signed a document called an Aide

Memoire, in which it committed itself to undertake many of the same policies which we are now seeing the Government have to carry out as part of its structural adjustment programme.

I am submitting to this House that, the Minister of Finance, prior to the election of 1991, was in a position to know that commitments had been given by the Government over which he was presiding to an international institution to **carry** out certain policies which would wreak damage on the people of this country. But he was not man enough or courageous enough to take the people of Barbados into his confidence and tell them what those policies were.

I also submit to this House, Mr. Speaker, that when the people of Barbados were asked to vote in January of 1991 the international reserves of this country were at the very same level as they were at the end of June 1991 when the Government entered a relationship with the International Monetary Fund. Mr. Speaker, Sir, if there is a case of hypocrisy to be answered that case of political hypocrisy lies squarely within the corridors of the Democratic Labour Party.

I also must say, Mr. Speaker, that the time has come when the economic history of this country has properly to be told. It is not **true** to say that the economic problems of Barbados are the result only of international recession.

Mr. Speaker, the truth is that the economic recession in Barbados began in the last three months in 1989 when the tourism sector in each of those three months experienced a decline as compared with the arrivals for the same three months in 1988. The recession also began in that **quarter** when the construction industry experienced a decline in the extent of 13 per cent. For those reasons, Sir, it is beyond any shadow of a doubt that the economic recession in Barbados predated the international recession which started in late 1990 and has continued into 1991.

The Minister of Finance seeks to excuse himself from the responsibility and from sharing in the blame that must be attached to his personage for causing some of the very severe economic problems that exist in this country. The international recession did not bring about the loss of our reserves. The international recession cannot be held as the factor which explains the printing of money by the Central Bank over the course of the last 2 years, often in breach of the law. Should there be any doubt, Mr. Speaker, in the particular role that the Minister of Finance has played in bringing Barbados to this very sad state of affairs that exist today, I believe, it can be best removed by the letter written by a Mr. Douglas Lynch on the occasion of his resignation from the Board of Directors of the Central Bank of Barbados. I believe, for posterity, this letter ought to be read into the records of this House and be made a document of the House as well. It is a letter to

the Right Honourable **Erskine** Sandiford, Minister of Finance, Ministerial Buildings, Bay Street, Barbados and it said, **Sir**.
4.20 p.m.

"Dear Sir,

I hereby resign as the Director of the Central Bank of Barbados. The perceptions of almost all of the public of Barbados are:

- (a) the present crisis is entirely due to your mismanagement of the economy of the country, and that you have had ample warnings from the World Bank reports, from the Central Bank and from other sources, all of which you ignored;
- (b) that as Minister of Finance you should have controlled Government expenditure more carefully;
- (c) that despite repeated advice to the contrary, you procrastinated in approaching the IMF and other international sources until Barbados' foreign reserves were practically exhausted and that as a result the options opened to Barbados are severely restricted;
- (d) that your management of the negotiations with the IMF and your communication to the rest of your Government and to the people of this country as to those negotiations was of a quality far below that which the people of Barbados have a right to expect;
- (e) that you have been evasive as to details and consequences of those negotiations generally and particularly in dealing with the Public Service;
- (f) that you are unable of leading the country through what are certainly going to be hard times in the next three or four years.

I have reasons to believe that those perceptions are true and that the participation of the public in the series of demonstrations of the last few weeks have been a demonstration of a lack of confidence in your Government and, particularly, a lack of confidence in you more than anything else. I share that lack of confidence.

I sincerely believe that the best thing for the country at this time would be for you to tender your

resignation as Prime Minister and Minister of Finance. In the circumstances, I feel that I have no alternative but to resign as the Director of the Central Bank.

Yours sincerely,
Douglas Lynch."

Mr. Speaker, Sir, I do not feel in the 'mood this evening to talk as a politician. As you can sense, Mr. Speaker, in a way my heart is not in this debate. I honestly believe, Sir, that I can be of the greatest use to my country now if I speak to this House as an economist. I believe so, Sir.

I believe that we are running the risk in this country of making Parliament a laughing stock. We are running the risk, Sir, of causing the people of Barbados to believe that black people cannot govern and that Parliament is about attacking and fighting against each other. As the reggae song says, Sir: "While we fight each other for the power and the glory, Jah Kingdom goes to waste." I really feel, Sir, that we all in this debate have a responsibility to rise above the partisanship and I want to speak to this House as an economist, forgetting for the moment this business about being a shadow spokesman of Finance or being a member of the Barbados Labour Party. I truly feel that we will fail this country if we allow Barbados to become another also ran economy run by also ran politicians.

We have come too far as a country. Sir, we have the capacity to do as Robert Frost said: "Promises to keep and miles to go before we sleep". Therefore, I want to speak honestly without the constraints of party and with reference only to what is in the best interest of Barbados. You would have sensed, Mr. Speaker, there are things that I truly want to say that might ruffle some feathers.

I want to look concisely at the nature of the programme that the Government of Barbados is now involved in with the International Monetary Fund. Mr. Speaker, we in the Barbados Labour Party are castigated by the public on the grounds that we are not in a position to present an alternative. But I want the public to understand that the case against the Government and the case against the Minister of Finance is that he has brought Barbados to the point where there was absolutely no alternative but to go to the International Monetary Fund. He has done so, Mr. Speaker, in the context of a situation where he was warned in advance.

But be that as it may, Mr. Speaker, the Barbados Labour Party is in no position to say that a country should not go to the International Monetary Fund because ourselves know what it means to have gone to the International Monetary Fund. The question and the only question that the people of Barbados must ask themselves now that we are in the hands of the International

Monetary Fund is simply this, Sir. Do the policies make sense and can the policies being followed now offer any hope of leading Barbados out of its particular predicament at this point in time? I want as an economist, Mr. Speaker, to address that issue.

The International Monetary Fund has failed in the developing world largely because the nature of its policies used to deal with balance of payments problems, Sir, tend to be policies that apply in every time, place, and circumstance without reference to the particular circumstances of that particular society. What are those policies, Sir? In order to solve a balance of payments problem such as that with which Barbados is now confronted, the IMF requires a country to institute what is called demand management. That is to say, in order to solve a balance of payments problem a country must reduce its use of imports. In order to reduce its use of imports, the IMF prescribes in every time, place, and circumstance that a country must reduce its total spending on the grounds that, if you take all of the spending power out of the economy, Mr. Speaker, you will reduce the country's consumption of imports.

Now the problem with that policy, Sir, is that reducing total spending in an economy does not only reduce the country's consumption of imports. As the hawkers in Fairchild Street would have said last week in the newspaper, it also reduces the country's consumption of green peas and carrots and all other commodities that can be produced locally. If I may use an analogy, Sir, the IMF policies would be regarded as being similar to that pursued by a Minister of Security and Justice if he decided that, since Winston Hall is in St. Joseph, then the best way to capture and arrest Winston Hall is to arrest all of the people in St. Joseph. It is the same level of ignorance as that argument.

What you have is a situation that, in order to deal with the problem of importing too much in a country, the IMF always prescribes that the country has to completely reduce its total level of spending, reducing not only the demand for imports but reducing demand for everything else in the economy. It becomes dangerous, Mr. Speaker, for a country to follow an IMF precept without tempering and modifying the IMF prescription to ensure that, while you do in fact address the problem of reducing your imports, you do not throw out the baby with the bath water and reduce at the same time the country's production and demand for things that can be produced locally.

I say to this House, speaking as a professional economist, that the problem with the present Government's approach and the real problem with the manner in which the IMF policies are being pursued in this country is that the Government is indeed doing what other every developing country has done. It is applying an across the board policy with reduction in total demand in the country

by, as you know, Sir, reducing incomes, reducing credit. While the policy in point of fact will succeed eventually in reducing imports, Mr. Speaker, it will succeed only by at the same time bringing about a level of unemployment and a reduction in the other sectors of the Barbados economy and a reduction in those other things that is not warranted by the objective of reducing imports to the country.
4.30 p.m.

There is a moral here, Sir. IMF policies fail because in order to reduce imports to a country the country has also to so dampen other lines of economic activity that social disorder arises in the country, as we have seen in Venezuela, in Jamaica and in every African country where the IMF across the board policies have been implemented. Barbados is now reaching the stage where the Government of Barbados must give serious consideration to the question as to whether or not it makes sense to continue pursuing an across the board reduction in spending in the country without modification.

The question is, do we have on record an experience in which a developing country faced with the same problem with which this Minister of Finance is faced? Do we have on record an experience of a developing country which has shown that you can take IMF policies and modify them to suit the particular circumstances of the society? I say yes, I say that in 1982 we in the Barbados Labour Party and the Ministry of Finance were faced with a problem that was not dissimilar from that which faces this present administration, but we did not apply an across the board cut in total spending as this Minister of Finance is now executing.

I would like to read to this House how the then Minister of Finance, the Honourable J.M.G.M. Adams, conceptualised the manner in which the country should address the question of reducing imports to the country to a level commensurate with our level of foreign exchange earnings. He said this, Sir, and I quote from the Budget of March 31, 1982, page 1366:

"The present problems in the international economy point to the clear need on our part to develop a sector which can perform the role of an internal economic stabiliser and which is capable of picking up the slack in income and employment generation when our export sectors decline as a result of international recession. The construction sector has admirably performed such a role in the last two years. But it is clear that the degree to which construction can continue to be the chief internal stabiliser is limited by the fact of its dependence on the availability of foreign exchange. It is considerably more effective to develop agriculture in this capacity both because of its high domestic value-added as well as the

existence of strong domestic demand, as evidenced in the size of the food import bill.

Agriculture clearly stands in need of a New Deal. It is therefore Government's intention to make available to the sector a package of incentives and supports which bear some relationship to those now being applied in the other major industries, . . . "

What the Minister did then was to jump start the economy even in the face of international recession and gave agriculture a large range of incentives – subsidies for spraying equipment, irrigation, the promotion of indigenous feeding systems, the use of silos and all other kinds of things to ensure that even in the midst of recession in Barbados there was still a sector that could serve as a generator of income and employment to the benefit of this society.

The result, Sir, is a matter of history. Not only did the agricultural sector grow substantially, but in each year between 1981 and 1986 the food import bill of this country was reduced. I am saying that this Government is going in the wrong direction when it believes that it should not engage in selective stimulation of the Barbados economy and bring forward a sector that can do for Barbados what domestic agriculture did between 1981 and 1986.

I also want to say to the House, Mr. Speaker, that the notion of across the board cuts in expenditure in the fashion in which they have been applied by the Minister of Finance makes no sense whatsoever. The Minister, as you know, Sir, has in response to his financial difficulties instituted a thing called an across the board cut in Government expenditure, last year beginning with a 7% cut in all the various Ministries. Clearly, the Minister is telling the country and the House that he regards all items of Government expenditure as having the same priority and the same weight in terms of their capacity to influence national development.

It would obviously be a more judicious policy if the Minister were to recognise that there are some elements of public expenditure which can contribute more to development than others and go about budgeting in such a fashion that he maintains or even increases expenditure on certain elements, such as tourism promotion and agricultural development, while putting the squeeze on others.

I am saying that a second major failing of the Democratic Labour Party's economic policy has been the use of across the board cuts. He has been using an axe when the surgeon's scalpel is what is required in the circumstances.

Thirdly, Mr. Speaker, there can be no doubt that in the context of our present-day situation the high interest

rate policy being pursued as part of the International Monetary Fund's programme in Barbados has no relevance to our particular circumstances. I am not saying this as a result of being wise after the fact. The Barbados Labour Party, after our defeat in 1986, undertook a comprehensive review of our policies between 1981 and 1986, and on March 14, 1988, page 2093, speaking in the Estimates debate, I came to this House and said this:

"I make bold to say to this House that if it was possible for us to relive the experience between 1981 and certainly 1983, there would have been simply no way that we would have allowed interest rates in Barbados to increase. Mr. Speaker, interest rates in Barbados affect this economy as a cost, and the argument that capital flows in and out of Barbados can be affected by adjustments in interest rates is an argument that has, and bears no relationship whatsoever, to our particular reality. People will not bring hard currency into an area such as Barbados, which has a non-convertible currency, out of a desire to speculate about interest rates. So that the argument that has been advanced at various times that it is necessary for us to raise interest rates so as to stem the outflow of capital or to provide a basis for the inflow of capital is a spurious argument that is entirely without economic merit."

Mr. Speaker, this 'Government, in my judgment, is committed to a wrong-headed policy that flies in the face of historical reality when, as part of its programme with the International Monetary Fund, it allowed interest rates to increase. In 1981 and between 1981 and 1983 the argument that was being put to us by the Central Bank was that we had to allow our interest rates to increase because international interest rates were high. Now, Mr. Speaker, as you know, international interest rates are at a historically low level. So it was argued that you have to maintain a relationship between interest rates in Barbados and interest rates abroad. The same argument that would have caused the Central Bank to advise Government in 1981 that it had to raise interest rates should be the same argument that should be causing the Central Bank today to advise Government to reduce interest rates.

4.40 p.m.

More to the point, Sir, interest rates affect the Barbadian society as a cost. There are a large number of businesses in this country which are struggling to pay 36% rates of interest on their overdrafts. There are families in this country for whom the 2 percentage point increase in the mortgage rate is making the difference, not between whether they can consume or buy another item of clothing but whether they can save money at all.

The interest rate policy that the Government of Barbados is committed to is going to postpone the

recovery of this country and it is going to commit Barbados to a higher level of unemployment and greater levels of deprivation than the circumstances warrant. I therefore believe that in the process of reviewing its programme with the International Monetary Fund it would behove the Government of Barbados to incorporate in its review a strategy for bringing about the selective stimulation of the Barbados economy in line with the capacity of various sectors of this economy to produce more in the context of our straightened circumstances. If we were faced with the existing set of problems that Government is facing we would not follow blindly this policy that you have to bring this country to a complete standstill. The Barbados Labour Party would be actively involved in selective stimulation of the economy so as to make sure that the social fabric of this country does not collapse in much the same way as it has done in other countries.

I turn again, speaking as a professional economist, to the business of structural adjustment. The Minister of Finance in the close of his presentation spoke in terms of structural adjustment in this form:

"Structural adjustment ... is usually defined as a process of implementing reforms of policies and institutions, both of a micro-economic nature and of a macro-economic nature. Structural adjustment includes, also, institutional changes such as those which require the removal of public sector inefficiencies....

.... Structural adjustment programmes involve a menu of options for policy reform which can be set out as follows:-

overall macro-economic programming

- monetary policy
- trade policy
- fiscal policy...."

Mr. Speaker, Sir, I am sure you did not understand what that means. I am equally sure that the Minister of Finance himself does not understand what that means. This definition of structural adjustment could only have been the product of a confused mind. I believe, Sir, that to the extent that there must be structural adjustment in Barbados, the people of Barbados must first of all start with an understanding as to what the concept means. I therefore, want to put the concept of structural adjustment from the Barbados Labour Party's point of view before the House as clearly as I can.

An economy, Sir, can experience various kinds of problems. Year by year, the level of activity can fluctuate

in accordance with cycles. There come times when economies can experience not just fluctuation in the levels of income and employment but it can experience problems having to do with the breakdown in the structure of the economy, the structure of its production and its functioning. Barbados has reached the stage where we have not only problems in the performance of the economy in terms of the fluctuation in the level of income of the economy. It is now beyond any doubt that there are fundamental problems with the structure of the Barbados economy and the method of functioning of this economy.

What are those problems? In order to have a programme of structural adjustment we must be able to identify the way in which the economy is deficient in terms of its foundations. These, Mr. Speaker, are the deformities in the structure of the Barbados economy. First of all there has been a collapse in this country's capacity to produce commodities. At the time of Independence, Barbados was a country that was producing 200 000 tonnes of sugar. In 1986, it was producing 111 000 tonnes. In 1992, it produced 50 000 tonnes. The collapse in our capacity to produce goods is not only evident in agriculture but is also evident in manufacturing where we once had a thriving electronic industry, we had a thriving furniture industry and we had a thriving garment industry. We had the capacity once upon a time in Barbados to produce sporting equipment. Those industries have collapsed and nothing has been put in their place. The collapse of our capacity to produce goods is part of a structural problem of this society that must be changed.

Secondly, Sir, Barbados, as an economy that must depend on exports, now finds itself in a position where year by year its exports of goods are becoming less and less. The facts are very clear. As recently as 1985 Barbados was producing \$500 million of goods for exports per year. In 1992, this country is only producing \$238 million worth of goods for export.

Clearly, Mr. Speaker, a country which has to depend upon exports to live cannot sustain an increase in its quality of life in the face of a declining rate of earnings from the sale of goods to the rest of the world.

The third problem, Mr. Speaker, is not only that our savings have dropped but also that this country has ceased to attract foreign capital in any major proportion for any of the main productive sectors of this economy. You can ask yourself when last has a large hotel been built in Barbados? When last has there been a major investment in a manufacturing plant? When last has there been a major investment in agriculture? The answer is simply that Barbados is no longer attracting foreign capital in any of its major productive sectors. More to the point, the pattern of our investment in Barbados is one that does not assist,

in my analysis, in accelerating the development of the country. There is still investment in Barbados, Sir, but, as you know, the bulk of the investment that has been taking place in this country has taken place largely in terms of real estate development, the building of malls as well as the building of automarts and gas stations.

Barbados is simply not attracting investment, either foreign or local, in the main productive sectors of the economy.

The fourth major **area** in which there is a structural deficiency in this economy is that it has to do with the fact that for **too** long this country has lived upon foreign savings, not to finance productive investment, but to finance our local consumption. Barbados has, over the course of the last 5 to 6 years, year after year, gone to the foreign money markets to borrow large sums of money, in many instances over \$100 million each year, not to put into the expansion of agriculture or tourism, but to pay our consumption bills. The same problem that would confront you if you were to go to the bank every month to borrow money to pay your bills now confronts the country. 4.50 p.m.

It has borrowed hard currency. It has not used that hard currency in order to expand the productive base of the economy. The hard currency has to be repaid. The economy has sunk and a debt problem of the kind that afflicted other developing countries now has become part of our lot.

There is an additional problem having to do with the way in which the economy is structured in terms of the sectors that produce for exports and those that do not produce for exports.

Let me explain, Sir, what I mean. There are some sectors in Barbados, as you know, that produce goods for exports, sugar, tourism and parts of manufacturing. There is a large part of the economy that produces goods for local consumption alone. Generally speaking, the economy is best structured when those sectors that are producing goods for export can produce a surplus to meet the consumption needs of all the people who are working in the other sectors that are only satisfying domestic consumption.

Let me take this out of the realm of the abstract, Mr. Speaker. Hairdressers and people working in the distributive sector are not foreign exchange earners but they also consume foreign exchange when they make purchases of commodities that have to be imported from abroad. The economy can only be stable if the sectors that are involved in earning foreign exchange grow at a rate that is faster than those that are not earning foreign exchange.

Our structural problem in Barbados is that those sectors that **earn** foreign exchange have been declining whereas those sectors that do not earn foreign exchange have been accelerating at a rapid rate. That fundamental problem in the economy has to be changed and changed quickly otherwise this country is going to face a long period of economic difficulties. There is even a greater problem **facing** this economy. It has to **do** with the character of the development strategy that has been pursued.

If we take the whole streak of Barbados' history, beginning with Grantley Adams and coming through Errol Barrow, Tom Adams and back to Errol Barrow, it becomes clear that a lot of economic activity in this country has been generated as a result of 3 things, (1) the provision of fiscal incentives, both by Barbados and abroad, (2) trade pacts and trade arrangements, and (3) the willingness of the Government of Barbados to undertake capital projects.

The sugar industry, as we understand it in Barbados, owes its existence to a trade arrangement between Barbados and the EEC countries. Industries such as INTEL owed their existence in Barbados largely to the willingness of the Government of Barbados to **provide** incentives on our side, and the Government of the United States of America to provide incentives on the other side.

The offshore financial sector we now **see** as part of our more recent salvation, owes its existence, as you know, to the preparedness of the Government of Barbados to put in place a large number of incentives, the purpose of which has been precisely to attract those industries to Barbados.

That strategy that started with Grantley Adams, Mr. Speaker, continued through Errol Barrow, Tom Adams and again into Errol Barrow, is a strategy that is now outliving its usefulness. Why is this outliving its usefulness? Other countries in the rest of the world are providing the **same** incentives. We have nothing unique to offer. It is equally true, and we must face this reality – I want to speak particularly to the unionists in this House – that Barbados' wages have risen faster than our productivity and have risen faster than the wages of our main competitors.

I cite to this House, Mr. Speaker, the sad situation we faced in 1983 when Coopers had to leave Barbados precisely at the time the trade unions were asking for a 33% increase which the company could not afford. Our problem in Barbados has fundamentally to do with the fact that our wages, in part, have risen too fast in relation to productivity and to those of our main competitors.

You may be asking me, Sir, why I want to make this point. I have to speak this evening outside the shackles of partisan politics. I subscribe to the incomes policy being pursued by the Prime Minister of this country, but he cannot explain it to the public. I subscribe to the

incomes policy being pursued by the Government of this country in relation to the private sector because it is a simple incomes policy which says that a man's income in 1992 should be equal to what he was paid in 1991, plus a percentage of productivity in 1992, plus a share of the profits. In my judgement, Sir, that is a fair policy.

If we had that policy in Barbados throughout the 1980s when the Barbados Labour Party was in office, Barbados would not be facing some of the difficulties it is facing today. I want to say that. We have reached a stage in this country where the spectre of devaluation is a real spectre. I have lived in this country and I know very personally what devaluation does to people's income, what it does to people's savings and I truly do not want to see a devaluation in this country.

The incomes policy that has been put by the Government of Barbados is a policy that is intended to be an alternative to devaluation. I believe – and I am speaking as much for the benefit of this House as for the international institution which, in my judgement, wants to make an example of Barbados – that given a chance, that incomes policy can work and we can succeed in this country in avoiding the kind of devastating effects of a devaluation such as has been the lot of many developing countries.

The Minister of Finance, Mr. Speaker, obviously does not understand the policy. He cannot explain it and I believe he is finding it impossible to implement it. Why do I say this? The private sector of this country walked away from the consultation with the Minister of Finance understanding only that the incomes policy meant a wage freeze. We hear the private sector of this country saying only that there should be a wage freeze.

The trade unions, Mr. Speaker, acting, I believe, in good faith, thought that the incomes policy meant only voluntary guidelines. They went ahead and put on the table demands for wage increases which, if granted, would have caused the incomes policy in this country to be frustrated. The Minister of Finance has failed the country in so far as he has not explained to his so-called social partners the full implication of our having in this society a situation in which, for the future, there must be a relationship between what Barbadians produce and what Barbadians earn.

I wish to make this point within the context of my presentation to this House to what should represent part of the core of our structural adjustment programme. There must be, for the future of Barbados, a relationship between the growth of income and the growth of productivity.
5.00 p.m.

But in addition, Mr. Speaker, coming back to our development strategy, it is quite clear that if Barbados is to

go forward in the future that the missing link in our development has to be corrected. And what is that missing link? The missing link in our development Mr. Speaker, has been the absence of a technological base in this country.

The time has come when those of us who have to manage the process of structural adjustment in Barbados have to give consideration to the question of bringing forward, in this country, a new industrial ethos, a new industrial class, a group of people who do not have to depend upon incentives from Government or trade pacts or trade arrangements but people who can go out in the marketplace and take risks and create business irrespective as to whether or not incentives exist.

The mission of this generation, Mr. Speaker, the mission of my generation is to create a class of Barbadian producers who can compete in a world without asking that the world be remade in their own image.

I want to submit to the House that, in pursuit of that objective, part of our structural adjustment programme in our country should entail the Government negotiating and getting a science and technology fund through which Barbadians who want to take risks and Barbadians who want to be innovative can draw funds to undertake activities that are not at present open to them through ordinary lending institutions.

I have already put to the House as well that part of the structural adjustment of Barbados must entail our establishing an export development fund. The reason for that argument is very simple. The problem with exports in Barbados is not so much a problem of lack of markets. The problem in export is largely that Barbados hardly has the productive capacity to produce anything to sell to the rest of the world. We used to have a productive capacity to produce electronics on a large scale. But that capacity, as you know, Sir, has been largely transformed into a mall. Our capacity to produce garments is now old fashioned, outdated and is part of the reason why goods produced in the rest of the Caribbean can outcompete Barbados in Barbados.

The responsibility of the Government at this time is to create the facility whereby persons in Barbados can retool and recapitalize the industrial system of this country, Sir. So that the problem of lack of capacity can no longer stand in the way of the advancement of this country. But we are not hearing these kinds of ideas coming from the Prime Minister. I believe, Mr. Speaker, as well that structural adjustment of this economy must involve a process of tax reform. The Minister in his Budget served notice that during the course of the year he intends to undertake tax reform. But the public is not clear as to what his emphases are or what his priorities are.

I want to say what the Barbados Labour Party's priorities are. We believe, Mr. Speaker, that in any process of tax reform Barbados must first and foremost have a policy of no taxes on exports. In order to make this country a genuine export economy we have to create the basis upon which our producers can compete in the markets of the world without carrying the liability of having to pay duties and taxes on raw materials which other persons do not have to pay in the rest of the world. We also believe in the Barbados Labour Party that it is not enough just to tell people produce for exports out of a sense of nationalism, that the exporter must himself be able to feel that there is something in it for him. As a result a no tax policy on exports must stand as the chief priority in any process of tax reform in this country at this point in time.

We also believe, Mr. Speaker, that the time has come to look at the **structure of income taxes** and indirect taxes and change them for a number of reasons. First of all a large number of people in this country who fall below the income threshold below which people should not pay taxes have been incrementally drawn into the tax net since 1986 through the increasing reliance on a wide-range of levies for the purpose of raising revenue. The time has come to redress that grievance. There is a large number of people in my constituency sometimes getting one day's work a week on the estates earning \$35 a week who have to pay levies. Clearly part of the process of tax reform in this country must be to free them from the burden of paying taxes on income which is so low that it does not allow them to meet their basic needs.

In addition, Mr. Speaker, we have to face this fact. We have to face this in Barbados, that the burden of taxation cannot only fall upon persons who happen to be on a payroll. There are a large number of Barbadian citizens such as civil servants, teachers, policemen and so on who are carrying the burden of taxes in this country purely because they happen to be on payroll. The base of taxation has to be widened in my humble submission to the country and to this House, Sir, to ensure that the burden of taxes are fairly distributed and a number of self-employed people will have to be brought within the tax so that persons on payroll do not carry the penalty of carrying the financial problems of the country only because they are captives of a payroll system.

I make bold – I believe that we have to speak frankly – to say that we can no longer shy away from the problem of having too narrow a section of people like civil servants and persons in organized business carrying fees disproportionately largely a portion of the revenue requirements of this country.

But there is a more fundamental reason why there must be tax reform. It has been caused by the policies of the Democratic Labour Party. Barbados is a country that has a large range of social services that we value. It means

that the Minister of Finance must be in a position where he can depend each year upon a certain stability in the tax take that he realizes. But since 1986, **as** you know, the Government of Barbados beginning with its policies in 1986 reduced its take from income tax and incrementally increased its take through the indirect taxation system. That has put Barbados in a position where the country is virtually ungovernable and unmanageable. I will explain why. The Minister of Finance must be in a position where he must both be able to protect the public purse as well as to protect the balance of payments. He must never be put in a position where in trying to protect one he hurts the other or where he cannot protect one because he will hurt the other. Let me, explain, Sir, what that means. As it presently stands now the Minister of Finance finds himself in a position where he is relying heavily upon taxes on consumption for his revenue. But he is at the same time pursuing policies designed to reduce consumption in the country because he has to protect the balance of payments. He therefore finds himself in a box of bricks. His system forces the Ministry of Finance to depend upon taxes on consumption for revenue but protection of the balance of payments at the same time requires that consumption should be compressed. Therefore you have this anomalous situation where the balance of payments protection policies require one thing but the demand for revenue requires something else.

5.10 p.m.

The taxation system of Barbados, Mr. Speaker, therefore has to be changed with a view to bringing back some sense of balance between direct and indirect taxes, in the country.

In reference to that point, Sir, this business about increasing the rate of taxes on goods in Barbados is a policy that has shown itself to be counter-productive. It is a policy that has served to drive a lot of the economy underground. And as a result Barbados must commit itself to having a wider range of goods and services that must attract tax but the rate of tax must not be high or prohibitive. You need low, uniform rates of taxes on a wider range of goods in this country. That is the kind of tax reform that must be undertaken. This business about having 100 per cent of tax on commodities just forces people to beat the system, it makes criminals of the ordinary Barbadian and it is something which for the good of the country must be stopped.

The Barbados Labour Party fundamentally believes that must be the direction of change in our taxation effort but we cannot hear from the Minister of Finance a clear articulation as to what he would want to do.

I also fundamentally believe, Mr. Speaker, that the requirements of Barbados' development at this time and for the future will require that there must be some process

of privatisation. The Barbados Labour Party Manifesto commits us to that particular point of view, Sir, there must be privatisation, not just for economic reasons but we must, as politicians bring a new dispensation to the people of Barbados. The business of politicians being employers of first resort and last resort must become a thing of the past. Politicians, Mr. Speaker, do not have the ability to create jobs but across Barbados there is the perception that we can all create jobs day by day because there is a thing called the school meals to send people to or the Transport Board to send people to, or the National Housing to send people to and that must stop. Beyond that, Mr. Speaker, the requirements of Barbados at this time and for the future suggest that this country should use the moneys that have traditionally been to cover the losses of state corporations or to meet their expenses to create jobs in the rest of the economy.

I say, however, Mr. Speaker, that the manner in which this business of privatisation is being pursued by the Democratic Labour Party is something that leaves too much to chance and is being undertaken in an unstructured way. As far back as last year, September, I served notice that if the Government was to undertake a process of privatisation it should set up an office of privatisation in the Ministry of Finance in order to attend to what is a specialised task.

The Ministry of Finance has proceeded to sell off the shares of **BARTEL** and **BET** and it is now, as the Minister of Finance has said, only now setting up that office of privatisation. It is a clear case, Mr. Speaker, of shutting the gate to the stable after the horse has bolted.

It is also **true**, Mr. Speaker, that it is wrong for the Government to sell capital assets and use the proceeds of those capital assets only to pay bills as they fall due.

It is our submission, Sir, that if privatisation is to make sense at all, the proceeds from the sale of capital assets cannot just be used to pay bills on a month to month basis and only to pay debt. They should be put, in part, in a capital development fund so that the money we get from the sale of enterprises today can help to create assets in the economy to create further jobs sometime in the future. The Government seems to be bent purely upon this business of selling assets to date in order to meet housekeeping requirements of the immediate and is ignoring, Sir, the potential long-term benefits that can be realised from disposing of assets with a view to creating further assets in the future.

Mr. Speaker, in relation to the question of protectionism I want to say that there is need for a greater national balance to be brought to bear in this particular matter. Barbados is part of an uneven, unequal and unfair world. Every country in the world protects its industry. The

United States of America protects a large part of its agriculture. It is almost impossible for us to sell rum to the EEC despite the provisions of the **LOME** Convention because the EEC protects the alcohol industry. Japan, Mr. Speaker, has emerged as one of the strongest economies in the world by providing some of the most lavish protection to its domestic producers **as well as** to its **exporters**. I do not subscribe to the view that Barbados must dismantle all of the structures of protection for industry such as would seem to be the intention of Government as expressed in terms of the policy that the Minister of Finance has entered into through the Letter of Intent. The withdrawal of protection to the Barbadian manufacturers is not in and of itself going to cause them to go and become exporters overnight. If a man cannot compete against a Trinidadian good in Barbados he is not going to be able to go to Trinidad and compete against that same good. If a man cannot compete against an American good in Barbados he will not overnight be able to go to the United States of America and compete against those same goods. So the argument that is being advanced that there is a one and one relationship between the withdrawal of protection devices and the capacity of the country to immediately become an exporter is an argument that has no validity to it.

Having said that, Mr. Speaker, you also have to tell the productive sector of Barbados that the time has come as well for industries that have been receiving protection for long periods to begin to show some initiative and start exporting commodities at a level that is warranted by a long exposure in the industrial field.

I want to say to the House, Mr. Speaker, that it is a shame that Banks Breweries has been producing beer in Barbados for a number of years but it is one of the few industries producing beer in the Caribbean that has not developed an export capacity. We understand, Mr. Speaker, that there must be a level of protection granted to industries in this country. At the same time, excessive protectionism can place industry on **welfare** and cause industry to lack the kind of competitive edge that is necessary in order to become aggressive in an international environment. One cannot subscribe to the Government policy which says that there must be an overnight immediate withdrawal of concessions from the manufacturing sector of Barbados. It is going to lead to a loss of jobs. But Barbados must gear itself to the fact that if all producers are going to assist in the task of export earnings, then they must inculcate the habit of operating within the context of international standards of proficiency and international standards of efficiency and that cannot be brought about, I submit to the House by shielding them from imports.

5.20 p.m.

That cannot be brought about, I submit to the House, by shielding them indefinitely from competition with imports. I would urge upon the Government to pursue

the business of the withdrawal of concessions with a sense of discretion. The present course upon which the Government has embarked is going to cause an overnight collapse of manufacturing in the country. But there is scope for a compromise. I believe that the Government and the producers of Barbados should get together and, in a spirit of good faith, look at those industries that with a little more extension of concessions can develop the capacity to penetrate markets in CARICOM and the rest of the world and provide concessions to those industries, Sir. Where there are industries that have been on concessions for a long period of time and have shown no capacity or willingness to want to export, the country just simply has to say that enough is enough. I feel that unless we pursue that kind of policy in Barbados we are wasting time.

There are other matters, Mr. Speaker, raised in this Budget that are worthy of discussion. The Minister of Finance told us that this is a balanced Budget, but he has not done Barbados any favour. This Budget is a balanced budget not because the Minister of Finance independently wanted to bring a balanced budget to this House. It is because the Minister of Finance really has been transformed from being an errant school master to being an obedient schoolboy. Last year the Minister of Finance told us what was his judgment. He told us that left to himself he would reduce the deficit from the 6 per cent of GDP which he started with to 4 per cent of GDP. Every time you reduce the fiscal deficit by 1 per cent you are cutting down employment by \$35 million. Every time you cut the fiscal deficit by 1 per cent of GDP you are risking sending home the equivalent of \$35 million in wage earners. Last year we faced a situation where to begin with the deficit was 6.1 per cent of GDP. He was advised by his technicians to cut the deficit to 2.5 per cent of GDP but he came to the conclusion that such a reduction in the deficit in the course of one year would be too draconian. So he decided to cut the deficit to 4 per cent of GDP during the year. The IMF came to Barbados and told the Minister of Finance that despite what he wanted to do and despite the fact that he believed that cutting the deficit to 2 per cent would be too draconian, he had to cut the deficit to 1 per cent last year. As Paragraph 6 said, "The Government will cut the deficit to 1 per cent of GDP in 1991 and bring Government's operations into balance thereafter."

So that the Government has presented a balanced budget to this House not because the Minister of Finance wanted to balance the Budget but because the IMF said the Budget has to be balanced. Otherwise, there would have been no funds forthcoming from the International Monetary Fund. Paragraph 16 explains why the Minister of Finance has served notice that there has to be tax reform. The Minister of Finance is constantly telling us how wonderfully well his policies are working. If his taxes are serving the purposes for which he intends them, clearly he would not want to change them. The IMF has told him at

Paragraph 13 that over the course of the next 2 years the Government must take a tax reform programme aimed at broadening the tax base, removing disincentives to exports, and simplifying the tax system. It has also told him that the Government had in conjunction with the IADB to undertake a study of the income tax system and by the end of January 1992 specify the modification to the income tax system with a view to simplifying the income tax and broadening the base. It has also said at Paragraph 13 that the Government must also undertake a complete study of the general features of a consumption tax possibly in the form of a value added tax with a view to replacing the present array of consumption and excise duties in the latter part of 1992 and 1993.

The reason why the Minister of Finance has not been in the position to introduce those tax measures in this House, Sir, is because like in so many other things, he is not ready. This Minister of Finance has established a reputation for being a ditherer. We have seen it in his approach to the Granville Phillips Report which was prepared as a result of a budget mandate of 1986. The Granville Phillips Report recommended a comprehensive overhaul of the structure of corporation taxes in Barbados and it has been sitting on the Minister of Finance's desk since March 1987. Added to that, Sir, we know the Minister of Finance had before him recommendations to adjust all the schemes administered by the National Insurance Fund since 1987. He only moved to implement those adjustments when the IMF told him that he had to move.

We also know, Mr. Speaker, that the Minister of Finance has had in draft the Financial Institutions Bill since 1986 and he has only brought that new Financial Institutions Bill here last Monday six years after a large part of it was in draft. In the interval, Sir, Trade Confirmers collapsed without their being the capacity on the part of the Government to help the depositors in Trade Confirmers and also the BCCI collapsed without our being able to make reference to a substantial piece of legislation to resolve the interest of the depositors and the institution.

Mr. Speaker, the Minister of Finance said in the 1989 Budget that it was his intention to set up an International Business Companies Advisory Committee shortly. It took him 3 years to give effect to the concept of shortly. In the Budget of 1990, the Minister of Finance told this House and this country that Cabinet had studied the Landell Mills Report and it had in hand an action plan approved by Cabinet to save the sugar industry. In this Budget, the Minister again is telling us about an action plan to be approved by Cabinet to save the same sugar industry. I am saying this, Mr. Speaker, because I spoke earlier about structural adjustment. Structural adjustment in the first and final analysis, Mr. Speaker, requires economic leadership.

I am saying that we will not get structural adjustment from this Minister of Finance because this Minister of Finance, as he said, always proceed out of an abundance of caution. Indeed, Sir, I think the life history of this Minister of Finance can be told in a poem:

"There was a very cautious man
Who never romped nor played.
He never smoked.
He never drank nor even kissed a maid.
And when he passed away, they said
Insurance was denied.
For since he never, never lived
They said he never died."

I do not want, Mr. Speaker, to make fun of serious issues. This country is going to flop if the Minister of Finance does not understand that the business of economic management is not just about coming to policy conclusions.
5.30 p.m.

This country is going to collapse, Mr. Speaker, if the Minister of Finance does not understand as well that taking timely decisions is as important as the nature of the policies you want to implement. Barbados has suffered from the laid back, lackadaisical attitude of this Minister, who really does not have about him the business drive that is necessary to give effect to any set of policies for this country.

I could not leave this debate though without touching on two very important matters that have to be resolved if this country is to go forward. One is the role of the Central Bank. I attach, – as you will have recognised earlier, because I am prepared to support the incomes policy of the Government if it means no devaluation – a tremendous importance in any country maintaining the stability of its currency. There is nothing worse, Mr. Speaker, than having people save \$10 000 in 1980 with the belief that those \$10 000 mean something and then in 1990, because of irresponsible actions by a Central Bank or Minister of Finance, find that those \$10 000 mean nothing at all. We have seen it happen in Caribbean countries where people accumulated savings with a view to living the end of their lives in relative comfort to thereafter find that because of the erratic policies of the Central Bank the value of the currency means nothing.

The Central Bank's principal responsibility is to maintain the stability of the currency of Barbados, and there are laws that have been put in place to prevent the Central Bank from allowing any Government to abuse the capacity of the Central Bank in that important respect. I want to refer you to what those laws are. Under section 47 of the Central Bank Act, it says:

"The Bank shall be consulted by –

- (a) the Minister on the total amount of credit to be extended by the Bank to the Government during the Government's financial year;
- (b) the Government, its institutions and agencies, and statutory boards at any time when either domestic or foreign credit operations are contemplated and in the event that, in the opinion of the Bank, such operations individually or collectively appear to be of a magnitude inappropriate to prevailing economic conditions, the Bank shall report to the Minister, drawing attention to the situation and recommending measures to remedy the situation."

Then section 49 says:

- "(1) If, after consultation with the Bank, the Minister is of the opinion that the policies being pursued by the Bank are not adequate for, or conducive to, the achievement of the purposes of the Bank as set out in section 5, the Minister may issue a written order to the Bank determining the policy to be adopted by the Bank, and the Bank shall thereupon give effect to that policy while the order remains in operation.
- (2) The order acknowledging the Government's assumption of responsibility for the policy shall be published forthwith in the Official Gazette."

It means that at the start of every year the Government and the Central Bank should meet and agree on the amount of credit the Central Bank can extend to the Government, but if the amount of credit the Government wants from the Central Bank exceeds at any time during the course of the year thereafter the amount that had been agreed to, to begin with, or exceed legal limits, the Bank has a responsibility to tell the Minister that what he is doing is unlawful and that the Minister can only get that kind of credit from the Central Bank of Barbados if he publishes the order in the Official Gazette to the effect that the Ministry of Finance is assuming responsibility for causing the Central Bank to go over the limit as established by law.

I cannot find any evidence that in the course of the last nine months when the Central Bank has been consistently exceeding its legal overdraft limit that the

Prime Minister and Minister of Finance has published in the Official Gazette any order acknowledging Government's responsibility for causing the Bank to exceed its legal limits. I am saying that the Central Bank has a responsibility therefore to operate within the law and that those officials at the Central Bank who have been accomplices with the Prime Minister in breaching the laws of this country ought to resign as a matter of principle.

I am also saying, Mr. Speaker, and I also want to make this point, that I am very disturbed by the environment within which economic policy in this country is now being conducted. I am very disturbed, Sir, because the Government of Barbados seems to have declared war on the private sector. The Minister of Finance seems to have reserved for himself the right to respond with vengeance towards the persons in the private sector who have expressed views critical of his management, critical of his style of leadership and he is, in my view, wrong-headedly carrying Barbados in the direction where economic progress in this country cannot be attained, precisely because of a lack of co-operation between the private sector and the Government, engendered by the animosity of the Government toward the private sector. I am saying that Barbados at this stage of its development cannot afford to have a situation where the sense of revenge of a Minister of Finance stands in the way of the growth of the private sector of this country.

Certain remarks made by Mr. O. S. ARTHUR were ordered by Mr. SPEAKER to be expunged from the record at this stage.

Mr. O. S. ARTHUR: Mr. Speaker, I am appalled by the tone of the comments and the attacks levelled by the Minister of Agriculture against a former Director of Finance.

Mr. SPEAKER: Again, the rules are clear. The Honourable Member knows very well he cannot speak of any Member from the Other Place in a debate in this Chamber. That is clear.
5.40 p.m.

Mr. O. S. ARTHUR: Mr. Speaker, I am appalled by the lawless nature of the attacks levelled by the Minister of Agriculture on a certain leading member of the private sector of this country.

Mr. SPEAKER: It is the same thing. You are referring to a Member from the other place.

Asides.

Mr. SPEAKER: Order, please. Rule 28(9):

"The conduct of Her Majesty the Queen, Members of the Royal Family, Her Excellency the Governor-General, Members of either House of Parliament, Judges, or the performance of judicial functions by any person may not be referred to except upon a substantive motion."

Mr. O. S. ARTHUR: In his official capacity, Sir.

Mr. SPEAKER: That was not a motion. No motion was given.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am prepared to abide by your ruling.

Mr. SPEAKER: The House's rules, not my rules.

Mr. O. S. ARTHUR: I want to say, Sir, that it does not lend itself to healthy relationships in this society for persons who are pensioners and holding management position in certain institutions to condemn other institutions for employing pensioners. It is not fair, Mr. Speaker, for persons to criticise other persons in the society for having the courage if they cannot get along with their immediate supervisors for emitting office, when in the institution of which that person is a member they are other people who cannot get along with their supervisor but do not have the courage to stand up for their convictions.

Certain remarks made by the Honourable Member for St. Peter were ordered to be expunged from the record by Mr. SPEAKER.

Mr. O. S. ARTHUR: Mr. Speaker, Barbados' economic prospects cannot be enhanced by an atmosphere of disharmony engendered by rash statements. I would urge all persons responsible for policy formulation to recognise that in the interest of national development we must temper the kind of strictures levelled upon persons who do not enjoy privileged positions.

I want to conclude this debate in a personal capacity. I have very fundamental decisions to make in my personal life. I have to weigh very carefully whether it is possible for me to continue in politics. This might well be the last occasion that I have the capacity to address this House in this form. I have spoken haltingly today because politics for me is a very painful experience. Much as I would like to continue in politics, there comes a time when a person has to measure what he wants to do with his life and I believe that that time has come for me. It might well be, Mr. Speaker that this is the last time I will speak to this House in the capacity of a Shadow Minister of Finance. I have no intentions of crossing the Floor.

I just want to say that the question of how I live as a person is a very important matter to me. I have had the

experience early this year of having been qualified to work with the Government of Grenada as a consultant for 3 months and then, could not be gainfully employed in that occupation because a regional institution determined that because I am a politician I cannot practise in my profession.

Mr. Speaker, I speak with a certain emotion because politics have become for me too difficult a burden to carry. I find myself in a position where the strain of living in this country purely as a Shadow Minister of Finance and not being able to make a gainful employment in a country purely because one is a member of an opposition is too heavy a price to carry. Frankly, I have come to the point where I have to acknowledge this.

I apologise to the House if my contribution today has been distracted, but reality has settled and I will have to take very fundamental private decisions on my own life which may sometime in the future mean that I will have to give up my political career. I thank the House, Mr. Speaker, for having entertained my contribution in this Parliament. I would have wished if it were more clear. I want to say that the survival of the Barbados economy and its prosperity are matters that are so fundamental to all of us that we must not fail the country at this juncture. I know more personally than anybody in this House, as I have consistently said, what it means to live in a country which has collapsed.
5.50 p.m.

I trust that this debate in which the future of Barbados has to be adjudicated upon can be informed by constructive comments, Sir, befitting the responsibility that has fallen upon a group of 28 black people in the year 1992.

I am obliged to you, Sir.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, we have in this Budget debate so far been treated by and large to a high level of discussion of the principle features of the economic strategy that Barbados should pursue over the next decade or so.

The Honourable Member for St. Peter has been quite generous, in a sense, in the comments that he has made. Even though I do not agree with all that he said, I wish to begin by thanking him for the level of debate that has ensued, based on the very high standard of the presentation that was made on Tuesday.

The Honourable Member for St. Peter indicated very early in his speech that he would, in fact, likely ruffle some feathers. He delivered himself of what, in modern times, would be akin in the time of the great playwright

Shakespeare of a soliloquy. A soliloquy is when one speaks to oneself. The reason why I am saying he **was** speaking to himself when he delivered that particular **part** of his speech is because it was clear that, as he indicated, he would not pursue the strictly partisan rancour of a political debate, which you would not allow in here, Sir, anyway. His colleagues, not all of them, but the **majority** of them, were obviously concerned that he would have pitched the debate far too high for them to proceed. I only wish to say that if this debate degenerates from the high standards that...

Mr. SPEAKER: Order please. I am sure that Honourable Members have heard me say on many occasions that the sensitivity of the microphones are of such that I cannot allow Honourable Members to shout across the Chamber. Furthermore, I have only allowed one Member to speak. He should continue to do so. Just as I allowed the Honourable Member for St. Peter complete compliance in this Chamber in his address, I will allow the Honourable Member for St. John to do so likewise.

Hon. D. J. H. THOMPSON: Well, Sir, you know my position in here. I have not identified anybody. Who the cap fits, they may wear it. I am putting a challenge to the House and I would say all of his colleagues in the House, because he **said all** 28 of the persons in this House. If the debate degenerates from the standard that the 2 principal speakers so far have set, in terms of the general policy that they feel should be pursued, then, in fact, all that he has said about politics **in** Barbados would be **true**.

He began by saying that this debate is about the future of Barbados. **All** of the Budget debates in Barbados have, in a sense, been about the future. It is just that people from his **generation** and, to some extent mine, which might include most of **the** other Honourable Members of this House if they can squeeze themselves into that era, would recognise that there have been some timorous souls at times who have been responsible for executing financial policy over the decades. The departure came last year. There is no two ways about it.

The Government found itself in a **particularly** difficult economic situation which required the application of policies principally, in the initial stages, to stabilise the Barbadian economy. It has introduced those policies amidst considerable criticism, considerable lack of overall consensus and is now, by way of this particular budgetary presentation on the advance to introducing the structural reforms of the structural adjustment programme. The period that we have passed through, 1991-92, related to the process of stabilisation.

Let us not fool ourselves. Anybody can produce a World Bank Aide **Memoire**, a Central Bank Aide **Memoire** – they can produce any document in here. The question of structural adjustment did not begin to be debated in

Barbados in 1990. If there is one fault I have with the presentation of the Honourable Member for St. Peter, it might be that the impression may have been conveyed that the first time that structural adjustment of the Barbadian economy and the measures that should be taken in relation to structural adjustment were discussed or finalised was in 1990. That is not so.

I have come to debates in this Chamber in the 1980s, and the 1980s are the era of the principal discussion of structural adjustment programmes. Throughout the 1980s in here at various times I have heard reference to the need for structural adjustment.

The Honourable Member who sits next to him, who for some time was Minister responsible for the major productive sectors in Barbados, in the 1980s both as Prime Minister and as Minister of Trade and Tourism, spoke of the need for structural adjustment. This is not a new ball game in terms of the concepts that underlie what is necessary to transform the Barbadian economy. I do not think that we were as aggressive in those days or carried out the reforms that were necessary then because, obviously, we had not yet been stung by the difficulties that this country has subsequently had to go through.

The Honourable Member for St. Peter outlines the basis of the needs for structural adjustment. It is like the foundations of a house which are weak and you, therefore, have to remove the entire structure, perhaps, set up some tents outside for the time being which are the safety net for those occupants of the house and reconstruct the house. Let us be frank about it that structural adjustment is not about tinkering. It is not simply about selective stimulation of sectors of the economy. I have no problem with that. That may be a perfectly legitimate economic concept.

The overall strategy of structural adjustment of the Barbadian economy and the advance of economic development in Barbados is not going to rest on any select sector stimulation. That may have worked in 1982 and that is debatable because there was no structural adjustment in 1982. That may work for some form of stabilisation or a short-term manoeuvre to help you through a period. Structural adjustment is more than singling out a sector and saying this will carry us through this period. It calls for a total transformation. At least, that is my understanding. Those are the two principal points on which I would take issue with the presentation of the Honourable Member for St. Peter.

By and large I wish to offer him the compliment that his presentation was pitched, I think, at a level that was useful to public debate. If it is his last presentation, which I doubt very much, and hope it will not, I am sure that it

would be marked by that level at which he pitched his argument. At about twenty-five minutes to six he shifted somewhat from that high ground. He did not complete the nose dive. But he shifted. I want to say that it is okay for us to say to persons in Barbados that they must temper the strictures. It is all right to say that now.
6.00 p.m.

But a year ago when this Administration was going through the process of implementing – not a year ago – last year. I am going to say last year, because at varying times during the year this happened. When we were going through the process of introducing tough economic measures, there was no call by anybody to temper the strictures which were levelled at this Administration, collectively at the union leadership, at the leadership of the country and all of those persons who are associated with this political party which has the task of running this country.

No call was made at that time to temper the strictures. And I am using the words that the Honourable Member uses because I am not sure that I agree exactly with the definition which he applies to the word "stricture". But the point is that that was 6 or 7 months of a constant harangue in the public forum. No discussion constructively of the economic issues in this country. Nobody asked for the tempering of strictures or for the building of consensus. Nobody concerned themselves with the pressure that the political directorate faced – which it is entitled to face – and which is part of the process of democracy.

Therefore now that this call is made, I hope that it is made with the genuineness – not of the Honourable Member because I know his genuineness – but I hope it is a call on behalf of his political party for a temperance of the strictures. I am hoping so. If it is not, I hope that some senior member of the Party will very early in the debate say that they disagree with that approach and they wish to continue the political harangue for as long as possible.

The stabilisation programme that we introduced has brought pain. We expect, as politicians, to be faced with the consequences of that pain and we accepted the pain.

The Honourable Member for St. Peter spoke about a number of things. When I look around Barbados at new initiatives I can only talk about those that I am associated with, when I was the Minister of Community Development which includes Youth Affairs. I look, for example, at initiatives like the Barbados Youth Service. People may not see the connection between the economy and these small initiatives but there is something important about it. He talked about a technological revolution. He talked about the importance of knowledge. He talked in his presentation about initiative. He talked about the importance of self, sufficiency and creativity in this era, about effi-

ciency and productivity. All of those things form part of the changed Barbados and the captains of industry that the Honourable Member for St. Peter talked about.

The educational system, as it stands, is not producing those captains of industry and we accept that. There is a need for an improvement in the technological training. But that technological training must also go hand in hand with an adjustment in the attitudes of people who are leaving these institutions where the training is provided. Young people in Barbados leave educational institutions with the ultimate objective of securing a job in Government, in as you said, the Transport Board or some Government agency. There are very few of them who have developed in their period of training or education at school the kind of initiative and creativity, the kind of independence, survival skills, the kinds of things that go hand in hand with the things they have learnt through the educational system that relate exclusively to the technology.

You give examples. A young person goes into business in Barbados. He is an odd man out. He is an odd man out principally because everybody else wishes to be employed in Government or in safe and secure employment. But he goes into business. He makes his first error and people brand him as a failure. If, of course, he is a black businessman there is a particular kind of branding that he is going to receive in the Barbadian community. We have to attack that kind of thinking. We have to reorient the thinking of young people about failure and what is failure in business and have them fix their minds on a star, that star which will be based on things like technological development, initiative, creativity and the whole range of other features that are necessary for the new Barbados.

We are hoping, in Government, to develop those initiatives that will seek to change the approach of young people to the question of employment and business, through initiatives like the Youth Service, the Youth in Business programme and others. When I look around me there is not the same kind of reluctance on my part to see something on the horizon that will mean a better Barbados or a more secure Barbados. We can identify those captains of industry and provide them with the resources that are necessary to make that advance, the new industrial class whose attitudes have to change before anything else changes.

In the past two Budgets an attempt was made to affect the stabilisation and to set the stage for structural adjustment. In this Budget which was presented on Tuesday the Minister of Finance set out the methods that Government will use. Those methods are analyzed and the initiatives over the next fiscal year are set out. Of course the Minister had another option. He could have presented no Budget.

Aside.

Hon. D. J. H. THOMPSON: That is nothing to laugh at. A Budget is not...

Aside.

Hon. D. J. H. THOMPSON: Well because your concept of a Budget is almost neanderthal. It is antediluvian. It is part of the old economic scenario where a Budget means imposing tax....

Aside.

Mr. SPEAKER: Order please. Just one moment. I have no difficulty in asking Members to restrain themselves. But I also have little difficulty in helping Members so to do. Please observe the Rules of the House. If I need to repeat it the only person who should be speaking at this time is the Honourable Member for St. John to whom I have given that permission. No other person should be speaking. Continue.

Hon. D. J. H. THOMPSON: I have given my view, Sir, of what a Budget is. The Honourable Member's view of it, as I said seems to be neanderthal. A Budget is an exercise in showing how you raise revenue and where you are going to apply taxes. I do not think that that would be the most enlightened – I do not want to say classical, because it certainly is not the classical approach either – approach to what a budgetary exercise is. A Budget, as I understand it, or the basis of it, particularly this one is to set out the programme that Government will implement to stimulate the productive sectors.

This Government is accused of never telling the House or the people of Barbados what it is doing. We are accused of never telling the people the direction the country is going in. And we are accused of not telling Barbadians how we would achieve structural adjustment. That is one of the perennial accusations that come from the Opposition and their agents, that the Government is withholding information, that it is not coming clean with the country, *et cetera*.

This Budget seeks to put this scenario relating to structural adjustment in a form that is understandable. There are people – not in this House – who accuse it of being akin to a Throne Speech and a policy statement. That is precisely what a budget is; it is a policy statement. It is a tool used by a Minister of Finance to indicate the direction that the country will go in over the next financial year. That is what a Budget is. It does not have to levy taxes to be a budget. If you were to judge what a Budget is merely by the fact that it imposes taxes or fails to impose taxes then you obviously would not have a clear definition or understanding of what the Budget is

about. I am certain the Honourable Member for St. Peter did not intend to go down that road and didn't. There are people outside and there are others who during the course of that presentation made statements to the effect that they felt the Budget says nothing.

6.10 p.m.

As a politician – I am not a technocrat, I have said so before and I am not an econometrician. I am a politician – I am supposed to be a social engineer, a person who is in the forefront of change and if somebody tells me what the broad macro approach to economic policy is, I am more interested in that and how that will be implemented than the question of the simple housekeeping measures and housekeeping exercises that sometimes take place and which are built up as big exercises in the budgetary process.

In 1986 we went through that scenario and we don't need to go through that again. We now have the overall picture based on this Budget and you are free to criticise it, you are free to condemn it if you wish. The public is free to take the information that is given and initiate discussion on Government policies. That is what I would like to see ensuing from this particular Budget and that is what I believe the aim and object of it is.

The second outstanding feature of the budget presentation this year is that the Opposition, in particular, the social partners and the public at large, can now, as I said, debate the merits and the demerits of the programme and certainly at the level which has been initiated by the Honourable Member.

So the Budget gives the public an opportunity now to analyse a whole range of issues which it raises and we don't have a monopoly on ideas in here. The fact that we are elected to Parliament places us in a particular category which requires us to be aware or more aware or astute or conscious, but it does not mean that we have the monopoly of ideas because there are people on the outside who sometimes have better ideas, both in the way in which to implement a policy and also in relation to the kind of policy that should be implemented. So let us not fool ourselves that because we have been elected to the House that we have all of the solutions and there is not to be that discussion.

The public can now discuss the usefulness of a value added tax. That can be discussed. It is up front. The Honourable Members on that side can now discuss it as did the Honourable Member for St. Peter, before its implementation. If we had implemented it without putting it on the Table for discussion you would have heard that this is a Government that does not believe in democracy, that it is a Government that does not inform the public of

its initiatives, that it shut the door after the horse has bolted, etc. Well there is always a certain shutting of the door after the horse has bolted in politics. Let us face that. But here you have the sweep of initiatives that Government wishes to take, on the Table, for you to debate them.

The relevance or importance of a national productivity board, that is something that can now be discussed. If that is not the means by which we can induce productivity in Barbados well you can suggest some other means. I believe that as many of those institutions as we can build, particularly relating to the productive sectors and cross sectoral consultations that we can build up and develop the easier will be the pace and method of the structural adjustment of the Barbadian economy.

The value of a privatisation unit. The Honourable Member for St. Peter suggested to me that this is a welcome development. He says it is a bit late but it is something he called for assuming it comes in the form that he wishes because one never knows with politicians. He has suggested that the proceeds of sale of shares be put into a capital assets fund. He knows why the proceeds of the sale of shares so far have not been applied to a capital assets fund and he has indicated that to the House. That is nothing for Government to deny. The Government has had to utilise some of the resources which it has got from the sale of shares in these publicly owned or quasi-publicly owned corporations and companies to assist it in meeting its obligations. Let us accept that. There is nobody on this side who will disagree with any formula which makes it easier for those funds to be placed or isolated in an uncontaminated portfolio or fund for the purpose of investment into the ...

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

Hon. D. J. H. THOMPSON: There is nobody who would argue with that particular development. The time has passed very quickly.

The efficacy of the tax reform. You have what the initiatives are and you should be able to discuss whether you think there is a particular bias or emphasis that the Government should introduce in relation to its tax reform.

The appropriateness of an incomes policy. That is something that is vital to our discussion and it is placed now on the Table for people to discuss it.

In relation to agriculture, the Government has indicated the direction that it is likely to take based on the Landell Mills Report and the Booker Tate Report. These are reports that the Opposition accuses the Government of keeping stuck on a table, sitting down gathering dust.

Aside.

Hon. D. J. H. THOMPSON: Yes, that is more like it. Those three minutes will come in handy. These are reports they said are sitting on a table with dust. I felt there was a wrong calculation there. In relation to agriculture and the availability of land to persons who have been displaced by the hard economic programme. Why isn't that something that can be commented on in the public forum? It is now being placed on the Table. Is it a worthwhile endeavour or is it not? So long as the Opposition can keep the debate at the level of analysing these initiatives instead of constantly criticising the Government for failing to enlighten the people on the developments that it proposes to take then we will have a debate which will go down in history as the most momentous following on the budgetary presentation.

The Honourable Member for the City had called some time ago for the retooling and retraining of the work force and Government has set out the initiatives that it proposes to take in this regard and I hope that she would be able during her presentation to outline whether she agrees or disagrees.

We have talked about public sector reform and reform in certain Government Statutory Corporations. I think I will end, Sir, this particular presentation, with a comment that was made in the course of his presentation to the Annual General Meeting of the Caribbean Development Bank in 1980 by Sir Neville Nicholls. He said, "If in a democratic society the population is going to be exposed to a relatively long period of repressed expectations, there will have to be a high degree of political consensus. In other words, adjustment programmes have to pass a test of political sustainability as well as that of economic and financial feasibility and more often it will entail a level of participation by a wide cross-section of the society including the cooperation of political adversaries in the planning of the adjustment programme."

6.20 p.m.

We are inviting the Opposition in this particular Budget debate, based on the presentations that have been made, to continue to join issue with us on this programme as part of that charge which I have just read. Now is the time and the opportunity for the Opposition and other people throughout Barbados at every level to join issue with us as a Government and to say whether you think the course that the Government is taking in relation to this structural adjustment programme is desirable. We must remember at all times to pitch the debate at a certain level at which the personalities and the politically inflammatory statement and the requirement for temperance of the strictures which the Honourable Member for St. Peter called for and, rightly so, should form a major part of that debate. In this Budget, I hope that we stick to those fundamental issues that have been raised and give the

public the opportunity to rise to that challenge which the Honourable Member for St. Peter made in what he said is his last presentation to this House. I can only assure him that, so long as God gives me breath, this will not be the last presentation for me.

Thank you very much, Mr. Speaker.

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

Mr. D. A. C. SIMMONS: Mr. Speaker, I will have to disappoint the Honourable Member who just spoke and sat down. We must get this debate back on keel, Sir. As I understand it, we are debating a resolution moved by the Honourable Prime Minister on Tuesday afternoon to this effect, Mr. Speaker:

"Be it resolved that this House notes Government's achievement during the year 1991/92 and gives its full support to Government's efforts to improve the performance of the economy and the standard of living of the country."

As I understand it, that is what we are here debating. I wish to deal with that Resolution and to submit to this Honourable House that I will not be in a position to support the Resolution as moved by the Honourable Prime Minister. Because at the very last moment on Tuesday, the Prime Minister tabled in here 2 documents of vital importance to this Resolution in this debate, which are the Central Bank Annual Report for 1991 and the Economic Report for 1991 prepared by the Ministry of Finance and Economic Affairs. The Resolution asks us to note Government's achievements during the year 1991/92. I just want to extract quickly, Sir, from the Central Bank Report certain salient features about Government's performance of the economy and the achievements of which the Prime Minister was so proud.

On page 3, it states that real output for 1991 is estimated to have declined by 4.1 per cent. The Barbados economy at page 4 experienced a second year of decline in 1991 as activity in the export sectors fell by 4.5 per cent. Sugar output fell to 65,680 tonnes in 1991 which was the lowest level in 60 years. Non-sugar agricultural output was well below the previous year's level for the first 3 quarters. Supplies of onions and cotton fell sharply by 14.1 per cent and 27.3 per cent respectively. Manufacturing output declined by 5.6 per cent in contrast to 2 per cent increase in the previous year. The manufacture of wearing apparel fell by another 24.4 per cent on top of the 32.9 per cent and 22.5 per cent declines registered in 1989 and 1990 respectively when this Honourable Prime Minister was Minister of Finance. Unemployment claims received by the National Insurance Board increased by 34.5 per cent in 1991 but rose by 83.8 per cent during the 4th quarter of 1991. Decline, decline, decline.

Those are the achievements that we are asked to note in this Resolution. Those are the matters that the Honourable Member for St. John would not wish us to debate with the public but camouflage in a lot of generalizations. I want to be specific, Mr. Speaker. The Honourable Member for St. Peter dignified the Honourable Prime Minister's "thing" in here on Tuesday as a budget. I am very serious. I was searching for a way to characterize it and it only came to me on my way to the House when I put a tape into the tape-deck of the car and came up with a tune, which is very popular in Trinidad this year and it was made exceptionally popular by the Mighty Duke. He was seeking to describe something and he could not find a word. He called it the "phung-un-nung".

Mr. SPEAKER: I am sure the Honourable Member...

Mr. D. A. C. SIMMONS: He said it was sweet, so I am not speaking pejoratively.

Mr. SPEAKER: We are speaking in English language as we understand it in here. I am not so sure what language that really is.

Mr. D. A. C. SIMMONS: I think it has Japanese connection.

Mr. SPEAKER: Well, then we cannot have it.

Mr. D. A. C. SIMMONS: I spelled it according to the English alphabet, Sir, and I claim that right.

Mr. SPEAKER: You would agree that I would still be at a disadvantage in terms of interpretation.

Mr. D. A. C. SIMMONS: Sir, we have used the French language in here and we have used Latin. I am only saying, Sir, that I have difficulty in describing what was passed to us on Tuesday as a Budget, elsewhere described as a non-event. I wish to say, Sir, that the Prime Minister has the ability persistently to disappoint Barbadians. In that regard, he has displayed the consistency of a leaking tap and I start at page 79 of his Budget Speech. He said these words:

"The vast majority of Barbadians have confidence in me and my Government. The only people whom I cannot persuade are those over there and their supporters."

I have been trying for a long time, Mr. Speaker, to persuade my colleagues on this side that the Honourable Prime Minister has somehow lost contact with reality and that citation convinces me. How could he say that the vast majority of Barbadians have confidence in him when on Tuesday we could count only 29 people in the public gallery and another 17 outside the gates of Parliament when he came in for the budgetary presentation? Where is

the show of support? Where is the demonstration of confidence in you and your Government?

Mr. Speaker, if we were searching for something to convince us that the Prime Minister is living in cloud coo-coo land in believing that he has this overwhelming support, we only have to recount the events of yesterday. One of his very colleagues expressed a total lack of confidence in him and quit the Cabinet which is led by him. Do you still continue to delude yourself into believing that you have widespread support in this country? If his own Members have no confidence in him, why should we in the Barbados Labour Party? Indeed, Sir, why should Barbados have confidence in him when his own members do not? Do you know why they do not have confidence, Mr. Speaker? It has to do with many things, one of which is the issue of credibility, the credibility of the Prime Minister and his Government.
6.30 p.m.

Exactly one year ago today, just before the Prime Minister wound up his budgetary exercise, no less a person than the Minister of Health, the garrulous one, said that the entire side over there, meaning us, travelled the length and breadth of Barbados and told the country "wolf, wolf, the IMF is next door." In his own words, Sir, "They predicted that if the Democratic Labour Party were returned to office there would be massive layoffs. Teachers, civil servants, MTW workers..." and he used these words, "and those magnificent men and women in the National Conservation Commission." That was April last year. By June we were by the door of the IMF knocking and two months before a Minister of that Government was castigating us on this side for warning the country of the impending disaster that would have been visited us by our entering an IMF programme.

Less than four months after the Honourable Minister made that attack on us 3 000 public workers went home and a similar amount in the private sector. Of those magnificent men and women in the NCC the Honourable Minister of Health spoke so feelingly about, he has sat in a Cabinet that has seen the dismissal of over 500 and 1200 from MTW. Those are the achievements we are called upon to debate in this Resolution moved on Tuesday. The Prime Minister asked us to note the achievements of the Government. We would be failing in our duty if we do not condescend upon specifics.

I say that this is about credibility. Yes, Mr. Speaker, the Honourable Member for St. Peter took the Central Bank to task, but who am I to believe when I read in the Central Bank Report at page 6 these words: "Among the minor food crops posting significant increases during 1991 were peanuts, hot pepper, cassava and okra." When I turn to page 53, Table 27, of the Economic Report laid by the Honourable Prime Minister, coming out of his Ministry,

which he must have seen, ought to have seen, and compare it with the Central Bank Report, not a kilogramme of peanuts. There is a dash, zero peanuts in Barbados in 1991. But a supposedly reputable institution like the Central Bank can say on page 6 that there were significant increases in peanut production in Barbados. Who am I to believe? Who must the public of Barbados believe in these matters? This redounds to credibility.

Barbadians will not forget that in 1990, leading up to the last election, this Government undertook largely out of its own current revenues the construction of a number of projects. **Sherbourne** had been started a little before, which I characterised in here once and which apparently is now hallowed as the museum of madness. They started the St. Thomas secondary school, they started the work at the **Holetown** Complex. High visibility content to give the public of Barbados the impression that they were doing something and all was well. By the time the election had come and gone decisions were taken to close down those projects, and now we have standing for all to see abandoned, incomplete projects started under the direction of the Minister of Finance. Does he want me to applaud that as an achievement? I would be failing in my duty to my country not to point it out as a disgrace, not an achievement.

In my constituency you have heard, Mr. Speaker, my several complaints and impassioned pleas for the Ministry of Health properly to manage the dump at Mangrove Pond. You have heard the assurances given by the Honourable Minister of Health, and last night my phone was ringing incessantly throughout the night with distressing calls from my constituents, particularly the residents of Arch Hall and **Bennetts** saying that the dump was again on fire. In a way, Sir, the true measure of the competence of this Minister of Finance and his Government is their inability properly to manage a simple thing like a garbage dump. The true measure of the competence of that Government is its inability for two and a half years to have the lights on the ABC Highway functioning, putting many people's lives at risk. They cannot get simple things done. Do you believe, Mr. **Speaker**, that they can get a complex economy to function? You do not have to answer that, Sir.

I say it is a matter of credibility. That Government promised on every page of its Manifesto, six months before we entered into an IMF programme, a bountiful Barbados. On every page you can see "... for a bountiful Barbados." What have we got? A promise that nothing could be cut, page 8 of their Manifesto: "What Can We Cut? If the capital works programmes are cut many businesses and workers will suffer, and the progress of the country will be seriously retarded." All of that, but by October they had even cut the people's salaries by 8%. I cannot comment any further on that. They promised a bountiful Barbados. My constituents in St. Thomas were looking forward to

getting their roads done, roads in **Arthur Seat** and **Jackson** are in a terrible state. Highway 2A passes through my constituency, but the work has collapsed.

My constituents have now to look forward to a long period of hopelessness, frustration and despair because the Government is broke, out of money and **ideas**. They have to look forward to pay cuts, more joblessness and the World Bank prediction that by the end of 1993 10 000 Barbadians will be below the poverty line. That is what this debate is about, the consequences of the measures taken by the Honourable Prime Minister and Minister of Finance.

It is not only about credibility, it is about insensitivity. On 11th February this year, Sir, with you in the Chair, the Honourable Prime Minister came into this Chamber and made a ministerial statement late in the night. "I am pleased to announce to this Honourable House that requests by Barbados to the IMF for a **standby** arrangement have been approved by the Executive Board of the Fund." The Minister of Finance and Prime Minister of Barbados said he was pleased to put Barbados into an IMF programme with all its attendant sorrow, distress, pain and suffering. I wonder if the Honourable Prime Minister is pleased that as a result of what the Honourable Member for St. Peter has said we could aptly be described now as a colony of the IMF.

6.40 p.m.

I wonder if he is pleased that he has to lay in here, not the Estimates of the DLP Government, but the estimates of IMF. I wonder if he is pleased about that. I wonder if he is pleased that the Economic Report, as a result of our involvement with the IMF, states that at the end of December unemployment in this country was 20%. Were you pleased with that? If you are pleased, do not forget your motto. Where is your pride? You cannot be pleased of it, but you are pleased to announce that you have put us in that programme.

Today the Honourable Member for St. Peter discussed privatisation; how we would like to see it **operate** from the perspective of the Barbados Labour Party. The Rt. Honourable Prime Minister addressed it in the "thing" that was delivered on Tuesday. As I understand, plans are afoot for the Transport Board to be privatised. I wonder if the Minister of Finance who has responsibility for the National Insurance Department has considered the implications of the judgment that has been registered by the National Insurance Department against the Transport Board on February 13 this year. The National Insurance Department registered an unpaid national insurance certificate against the Transport Board for not \$800 000 but \$8 200 707.40. I checked it twice to make sure that my eyes were seeing correctly. My mind boggled that a Government statutory

authority could have a judgment of that magnitude recorded against it. Such a shameful and disgraceful thing!

I am going to call on the 2 remaining unionists on the back bench. I want to hear them on this. They know the implications. The employer must deduct from the employees earnings and pay over. All of this cannot be attributable to the employer alone. I do not want to guess because I have no more information but the bare figures that part of that \$8 million represents collections deducted from workers which have not been paid over to the National Insurance.

In the midst of this – this is what is so hurtful – hundreds of Transport Board workers have gone home. They have to reduce the Transport Board to 800. As you know, I keep my things, Sir. You can say this one, since we are dealing with transport, came off the bus. It is dated March 20, 1992 from Ancil Grosvenor, Personnel Officer:

"To all Employees:

As you are aware the current economic and financial situation has necessitated the restructuring of the Board. This regrettably, has resulted in a number of posts being made redundant.

Unfortunately, the path for the future viability of the Board calls for further reduction in the staff complement.

In order to achieve this as painlessly as possible employees from within all categories, if they so desire, are hereby invited to opt for severance. The Personnel Department will be available for any consultation or queries which employees may have on this matter.

The Board does not bind itself to accept any or all of the options but your cooperation would be greatly appreciated."

I make it a document of the House, Mr. Speaker. They are asking people to opt for voluntary redundancy.

What will happen? Will these people get their severance, all these hundreds of workers? Does the Transport Board have the money to pay the people who have gone, and those who are to go, their severance entitlement? If the Transport Board does not have the wherewithal, the Severance Fund has to pay those workers. Does the Severance Fund have the money to pay those severance claims? I want the Rt. Honourable Prime Minister when he replies to answer my specific question. Not to dodge me as he has done in the past. This is about human beings and I want the answers.

If the employer has defaulted in paying the contributions over, you could as well get a paper judgement for severance because they won't entertain you if your employer has not paid up its contributions. Mr. Speaker, this is a very serious matter. "A statutory authority" in the language of Lord Denning, many years ago, "must behave according to the highest standards of probity" because it is part of the **public** sector and it is as though it were an **arm** of Government. This is disgraceful. It is a **criminal** offence to deduct national insurance contributions and not pay them in. I want to know who will be prosecuted at the Transport Board for not paying in these people's national insurance contributions.

Sir, there is another aspect to it. I am talking about insensitivity. Not so long ago this Prime Minister presided over the National Insurance Department which published the names of little people in this country who owed \$1500 or \$2000, embarrassing and humiliating small people. I have no compunction – I have a public duty – in exposing the Transport Board as being the biggest defaulter. Criminality. It is the encouragement of lawlessness. We have always charged that in some cases this Government and in some cases its agents, have behaved in an "apparently lawless manner" – not my words.

I call on the unionists who represent Transport Board workers to look into my allegation and ensure that the interests and rights of the workers are thoroughly and properly protected. Mr. Speaker, the thing that **was** introduced in here on Tuesday promised a restructuring of the Tourist Board and the creation of an executive type board. You must tell us the real truth **and** the real truth is quite simple and not far to find. It is that Government is trying to devise a mechanism to give a full time job to one of the DLP feathered stock, but who paradoxically rejoices in the very queer sobriquet of "salt fish".
6.50 p.m.

They promised a lot about productivity. I think it appears on page 41. I was attracted to this statement of the Honourable Prime Minister:

"Productivity is the **amount** of output generated by a given unit of input. It is the ratio of output to input."

If that were applied on that side, you know what you would find, Sir? The ratio of output to input would be that we passed through a whole week of Estimates debate in here and one Member on that side did not speak at all. He did not make one 15-minute intervention in the whole week and yesterday for his silence his wages have been rewarded. He has come forward to the front bench. The Honourable Member for St. Michael South Central did not speak at all and has been promoted. The minister of silence has been promoted now. **Input** and out. I say no more, Sir. **No. output** but plenty input.

We are not joking. I am dramatising it. Do you know why, Sir? Thousands of little people out there have had their jobs cut. They have had to go home. As a gesture the Prime Minister of this country refuses to slim even the political members he has some control over. We will have to deal with that – a pure political matter – on the platforms when I can be freer to let the country really know how I feel.

Mr. SPEAKER: You think you have earned yourself an extra minute?

Mr. D. A. C. SIMMONS: I have to wind up now, Sir. I was checking the time. We on this side cannot support the Resolution. I have to vote against it because I have no confidence in the Prime Minister and his Government. In fact the Government deserves to fall. It stumbles from crisis to crisis, yesterday's events being the latest. But, of course, yesterday was All Fools' Day so anything that was done on that side might have been done in full recognition of the fact that April 1 has a special nomenclature and connotation.

The Prime Minister does not need to worry, Mr. Speaker. His place in history is assured. He is our fourth Prime Minister since Independence. True. He has been our worst Minister of Finance and our worst Prime Minister ever. Let history record that. That is his contribution.

I am much obliged to you, Mr. Speaker.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that this sitting be suspended until 8 o'clock this evening.

The question that the sitting be suspended until 8:00 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly.
6.55 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member for Christ Church West Central.

Hon. M. A. KING: Mr. Speaker, the Resolution which is before this House asks this House not only to note Government's achievements during the year 1991-92 but also to give full support to Government's efforts to improve the performance of the economy and the standard of living of the country. The Honourable Member for St. Thomas in the course of his address took the opportunity, of course, to deal with the first part of the Resolution but did not touch on the second part. He took the opportunity,

like any good politician would do, to slip in a number of constituency matters. Perhaps it was very convenient for him that the fire in the dump began last night.

The Honourable Member also made reference to the Transport Board. I suppose one may feel that some attempt may have been made to make the workers somewhat concerned about the state of their severance. I believe there are 1 or 2 decisions of severance payment tribunals in Barbados where employers are treated for the purpose of the legislation as being agents for the fund. The fact that monies of the employees may have been deducted by the employer and not paid over to the Fund may not necessarily result in those persons not being able to benefit from the severance payment awards because, as I said, I believe there are a number of decisions locally which indicate that the employer, in those circumstances, would be acting as agent for the Fund. Those workers at the Transport Board who have been given the option of severance need not have any fear about their getting severance payments because I believe the law would protect them in this regard.

I suppose one can sum up my comments on the presentation by the Honourable Member for St. Thomas in this phrase by urging him not to look back in anger at what has happened but let us rather look forward to what is necessary to ensure that the economy of the country is put on the right track and we move ahead.

The Financial Statement and Budgetary Proposals of the Minister of Finance obviously relate to the programme to improve the performance of the economy which is, admittedly, not performing at its optimum. The Honourable Member for St. Thomas is not telling us anything new when he points out areas where the economy has not been performing at its optimum. That is taken as a given. Our mission has to be to move forward from that point and see how best we can take steps to revive the economy of this country.

I suggest that the Honourable Member for St. Thomas would do well to remember the statement of the Honourable Member for St. Peter when he said that in 1982 the Barbados Labour Party Government was faced with a condition – I am quoting his words because I took the trouble to write them down – that was not dissimilar to the one which we are faced with now. If you recognise that in 1982 a government was faced with a similar problem, it is not necessary then for us to go and look back in anger to how we got here.

The Honourable Member for St. Peter went on to make the point that his response to this problem would have been different if the Barbados Labour Party's response was different. He talked in terms of selective stimulation of various sectoral divisions. He lamented

in that context what he perceived to be the position of the Minister of Finance on this occasion in making cuts across the board. One has to recognise, and I think the Honourable Member for St. Peter recognises this, that the entire structural adjustment programme for the recovery of the economy is not yet fully in place. When one analyses the presentation of the Honourable Member for St. Peter, one recognises that in the course of his presentation there were certain fundamental areas of agreement. He spoke of an incomes policy which is being pursued by this Government. He said he had no difficulty whatsoever with the incomes policy being pursued by this Government. He talked in terms of increases in income being related to increases in productivity. That is, in fact, the position which has been taken by the Minister of Finance.

8.05 p.m.

Of course the Honourable Member for St. Peter had to get in a political position when he said that he had certain differences with the Minister of Finance, in relation to how he put and explained the incomes policy. But in essence what we have, the bottom line is that there is basic agreement between the two sides or certainly between the Honourable Member for St. Peter and the Government on the need for an incomes policy and the effective prosecution of an incomes policy where increases in income are tied to the concept of increasing productivity. I do not suppose that anyone can reasonably argue with that, as part of the programme of the way forward.

The other area in respect of which the Honourable Member for St. Peter agreed with the Minister of Finance was in relation to the programme for tax reform, the need for **tax** reform. The Honourable Member for St. Peter, like a good politician of course, then, realizing that the Minister of Finance would have certain proposals in relation to **tax** reform, the Budgetary Proposals and the Financial Statement indicated that this was an area which had to be considered. The details clearly had not been given in the Financial Statement and Budgetary Proposals. But the Honourable Member for St. Peter thought that he would make a pre-emptive strike and say, for the first time, what the Labour Party's position was in relation to tax reform.

The Honourable Member for St. Peter took the occasion to say what their proposals would be, in relation to **tax** reform but again the bottom line is that there is agreement on the need for tax reform. Another area in respect of which there is agreement on all sides, is in relation to privatisation. There may be differences as to how that proceeds in objective terms. I do not suppose one can be critical of the position taken by the Member for St. Peter that the proceeds of the sale of assets should go into a fund – this is the optimum position – which would then be used to create further assets for the country. That is the optimum position. But sometimes one cannot always

achieve the optimum position. There are occasions where other courses of action need to be pursued.

But the point I am making, Mr. Speaker, is that when the Honourable Member for St. Peter speaks as an economist, as he said he was going to do, there are areas where there can be substantial agreement on the way forward. Those **are** the areas with which we have to concern ourselves. Everyone has made the point that the country has gone through some hard times. There is a bitter medicine which has to be applied to remedy the problem we have. There has been, unfortunately, the necessity to reduce wages in the public sector, wages and salaries. There have been lay-offs with the consequential social cost which these measures create.

But these hard times which have come upon us we should see, I suggest, Mr. Speaker, not as an obstacle to progress but as a challenge which we need to overcome if we are to progress and develop in this country. So that we, as a people have, I suggest, some very serious decisions which we need to make in our lives. There are, I suggest, serious reforms and attitudes which we need to **ensure** that our people have. Traditionally, as a people we have become accustomed to the adversarial procedure. In our courts we know of the adversarial procedure where there is counsel on both sides of the line and each puts his case very aggressively on behalf of his client. In Parliament we have the adversarial procedure. This is a tradition with which we have lived and it is a tradition with which the Barbadian public has become accustomed.

It is a good procedure I suggest, Mr. Speaker, but there can be occasions where it can be taken too far, when the adversarial techniques become too confrontational, where they become counter productive, where they become obstructionist, and where they create in the minds of people a defeatist attitude and where sometimes in the minds of the principal players you find that a defeatist attitude may be created.

I suggest it is for the major players in the development process to **look** at themselves carefully, analytically. I am talking about players in business, players in Government, players in the unions. We all have to look at ourselves very critically and recognize that if we are to move forward it is not business as usual in relation to our attitudes to a whole variety of issues and that we have to change our attitudes, change our strategies, change our techniques.

The Minister of Finance in his statement has made reference to proposals for a programme of administrative reform in the Public Service. Apart from the fact that this is part of the Government's commitment under the Letter of Intent with the International Monetary Fund, it is

clear that an early conclusion of this programme is vital to the development of this country. Not only in Government is there need for administrative reform but clearly in business and among the unions themselves. They have to look at their administrative procedures, they have to look at their managerial procedures, to look at themselves very critically and ensure that all those procedures are brought into the Twenty-first Century so to speak, so that development can proceed with the effectiveness with which it should proceed.

Looking from the perspective of the Public Service, it must be clear that if the public service is inefficient and the private sector is an efficient operation it must be clear that the effectiveness in the Public Service can, in some areas, frustrate the effective programme for the productive sectors. So that altogether all areas of Government business and union activity have to be rationalized and have to be updated and modernized, if we are to cope with the development which is so necessary, as we approach the Twenty-first Century.

I understand very clearly, Mr. Speaker, the complaints from time to time which have been made about bureaucratic delays. All Government departments tend to be guilty of some delays, from time to time and part of the reform process obviously has to be to devise measures of dealing effectively with processing enquiries speedily which come to Government departments, the process of decision making, the process of carrying out those decisions once they have been made. Those of us who look at CARICOM will recognize that one of the problems which has bedevilled CARICOM down through the years is that the process of implementing decisions of Heads of Government reached at the various meetings is one of the areas which has always created problems for the progress of CARICOM.
8.15 p.m.

Now I can hear the argument being made that all of this is 'old hat'. We have heard this before so what's new? Clearly what's new, Mr. Speaker, is that we are in a new environment. As we approach the twenty-first century there have been a lot of changes in the world and sometimes it is necessary if we are to catch up and meet those changes to restate the obvious. There has to be a greater sense of urgency and we have to recognise, and I think, all of us know that our survival as a nation, as a people, depends on the success which we can achieve in modernising our own thought processes or procedures in order to cope with the challenges which we must clearly face. So that reforms I suggest, Mr. Speaker, and I don't think anyone takes issue with this, in all these areas are very critical and we should not just dismiss the statements in this regard as 'old hat' but our mission must be to ensure that the challenge succeeds.

Now, as part of the Government's programme to deal effectively with this whole new dimension so to speak, and to ensure that the foreign exchange earnings capacity of this country is streamlined and modernised, Government did set up what has been called a Foreign Exchange Committee which is a committee of Ministers under the Chairmanship of the Minister of Foreign Affairs. The other Ministers who form part of that Committee are the Ministers of Agriculture, Trade, Industry and Commerce, Tourism and the Ministry of Finance is also part of that. The Central Bank is a part of that Committee and the Director of Finance and Planning and the principal officers in the productive ministries.

A very important part of the dimension of the Foreign Exchange Committee and of the work that it does, Mr. Speaker, is that it also involves the private sector organisations which are related to foreign exchange earnings, like the officials, the tourism people, the financial services, the manufacturers, the sugar industry as well, and all those persons who are involved in any way in earning foreign exchange. The Committee has been given a mandate to come up with an overall comprehensive programme for marketing Barbados overseas and also for ensuring that any constraints to foreign exchange earnings which may exist are effectively removed.

One of the essential things that it does is to provide a forum for dialogue and consultation between the Government and the private sector. We want to give this Committee all the support which is necessary and in order to do that we want to ensure that all the appropriate political direction and guidance and participation is always there and that is why the Ministers of Government always participate in the process.

Apart from the process of consultation locally to which we pay the highest possible regard, what the Foreign Exchange Committee also aims to do is to ensure that the Government's promotional activities abroad are effectively coordinated and properly organised. Again I may hear the argument that this is 'old hat' and it has been tried already.

I say these are critical times, Mr. Speaker. There must be a sense of urgency in ensuring that this work is now effectively and properly accomplished. As I made the point before we want to ensure that is done by giving the appropriate political direction by participating at regular intervals in the work of the Committee. So that from that perspective then, we want to ensure that the work of the Foreign Service has a more focussed orientation in the area of economic development. To this end obviously we want to ensure that our missions abroad are located in the most appropriate places and that its personnel are the type of persons who can effectively promote the country's interest abroad.

One of the specific programmes which we think has to be given adequate and appropriate attention of course is how best we can use our Barbadian community overseas effectively. We have tended in the past not to involve the Barbadian communities overseas as effectively as possible in the development of our country. There are large Barbadian communities in the United Kingdom, in the United States of America and in Canada. There is a whole new generation of Barbadians in these major countries who are anxious and willing to contribute to the development of their countries. A number of them want to see how they can benefit from participating in the economic activity of their homeland.

The mission of the Foreign Ministry has to ensure that effective attention is paid to providing the opportunity for this participation to take place. In some of the capitals, where we have missions, we have already assigned a number of Foreign Service officers with specific responsibility for economic activity. We have an officer already in London and one in Caracas and we clearly recognise that in order for the business of the Foreign Ministry in this regard to be successful that a tremendous national effort on our part is required. So we place great emphasis on the work which the foreign exchange committee is doing, not only from the point of view of the work which it can do in relation to the overseas aspect of the promotion of industry and commerce for the country, but also from the point of view that it can provide an adequate and effective forum for meeting with the important players in private industry locally, that we can hear the proposals which they have to make, that dialogue can take place with them and that they can have an adequate location for effective consultation with departments of Government.

Against that background, Mr. Speaker, I suggest that we all have to recognise that all of us in this country have a part to play if we are to ensure that the development of this country proceeds in the way in which we want it to proceed. What we have to ensure is that all of us, at all levels, make a contribution to the development of our country. I would like to urge the public of Barbados that wherever possible they should buy local, concentrate on supporting Barbados industries and development and that way each and everyone of us can make a contribution to the development of this country to the saving of foreign exchange and to righting the economy which will take us forward into the twenty-first century.

With those comments, Mr. Speaker, I have no difficulty at all in supporting the Resolution which is now before this House and would urge Honourable Members to support fully Government's efforts as indicated in the Budgetary Proposals to improve the performance of the economy and the standard of living of this country. Thank you.

8.25 p.m.

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

Mr. L. R. TULL: Mr. Speaker, I must state from the outset that I have no intention of voting for this Resolution. It is a resolution that asks the House to note the achievements of the Government during the year 1991/92 and to give its full support to the Government's efforts to improve the performance of the economy and the standard of living in the country.

Mr. Speaker, these are not ordinary times and business as usual, therefore, cannot be in order. The Minister of Finance 2 days ago came before Parliament and he gave a statement about a number of things relating to the background of the economic situation in Barbados. Much of it was discussed as if these were ordinary times but they are not ordinary times by any means. These are times, Mr. Speaker, when there is great social malaise in this country. Indeed, there is social devastation and there is rampant crime, joblessness, victimization and the whiff of corruption in high places. There is a lot of strain on families at the point where there is even fracture in families. We have joblessness, lay-offs, hopelessness, increase in the cost of living and more. We see the dismantling, not even subtly but openly, of the social security system. We see the breakdown of welfare and the Government's reneging on its social compact with the people to provide certain things for them in these circumstances. This is why I say these are not ordinary times, Sir. These are extremely difficult times and a debate such as this must take place, Mr. Speaker, in the context of the difficulties with which we are confronted.

This Government has presided over the most dramatic increase in the rate of crime ever in the history of Barbados, where people in this country are afraid to sit on their veranda at night, where they are afraid to go out in the evenings to church, social meetings, sports or even to take a stroll. That is the situation in which we are finding ourselves tonight. I am also turning to the question of the state of the economy of Barbados and the financial mismanagement of the affairs of this country. It must not be felt, Mr. Speaker, that all these ills in society bear no relation at all to the state of the economy and the state of Government's finances in this country. We cannot fool ourselves that it has nothing to do with the rapid rise in the rate of unemployment. We cannot fool ourselves that it has nothing to do with the large number of lay-offs among low income workers because that is the area where most of the jobs are lost. We cannot pretend that it has nothing to do with victimization. We cannot pretend that it has nothing to do with the loss of morale both in the private and public sectors among workers who are no longer sure of job security. Sir, all of these constitute the background against which we speak. What do we see at a time when people in

this country need more from Government because of the difficult economic times? They are, in fact, getting less and I will deal with that a moment later in my contribution.

There is crisis in the health services and there is also crisis in education. I must say that a large number of children in the schools are going through their years of schooling as one prolonged yawn. They are bored by what is sewed up. The curriculum is unsuited to their aspirations. There is no relationship between what they are taught and what they require for the job market. There is not that logical link between the two. The blinding pace of development in this country and in the world, Sir, makes it necessary that we do an adjustment to our education and training methods. The Government sits back and allow everything to run pass what is happening in education and the training systems in this country. In other words, Sir, we are not preparing ourselves for the very challenges that everybody is talking about. Words fall easily from the lips of Members from the other side. They talk about their plans.

Sir, what is the answer to all of this background which I paint? There is the cataclysmic drop in the standard of living and the fall off in the quality of life for Barbadians at all levels. What has happened in the past year 1991/92 of which this Resolution speaks about supporting Government's efforts to improve the performance of the economy? The Minister of Finance came 2 days ago and he gave us what he perceives as the answer for this particular period. I am submitting, Mr. Speaker, that the statement was one of monumental nothingness. That is what it was. Everybody has made their comment about it. We have listened while the Minister of Finance gave us a cliché-ridden, platitudinous statement about a number of elementary things that most of us have heard over and over again. We hear nothing of an action programme to reverse the difficulties that we are finding and I do not consider what I see as the summary at the end of the statement from the Right Honourable Member as indicative as any agenda for action. Sir, we heard a lot of finger pointing and it seems to me that the Minister of Finance has his feet rooted in the past and he cannot seem to get them out. People are concerned about what is happening in 1992, 1993, and 1994. They have seen all that they have worked for and achieved in being threatened. All we can hear constantly from the Government is what happened in 1982. Judgment has already been passed on what happened in 1982. We are now into 1992 and I speak, Sir, for a whole range of people across this country. The middle class who are being pauperized by the programmes of the Government and the poor are being made destitute as a result of the programmes of the Government. People are going to sleep hungry in Barbados these days. There is a lot of despair and a feeling of marginalization and desperation. We come in here and are treated to a whole lot of clichés that do nothing to answer the problems.

Sir, a number of promises were made in the statement presented by the Minister of Finance. It is replete with promises, promises, promises. Now I remember the promises of last year around this time and I must be pardoned, Mr. Speaker, if I am non-believer and skeptical of these promises because there is a wide gulf between the promise and the performance. I remember last year the Minister of Finance coming before this Honourable Chamber and saying these words. I am reading from the Budget of last year, Sir, the following:

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

He goes on to say, Sir:

"I give the assurance again to this Honourable House that I do not intend to preside over massive lay-offs in the public sector."

That is only one, Sir. As I said, this document is replete with promises of similar ilk and there is a wide gap between what we heard last year and what we are hearing today. I am going to hear that all this has to do with a number of unforeseen developments over the past 12 months. I want to say, Mr. Speaker, that they may have been unforeseen by those who did not have eyes to see. It has been a consistent statement of the Barbados Labour Party, long before April of last year, that we were heading for the brink of a precipice and, unless the Government exercised good judgment and did something at the moment, not in the future, to retard the pace at which we were moving, that we would be sure to find ourselves over that precipice. The Government did not listen to us then. I do not want to dwell like the Rt. Honourable Minister of Finance and his Government on the past. I want to go on because we want some answers to the problems that are confronting the people of this country. That is what the people are asking for. They are not asking for a number of promises such as we have had over the last few days.

8.35 p.m.

I see in the Financial Statement and Budgetary Proposals for this year at pages 48-50 something relating to the mitigation of adjustment. Herein the Minister says, "It is, therefore, my judgement that programmes should be devised which can mitigate the undesirable effects of adjustment." He goes on to give a number of areas where his Government will introduce some kind of programme to mitigate the social problems of adjustment. Here they are. I will summarise them because I do not want to quote all that he said here as it takes 2 pages.

The first one relates to unemployment benefits. This is where the poor of this country are smothered in a lot of excessive verbiage. Under unemployment benefits, it says, in effect, that the Government has modified its position on employment benefits after having words with the union. This is talked of as if it is something new and good and is going to help the workers in this country. In fact, Sir, the benefits are pitched at a rate lower than they were before September 1991. The classic case of fooling people. Take away something from them and give back part and say, "look what I have done for you." They are going to give a better rate of unemployment benefits but the rate of unemployment benefits falls sadly below the level of August 1991.

The second one, Sir, refer to free education and health services. The Minister says Barbados has a relatively highly developed social service.

"Free education and health services are available to all. Prescription drugs and welfare services are available free for people in difficult circumstances. There is no substantial evidence that the reduction in financial resources available for the social services sector will cause any severe disruption in the delivery of those services."

I would think, Sir, that the Minister is joking. Hear what we have when we talk about welfare in relation to the Estimates. We have the welfare vote for 1992-93 cut by \$1 million. The Child Care Board has been cut by \$1.8 million and the National Assistance Board by just under \$2 million. For the avoidance of doubt, Sir, let me just say what these things refer to.

The Welfare Department is responsible for the administration of national assistance which includes monetary grants and assistance in kind. The Welfare Department provides a variety of services to families and individuals. If ever the families and individuals in Barbados need the assistance of the National Assistance Board it is now. There is a cut of \$1 million in that particular **department**. In respect of the National Assistance Board, it is \$1.9 million. Hear what falls under the National Assistance Board.

The National Assistance Board has the responsibility for administering the housing welfare programmes, the senior citizens' homes, the help and the day-care programmes. It also provides for the housing needs of the elderly and indigent persons in the island. It **includes** provision for repairs and replacement of houses which are beyond repair and for providing homes for the homeless. That, Sir, is cut by \$2 million. The Child Care Board has the responsibility for providing and maintaining child care institutions for the safekeeping of children in need of care

and protection. It **makes** grants to voluntary organisations or bodies operating child care institutions. These are cut by \$4.5 million for this financial year at a period when unemployment has shot up. The very documents that are presented to us by the Government show that unemployment will reach well over 20% for the first time in many years. The burden on those at the bottom has now become well nigh **unbearable** and the cuts are in areas that would provide assistance for them.

I think that this is less than straight. I am dealing with this area of mitigation of adjustment. We see that the Government intends to spend less money on school textbooks which suggests to any reasonable person that it intends to increase the user fees for textbooks. We see, Sir, that the Government will spend less on the school meals programme. That suggests to me, Sir, that the Government intends to charge some money for school meals. Now, I would be the first, if they were to get up and say otherwise, to accept it. That is implicit and inherent in the figures that have been given by the Government and passed by the House of Assembly in the Estimates a week ago.

Hospital fees. We do not even have to surmise, the Honourable Minister of Health last week in this Chamber volunteered that there will be a rise in the user fees at the hospital in many areas. It is very easy for us to hear there is going to be a mitigation of adjustment in the fine flowery language that we have heard in the statement made by the Minister but the hard facts, the figures, clearly tell us to expect something else,

Land for displaced workers. We hear that 200 people applied to the Government to see if they can get some land to get into agriculture. What is new about that? The Government has demonstrated an inefficiency, in relation to the ownership of its agricultural lands, that boggles the mind. All across this country, Sir, the Government has agricultural land that is lying idle, full of weeds and bush. This side, the Barbados Labour Party Opposition, has on numerous occasions advocated that the Government use a lot of its idle land to assist many of the idle hands in Barbados. Now all we are hearing is that land will go to displaced workers. God help those who did not have a job before. Everything here is for displaced workers. Those who were not working before do not fall within the contemplation of the Minister of Finance. We hear of retraining of Barbados Transport Board workers and others. These are the people who are laid off and are displaced. We do not hear anything of the training of those who have not had a job yet, like the large numbers of young people across this country. So they retrain the Transport Board workers. They have a responsibility to them and we support that. But we cannot understand what kind of narrow focus they have to single out only the 700 or 800 people they have sent home and forget the other 20 000 to 25 000 people in Barbados who are looking for work.
8.45 p.m.

We also hear that under the fourth LOME agreement there will be some kind of structural adjustment support. That is contingent on a programme being worked out with the international financial institutions like the World Bank and the Inter-American Development Bank. The Minister of Finance, in all that he has said so far, has not told us that there is any programme worked out with the World Bank which would be the base on which he will develop a restructuring of the economy of Barbados.

All through the Financial Statement and Budgetary Proposals given by the Minister of Finance he said "it is my judgement that". He must have said it about 15 times, Sir. I just want to make one comment in relation to that. The Minister made a reference to Plato. He said it was Plato who first articulated the view that the republic of politics was predicated on helping your friends and hurting your enemies, something to that effect. It seems remarkable that the Right Honourable Prime Minister should have picked such an apposite reference. It fits admirably into the scheme of things when we have the dogs of war being unleashed and set loose on prominent and able citizens in this society. One day you hear that the dogs of war are let loose on them, tearing at their throats. Then a few days later you hear that they are no longer there. They are gone. You wonder at that.

One wonders at the hatchet job that is being done on certain outstanding citizens of this society for no other fault than they have the courage of their convictions. They are not afraid of anybody. They can speak up. This country is coming to a sorry pass when outstanding citizens of this country cannot speak their minds honestly and fearlessly, especially when they are professionals talking inside the 4 corners of their profession without the long hand of others reaching in and putting them out on the street to join the growing numbers of jobless in this society. So Plato was right, and the reference is appropriate and apposite in the circumstances. Help your friends. Kick your enemies.

There is manifestation of this in every department in Government. I do not resile from saying that, Sir, whether it is the Transport Board, the National Conservation Commission, Public Works Department, the Tourism Investment Corporation or the Ministry of Agriculture, the principle is at work. Help your friends and go for your enemies because all the effusive nonsense that is being said in official circles about first in and last out is practised more in the breach than the performance. It is making a mockery of simple citizens in this country who believe that they should be in a position of trust and confidence with their Government, who believe that the Government should be straight with them. They are the victims of this inhumane policy.

I want quickly to deal with decadence and corruption that is blowing through a lot of the corridors of

Government. I have a lot of questions to ask and they deserve answers because the people of this country want answers. I will start first to tell you how they relate to the rape of the Treasury. The Minister of Finance wanted over \$40 million cut from Government's expenditure. CARICARGO lost \$90 million. Every single person laid off in the Public Service could have remained working. The Prime Minister still would have had over \$40 million left if CARICARGO had not gone in the way it has done.

I am laying it at the door of the Government because CARICARGO made a profit when the Barbados Labour Party was in Government. Suddenly from 1987 things started to go badly. The Government either did not know how to rein in the people who were running it and manage properly or they did not care. The fact is that the taxpayers of Barbados are set back \$90 million by this Government and then 4 000 low paid workers in the Public Service got sent home because of the massive inefficiency of the Government. That cannot be fair. Those who for the time being are there, Sir, because we do not know how much longer they will be there, have had to contribute by getting their salaries cut.

CARSICOT, Sir, \$6 million went down the drain. That could have kept every single person in my constituency in St. George working who was sent home from the Government. They could have been working today if Government had exercised greater care and attention to this CARSICOT affair and we still want some answers.

Sherbourne, Sir. Over \$30 million was spent on this project. I am not one who would stand here or anywhere else and say that we must not be involved in certain capital projects nor, indeed, in any project that would enhance the cultural development of this country. I really do not know what Sherbourne is because its use changes as we go along. The point is, however desirable it was, it is not so desirable as to put thousands of people out of work. In other words, it is a question of priority. If the choice was between those people who were working for over \$200 a week, the maids, gardeners and the low income people who were sent home and who do not know how they are going to make it from day to day, if this money could have kept them in jobs, the priorities are all wrong.

Sir, I would not waste the House's time on Highway 2A. The wastage there could have given dozens of jobs to people in one of our constituencies.

Mr. SPEAKER: Quickly, 1 minute.

Mr. L. R. TULL: Mr. Speaker, what was said in here on Tuesday afternoon, that long, long statement was really a travesty of the budget process. It was an abuse of parliamentary process for us to have to sit down here for 2½ hours to listen to that. In my view it was a pro-

longation of the suspense in which Barbadians are held because they still do not know what is happening. It was characterized by half truths because we did not get all of it, Sir, and a lot of patronizing humbug.
8.55 p.m.

Finally, Sir, "the vast majority of Barbadians have confidence in me and my Government". That is the quote of the year, Sir. That is what I heard. I am inviting the Right Honourable Prime Minister if he believes that, give the people a choice, go tomorrow to Government House and ask the Governor-General to dissolve Parliament and test it, if he believes that the majority of the people of Barbados are behind him and his Government. If he feels that put it to the test. We are ready.

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

Mr. R. L. MORRIS: Mr. Speaker, I rise to support this Resolution. Before I get into the body of my address, I would just like to take off from where the Honourable Member for St. George South left off, the whole question of half truths, patronizing humbugs and spending on capital projects. Sir, I certainly do not want to get into any kind of debate that would ~~try~~ to match the kind of language that I recall the Honourable Member as having used in the last half of an hour. I would just like to remind the Honourable Member, when he is talking about capital projects, of the Central Bank that was built by the Barbados Labour Party Administration 10 years ago for \$100 million and to compare that with the National Insurance Building...

Aside.

Mr. SPEAKER: Just one minute. I am sure that the Honourable Member...

Mr. R. L. MORRIS: ...and compare that with the National Insurance Building that is presently being constructed and should soon end with the same user space as the same Central Bank, but 10 years after costing \$24 million. The last thing I would talk about cost with the Honourable Member for St. George South is CARIFESTA. I am not going to get into those debates because I do not believe that this is the purpose of what we should be in, at this point in time.

The truth is that Barbados expects a different kind of debate on this occasion. But again I have to go back to my friend, the learned scholar's beautiful use of language, regaling us with things like "breakdown in welfare", "the Government reneging on its social contract with the people." Analyse that. What are you really saying? Words. Nothing more. What breakdown in welfare is there in Barbados? What reneging of social contract has there been

in Barbados with **people**? "People in Barbados are afraid to go for a stroll." How purple can you get? You are talking to the mass of people out there listening to you and they need leadership and guidance from us in here. Do not let us be carried away about "financial dismantlement of the country", "crisis in health services, crisis in education, children going through school as a long yawn." I really want to throw these things back at you so that you can listen and hear yourself. "A catastrophic drop in the standard of living of Barbadians." We live here you know. This language is not just language for consumption as a joke. Language has impact. You know that very well because you are a scholar and you know how to use language. You have to be very careful. Because we get in here and we exercise our jaws and our tongues. Some of us exercise our hearing in response. It is very painful sometimes because when we try to bring what is said in line with reality, sometimes we find that they are so far out of sync with what our day to day experience tells us that we wonder why are we doing this to ourselves?

I will deal with the issue that touches me as a professional trade unionist and representative of the masses of people. It has been stated by a politician that "last in, first out" is observed more in the breach than in the practice. It ties in with some statement made some time ago in one of the newspapers by the Honourable Member for St. Michael South East in relation to the Transport Board.

In politics I guess everybody has a friend and everybody will hear something from someone. I really do not repeat everything that somebody tells me. I do not always listen to what they tell me anyhow. That touches my professional integrity and that of all practising trade unionists. I would challenge anybody on the other side or on this side or anywhere in Barbados to look at the way how we handle lay-offs at NCC or Transport Board and to come and tell anybody, in this country, that those workers were not given professional representation that did not look to their political standing, which is not generally known by us. We do not ask anybody where you stand but we look at issues like when you were first employed. In fact, at NCC, several people were put back to work, some of them whom I know personally to be very good supporters of the other side. We generally do not ask people those questions but some of them know. If you live in my constituency I must know where you stand, especially if you support other Members. Supporters of the Honourable Member for Christ Church South were laid off.

Aside.

Mr. R. L. MORRIS: Exactly. And I put her back on. Back to work. Did I not put her back on? Did you? I put her back to work, as a representative of labour.

Aside.

Mr. SPEAKER: No cross talk please.

Mr. R. L. MORRIS: I put her back to work. She knows that too and everybody knows that. I want you to understand. Because it has nothing to do with political persuasion. The fact is she was working there long and she should not have been laid off in the circumstances in which she was. Several people who have been working for 10 years were laid off and others who had been working for 5 years were still on and we questioned that. But these are administrative decisions made by bureaucrats sometimes. At the Transport Board, we are looking at "last in, first out principles", all other things being equal. And the other things that are being equal which have been agreed between the Barbados Workers' Union including the delegates and the Board are:

- (1) efficiency of performance;
- (2) attendance; and
- (3) punctuality.

So that whenever we sit down there at the Board making a case, the Board says this person worked from such a time until now. In the last 4 years they have been absent so many times. In the last 4 years they have been rostered to work so many times and did not turn up and this is their performance standard. When that is put on the table then the delegates that are drawn from across the Board are asked "Can we defend this position or not?" The delegates will give a nod to us, yes, we can defend or no, we cannot defend. That is how we proceed. But the case has to be made. I do not want anybody to give the impression that we sit down away from the delegates and the workers and we have any kind of sous sous action in representing workers. It would be unprofessional of you to insist that people whom you know are professionals would behave in that way. We do not prosecute the case of the workers, without their being part of the negotiating team. And the delegates are chosen by the same workers that we are representing.

There is a lot of talk about industrial relations in Barbados about people who do not know or understand anything about it. I want to be very, very clear that lawyers have their professional integrity and their practices and their customs. And I will not get up in here and call any lawyer any kind of bogus professional or indicate that they will sell out the people that they represent, their clients, and I will not take that from anybody, either the lawyers or those that they get to speak on their behalf. Because you can get people who would take positions that the lawyers themselves would not take. Some people can get people to say things for them that they themselves in their understanding and sometimes in their integrity would not say themselves. I want to be very clear about that. When

it comes to my professional integrity, I will defend it to the hilt and that of anybody in the Barbados Workers' Union. I am not talking about anybody else. I am not qualified to talk about anybody else as a trade unionist. I am talking about myself and my colleagues. The others can talk for themselves.

9.05 p.m.

Mr. SPEAKER: Just one minute. I cannot understand that if I said that the Rules says there are only a few **interruptions** that one can make in a debate why should we have interruptions that are not allowed for? I will ask Honourable Members to keep quiet while another Member speaks.

Mr. R. L. MORRIS: Mr. Speaker, when I stood up behind the Prime Minister and heard the Budget address I thought, Sir, of an artist at work, in the sense, Sir, that an artist would sketch – those who know a little about it – and he would put his charcoal outlines first and then he would build up his masses and his spaces. Now, if you expect a landscape by **Rubens** or Tintoretto you expect the pallet would have in some reds and yellows etc, bright colours. If you expect a painting by Rembrandt you would expect some sepias and some browns. Therefore when the Prime Minister finishes his cartoon, when he finishes the drawing, he has indicated quite clearly that he is coming back to finish the painting. I understand the Honourable Member from St. Peter said he might come back twice or three times during the year to finish the painting. I hope nobody is looking for any Tintoretto colours or any **Rubens** colours or anything like that. They must be looking for some sepia and some browns, because the landscape that is being painted is not a tropical landscape in full flower as we would like it. It is a landscape in the evening, dark colours. So we understand that. I came away from looking at the debate sketch recognising that a full picture was not on the wall. We all understand that and we wait to see the artist continue to build that picture and we will continue to discuss it as the canvass unfolds.

Sir, one recognises that, and I am sure the Minister of Finance is aware of this, things are never as bad as your antagonist would make them out to be. ~~The~~ Honourable Member for St. George South painted his picture with black colours, Picasso, he paints us a rare canvass, bearing little reality to the Barbados that we know, but in realism you might still pick up a little vestige of the real outlines of our country. We know that it is never as bad as our worst antagonist would make it. Quite frankly none of the protagonists on this side is going to tell you that we have any rosy picture. You would not get anybody on this side saying that things are nice. It can't be as bad as antagonists are making it out to be. Those are the things we recognise.

Now I come from a positive philosophy. I believe that if we think that we can make things work then we will.

If we think there are problems and if we convince ourselves that these problems can be overcome then we will overcome them. If we get caught up in a defeatist mentality we will do everything to make sure that this country goes worse. All the purple language about the reality of living in Barbados... You go in the supermarkets, they are replete with anything that anybody can want. You go in the department stores, same thing. I cannot hear about any black market for the US dollar. That is common knowledge about the place? If you know tell me, tell all Barbados you know there is a black market out there in US dollars. The whole impression that is being given is that the whole country has gone through the shoot. Is that the reality?

The Honourable Member for St. George South said, "the middle class is being pauperised and the poor are being made even more destitute." Talk about language being purple. We have gone past purple now, we have gone into black. The reality of living for those who live here and move through Barbados is that that is not so, for those who are visiting they can't understand what he is talking about. Things are tough, yes. That is **true**. Tougher than they were three years ago. We are in a dip and we will pick back up again, that is the reality of what we are talking about. If we are just concerned about the dip and picking back up however, that is our problem because I think that what we are trying to get to grips with is that this dip that we are going through, if we do not deal with that and try to develop a future for Barbados, we will be caught in that same kind of situation over and over again. I think Barbadian people understand that. I don't think Barbadian people do not recognise what we have to do in these circumstances.

Mr. Speaker, I want to make a personal statement on the issue of structural adjustment. When the Minister of Finance met the leading institutional groups of this country he proposed some choices – devaluation, cuts or layoffs, or a combination of cuts and layoffs.

Mr. Speaker, when you are the leader of a country and you meet with the interest groups and you ask them their opinions, this is not an exercise in a vacuum, it is not a tea party discussion and what you say should bind you. My position was and still is, no devaluation, because devaluation cannot help the people that I represent, the mass of workers of this country. I stand totally against devaluation as a policy option that we should pursue if we have a choice because there are times when you would not have a choice. When you have a choice it cannot be our policy option as the representatives of the mass of the people in this country.

The second choice was cuts in salaries. How are you going to cut public sector salaries. How are you going to do it? There is only one way, that is to come in here and

legislate. The question of the legality or not will be tested in the courts but the practicality of taking that policy option as an option against devaluation, is something that was queried and consensus asked on. The third choice was laying off people or mixing. Now clearly the less cuts the more layoffs. There is a balance between the two because what you are talking about basically is money. The bottom line is money. Man hours add up to dollars. Those were the options put before us. My option was then and still is now, that cuts mean socially that you are willing to share the burden. Mr. Speaker, our society is one that you have to ask serious questions about. I have no difficulty in putting my position on this. I will not shirk in saying to my country what my perception is about how you share in Barbados. You can't touch the top people, you can't touch the wealthiest people in this country, you can't cut the ones with the big finance because they will meet in a room of 400 and say the Government has to go.
9.15 p.m.

They are powerful. They will form lobbies against the rest of the country. You cannot touch them. Do **not** think that they are all saints out there, but you cannot touch them. If you push further, they have capital **that** can move, capital that will take feet and fly away. They can go to Miami, they can go to England and they can go to Australia. They will not be refused. You cannot touch them. They can take other action, Sir, to humble you. So you have to deal with them. We sit down and negotiate with them. They are powerful. If you take the middle group now, they will take what action they can too to bring you into a humble position. They will use every force available. Who gets hit all of the time? The workers who are at the base of the pyramid get hit. They got hit in 1982 to 1985 and they get hit now too. They get hit all of the time and, if there is a dip in 1999 unless there is a tremendous change in our outlook and our philosophy, they will get hit again because they do not have any capital to run with and the social acceptance where they can go into another country. They do not get visas so easily. Unfortunately, our brothers and sisters are the ones who take the pain and who carry the burden and, because nobody wants cuts, they say go home. That is the choice when you have those options. They are 3 very painful options.

I would enjoin my colleagues from either side of the House to tell me what is their position on those choices? Do they support the devaluation option? If they do support it, come out and tell the public why they support devaluation. As an alternative option, if they support the cuts, then come and say so. If they support the sending home of some, say why. But they cannot sit back and say none of those choices because that is to leave the situation in the mire because something has to be done. Those who want to fool the people that there are options wider than those 3 are not being very truthful to the people. Because the people understand that there are times when hard

options have to be faced. Since they have to face them in their personal lives, they are not surprised when countries have to do it too and, in fact, the people are making those sacrifices. They are decent, understanding Barbadians. They do not like it but they are taking the pain because they know sometimes that there is a travail through which one has to go to come back to their health and move forward. They understand that.

I want to quote 2 statements, Mr. Speaker, from the 1970's. One is from a distinguished leader of the labour movement in this country, a man called Sir Frank Leslie Walcott, and he said:

"The Caribbean trade unionists cannot sit back and rely on past performances as an answer for dealing with current issues. Unions must see the problems as they are. They must relate them to demands of the 1970's and what is likely to be the situation at the turn of the 21st century.

Caribbean trade unionists have to face the present day problems with a clear understanding that the growing aspirations of the workers can only be fulfilled by practice..."

Mr. SPEAKER: The Honourable Member is reading from a document. I am sure you are reading from a document.

Mr. R. L. MORRIS: "...and by serious attention to our economic foundations." That was "Union Speaks" written in the Advocate of October 12, 1977.

Mr. SPEAKER: You are reading from a book.

Mr. R. L. MORRIS: This is in a book called "Frankly Speaking" published by the Barbados Workers' Union in 1991, Sir, in celebration of 50 years as a noble institution representing the workers in this country.

Mr. SPEAKER: Is that a document of the House already? I am not sure.

Mr. R. L. MORRIS: I will make it a document of the House, Sir. The other one, Sir, is from a pamphlet called "The Balance of Payments Crisis In The Caribbean" by Dr. Courtney Blackman. Sir, do you see the 2 persons I am quoting? Sir Frank Walcott and Dr. Courtney Blackman. But listen to what Dr. Blackman had to say. He was talking the first time when we had to go to the IMF as a result of the crisis in Barbados. They want to give the impression the first time we went to the IMF was in 1982. We know that is not true. The Labour Party had to go before so we are becoming progressively worse. Now this is the third time and, if we do not structurally adjust, the fourth time is going to be real bad. Let us understand that, Sir, and

there might be a fifth time. That is why we have to structurally adjust. This is what he said:

"The chief advantage of Barbados was that its social and political institutions were able to absorb the shock of the stem policy measures required to make adjustment, especially in the area of industrial relations. It is a great tribute to the Barbadian trade union leadership that the island was able to avoid the bitter industrial strife which has characterized Caribbean industrial relations in recent years. In Guyana, political industrial conflict led to poor economic performance and similarly in Jamaica."

Sir, we must ponder on those 2 quotations coming from people who, I do not think, share basically the same philosophy. But they are based on a perception that we have to be realistic, responsible and rational when you are in a country like Barbados. Sir, I do not offer any judgment on the persons. I offer their comments for what they are worth. I have no intention to look at the persons and to analyze them. But I use those 2 comments because industrial relations apparently are the underpinning of this Budget and, in fact, it is underpinning the Letter of Intent. There is an incomes policy in place. If I had my preference, Sir, the incomes policy that has been put in place would not be that incomes policy which is too rigid. It would have been a more flexible policy, Sir.

Mr. SPEAKER: One minute more.

Mr. R. L. MORRIS: If I had my way, Sir, it would be one that understands wages determination and it would invite the social partners to look at wages determination again. It would not say, Sir, no increases at all on basics and then everything else must be tied to productivity and profit sharing. As a practitioner, I understand the difficulty in administering that one and particularly in the big areas like Government, sugar and the hotels. I would have gone for an incomes policy that is based on a rational approach to things and use moral persuasion and perhaps the other formula could have been used at the micro-level, where you are dealing with small branch plants and so on. That would be my preference, Sir, but I understand the incomes policy is being put as an alternative again to devaluation and I understand that economic rationalisation.

Mr. Speaker, I will just wind up and conclude in the next few moments because I would really like to spend more time on this.

Mr. SPEAKER: You will have to conclude in the time frame.

Mr. R. L. MORRIS: I would like to say in conclusion that in the future we have to understand that first must

come the human-ware, second the software and third the hardware. If Barbados is to go anywhere, the emphasis must be on the human-ware. We have to spend more time on our people and we must not treat them as though they do not understand what is happening in our country. Politicians have to do a lot less of the kinds of attacks on each other that we are doing and try to reason and lead the country by reasoning.

Thank you very much, Sir.

Mr. SPEAKER: The Honourable Member' for St. Michael South East.

Mr. DeL. O. BRADSHAW: Mr. Speaker, my favourite calypsonian is Sugar Aloes. I have heard the Honourable Member for St. John appealing to have the debates held at very high level. I am going to do just that. But before I do, I want to make it quite clear that I like being me. Do not mistake me for any other person in this Honourable Chamber.

First of all, I want to take up from where the Honourable Member who just spoke left off. He referred to the Member for St. Michael South East during the course of his contribution. The Honourable Member for St. Michael South East had not yet spoken. I heard the Prime Minister yesterday in an interview in which he announced the changes in Cabinet. He said that it was his intention to bring the Ministry of Agriculture, like the Ministry of Trade, into this elected Chamber. The contribution of the Honourable Member for Christ Church East Central reminded me of Little Tommy Tucker who sang for his supper.

9.25 p.m.

No wonder that the front bench is something that people aspire to. The Honourable Member made a very good submission, but I wonder where were the workers. What did he say about the workers? Did he mention the plight of the workers who complain daily about their treatment at Children's Wear? Did he mention the problems the workers had at the Port who are expressing their disgust and dissatisfaction with him? Did he mention the 30 000 people marching last year against what they felt were grievances and an attack on their pay, and he did not march? I begin to wonder if the Honourable Member understands that in putting a case for himself as a professional representative of the worker that he has a duty as a parliamentarian to put a case for those workers throughout Barbados, whether they belong to the Barbados Labour Party or not.

Since the Honourable Member took time to mention the Transport Board and he gave this Honourable Chamber the impression that someone was saying something not true concerning the hiring practices of the Transport Board or

the lay-off practices, I would like to make it known to this Chamber that I have reliable information that workers were sent home before the list was submitted to the Barbados Workers' Union. One feels that the Barbados Workers' Union representing the workers at the Transport Board, who are public workers, was duty bound to make enquiries and to make sure that the agreement that was made, as referred to by the Honourable Member for Christ Church East Central, was honoured. I respectfully submit that all is not well and certain things were not honoured.

The Honourable Member must not seek to convey the impression that any statement made by this Honourable Member on the Floor of this Honourable Chamber or made public is incorrect. I have a responsibility. I sat in the Cabinet of Barbados and I have sat in positions where I had to lead by example. Certainly, I never led by telling untruths. I believe that one must be honest and one must have a conviction when one makes statements. Therefore, the Honourable Member must address the whole question, the pain and suffering, that is being caused to several workers and their families in this country.

I am not very happy, Mr. Speaker, to hear members from that side asking this side to support a Resolution complimenting the Government for measures taken last year. How could I, when people were sent home without any notice at all, have house rents to pay, have children to send to school, children to feed, doctors' bills to pay, and mortgages to pay among other things? I have seen families who were unable to send to school their children. I am saying on the Floor of this Honourable Chamber that my help and assistance was sought and I readily responded. I have seen people who were unable to pay their rents because they were sent home with not one red cent. They had no jobs to go to, no relatives or anyone to contribute. They were in tears. I am beginning to wonder where the Honourable Members on that side are living.

Only last year, the Honourable Member for St. Philip South said that the measures caused him pain. He admitted that as a representative. Certainly he knows what is going on in this country. No one should expect an opposition, Mr. Speaker, to support a government on any resolution. It would be the first time in the history of budgetary proposals that an opposition supports a Government on any budget resolution. How could Honourable Members be serious? Oppositions, by conviction, are not supportive of resolutions. Even if this Opposition were prepared to support this Government it would not support it on this nay-nay Resolution because one cannot see the sense of supporting promises. We know that the Government has given promises time and time again and have failed to keep the promises.

I feel that, on this occasion, the measures that are outlined in the Budget will not be achieved. The track

record of the Government is very poor. People do not trust the promises made or the commitment made by Government, and that is one of the things the Government must look at, its credibility, the trust, the confidence that the people of Barbados have in it. That is very important.

I want the Honourable Members on that side to understand that we **know** that there will be other impositions and other taxes to come. People will have to pay more. This Budget is an open one – more to come. Nothing is clearly set out. Nothing is definitive.

I will quote just one thing. I remember last September the Right Honourable Prime Minister introduced the mini Budget in which he set out certain measures to raise revenue. One of those measures said that by March 31, 1992 the employment levy would have reverted to its original percentage. March 31 has come this year and what have we got in this year's Budget? It is supposed to continue. I am beginning to wonder why give your word and cannot keep it.

9.35 p.m.

I am not convinced that there are no new measures to raise taxes. I hear it is a tax free budget. My understanding of a **tax** free budget is that you would not raise any new taxes. I am saying if you stop the levy at March 31 and reintroduce it, that is new. It is a fresh thing. If you say there is no new name, yes, but as far as I am concerned this measure will raise \$7 million. My calculation based on last year's estimate is \$8.2 million. That is a sizeable sum of money to raise. The Prime Minister has not said when it is going to come to an end. One would assume that in a full year the \$7 million or \$8 million will be realised by Government.

This Opposition has put some alternatives to the Government. People have a tendency to think that this Opposition criticises. If you listen to Members on that side you would think that we have been critical of the Government and have not been making any positive or constructive suggestion to them. I recommended to the Prime Minister during the course of the Estimates that he looks at putting money in the Barbados Mortgage Finance Company so that it would be able to disburse mortgage money to perspective home owners or land purchasers. I said that in itself would lead the mortgage institutions, the banks and the insurance companies to follow suit. I also said that with the purchase of properties the Government stood to gain from property taxes which could bring in as much as \$15 million in one year in addition to other property transfer fees. The Government would have additional people on the tax roll because they would be property owners. As a result the Government would be able to collect taxes. That was a positive suggestion put forward from this side. The Government will not tell people that the

Opposition has been assisting them. They are hard ears. They do not want to learn. They feel they must grope around in the dark and come up with unpopular policies.

I have said that the Government's word cannot be taken seriously. Some people are doubting it. Take for example, again, Mr. Speaker, only today I received a letter from a constituent, one removed from the Belle to Cutting Road. Those people were promised in an agreement made they would pay \$40 a quarter for rent. Some of them, having accepted that, decided to **resite** their houses. This letter was sent on March 31 from the Ministry of Housing.

Mr. SPEAKER: I cannot be assured it is a letter unless the proper procedure is adopted, that is, if you are going to make it a document of the House, do so...

Mr. DeL. O. BRADSHAW: Yes, Sir. I am prepared to make it a document of the House. It is from the Ministry of Housing and Lands, Marine House. It is calling on the people to pay now \$780 as a raise. It is \$520 a year. The people were not there for a period of time and they are now asking for \$780. They have changed from \$40 a month or \$520 a year.

Aside.

Mr. DeL. O. BRADSHAW: That is what it says here. "You shall pay to this Ministry an annual rent of \$520 in respect of your occupancy of the lot". I am saying it is a question of giving your word. People cannot believe what they are **even** told. Even a common arrangement like this, an agreement, has been broken. It is in writing. People out there are wondering what is really going on.

Aside.

Mr. DeL. O. BRADSHAW: The Minister wants to ask us? I have something for him. These people are being called upon to pay the land tax and they are tenants. I am in the real estate field. It does not work that way. The tenants do not have to pay the taxes but you are asking the tenants in this letter. This is what it says, Mr. Speaker. "You shall pay all existing and future rates and taxes and assessments whatsoever imposed upon the premises in respect of your occupancy thereof".

I am beginning to wonder how is this Government operating? Why did this letter go out to people? I have said Government must understand what is going on. There are 14 houses in Cutting Road. There are 3 people in those 14 houses that are working. One is working in Government at Sanitation. Two others are carpenters and have only worked 2 weeks in a year. I am only saying this to show you how serious this could be. How are these people going to

pay their rents when they do not have any work? These are the things that bother me. What about people who have committed themselves to paying mortgages who are sent home and cannot pay their mortgages?

Is the Government aware that some people have cashed in their insurance policies which is a very dangerous thing? I was an insurance salesman. I believe what the great Sir Winston Churchill said that if he had his way he would write insurance on every house in England. Insurance is very important to families especially in times of crisis. What have you seen? A situation developing where people are resorting now to cashing in their insurance policies. There is no collateral. Families are losing protection. Above all, some of the houses these families live in have gone upon the market. They are being auctioned off and put up for sale because the people have missed their mortgage payments for 3 months. They cannot pay because they are out of work. Does not this concern the Government, a caring government?

What is worse, Mr. Speaker, you cannot go into one of these banks today and obtain a loan. If you do, the amount being lent by one commercial bank is a maximum of \$10 000, not even enough in cases to make a down payment on a property. Things are real tight in this country. People cannot afford to lend. People who would normally give cannot give. That is what I want the Government to understand. I do not want to hear any pretty speeches and all this philosophical language coming from the Honourable Member for St. John and talking about moving the debate to a higher plane. That is all right. It sounds good. I am moving the debate down to human suffering, the hurt, pain and the concerns of families. That is what I am worried about. Are they aware that people cannot pay their bus fares? Do you know what it means when you have two children going to school and have to pay for those two children \$3.00 a day? Let me say to Honourable Members on that side I know of a particular case where a child went to Foundation - she has now returned to England - and that child went to school several days without any lunch because the mother was unemployed and so was the father. That child went to school hungry. This is not a story that I am concocting. The child was a friend of my daughter. I was at the Airport when I saw the Minister of Housing. We met there. That was the occasion that we met. We went to see the young lady off.

9.45 p.m.

What I am saying, Mr. Speaker, is that it is a fact that children are going to school, even at the secondary level without bus fares, without money to buy lunch. When the Honourable Member for St. George South called upon the Government to look at the Welfare vote, what he is asking the Government to do is to realize that in times like these it is essential to have the welfare vote in tact so that it

could come to the rescue of some of these needy cases. That is all we are saying.

We find it strange, in a time like this when we have got structural adjustments... and we fully understand the implications of the structural adjustment programme and the recessionary times. We are asking that these services, the welfare services be not cut. We know that they could help cushion the impact of hardship caused to several families. I want to know how is the Government going to realize house rents in the Pine and in Wildey when the people are out of work. And yet they are getting notices to pay.

How do they expect me to support a Resolution congratulating Government when as early as May last year I have been asking the Government, by way of Questions, to repair the houses, to fix a well that overflows and causes the road to be impassable in 1st Avenue, Wildey and in Wildey Garden? I have been calling upon the Government and all they do is treat it with contempt, Mr. Speaker. They say they have no money. Do you expect me the Representative for St. Michael South East to come in here and support a Resolution congratulating a Government? Oh no! When I call upon the Government to provide street lights for the people and to debush the area above east of Banks Breweries going to the Sanitation Board where people have been attacked and raped and several crimes have been committed there, I am hearing "When we get money." If that is the contemptuous way that I am being treated or the constituents of St. Michael South East then I would have no part in supporting a Government programme. Because I understand what it means, Mr. Speaker. That is what Budget is all about. I am not asking for anything for myself. I am asking for the constituents and I am making this appeal to the Government once again in this Budget debate to consider that there are crimes committed along the Wildey road. And it is not sufficient to say to me that we are going to do it when we get money. Several women will be raped and several crimes will be committed.

You are going to tell me that I am supposed to live with that. I am saying this, I have a duty to the constituents of St. Michael South East.

I have heard people talk about this farming. The former Minister of Community Development spoke about the programme of giving land to people to work. It is a good idea. It is not the first time. We had the Land Lease Project in St. Lucy. We would support this. But I am asking the Government to consider some things. Do not just put it in here and make it sound as though you are doing something. There are some other follow-up things that have got to take place.

Mr. Speaker, I am calling on the Government to make sure that irrigation services are installed. I am asking the Government to make sure that there is provision for

people to put houses on the land. I know what I am talking about. We were in here last year talking about praedial larceny. We passed the Bill. People are stealing crops. It makes no sense giving people land and they are absentee tenants.

I am calling on the Government to understand the sort of thinking that must go behind planning anything like this. I have seen the Budgetary Proposals. But I am asking the Government to make sure that they carry out what is necessary to have a programme realized to its fullest. Failing to do that, it is just like giving people land. What are you giving people land for? Are you going to give them in a Zone 1? Are you going to give them in the Belle and the fellows do not go there and the people carry away the crops and you have more problems? It is not manned fully now. Therefore you would be giving them more problems. What I am saying to you is that you have to think this policy clearly.

When I hear the Honourable Member for St. John talk about the Opposition having to compliment the Government for talking about a youth programme. I want this Honourable Member to understand that when I was operating in the capacity as Minister of Community Development that that was one of the things that we put forward. And the very Member, the Honourable Member for St. John criticized it. It is just cold soup being warmed up, Mr. Speaker. That is all it is.

The very place that the children are now being housed is the very site that I paid a visit to and identified. I do not understand what they are claiming credit for. But you see when we spotted the problems and we attempted to do the adjustment way back in 1986 the present Government was critical of our project. But now they realize it is the best thing. They have a scaled down, watered down operation. What we are saying is that the Barbados Labour Party will support any programme that will redound to the benefit of all Barbadians.

I do not want people to be critical of the Opposition saying the Opposition has not been doing its job. We are not in Government. We have tried our best in here outfoxing and out-gunning the Government in several debates. But at the same time, in the final analysis, the Government has the numbers and we cannot make policy. That is what people must understand. I have been hearing the criticisms. We are doing our job in here, as they will see and we are prepared to continue along that path.

Mr. Speaker, I want the Government to understand that the retooling programme is something I called for in the last Budget. I am glad to hear the Prime Minister accept my recommendation. I called upon him to retool the people who were severed. But I am going to say this. He has not done the right thing.

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

Mr. DeL. O. BRADSHAW: He has given the money to the National Employment Bureau. Let me say to the Prime Minister or the Minister of Finance, the National Employment Bureau is not equipped to handle this. The money should be given to the trade unions or given to the National Training Board or given to the Employers Confederation to have a training programme for people to retool and retrain them. That is what I think they should be doing, not putting the money in the National Employment Bureau. I know. I was Minister of Labour. I know they are never equipped. It was not set up to deal with that. I know this is an exercise in futility, it will never get off the ground.
9.55 p.m.

Mr. SPEAKER: The Honourable Member's time has expired. Conclude.

Mr. DeL. O. BRADSHAW: I am concluding, Sir. I hope the Government would take some pointers and understand that we on this side will support Government's initiative when we think it will redound to the interest of Barbados. I thank you.

Hon. W. W. HALL: Mr. Speaker, I rise to support this Resolution. On Tuesday, Sir, I listened with rapt attention to the Budgetary Proposals and Financial Statement so ably presented by the Prime Minister. Today, Sir, I did likewise to the reply, ably presented also by the shadow Minister for Finance and also the Members on both sides of the House. I do this every year, Sir, simply because I recognise that the Government is here to set the agenda and the Opposition is here to respond. Given that, Sir, I feel that each year we have three days so that all Parliamentarians will give an account of their stewardship. They are rather cognisant of the fact that their constituents are out there listening to them and therefore, Sir, there may be some measure of grandstanding.

Sir, I would just like to say that we may be as loquacious as we wish. I would think though that in the final analysis we must recognise that we are in rough times, amidst a stabilisation and indeed a structural adjustment programme. It behoves all Barbadians to make sure that they pull their weight. I mean this, Sir, so that we would be on the road to recovery. I say, Sir, that the alternative is even more painful.

Sir, my constituents in Black Rock and the contiguous areas are hurting like anyone else. They need roads, they need lights, they need jobs, they need gas, they need all of these things, but the reality of it all Sir, is simply this, that we are in trying times, times that are not only trying in Barbados, Sir, they are trying in the very developed countries that we hear so much about.

It is painful, Sir, in the United States of America where we have great bankruptcies, layoffs, welfare cuts ... Only this morning, Sir, on CNN in Columbus, Ohio, the people were protesting about welfare cuts. They were poor people protesting about welfare cuts and the Governor, poor man, he cried, Sir. He said to them: "You feel that we do not care but we do care, and what is more, we cannot give you what we do not have." It is as simple as that, Sir.

We have seen therefore, not only in the United States of America, but in the United Kingdom where we have had very high interest rates. We have even had the poll tax of 1990 and 1991. We have also had massive recessions, and some 85 000 houses were repossessed in 1991. In 1992 the prediction is that there will be some 115 thousand houses. In Russia, Sir, it is taking millions of dollars to stabilise the Ruble. The IMF have gone in, the World Bank has gone in, Sir, and many Americans feel that the foreign aid that America is giving to Russia should not be given in a year that was an election year and also when there is rampant recession.

Even in Australia you will find that a country that imported labour now has an unemployment of figure of 872 000 unemployed people. In Brazil, in Mexico, if you come near to home you will find, Sir, that in Jamaica, Trinidad and Tobago and in Guyana we have seen devaluation after devaluation. In short, Sir, what I am saying, Sir, even though we are hurting in Barbados, even though we are in the midst of a stabilisation programme, I am saying that we in Barbados are resilient people, we know what we have to do and I am confident that, despite what most people are saying, I am sure that Barbadian people will win out.

We have seen, Sir, in the last 6 months strikes, some wild-cat, some legitimate. What we did see, Sir, that some plutocrats piggy backing on the frustrations of the workers who were legitimately striking. We see them striking one day and not striking again, not making up their minds, Sir. They were not accustomed to it, Sir. We saw the paparazzi too. We saw them at times trying to erode or lessen the confidence that the people of Barbados have in the Democratic Labour Party. Those are things that we saw 6 months ago.

I recall, Mr. Speaker, on a call-in programme 6 months ago, a lady called in and said that she wanted to send 100 pounds to her daughter whose birthday it was, and she said she could not even get the money to send to her daughter. Sir, there was a lot of talk. They were all saying, 'what is Barbados coming to' and things like that. What I am saying, Sir, is that the no tax budget that the Prime Minister delivered 48 or so hours ago, is simply that the Prime Minister is trying desperately to stabilise this country. What he is trying to do is to make sure that we

will be in a position in another 2 years to see where we can go on to better times.

Mr. Speaker, I am saying Sir, that my position is that I think that we are more or less focussing too much on the negative things. I think, Sir, that we should try and focus a bit more on some of the positive things in Barbados. The way some people talk, you would believe, Mr. Speaker, that there is no good news at all in Barbados, but I am told by some businessmen that they are not experiencing any delays in paying foreign suppliers for their goods. I am told that, Sir.

As you know, Mr. Speaker, we have a great history in Barbados for settling our debts. Sir, we are not accustomed going to lenders with a mendicant attitude and therefore in our worst times, we have been able to tell the IMF that we were not going to devalue. There were rumours that were rampant for nearly a year or two now, but still we have not devalued.

Sir, as you know, there were millions of dollars that were owed to local businessmen. I am happy to say, Sir, that these moneys have been paid. I was listening to the radio yesterday, Sir, and the President of the Chamber of Commerce said that many small businesses would have gone bankrupt had this not been done. I, Sir, believe that the people of Barbados can still believe that there are good times here. Everything is not negative. That is my position, Sir.

Sir, it is also noteworthy that Barbados is more than an ideal place for offshore operators. There are some 600 of them, particularly in the area of data processing. Mr. Speaker, we have in Barbados the largest data processing operation in the entire world. That is a fact, Sir. It is employing some 900 people down on the Harbour Road at CDS. Sir, they are processing all of American Airlines tickets and I think this is something that we in Barbados can be very proud of.
10.05 p.m.

When I was in Europe about 3 weeks ago, Sir, the Europeans were very excited about the package of incentives that Barbados is offering. They are very ecstatic about our infrastructure. They said that they like our stable Government and they believe that our people are very trainable. Sir, I believe that is something going for Barbados and something of which we should be duly proud.

Mr. Speaker, I shall now turn to a subject that is under my purview and that is the question of tourism. Sir, I believe and I submit that tourism is an instrument of an economic recovery. Mr. Speaker, in an environment of economic slow-down, the productive sectors hold the key to the success of any recovery programme. In Barbados, unfortunately in 1991, we saw the productive sectors being rather sluggish. For instance, tourism declined by 8.8

per cent, manufacturing by 4 per cent and agriculture by 8.5 per cent. Only the offshore services showed reasonable increases.

Mr. Speaker, despite that, I see tourism as a productive sector that is equipoised to bring about the economic U-turn that can bring this country to great wealth. I see that, Sir. Tourism is a dynamic process, vulnerable to, and indeed responsive to, the changing and discriminating patterns of world travel. That is a fact, and the world too, is but a global village. Whether we know it or not, the vagaries of the international economic order will see a small country like Barbados with a small open economy being very hard pressed to survive the economic battlefield. Sir, this is true, but most people do not care to even think about it.

Sir, there are those who will tell you that, as a small country like Barbados, we should not be interested in the recession in Europe, North America and the United Kingdom, because it will never reach us. There are those who believe that the Gulf War had nothing to do with Barbados. There are those who believe that the scarcity of airlift would have nothing to do with Barbados and there are those who equally believe, Sir, that crime and harassment have nothing to do with tourism product.

Sir, I believe and I repeat that tourism must show the way. As a tourist destination, Mr. Speaker, Barbados has great potential in terms of USPs. By that term, I mean our unique selling points. Marketing is the cornerstone for our development. It is the key. In paragraph 30 of the Letter of Intent, they called for the private sector and public sector to have some collaboration in terms of looking at our marketing thrusts both in the traditional areas and the non-traditional areas. Sir, perhaps they felt that, if they called for great collaboration between the private and public sectors as far as our marketing strategy is concerned, it would have taken us a year. Fortunately, the Barbados Hotel Association had done their homework and I have the marketing plan here in my hands for the Barbados Hotel Association. We can make that a document of the House. Not to be outdone, Sir, the Barbados Board of Tourism has a marketing plan. This was done by getting all of our managers in the respective areas in the market to analyze what is really going on in their markets, and inviting the Hotel Association to join in some conversations, and out of that came our marketing plan. It was rather easy, therefore, with a bit of dialogue and bringing our minds together with the Barbados Hotel Association, Barbados Board of Tourism, officials in the Ministry, members of the TDC and BTIC to get this programme through, Sir. I formed a sub-committee, chaired by the ex-President of the Barbados Hotel Association and within a matter of 2 weeks, we were able to submit the Finance Committee the combined efforts of the Board of Tourism and indeed all of the sectors.

As far as the institutional strengthening is concerned, Sir, I will deal with that a little further. To my mind, Sir, I think the Prime Minister alluded to it in his presentation and I will get to that one. What I need to get into, Sir, is the question of what do you do if you are in a situation where you are one of the productive sectors, and you need to be stimulated and you need to get out there and get the tourists coming in, so that we will be in a healthier position? Sir, the first thing we will do is to make sure that we penetrate the traditional areas, as is our custom, but we will make sure that we will go into the non-traditional areas as well. Take for instance the United States of America, Sir. For years it has been traditional to go to New York, Boston and Philadelphia. But we believe that you should go to Atlanta, Cincinnati, Orlando, Miami and Texas. If we can get a hub through Miami, as we are getting now, it is obvious then that people from that area will be able to travel more frequently because there will be easier airlifts. That is the sort of thing that we are trying to do.

As far as Continental Europe is concerned, Sir, we have actually gone into that region with renewed zest. Regarding Europe, I can easily say that from October 1987, when the American dollar fell, Barbados led the way into Europe, and it has been that way ever since. Sir, we would like to make sure that we not only go into the non-traditional areas such as Finland, because since 1986 we have been going to Stockholm, but we have not been able to penetrate the Finnish market until 1991. We would also like in the United Kingdom not merely to go to Gatwick and to Heathrow, but we have actually had flights coming from Amsterdam right through to Manchester straight to Barbados. The reason for this is that it is necessary for us to see if we can tap some of that traffic coming through Manchester Airport. That airport sees some 11 million passengers going through that airport every year and 6 million of those passengers come through on charters. Therefore, it is important for us to make sure that we can get into that market. Not only should we penetrate the traditional and non-traditional markets, but we need therefore to supplement this by deployment of staff.

10.15 p.m.

We have, in the last year, strengthened our staff in London. We have now made sure that we can get to the northern market around the Pennines and around Yorkshire, Oldham, Bolton, even in the Midlands around Nottingham and Birmingham. We have made sure by placing an officer in the northern region so that we will be able to penetrate that market. We have been able to place our Deputy Director in the United States on secondment for 8 months, to ensure making the necessary dent into that market. What is more, Sir, in another month or so, we will be sending our newly appointed manager to the United States.

As far as the airlift is concerned, it is necessary for us to make sure that we are able to get scheduled airlines coming out of Barbados. For years, it has been the policy of successive Ministers, in both Governments, to have dialogue with scheduled airlines in an effort to improve the services into Barbados. As far as charters are concerned, we have been able to encourage many charters out of Italy, Scandinavia, England, Canada and the United States of America to come here. As I said previously, Sir, every time we do that, there is a financial cost. Sometimes I believe that it might be better – indeed, if we had more money we would be able – to do more generic and more cooperative advertising, and then help out as far as possible with charters.

Mr. Speaker, another area of prime importance in order to make sure that we sharpen our competitive edge, is that of human resources and also the area of product development. I will tell you that this Government has recognised that tourism is about people, and that the people asset value is improved by training and by education. The tourism development process itself generates a demand for qualitative changes in the human resources. That is our philosophy, and we aim to do that by training in the workplace. This has been done not only by the Barbados Board of Tourism. It has been done by the Barbados Hotel Association. The Barbados Workers' Union and by the Extra Mural Department of the University of the West Indies.

Sir, even today, there are courses for the ancillary services and indeed for the retail trade. We have had many hundreds, perhaps a thousand workers, have been trained through this programme in the last year or so. We have given technical assistance to the accommodation sector, especially the intimate hotels. The intimate hotels are the small hotels. They are small but they give good value for money. Through training and assistance by consultants in the field of marketing, accounting procedures and physical structure, we have been able to do great things with them.

The sports-tourism programme has been enhanced. There is no doubt in my mind. Around the world, we see many countries going into the sports-tourism fusion. It makes sure that sports complements tourism and not competes with it. Thousands of people will come to a destination to play the sport of their choice, whether it is cricket, or whether it is golf – and I wish that we will be able to get the championship golf course that we are trying to get, in another year or so. Whether hockey or football, there are many people who will come to this country to play sports. Our gymnasium will be open in another 5 or 6 months and I am sure that, with 12 disciplines there, we will be able to invite many indoor sporting enthusiasts that we would not have normally been able to. **Sports tourism** can be followed by youth tourism, culture tourism where we have festivals, heritage tourism where the National Trust is doing a great job in restoring our villas and houses and places like the Synagogue for people to see,

eco-tourism, where we have nature trails. These are areas which are developed and are making significant contributions to tourism in Barbados.

As far as **sectoral** linkages are concerned, we are making sure that we strengthen them through consultation. We want to make sure that we can grow more food in Barbados so that we can reduce the import bill. We want to make sure that our **sectoral** linkages are definitely strengthened.

Mr. Speaker, we are very keen on cruise tourism. I know that the Barbados Labour Party members will say that they were very keen on it. I admit that. That is true. There is empirical evidence there that they were keen. I give them their jacket even though they don't give me mine.

What we have done, is to bring the human touch to it. We are getting many young school children to go to these ships. They sing. They have tremendous talent and some play steel band. There is great interaction with the kids and the people who come to our **country**. Judging from the number of arrivals which total some 370 000 to 380 000 people a year, I am of the view that our greatest desire should be and is, to make certain that these short stay visitors eventually become long stay visitors.

Sir, I wish to comment on a few other things. I wish to say that we have to look seriously... Sir, it seems that you are going to cut me short. I feel that I have about 10 minutes and in that time I have to talk about the unification of Germany. When East Germany becomes prosperous and when the mark is on par with the...

Asides.

Mr. SPEAKER: I am sure you will understand the question of time.

Hon. W. W. HALL: Yes, Sir. Mr. Speaker, thank you very much. I just wish to say that I am very grateful to you for giving me 25 minutes.

SUSPENSION

Hon. P. M. GREAVES: Mr. Speaker, I do not think we can impose further on the staff of Parliament. We have been sitting here for some time this evening and I think it is time that we take a break. I therefore move that the sitting be suspended until 10 a.m. tomorrow morning.

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

The question was put and resolved in the affirmative without division and MR. SPEAKER suspended the House accordingly.
10.25 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Mr. J. O. TUDOR: Mr. Speaker, I join this debate today as the representative of the people of Barbados and, in particular, of the constituency of St. Michael East. You may recall that my entry into politics was, if we can use the analogy, somewhat characterised as being on a roller coaster in the sense that I immediately went in on a high only to find myself in a nose dive and that I can only describe as being extremely uncomfortable.

I intend today to speak my mind, Mr. Speaker, to speak it clearly and to speak it in the defence of sustaining the order of the country of which I am very proud. As a young Parliamentarian it is necessary for me or for anyone of us in here to have trust and to place trust in the direction to which we have been committed, and I certainly confess that I placed that trust in the direction and programme that I was associated with over the years.

During my very first presentation in this House I indicated then, Mr. Speaker, that the Barbadian public is a very trusting public and that trust must never be broken because when that occurs it can lead to confusion, loss of confidence and decay in general in the society.

Mr. Speaker, I do not want to get involved in the semantics of individuals or of individualism but I am going to speak my mind very clearly about how I feel on this matter of trust and confidence and how I think that it can be restored.

During the Budgetary Proposals last year April 2, the Right Honourable Prime Minister indicated at that time that it was not his intention to preside over massive layoffs in the public sector. That statement was tied to another **statement** which indicated that he would not want to see a devaluation of the Barbados dollar. Very shortly after that, Mr. Speaker, we saw a situation develop where layoffs occurred without any effective explanation.

Mr. Speaker, those layoffs undermined the confidence of the people. In any situation of crisis there needs, as I said earlier, to be constant, effective and credible communication. I was trained as a professional in the area of communication. I spent 17 years in the airline industry and in that industry we are trained to communicate effectively and swiftly because you would appreciate you are dealing on a daily basis with the lives and the survival

of people and there must be swift and precise communication.

I have to state, Mr. Speaker, that I am not satisfied that the country has been getting the level of communication that it should be getting to create an atmosphere where people can effectively come to grips with the current situation. I am not satisfied. I function as a representative, I am a back **bencher**, I have no power in terms of facilitating the needs of my immediate constituents. I certainly have no intention of enclaving them but I will be fighting in every regard to ensure that they are treated fairly and justly and that the appropriate opportunity is created for them to function within the society. I will be continuing that particular struggle.

Mr. Speaker, at this stage none of our people can effectively plan their agenda. I find that there is too much hush hush on information which people should have. I said that I am in the area of communications. I have also grown up in an environment where I am accustomed to bad news. For all of my life I have been associated with the Tudor's Funeral Home. We are accustomed to getting bad news, death, but we deal with it in a caring manner. We show care. We understand that things are destroyed, that situations are pulled down but that care, that sense of care must be immediately implemented to show people that we indeed understand the difficulties that we have to go through as a country.

I have difficulty, Sir, in talking of a tax free budget because to do that it may provide problems for us at a later stage, if and when a number of charges will have to be incurred to meet the user fees and other revenue gathering provisions to **balance** our budget. I have difficulty, Sir. I like straight talk. I am an individual that if I have to give you bad news I will give bad news but I will seek immediately to look for alternatives to ensure that you resume a normal and comfortable life or lifestyle. In this instance I will seek to do the same.

During the September 1991 Mini-Budget presentation, I identified the difficulty with which I have been confronted. It is common knowledge that there have been several hundred casual workers who were terminated from the National Conservation Commission, from the Ministry of Transport and Works. I said at that time that I had difficulty with the fact that that type of employment is created in our country because sooner or later those kinds of programmes come to an end. The casual work, the road programmes, the labour intensified jobs in those categories can only survive as long as there is enough money for those areas to survive. I stated then and I would like to restate that I would prefer to see the structure of

our society adjusted to make provision for these categories of workers to become their own bosses in some creative entrepreneurial manner.

I spoke about the agricultural reform that I would like to see in the Belle and we have certainly as a constituency welcomed the comments that were made by the Right Honourable Prime Minister during his **presentation** where he indicated that he will be allocating those Government lands to interested farmers or those displaced workers.

Mr. Speaker, my contribution is based against the **background** that the area which I represent is basically a very depressed constituency. There are very limited opportunities for people. There is little or no training and what is probably of most significance is that there are little or no funds available to get into venture programmes. It is painful when we see so much money written off to other sections of the community. If we can write off money we must be able to write it off at all levels of the society. It is very difficult for a small entrepreneur, an ordinary man in the street to go into any commercial bank in this country and be given the appropriate loan that would allow him to start a small business or a small programme. The Barbadian society is very intelligent and very creative. The young people in particular are extremely creative and they have got to be given an opportunity. They have got to be trusted in order that they can develop their entrepreneurial skills that are very evident in the modern day.
10.10 a.m.

Mr. Speaker, I mentioned just a short while ago the fact the Right Honourable **Prime** Minister indicated that he was prepared to allocate those lands in the Belle or other areas to the displaced workers. Many of those displaced workers are from my constituency. Many of them lack training in farming. Many of them, I believe, have the ability to produce and they have said that they are prepared to work in the area to develop their own programmes.' In fact, there are some small programmes that have started. There are certainly 2 programmes in the Belle area where the guys are dealing in all kinds of farming including vegetables and dairy and they will probably be dealing shortly with black belly sheep and so forth. I have spoken to the people with the assistance of the Extension Officer from the Agricultural Development Corporation and I have gone with my committee into the community. We have tried to sensitize the community to the necessity of rechanneling their productive energies where they can use them for their own benefits. But one of the difficulties that we have in this society, Mr. Speaker, is that this is a mind-set to the extent that we are afraid to venture into these programmes because of the stigma that is attached to farming and these kinds of areas. I understand it because never in our recent history have we been able to share,

benefit or **reap** the sweets from the land and I speak for the majority of the Barbadian populace. We have a golden opportunity to right a wrong that has gone on for so many years.

We **talk** in terms of producing locally and reducing our imports. We can only achieve it if we create these kinds of opportunities for our people to function within our own system. If we give them no opportunity, what will happen to the 'society? We cannot and we must not in Barbados just implement programmes. I have no difficulty if it is necessary for these programmes to be put in place. I have no difficulty whatsoever with that. Mr. Speaker, I am prepared to start with nothing but we have to build and take Barbados forward. I am prepared to start with nothing. I am prepared to work with the young people in this country because all of us have to restructure in order to appreciate that our future is in our hands. We are an independent country.

We have said that we want to be independent and we no longer want to be tied with the colonial bonds of Westminster and other places. With the amalgamation of Europe very shortly, all the protection that these islands have had and enjoyed over the last 25 or 30 years will be destroyed. We have to look internally within this region and within Barbados to provide employment opportunities or to sustain our own food requirements. We have to be able to satisfy the local tourism market. If there is proper planning by the Barbados Agricultural Society or by one of those coordinating agencies where they are able to coordinate food crops on behalf of people or to advise them what they should be producing and when they should be producing for the tourism industry, a lot of our entrepreneurs would have that opportunity to earn.

Mr. Speaker, as I said before, I am uncomfortable with the knowledge that several of my constituents and others have been laid off and are hurting and it is necessary for us to stop talking about these programmes. I do not like to say something and then do nothing about it. If I say that I am going to do "A", I am going to do "A". I do not waste people's time by telling them that I am going to promise them this and then I do not deliver. If we are going to provide land, let us do it and let us make sure that those displaced workers have an opportunity to produce for themselves.

Sir, I would like to take this opportunity to thank the churches in my constituency. There are several households in my constituency that are hurting beyond a reasonable point but the churches in my constituency, Mr. Speaker, have been very good to me and they have been giving me a strong inspirational lift. They have been playing a major role in trying to subdue the depressed emotional state that exists in the constituency. The St. Barnabas Church,

Belmont Church, Antioch, Pilgrim Holiness and the Seven Day Adventists have been playing a major role. I attend all of them, Mr. Speaker, and I appreciate the work that they have been doing. Some of them have even started small agricultural programmes within the church membership and within the youth groups in the church. I applaud that kind of effort from the churches and they have certainly given their blessings to his efforts to **ease** the difficult situation with which we have been confronted. But that is not all and that will not do all. We have to take those blessings and transform them into action. The Bible says, "By the sweat of your brow, you shall eat." But you cannot sweat if you have no opportunity or you do not know where to go. There is a lot of crime. We cannot have a two-tiered society where these people must not have any opportunity, these people are trained and those who are university graduates have the opportunity and we leave the casual worker and general worker class to be subjected to the ravages of crime. You lock them up and put them in prison. You subject them to the Law Courts. What kind of a society is that?

I would be very proud of a Barbados, Mr. Speaker, where all of us have an equal opportunity whether we are doctors or lawyers. In fact, I am a little disappointed, when the layoffs and the restructuring came, that they only came at the bottom. I am very disappointed about that because there are several people that I know who are senior in the scale that probably should have gone home before many of my hard working casual workers.

Mr. Speaker, just for the record, we tend to delay the implementation of necessary programmes and it is necessary in this specific instance to effect family relief as well as to get those agricultural programmes on the road.

Mr. Speaker, I am also uncomfortable with the displacement of workers from the Transport Board. It is my understanding that targets have been met under the terms of the agreement with the International Monetary Fund as stated on page 56 of the Financial Statement. It is necessary for me to query the need for further retrenchment. I do not know, but I would like to be told. I am receiving requests on a daily basis, I am getting copies of letters, but I really do not know and I am just asking to be informed.
10.20 a.m.

There was some discussion relative to Transport Board workers, of involving them in the ownership of the transportation system, but it is very vague, it is not clear. I have some difficulty, because if we are saying that there are workers from the Transport Board who are to be fitted into the new dispensation, then I have some difficulty in the sense that I recognise that there are several Z and ZM

vehicles operating out there and it is my understanding that they are soon to be **termed** ZR or something to that effect.

If we are going to facilitate those people who have been laid off, I am not sure that there is enough room, but if there is enough room for them I really want to ensure that they are given priority in being afforded the opportunity to purchase small **Suzuki** vans or these types of vehicles with which they provide transportation. They should have priority.

Mr. Speaker, I should like briefly to deal with the housing difficulties, **as** these continue to be a major problem for me within the constituency. I have had several meetings with the Minister of Housing to discuss various matters. I would like to deal in particular with the problem raised by the Honourable Member for St. Michael South East where he indicated that he had received a letter – and I have a copy of that letter – stating that the new rent was \$520 annually paid monthly in advance in the sum of **\$43.33**.

Mr. Speaker, I remember distinctly when the Honourable Member for St. Lucy, the Minister of Housing, raised the matter of the land at Haggatt Hall, the proposal then was that the land would be at a fee of \$160 per year. I have found it in the **Hansard** Report and I really am upset when we take positions in this Honourable House and then we have these situations developing where people are then all of a sudden presented with letters where the rents have been multiplied by **2** and **3** hundred per cent. It is totally unacceptable. The Member for St. Michael South East is absolutely correct and it is not without difficulty that I have to report that the Honourable Minister is looking into the matter, because it is obviously an aberration from the norm and it has to be properly investigated, but I am sure the Minister will give it his kind consideration.

We also discussed the question of the lands in the Ivy. I have very close association with the lands in the Ivy. There is a strange and nice history about them, but for some reason the price at which the 20 or 30 house spots which have been created out there have been priced is also considered to be extremely high. We have reviewed them, I have had meetings with the Minister of Housing and I expect that he will continue his review of those **costings** as well.

Many of the housing units in the area need repairs and we are confronted with a situation where those repairs need to be done, yet we find ourselves in an IMF environment which apparently is suggesting that the rents on those units go up. To compound all of that, Mr. Speaker, we are dealing with the majority of people in one area who have been laid off. A large number of those

people who are occupying the Government units are people who have been laid off, they are people who have been paying their bills through payroll deductions, who have been honouring their commitments to the stores in Bridgetown. These are very proud people, Mr. Speaker, and it is not their fault that they find themselves in this predicament, so we have to exercise some care. I really would hope that none of my constituents is subjected to the embarrassment of having to be thrown out of a unit without proper discussion and without some reason giving them an opportunity to regularise their house rents and so forth. We must exercise some consideration in that regard.

I am asking, Mr. Speaker, therefore that in light of the present economic situation consideration be given to those individuals in order for them to facilitate their house rents, and in the other instance where the lands are supposed to be purchased, I **am** asking that those lands be made available under an affordable arrangement. Those people would know to whom I am referring.

Mr. Speaker, I know that my time is coming to an end, but I am sure you will permit me to dwell very briefly in the area of tourism. I certainly welcome the Honourable Prime Minister's decision to restructure the Board of Tourism. I believe it is a Board which should function aggressively and, from my own personal experience, I found that it takes too long to make important decisions which should be acted on immediately in the interest of the development of our tourism industry. I was particularly upset because when it comes to issues of national importance I do not like the grand standing of either side. There have **been** several arguments advanced over there as to why we are in **our** situation, but I do not think that members on the other side or on this side should be into the debate of who caused what or who created this problem or not.

There are several arguments for and against, but I was particularly upset when the Honourable Member for St. George South sought to destroy the image of the Trump airline arrangement. I thought it was very unfortunate, because the Trump airline, **first** of all, uses **Boeing** 727's that are very creditable. It is a very creditable company, the aircraft are very clean and it is unfortunate that we sought to score quick points when the Board of Tourism was moving swiftly to put arrangements in place. Mr. Speaker, can you imagine a situation where you put no arrangements in place? Then you have tour operators and people overseas saying they cannot get seats to Barbados because there are no flights to Barbados, since Pan Am has closed down there is no arrangement in place. You have to move swiftly to make these kinds of decisions in this kind of environment in which we find ourselves. I welcome that

restructuring, **because** those kinds of decisions can be made very quickly.

I particularly wanted to focus on tourism, because I believe it is an area that will provide jobs in the short term and will create the necessary cash flows which will get us out of this kind of economic difficulty. We need to aggressively market this country. I recently spent, under your kind hand, a few weeks at Westminster in the House of Commons in London, and when I talk about aggressive marketing, Mr. Speaker, I went to almost every parliamentarian in the House of Commons, including the Prime Minister, and presented literature on Barbados. Our representatives overseas must understand that when we talk about aggressive marketing, we are talking about aggressive marketing. This entire country may skip around agriculture, agriculture, we may skip around all different kinds of areas, but tourism is the one **area**, if it is properly handled, that will bring us out. Mr. Speaker, I know I have to close, but I would like you to permit me. The crime situation is a major concern. I **am** not spreading too far, Mr. Speaker.
10.30 a.m.

Mr. SPEAKER: There is a time constraint.

Mr. J. O. TUDOR: How much more time do I have, Sir?

Mr. SPEAKER: No more time.

Mr. J. O. TUDOR: I will close.

Mr. SPEAKER: No. I will allow you to complete your sentence and finish off. Do it very quickly.

Mr. J. O. TUDOR: Mr. Speaker, I want to say that crime has been on the increase, and I am suggesting that it has been a result of a lack of opportunity for too many people. It is impacting negatively on our tourism industry. Let us quickly create these opportunities within this forum so that we can restore our country to buoyancy. Thank you.

Mr. L. L. BRATHWAITE: Mr. Speaker, I am required by the Resolution that we are discussing today to note Government's achievements during the year 1991-92 and to give full support to the Government's efforts to improve the performance of the economy and the standard of living of the country. In this regard, I am rising to support the Resolution in terms of what has been the efforts of the Government during the year 1991-92

to come to grips with the problems that this country faced and to consider the proposals that are made for the year 1992-93.

I wish very early to state the basic reasons for which I am supporting this Resolution. Unlike some commentators, Sir, I have chosen to be informed by reality and the circumstances surrounding that reality. When that is done, Sir, I wish to make an assessment of the objective remedy.

Barbados has gone through over the last 19 years, and I choose to use that period because it is the effective period during which Cabinet Government truthfully had responsibility for managing the economy of the country. During that period, Barbados has gone through 2 recessions, one in 1973 when the impact of the increase of oil prices required a sort of change in the strategy of the structure necessary to meet the demands of those times. We saw out of that recession the effort of the then Government not only to rekindle but to improve the production of oil as an entity through which Barbados should start its restructuring programme. We also saw in that period an effort on the part of the Government to assist in the marketing and in the pricing arrangements for one of our major foreign exchange earners in sugar.

In spite of that effort in 1973-74, by 1976 we had a change of Government and I am not persuaded that much was done to continue the momentum of this restructuring effort during the period 1976-1986. I speak not of restructuring in terms of what I have been hearing in the dialogue going on in this country over the last couple of months in relation to a restructuring programme as it relates to assistance from the world financial institutions. Certainly, I am talking about the kind of structural change that is necessary, if we are not only to come to grips with but to absorb those problems and those pressures that can be inflicted upon us because of things that are happening in the economy of the world around us. Those structural changes have not taken place as rapidly as the changes in the world economy have impacted upon us.

What happened in the period 1976-86 is that with the recession of 1982 – and we were reminded by the Honourable Member for St. Peter – the then Government took into consideration that it was necessary to give agriculture a boost. Certain concessions and incentives were given to agriculture. No one can deny that. Neither can one deny that those incentives and those concessions have not been removed by successive administrations. I want to say therefore, Sir, that in spite of those concessions and in spite of the incentives we still have today the phenomenon

where agriculture is not performing at the rate that we expected those concessions and incentives to push them.

We are not in a position to say today that any of the problems that reside in agriculture can be pinned down to one man or to one institution or one facility which was required to prevent them from doing what they should do. There are a number of areas. All of the reports that have been conducted say that something must be done structurally to change the trend from which we must get the utmost momentum for the advantage of the economy of the country.

The global recession of the 1980's did not produce the kind of structural programme that should allow the economy of the country to build on what it had. When you take the recession that we are presently in, Sir, what happens is that a fragile economy such as ours is vulnerable as it is thrown about by the strong seas and the high winds of a global recession. If nothing is done at this particular time to restructure the economy of the country, then, for the future, we are looking at even greater disaster. It appears to me that out of that kind of situation each time we have these kinds of setbacks we are pushed further and further back. What gains we may have made by much hard work and sweat and toil and labour can be reduced, not necessarily only by our own neglect or by anything that we did that we should not have done, but because we have not been so prepared to meet the shocks that we might face.

These 3 obstructions are what I refer to as the reality of our situation. The circumstances inform me that they were essential and it is essential for any leader of this country, any incumbent administration, to recognise that the future of the country lies in the path that we chart today, if, as I said, our economy is so vulnerable that anything that happens around us – I do not mean only the Caribbean. I mean in the wide world – can impact upon us more heavily than we can absorb.

I want to say, in that regard, I was very heartened by the level of debate that was initiated by the Rt. Honourable Prime Minister and which, in my view, has been matched by the presentation by the Honourable Member for St. Peter in much the same way as I would like to see debate conducted in this Honourable Chamber as it relates to the livelihood of the people of this country.

In a parliamentary system, such as we have, one expects some partisan position and it is essential, if we are to have debate, but there are certain things which are so fundamental to our livelihood and our development that

we must, in my view, take the position as I thought was taken by the Honourable Member for St. Peter during his response in this debate. There is much acceptance for the school of thought that the debate on the Budget is about the projections of the Administration to deal with what it sees as the problems of the country in the period for which it is making the projections and for the Opposition, in its principal part, to state those areas where it differs and, sometimes, also project...

Mr. SPEAKER: Will the Honourable Member wait a moment? The Chamber is without a quorum.

The bell was rung and a quorum was formed.

Mr. SPEAKER: Proceed.

Mr. L. L. BRATHWAITE: Mr. Speaker, Sir, I have been alluding to the role I recognise of that of the incumbent Administration to project the policies and the programmes, which it perceives will take the interests and the business of this country forward and, to a large extent, for the Opposition, through its principal spokesman, to present what could be considered alternatives to that path and that programme.

Therefore, Sir, much of what is done by Honourable Members as they contribute to the debate is done primarily because most of our constituents expect us to make a contribution, but the bulk of the input and the import of the budgetary exercise must be done by the 2 principal spokesmen.

I am not going to be in any way sidetracked by anything that has been said by any of the other Honourable Members in relation to this programme, based on my appreciation for the way that the Honourable Prime Minister and the Honourable Member for St. Peter put their case for the 2 respective sides.
10.45 a.m.

When I make an assessment of what the Honourable Member for St. Peter has said, substantially he agrees with the programme put by the Honourable Prime Minister although, as he has stated, he has difficulty in recognising the ability of the Prime Minister to manage the programme. That is his position. I do not share his judgement on that. I certainly share the view that the problems we have in this country must not only be faced but tackled. If we are going to tackle those problems there are some areas of pain that we will feel and pressure we must have.

In every normal situation of life where you have an illness the only way people are jolted into knowing that there is a situation they need to take care of is when pain sets in. If pain is informing them they should be jolted into the exercise of bringing some remedy to the situation. In most cases that exercise of bringing some remedy to the situation in a normal life situation requires the individual to play his or her part in doing so. In that regard, any attempt to divide the people of this country in this exercise of a restructuring effort cannot be for the improvement of our country. We are all in this situation together, whether as Members of Parliament, the mercantile directorate or the general rank and file of people in this country. This is one of the situations where we will either swim together or sink together.

What has heartened me, Sir, is the instruction to the Honourable Minister of Finance that it falls on him and his administration, the responsibility to take those harsh measures. It is the only way that we can move forward and in so doing make a strong effort to reduce the length of time we would be going through this period of adjustment. Again, like in normal life, the medicine will have to be a little more impactful. I am very hopeful that because of what we are experiencing we would all be driven to do all that we can to bring about the speediest possible resolution to the problems we face.

I want also to say, Sir, that the programme made to meet the requirements of this restructuring tool has been one in which the Government, and quite painfully so, has had to shed some of the burden that it had been carrying by way of employment in Government enterprises. We all know, both in domestic situations or in national situations, as in international situations it is not the best situation to try to spend more than you earn.

I have said it before and I may have to repeat it now because it is, to my mind, instructive that money which is required to do the things which we as a country would like done, does not grow on trees. Therefore, there is no situation where you can go and pick a dollar bill and spend it. If I earn a dollar bill today, Sir, it is because somebody else has earned it and that it can be spread to the point where other people will be able to benefit from my ability to spend that \$1. It is one circle and we all have to recognise that it is important for us to assist in the spread that is necessary.

I want to say, Sir, in that regard unemployment is a problem that we are facing. I am not at this stage about to say there is unemployment elsewhere because wherever there is unemployment that is the problem for the people leading those countries to solve. The fragility of our

situation is such that our earnings depend largely on what is generated by those countries that may be referred to. If we as a country find it difficult for whatever reason to earn our livelihood then it behoves all of us as citizens of this country to put our houses in order, put our shoulders to the task and whatever opportunity is given to us do the best we Can.

I have said before, Sir, that wastage has been one of the greatest deterrents to the progress of men, families and nations. When you take the wastage we see in terms of the individual, the family and in the national situation, obviously if we are so dependent on what is happening externally it comes back to us if the same thing is happening there. The effort of the Honourable Minister of Finance has been to reduce the areas of wastage. If those areas are reduced, it is obvious we would see cuts in the level of expenditure which ought not to produce any reduction in the services if we are all working towards the progress of our country. It may be because of the reactions we may see some diminution in the services but that ought to drive us to the point where we make every effort to so restructure and retool that people can understand that it is not a free-for-all or a giveaway, that this is what they must expect if they are to make the full contribution to the development of our economy.

I want to think that in the area of the foreign currency generating sectors of the economy, as was rightly said by the Honourable Member for St. Peter, there are some who earn foreign exchange and as such require the use of foreign exchange to keep their machinery going. That is understandable. But we have developed, over the last couple of years in this country, a sector of persons who have held very dearly to the view that buying and selling has to be a way of life. If it has to be a way of life for individuals, it will increase to the stage where it may become a way of life for our national effort and endeavour.

I have said previously that it is necessary for some of the people so engaged in that kind of exercise to recognise it is important for them to use whatever foreign exchange they are using but to make it possible that the use of that foreign exchange can earn this country more foreign exchange. I look at some of the malls in Bridgetown and I recognise there are commodities in those enterprises that this country can have no credit for having them in the malls.

10.55 a.m.

I read in the newspapers on a couple of occasions where some of the people who are involved in design and the like have been complaining that they have not been

given enough scope. This scope to function, Sir, I believe can only be resident in those people who are making a living out of providing these commodities for our people. The same way we can advertise and promote what is non Barbadian I think an even greater effort should be made to make things that find their beginnings in Barbadian thinking also so promoted that out of that exercise we begin to use indigenous labour, indigenous materials wherever they are, indigenous ideas that can do us credit. Because from there we can make our impact on the world at large, by producing things that are indigenous to Barbados.

I have some problems with some of the people in manufacturing. They, to me, seem to want to so develop an enterprise that it requires total imports and for whatever reason we are unable to get those imports at prices that can help us to be competitive across the same world from which we are importing the stuff and it becomes very, very difficult, Sir, for us to be competitive no matter what concessions we get. But I hold very dearly to the view, Sir, that manufacturing local products, in my view, do not need the kind of protection that I find people call for. The kind of protection which I think is required does not spring from a mandate that you cannot import but that the people who import be the persons who determine what comes into the country and what they are going to sell.

I would not have a situation where there would be complaints of a suitcase trade, where we all know that the suitcase trade is very, very strongly supported by the people who sell the things that they buy from the people who traffic in the suitcase trade. I want to say, Sir, that our position, as a country that wants to restructure and to retool must be to recognize that we have, based on what we consider an asset in our educational facilities, the thrust that we can have from that ought to be enough to propel us to the point where we can begin to make our mark on the external scene because of being able to produce from an indigenous position things of worth and things of value. I have been hit in my constituency by some of the layoffs. I have been hit by some of the slow offs that have become necessary because of the Government's inability to find the funds to do it. I recognize that there will be a time of waiting. I believe that all of us as honourable Members of this Chamber would recognize that even though there will be a time of waiting, that we must hope that we will be able to produce for our constituencies at least some of the things, and using here our priorities, those things which are most needed in our constituency.

I am not going to be naming any part of my constituency. I have, on several occasions, mentioned the improvements that we have had. I have also mentioned

and I am continuing to fight for some amelioration to the problems that we face in our constituency. But I know that my constituents are good enough to recognize, based on the quality of representation that they have had, that when the time comes the goods will be delivered. I am hopeful, Sir, that that time is not too long in coming. That is why I am able to give my appreciation and to give my support to the programme, as enunciated by the Right Honourable Prime Minister.

Mr. Speaker, I am thankful for this opportunity to be able to say what I have said in the way I think it should be said.

Thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. Michael South Central.

Mr. D. W. BOWEN: Mr. Speaker, I have absolutely no difficulty in supporting the Financial Statement and Budgetary Proposals made by the Right Honourable Prime Minister, in the same way that the Right Honourable Member for St. Peter had no difficulty in supporting those proposals.

To my mind, the Budget is a wide ranging and comprehensive document which attempts to strike a balance between the need for efficiency on the one hand and the necessity to pay due regard to issues of equity and income distribution. The Budget also contains elements which should return the economy to a sound footing and to sustained growth and development as we approach the year 2 000. It ensures that all Barbadians will contribute to and will benefit from the resurgence of the economic activity which should characterize a new Barbados.

Mr. Speaker, we know only too well of the openness of the Barbados economy and the fact that it takes its dynamism, to a large extent, from North America and it is dependent heavily on international trade for its livelihood. Hence the Budget contains proposals to tackle problems which constrain our ability to **earn** foreign exchange. There are a number of action plans, Mr. Speaker, in the Budget. There is an action plan for the Board of Tourism. There is an action plan for tourism which is our biggest foreign exchange earner which includes, among other things, a rationalization of the Board. There is an action plan for the sugar industry. There is an action plan for export manufacturing which will benefit from the pooling of resources of the IDC and the export Promotion Corporation through improved administration and marketing. There is

an action plan for ~~the~~ offshore business service sector, and there are a number of gains to be gleaned or to be derived from this action plan. These would include things like foreign exchange inflows, skills, transfers, **infrastructural** development and enhanced promotion outside of Barbados.
11.05 a.m.

Nonetheless, Mr. Speaker, the main **plank** of the Budget is the whole question of **tax** reform which in keeping with the philosophy of the Democratic Labour Party would ease the tax burden especially for the persons at the lower end of the economic rungs and any removal of the stabilisation tax and certain payroll taxes during this tax reform will boost, no doubt, the economy.

There is also, and the Honourable Member for St. Michael East, my neighbour talked about the question of agrarian reform, a more rational land use policy and this is also included in the Budgetary Proposals. So you see, Mr. Speaker, the Budget is very wide ranging and comprehensive.

It seems to me from what is said in the Budget that the IMF Programme is on track. It is obvious that for the first 6 months as we try to reduce the fiscal deficit from 6 per cent to 1 per cent of GDP that it was a fairly harsh period but all signs are that we have stabilised and we continue to stabilise the economy.

Mr. Speaker, before I deal specifically with aspects of the Ministry of Community Development and Culture, I would want to touch on certain other proposals in the Budget which are very apposite to my mind. If I can start, Mr. Speaker, with the question of public service reform. The Democratic Labour Party, Mr. Speaker, started its thrust towards public service reform as far back as 1986. Now I know, Mr. Speaker, there are those who say that so far we have only been paying lip service to the whole concept of public service and administrative reform. There are those who believe that we have gone some way but we could go further. The proposals in the Budget give a guarantee that we are going to speed up the process of **public** service reform but any effectiveness of a public service reform policy must be informed by increased efficiency and commitment on the part of all of us from the level of the senior public officers right through to the level of the lowest paid worker in the public sector. I have always held the view that in the machinery of Government every worker is an important cog in the entire wheel. Therefore all workers, from top to bottom, have to put their hands to the plough in terms of increasing efficiency, in terms of commitment and dedication if public service reform is to become a reality. What we are saying basically, Mr. Speaker is that we are asking a little more for a little less. We are asking that wastage be cut out.

I was reading, Mr. Speaker, an address from a very eminent retired Head of the Civil Service who estimated that wastage in the public service ran at about \$8 million per year generally speaking. He felt that was a conservative estimate. This is the sort of wastage I am speaking about and that must be cut out under any public service reform.

The word reform connotes the removal of certain bureaucracy and the elimination of certain red tape in the decision making and this again would be addressed by the Ministry of the Civil Service. I know, Mr. Speaker, that there are certain forms that are being used in the public service that are outdated and bear no relevance to 1992. These are matters that would be considered.

Also, Mr. Speaker, the question of the strengthening of the human resource management function. This must be an integral part of any public service reform. The Honourable Member for St. Joseph is not in his seat but during the debate on the Appropriation Bill he spoke on a number of matters which were a repeat of what I said last year when I was speaking under that same Bill, the question of looking at merit rating, the question of performance appraisal. This is a sore point and it is very important if we are to move forward, because I believe that in many areas the public sector matches or even surpasses the private sector, but there are certain areas that we still lag behind and in some regards I believe the whole question of performance appraisal is one such area.

I know of a well touted case where a head of department wanted to get an employee out of that department and he rated that employee all Ds and after 2 years there was no move and the third year he graded him all A's and he was promoted out of the department. Now this is obviously, Mr. Speaker, making a mockery of the question of performance appraisal. This is saying that on occasions heads of departments hurriedly rush together the forms and through no scientific approach fill them out and send them on to Services Commissions with the result that the Trade Unions are then inundated with a number of complaints from the various public servants who feel hard done by.

Employee morale and motivation is another area that any public service reform or the public service reform that we going to embark upon will seek to enhance because we recognise that there is a positive relationship between employee morale and motivation and increased productivity.

The Right Honourable Prime Minister in his address assured us that a new General Orders will shortly be put

out. This is heartening, Mr. Speaker, because we have long agreed at a number of levels, both here and elsewhere that the General Orders in their old form were antiquated and colonial and needed updating. This should go towards increasing efficiency in the public service. The other matter which we are going to address is the question of intensifying, given our limited resources, our computer awareness and new technology programmes and so on.

The Budget also refers, Mr. Speaker, to the role of the training division in the new administrative reform thrust. I believe, Mr. Speaker, that the Training Division has an inescapable role to play in any such thrust but it is too often felt that the Training Division of the Ministry of the Civil Service is a department set up to train junior officers. I believe, Mr. Speaker, that the Training Division should be training from top managers in the public service right through to workers at the lowest rounds of the ladder.

There is this feeling that any seminar or any training programme, and it usually carries a fancy name like a symposium for managers must be taken to Heywoods or taken to Sam Lord's and so on. I think that managers in the public service must see themselves as change agents. Managers in the public service must see themselves as trainers and that is why one of the programmes which the Training Board must embark upon is a sort of train the trainers programme where managers would be trained to train staff because as managers they are training people on a daily basis and sometimes I wonder if all of them know this.

There are other issues which I don't believe time would permit me – you will appreciate my enthusiasm to get to the Ministry of Community Development and Culture – to speak on. But with regard to questions like the selection process for training, too often training is seen in the Public Service as an additional week's vacation where you go and you get a week's vacation. This mentality has to be changed, Mr. Speaker. Training must be seen as mandatory and not just optional.

11.15 a.m.

I would like to turn, Mr. Speaker, to plans which the Ministry of Community Development and Culture has for the coming 2 or 3 years and which I am sure is going to ease and minimize the burden which any adjustment programme will place on certain categories of persons. I speak specifically about women and the youth. I will deal first, Mr. Speaker, with women. Quite recently the Department of Women's Affairs has submitted to the Cabinet a comprehensive document on women and I think it was approved by Cabinet. The focus of the Bureau will be to take into account the adjustment programme. It

is going to embark on a number of employment generating projects. Quite recently we have brought before the House the Domestic Violence Act and these measures are engaging the attention of the Women's Bureau in my Ministry.

Mr. Speaker, we have received funds from the Inter-American Commission on Women of the OAS and we are embarking on 3 workshops comprising 20 participants for each workshop. The first workshop starts on April 13th and there will be a number of self-help schemes, because we all appreciate on both sides that the way forward has to be through the establishment of cooperatism with self-help schemes as certain traditional areas like the Public Service and some private sector areas dry up.

Health of women is also concerning the Ministry of Community Development and we are at present working closely with the Cancer Society and again this year we will be holding another workshop to deal with matters relating to the health of women. There are several other projects too numerous in this 30 minutes to enunciate here. But rest assured that the future of women is in good hands. On Monday, we will begin a 10-week workshop with a training programme at the School of Continuing Studies. Mr. Speaker, we have even recognised the importance of training our own staff to carry out the projects and the proposals which we have on the drawing board.

Youth In Business, Mr. Speaker, is another project which is actively engaging the attention of the Ministry of Community Development. Through this Community Development project which is also funded by the OAS, we have already received 5 computers and we are in the process of compiling a small businessmen's directory. There are a number of books which we have obtained that will be placed in the library on the whole question of small business. The intention is to facilitate self-help projects through the Youth In Business programme.

With respect to the Barbados Youth Service, again this is another area to which great attention and emphasis will be placed. Already we are training 100 full-time recruits in a whole range of skills such as character building and so on. We have already 500 volunteers who are part of the Youth Programme which is the voluntary wing of the Youth Service. We have also embarked on projects to develop survival skills and to enhance the type of new Barbadian who we believe, Mr. Speaker, will be at the vanguard of social change.

Mr. Speaker, regarding the National Cultural Foundation, let me give the assurance that we anticipate that Crop-Over will be bigger and better this year and that it will continue to be a major income earner. Most of that

income we recognise will be foreign exchange. I take this opportunity, Mr. Speaker, to call on the private sector to produce more events that are now run by the National Cultural Foundation. I believe, Mr. Speaker, that the average citizen should seek to get more out of Crop-Over by using his or her creative skills. What I am saying, Mr. Speaker, is that Crop-Over must develop not only culturally but people **should** get economic advantage out of Crop-Over.

The Honourable Member for St. George South said yesterday that there were cuts in Child Care, Welfare and the National Assistance Board. Yes, this is true. There are cuts, Mr. Speaker, but I anticipate that, with greater rationalisation of the services, we can assure little diminution in the services which these important Boards provide. Mr. Speaker, while I am on that topic, I anticipate that persons will continue to receive benefits as they have been receiving in the past.

Mr. Speaker, as I have said on numerous occasions, I have the privilege of representing a predominantly working class and wage earning constituency. I recognise that while the adjustments probably have not hit as hard in my constituency as I have heard others in the St. Michael constituencies complain, but rest assured that with a number of these projects on **stream** there is hope for the unemployed in Carrington Village, there is hope for the unemployed in Halls Road, there is hope for the unemployed in Brittons Hill, both in St. Michael South and St. Michael South Central and there is hope for the unemployed in Clapham Park. I want to lay on the Table, Mr. Speaker, the fact that I associate myself in a very strong way with the proposals in the Financial Statement. 11.25 a.m.

I believe that now is the time for all of us, as I said in my opening remarks, to put our hands to the plough. The emphasis must be on the old time values of caring and sharing. No amount of divisiveness is going to help us now. I think that apart probably from the Opposition and one or two members of a now defunct party called the NDP, all Barbadians have seen the necessity to enter into an arrangement with the International Monetary Fund. I also believe, Mr. Speaker, that all of us have agreed that we are on the path to stabilisation. That is why I am saying that through an ongoing process of caring and sharing, through the old time notion of being our brother's keeper we can ride out this economic crisis and transform the economic landscape of Barbados. I am beginning to see on the horizon a new Barbados, a Barbados where all Barbadians through pride and industry would lift us up and onward.

Thank you, Mr. Speaker.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, it is known that the last principal statement on the

financial affairs of this country occurred on April 2, 1991. It is also known that subsequent to the delivery on April 2, 1991 supplementary measures were put in place with the result that in the interim between April 2, 1991 and this day we have seen higher taxes on all sectors of the community, including the suffering poor, and by that I mean the stabilisation tax. We have also seen higher NHC rents, higher bus fares, a contraction of welfare services has also occurred, as indicated and admitted by the last honourable Member who spoke, we have seen a salary cut, layoffs in the public sector, in the private sector and continuing lay offs. We have also seen a reduction in the severance payments benefits and only recently we realised that for the first time in its history, Barbados has become an importer of sugar in circumstances where a tremendous amount of public disquiet has resulted, and I do not only refer to the economic aspect of things.

Against this background, Sir, one would have thought that this year's statement of budgetary proposals would have addressed the severe social dislocation that has been set upon us and also would have addressed the economic problems confronting this country. As you are aware, Sir, and as has been admitted, manufacturing experienced a decline, agriculture also experienced decline, both sugar agriculture and non-sugar agriculture, tourism, construction and of course Barbados' credit rating and credit worthiness have suffered. In these circumstances, the times are demanding that the types of financial instruments to be put in place would be instruments that would begin to heal the wounds which have been inflicted.

Sir, I want to begin by adverting to a comment made by the Honourable Member for St. Michael East. I am going to support that comment because I believe that out of a sense of love for his country the Honourable Member warned his own side that if ever there is a time for imaginative behaviour in the conduct of public affairs, it is now. He cautioned that as Europe moves towards what he called amalgamation, but which most people refer to as unification, a situation may very well result where small Third World countries will find themselves back against the wall and in a position where that measure of protectionism to which we have become accustomed will go. I am saying that in supporting that view, as expressed nicely by the Honourable Member for St. Michael East, I am submitting that the time has come when, notwithstanding the very grievous and severe problems facing Barbados, the Government is under a duty to find the courage and the creativity to find economic policies that will help carry Barbados through this decade and into the next century.

But, as indicated by the Honourable Member for St. Peter, we have had a situation where, notwithstanding a lengthy delivery, we over here are clearly still not satisfied with this year's budgetary presentation, because it is our

view that nothing has been produced in that instrument that would allow Barbados to get a chance to achieve economic recovery.

I am going to refer from time to time to this document. There are certain expressions which at this stage are too vague to allow us an appropriate understanding of precisely what the Government is proposing. I am going to refer to page 67 of the Financial Statement and Budgetary Proposals. It says in the first paragraph:

"In addition, my Government proposes to bring before Parliament, during the course of the coming financial year, new legislation which will, for the first time in the history of this country, establish in clear and unequivocal terms a national tourism policy."

It goes on to say in the fourth paragraph:

"In addition, a Tourism Advisory Committee will be established to provide representation for tourism and other social, economic and community interests whose co-operation in the development of our tourism product is vital to its future success."

Sir, we on this side are mindful of the importance of tourism. Even though the Government says that improvements will be coming in tourism, we want the Government to give us in a short and acceptable time what detailed policies will be spelt out by Government to address the problems facing tourism. One thing we over here would like to see any new policy for tourism bring is a decision that Barbados must once again become an orderly society. That is going to be one of the major planks of any future policy on tourism. Those of us who lead and who have the opportunity to serve should be in the forefront of that decision to let Barbados become an orderly society.

We are of the view though, Sir, that tourism needs much more than the mere establishment of an advisory committee. The hoteliers are faced with problems of capital, of poor arrivals, problems where established aviation routes have either declined or have not been servicing Barbados before, and in that regard we in the Barbados Labour Party would like to see the type of injection into tourism that is needed come in the quickest possible time.

Throughout this debate we have been constantly hearing of the concept of structural adjustment. What we have seen implemented so far is a situation where we have had a contraction of Government's role in the economy. Government has been forced to watch expenditure, Government has been forced to cut a large number of programmes, particularly in the social services, with devastating effects for the poor and Government has been setting a type of scenario in Barbados where it is

talking about a leaner and stronger economy. As the economy has become leaner, several people have been thrown out of the mainstream of economic activity. People in the hotel sector, people in the garment industry, in tourism, in agriculture have been thrown out of the mainstream of economic activity in this structural adjustment programme that has been inflicted on this country today.

11.35 a.m.

Our concept of genuine, structural adjustment requires, first of all, an evaluation of the Barbados economy as it is. I hear reference from the other side of the open nature of the Barbados economy with a huge import bill and a relatively small export sector. Because of our high foreign debt, the Barbados economy will, so long as it remains as it is right now, be prone and subject to a lot of vagaries that are found on the international scene. If we are going to structurally adjust, it means that, first of all, we should be monitoring our economy with a view to see whether:

(1) we can produce goods here in Barbados that we currently import thereby cutting down our import bill,

(2) export more and offer more incentives to exporters to assist them both in promoting employment, generating income and earning foreign exchange.

In addition, a type of investment climate should be set where the businesses, particularly small and mid-sized businesses, are given incentives.

To date, Sir, nothing in the way of structural adjustment that this Government has introduced has yet addressed these sectors. I am going to ask the Government one question. There has been talk in here about a possible World Bank Inter-American Bank project to help the productive sectors. I would have thought that, if we are in 3 structural adjustment programme and the World Bank/IADB help is going to be part of this adjustment, the Government would use this Budget to indicate to this Honourable Chamber precisely what steps are going to be taken to get the productive sectors going. As you know, Sir, as indicated by the Honourable Member for St. Peter, one thing that stands out clearly in Barbados today is that Barbados is not optimising its productive capacity. In circumstances where we turn to an international agency for support and where we are required to adjust our economic structure we, over here on this side, expect a far more positive and deliberate set of policies that would encourage Barbadians to once more have confidence that their Government has the ability to carry the country forward.

I want to advert to a policy statement on page 52 of the Financial Statement and Budgetary Proposals, which is to my mind, something that requires the greatest elaboration by the Honourable Minister of Finance when he concludes. At page 52 under the Head – Structural Reform of the Economy it says:

"The stand-by programme which the Government has initiated, with the financial support of the International Monetary Fund, envisages a number of structural reforms to improve external competitiveness, to remove disincentives to export activity and to encourage a more efficient allocation of resources in the public and private sectors. These general policy objectives must be translated into a matrix of specific actions which must be accomplished in a number of critical areas."

This, Sir, is the problem facing this particular Budget. This document is riddled with too many generalisations that lead nobody in this Honourable Chamber into a position to understand and appreciate what the details of the economic programme of this Government will be in the ensuing financial year.

Indeed, as you are aware, on Tuesday this week, we heard 4 or 5 times that this **tax** is to be reformed, this other **tax** is to be introduced, this third tax is to come in the future. We are saying, Sir, that in circumstances where decisive action is to be taken to get our economy back to work that this is not the time for bland generalisations, beautifully thrown-together sentences and platitudes which help no one in the short, medium or long term.

I want to look at that aspect of the Budget which at page 38 warns fairly ominously that particular services which **Bajans** have for some time **gotten** free or cheap will be touched. Towards the bottom of page 38 there is a warning that

"in certain circumstances those who benefit from a service should make a direct contribution to its financing through user fees and other cost recovery measures."

Does that statement mean; Sir, that school meals will be charged for and will cease to be free? Does that mean that some lowly first-former from Rock Dundo, St. James or from Lodge Gap, Paynes Bay, St. James will have to pay a higher cost for his textbooks? We are saying that the presentation leaves these questions unanswered and we, on this side, are craving, like the rest of Barbados, prompt replies.

I note, Sir, that, as the Honourable Minister said Barbados will be paying its creditors and suppliers, there was some commendation and some words of adulation were expressed. I get the impression, based on

my experience in here, that perhaps what the Government will do is to evolve a list of creditors and suppliers to whom arrears are owed overtime. In modest St. James North, there are persons who yielded up their lands to the Government for Highway 2A. There are persons on Highway 2A who need retainer walls because as the land was taken and cut off, some of it started to slip. I want to know if those persons from Rock Dundo and Carlton and Sion Hill and Westmoreland whose lands were compulsorily acquired will rank alongside these suppliers and creditors whom the Government owes and whom the Government ought to pay. If perchance the Government has any inkling as to what monies are owed to these people, then I call on the Government at this stage to make arrangements to have these people paid.

Now, Sir, in the budgetary presentation the Rt. Honourable Prime Minister said that certain aspects of the monetary policy that was introduced in the last financial year would be modified and eased. I am speaking from memory but the exact words in the document seemed to suggest that there will be an easing of Government monetary policy. We, over here, have always maintained that in any circumstances where there is a need for demand management, where there is a need to curb spending in the interest of protecting the foreign reserves, it is always necessary to be extremely selective about credit controls. Our contention on this side has always been that even though it may be argued that pressure will be put on the foreign reserve through excessive consumption and if people – yet demand imports heavily. We have maintained that the distributive sector, the construction sector and the sector promoting agriculture and the tourism sector should first of all be looked at for their productive capacities and given separate and different treatment from a general policy of an overall across the board reduction in demand.

Government has been trying its best and this was referred to during the presentation of the Honourable Minister of Finance, to curb demand, and to prevent excessive consumption. We are saying, that our policy has always been that even though there can be a measure of wastage and a great amount of pressure on our foreign reserves if consumption is not controlled that the sectors that employ, that pay taxes, that aid the national income, and can earn foreign reserve should have been given different treatment. We are interested now, Sir, in what would be done by way of easing the monetary policy of the Government.

At this stage, in this regard, I would like to comment on the effect of a regime of high interest rates on Barbados. You would have heard the Honourable Member for St. Peter indicate in clear terms that the international business world is seeing a diminution in interest rates while Barbadian interest rates remain high. The Government of

Barbados could always maintain that it is sovereign enough to manage its own affairs, but can we maintain such high interest rates? The reason for a regime of high interest rates is to prevent irresponsible excessive spending. At the same time a regime of high interest rates makes the cost of credit very high and can impact severely on sectors like manufacturing, agriculture and construction. Indeed, these policies have already been having an 'impact. The Honourable Member for St. Peter was saying that one of Barbados' inherent weaknesses is the lack of a strong technological base. I am saying that where interest rates are, high and investors, manufacturers and businessmen find it almost impossible to raise loans because of high interest that the type of technological advances that the Honourable Member for St. Peter by inference has been suggesting to the Government will be long in coming if the interest rates remain at their current high levels.

In addition, what has happened is that a large number of businessmen, manufacturers and construction people have found it extremely hard to raise credit. The practical situation in Barbados is that very few businesses are able to exploit profits as a source of capital. Within these circumstances we are saying that the productive sectors, especially manufacturing, should have been given preferential treatment in relation to the cost of borrowing and the fact that the impact that high interest rates have had to curb the total output of businesses to reduce employment, to lead to layoffs in the private sector, to see girls on the Harbour Road, girls at Grazettes, girls at Newton, girls at Grantley Adams industrial estate laid off or, if not already laid off, wondering when they will be laid off.

In addition, Sir, because of high interest rates, especially the high interest rates on mortgages, we have had a situation where a lot of house builders cannot get money to build houses and the result is that the demand for the services of contractors, masons, carpenters, steel benders, electricians and plumbers has gone down and with it employment in that sector. As you know, Sir, large numbers of Barbadians depend for their living on the construction sector. By his own admission, Sir, the Honourable Minister of Finance indicated that construction went down by 11%. We have had no announcement in these Budgetary Proposals to indicate when construction will be given a tonic.

In addition, Sir, we have had a situation where the cost of mortgages has become so high that a lot of people hit by these high costs are finding difficulty to service their mortgages and some are under threat of losing their houses.

Finally, Sir, I would like to look at the general policy of the credit squeeze which may be eased according to what this document says. I would like to look at the question of how the Government should go in the future. It would seem to us over here, having done careful

studies on Barbados' economy, that for the future Barbados is going to have to find the will to become an exporter. This is not fanciful nor **farfetched**. Barbados has resources in terms of its human resources and it has people who have that acumen but require the correct incentives. We are not so impressed with this umbrella body whose own name has not yet been exactly determined, but to which reference was made. I am reading at page 64, Trade, Industry and Commerce. It says:-

"In an effort to generate new life in this sector, plans are afoot to rationalise the policies, **functions** and structure of the Barbados Industrial Development Corporation and the Barbados Export Promotion Corporation. Under the proposed rationalisation a new entity with a suitable name such as the "Barbados Business and Investment Authority" will be created. This new entity will comprise 5 divisions having responsibility for the general management of Barbados' investment and export promotion programmes. These divisions will be:-

Export Promotion Division

Industrial Development Division

Financial and Offshore Activities Division

New Enterprise Division

Small Business Division."

11.50 p.m.

Sir, what concerns us here is not only the relative vagueness of the expression, but we thought that earlier this Government had committed itself to merging the Export Promotion Corporation with the Industrial Development Corporation. How come you can state your policy as being one thing 5 months ago in relation to a merger of **IDC** and **EPC** and now come with some suggestion of an umbrella body. A mere umbrella body by itself that supervises the activities of 5 different entities is not enough. Each of those entities with its own specific objective has to be working.

In these circumstances we are demanding as her Majesty's Loyal Opposition, that the Honourable Prime Minister come back here later tonight and give us elaborate details as to precisely where he is taking this country. In the short term even though some people might not be able to articulate the effect of Government's economic policies in the terms that some Honourable Members might be able to do, the average Barbadian understands what it is to have to pay higher bus fares. He understands what it is like not to be able to get his welfare. An old lady from the Garden, St. James knows what it is not to be able to get her house fixed. A fellow who is a tyre repairman from Porey Spring

knows what it is when he goes to a polyclinic and the drugs are not **as** plentiful **as** he would want.

Sir, in the final analysis even though the social effect of Government's policies has not really been treated by me but has been treated by the Honourable Members for St. Thomas, St. Michael South East and St. George South, what I am suggesting is that this instrument is usually a very important one. It has been used over time to make new policy initiatives. We on this side have seen no new policy initiatives. We have seen semi-suggestions, half-way proposals and hints of things to come. I am saying that for what this document is worth, I have grave reservations when this can be described as a genuine financial statement and budgetary proposals. I still expect that some time this year more will come and, perhaps, the bitter medicine referred to will get **bitterer** still. In my opinion, some bitter medicine is really bad and you, Sir, are aptly qualified to speak about medicine going back to your days before you took office in this Honourable Chamber.

I have no difficulty, therefore, in associating myself with the contributions of all Honourable Members on this side especially the Honourable Member for St. Peter. I will not be supporting the Resolution which has been put before this Honourable House.

Hon. C. V. WALKER: Mr. Speaker, I rise to make my contribution to the debate on this Resolution. In doing so I would like to begin by making reference to 3 points within the Resolution, one which relates to the difficulties we are having in this country and the point made in the Resolution that this is the norm within the international environment. Secondly is the fact that steps have, indeed, been taken in an effort to halt the slide in the foreign reserves in this country. Thirdly is the implementation of, measures which will impact on points 1 and 2.

We in Barbados, Mr. Speaker, cannot excuse ourselves from being part of the world. We cannot in any way at any time believe that we will not be impacted by the events of the world. We cannot at any time believe that we can live in isolation. All over the world, and we have heard reference made that the world is now divided into the first world, the second world and third world, whichever one we choose to be in we are hearing about the slide in foreign reserves.

The other point is that here in Barbados a number of changes have to be made just like changes are being made in all other parts of the world. Prominent businessmen at this stage probably more abroad than within, and prominent economic analysts, are making the point that while they are fascinated by the infrastructure of Barbados, the Barbadian pride and by life in general in Barbados, they are astonished at certain attitudes and comments being made by Barbadians and, indeed, what they are doing is analysing, the situation in Barbados.

Mr. Speaker, some of the comments I have been hearing are stating that in Barbados there are no choices left but they are now accusing the Government, the private industry and the unions for not being willing to make the changes that are necessary and which will impact on the future of the country when we deal with the realities of the situation as they do exist in this modern time.

We have heard the Honourable Member for Christ Church East Central yesterday outlining the 3 options that were put to the various sectoral groups during discussions about changes within the structure of the economy. What these same analysts and prominent business people abroad who are analysing the situation in Barbados are saying is that if we do not accept the fact that there must be some change, we are inevitably heading down the road and one of the points mentioned by the Honourable Member yesterday is the whole question of devaluation. Mr. Speaker, throughout the length and breadth of this country over the past year, in all of the discussions, in all of the debate, in all of the harangue, if you will, that we heard within the country, the one item which stood out, the one thing which was foremost in the minds of all Barbadians – because as I stated in here earlier, Mr. Speaker, we say we are proud and we intend to maintain that pride and we also say that we would like to maintain, if possible, our standard of living – the one thing that they are all saying is "We do not need a devaluation of our currency." But as they say change is the only thing that is constant.
12.00 noon.

Before I proceed, unfortunately I was not in the Chamber yesterday to hear the whole presentation by the Honourable Member for St. Peter but I was afforded the opportunity to listen to part of it. I would say that I express some concerns and if anything I may say I share his concern in terms of his own position. We, all 28 Members of us and indeed the whole country must analyze what he was in fact saying to us.

Mr. Speaker, I speak, as I have said in here before, as one who probably has been around a few more years than anyone else in here. What he was saying to us is that he was concerned:

- (1) that he was not a lawyer;
- (2) that he was not a doctor; and
- (3) that he was not an independent businessman with a structural business which would make him a profit.

In other words, he was saying that he cannot survive in politics and he was concerned that that was at the root of the problem.

We have to analyze ourselves in this Honourable Chamber. If we look over there or if we look over here, I think the society will be looking at us following that statement. The society will be analyzing that statement and if they say up to 10 on the other side happen to be lawyers and any number over here happen to be, they will ask "Are we saying to the youth of the country that only those people who, because of their time element can afford to put themselves forward to represent people within this society." I understood the gravamen of the statement made by the Honourable Member for St. Peter yesterday. There was some depth to it. We as a society, Mr. Speaker, must clearly understand what he was saying.

We know from experience as well what has happened. And again, the Honourable Member was saying to us "I am hurting. I am hurting because I am here in Opposition. I am not in that category and no one is taking me on." History is replete, right in this Honourable Chamber. If we start from the Prime Minister. We heard stories when he was in Opposition about not being employed. The Honourable Member for St. Michael West, we know there were stories about the time when he was in Opposition that you could go to his house and find him at home all the time.

We also heard stories about the Honourable Member for St. Michael West Central when he was about to make a decision to offer himself in the representation of people of this country. Mr. Speaker I too suffered when I made a decision that I would offer myself in the representation of people. Therefore I clearly understand what the Honourable Member for St. Peter was saying.

I think at this time when we are talking about structural adjustment we have to analyze what is happening in the country and we ourselves have to structurally adjust the country in many more ways than just the financial ways.

What message are we then sending to the youth? I have no problems either, Mr. Speaker, with the Honourable Member for St. Peter when he referred to his methodology in terms of tax reform. He in fact was agreeing that there must be some type of tax reform. So I have no problems whatsoever with his suggestions. However, we must broaden the tax base. That is a presentation and I think there is agreement on that side. Whenever one has to address a problem there must be some point of reference. And whenever we tend to look at anything within this country there is always a point of reference mentioned and that point of reference happened to be the highest point within the Government service. That is usually at a level called S1 or S2 whether it be PS or any of those who may be within that area.

Mr. Speaker, it is common knowledge, when we are looking at the tax structure, that a person in that

category who may be making \$72 000 a year if his deductions are such, in other words, if he is not a typical Bajan with 6 or 7 children he may very well find that \$20 000 out of that \$72 000 may be deducted up front as income tax. I am not speaking now about if he has a house spot. I am talking now about cash that is not in hand. Mr. Speaker, we have to think about that. Because when we refer to the earning power of certain people within the structure, at a time when we are considering that we should restructure the whole service and look at productivity, there is no incentive whatsoever to such an individual to stay within the Government service and to perform at a level which can be complimentary with the requirements in today's world. Therefore, Mr. Speaker, I have no quarrel whatsoever with the Honourable Member for St. Peter who himself has no quarrel with the whole question of tax reform.

Mr. Speaker, as I said I will close on his point just to emphasize, let us not send the wrong message to the youth. Let us not isolate individuals from the representation of the people. As I have said, I have a feeling for what the Honourable Member for St. Peter said. He is just about half my age. I can understand and appreciate what he is trying to say because we all pass some route at some time and in this age when the normal age that one may expect to reach is somewhere around 70, when he gets to be 40 plus he has to be considering seriously what is left within his time frame.

12.10 p.m.

Mr. Speaker, it is a matter of opinion. We need an inflow of hard currency within this country. There is no doubt about that. That is factual. That is a given, Mr. Speaker. The question is, how do we get it? We need it at all times. Now, Mr. Speaker, one may say, events of the last few days, if you will, that we may look at the former Soviet Union and we may see that within the last few days over \$90 billion in aid has been given to the former Soviet Union, which was the number one power or number 2 power. Now they had a godfather and also, Mr. Speaker, we are talking about the Government of Barbados and the International Monetary Fund. The great Soviet Union, Mr. Speaker, in a matter of days again, has become a member of the International Monetary Fund and they will also be entitled to their aid and their loans and they are having problems.

Now, Mr. Speaker we have to worry about it. We cannot look just at them as an example and say, well because they have fallen therefore we are so small that we can fall too. What we have to do on the contrary, Mr. Speaker, is to ensure that we do all the things possible to prevent this little rock from falling. We have not fallen yet and as has been reported we have halted the slide and we must correct ourselves and get on the right path again.

Mr. Speaker, If we listen to the accusations against the Democratic Labour Party we realise that everything that has happened within the country that one may see, in one's own light if one so desires to be negative and you may conclude that all of the funds that were spent within the country within that period, Mr. Speaker, were in the three areas of Caricargo, Carsicot and Sherbourne. Every time there is a comment the repetition, the recording if you will, Sir, is on those three projects. One never hears that any dollars were spent during that time period, Mr. Speaker, on lights, roads, schools, water, hospitals, on clinics or on the social services in general. But, Mr. Speaker, this was done throughout the length and breadth of Barbados, including St. George. Mr. Speaker, that again is also history. The representatives of the people of Barbados, all 28 of us, must be sensitive to the realities of the world and to the realities of Barbados.

At the same time, Mr. Speaker, we must endeavour to protect the standard of living in this country as best we can. We must try at all times, Mr. Speaker, wherever possible, to provide avenues of growth for all Barbadians. They must know the facts, Mr. Speaker, and there must be, no consolation but that we are part of the whole world.

Now, Mr. Speaker, let me respond to some of the comments made during this debate by Members on the other side who have spoken so far. Let me first respond to the Honourable Member for St. James North and I must say that I enjoyed and appreciated your contribution. I have no doubt and I think I know why, it is known to you and to others, you father sat next to me in school and we were always good friends. Mr. Speaker, he referred however to the period of April 1991 to April 1992 when he said that there were higher taxes and yet I would like to state what he was saying there were higher taxes but he was implying that within the proposal given so far this week that there were indeed additional taxes. I think in the presentation the implication might have been there but he did not say so. He made the point skillfully, Mr. Speaker, between the period of 1986 and 1991. We are not discussing therefore any increases within the particular document.

He also spoke, Mr. Speaker, about the courage of the Government. I would say, Mr. Speaker, yes there should be courage and it does take courage to implement the measures that were implemented within the last year. If it did not take courage one would not be in any way thinking or having any feeling for the people within the society.

Mr. Speaker, he said that within the document reference is made to certain things to be done and he also stated that earlier the Prime Minister had referred to negotiations which would be carried out with the World Bank and the Inter-American Development Bank. Well, Mr. Speaker, representatives from these organisations are in Barbados right now, today, doing exactly what he

is suggesting should be done, but it is known, negotiations are not done overnight.

His other comments were on user fees and free school meals. School meals are not now free, as you know. I will say that the cost of textbooks will have to be increased. When you paid **\$5.00** for a book which is now costing **\$45.00**, it will have to be increased. That is realistic. You also spoke about the requirement for payment to the people for land on Highway **2A**. Mr. Speaker, we are now completing the payment for land at Bridge Road and other places and that was not under the Democratic Labour Party. There is one other point concerning the construction and the productive sector being given priority to funds. If these areas do have the logical claim, we must be realistic and I am sure the Honourable Member is aware that, if these funds are allocated on a priority basis to these areas, there will have to be some cut at the bottom. What you are really suggesting is that there should be a restriction on food imports. If there is just "X number of dollars within the kitty and you increase at point "A", it means that there is less at point "B".

12.20 p.m.

The Honourable Member for St. Thomas in his usual political platform style, basically made the same comments that were made in October last year and what were made last week. Mr. Speaker, in one of his comments about the Mangrove Dump where he said the Government cannot manage a dump, I would only say that I am glad that he is an expert in dump management. I can say that I am sorry because I never cleaned a dump nor I never burned a dump.

The Honourable Member for St. George South said that the Resolution we are debating is not relating to current times. He said, "These are not ordinary times and the Government is reneging in these times." He spoke about victimization and that this Government cannot be serious. I will only say to the Honourable Member, Mr. Speaker, that he should check his own constituents. It is true that between the period of 1986 and 1991 he was not then the representative. But I would like him to go and check and see how many of them when I had the honour to be servicing that constituency would say that. I was not the representative but I was servicing that constituency. If he would check with them, he would find clear evidence that there was no discrimination whether you are from North or South.

He spoke of crisis in health, education and children in the schools with a prolong yawn. I do not know what a prolong yawn is because I know the people in St. George get their sleep and they do not wake up yawning. So I do not know what this prolong yawn is that he is talking about. He went on to say, Mr. Speaker, that the curriculum

is not related to modern technology. I challenge him, Mr. Speaker. What technology did he introduce when he was Minister of Education? I further challenge him to check the growth of technology and indeed within the school system itself. If we were to analyze that growth, Mr. Speaker, we will find that within the last 6 years there are over one dozen private training institutions in modern technology. We will find that at the Community College there is day training as well as evening training in technology. I would like him to check the numerous technical courses at the Polytechnic. I would like him to check the equipment that has been installed not only to give the people themselves the technical training in terms of being technicians in that area, but also gives them the training in technical production whereby you now have the production as being used in various companies. Many of the companies coming into the country are utilizing the modern technology as part of their production. Mr. Speaker, I would like him to check at Erdiston where there are both day and evening classes in modern technology and training. I would like the Honourable Member to check the evening classes at the various schools, Mr. Speaker.

There are within the secondary schools 18 out of 22 which are provided with a data processor and terminals with the capacity of doubling their terminal interaction once additional dollars are available. Even the children in the primary schools are interacting with terminals and they are now telling you that these are user-friendly, because the children at that young age are adapting themselves. They see no fear in terms of their interaction. That is where the employment is in the future.

Mr. Speaker, we will have to adjust certain things. I would also like to state that, once we have adjusted and we would have achieved the objective of the required number of places that we can deal with the youth of this country, we have to set about the task of reorganising the whole system whereby we can then enhance the trade schools within this country. We have to move away from the concept where we think that all education is strictly in terms of the number of "A" Levels that we get. We have "X" number of people in this country right now who have any number of "A" Levels and degrees who cannot find employment because they are not suitable for the requirements of the day.

I noticed that you are nodding at me, Sir, and I am much obliged to you. Thank you very much, Sir.

SUSPENSION

Hon. B. M. TAITT: Mr. Speaker, we are now going to suspend. I beg to move that this House be now suspended until **1.45 p.m.** today, Sir.

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

The question that this House be now suspended until 1.45 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly.
12.30 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member for the City.

Miss B. A. MILLER: Mr. Speaker, Sir, Barbados is fully now in the hands of the International Monetary Fund and under the management of that Fund. There are some – and I would have to agree that I am one of those – who hold the view that we are now in the 1990's unhappily into a new and a different form of colonisation.

Mr. Speaker, the style and the presentation of the Estimates of Expenditure 1992-93 which we have been debating over the past two weeks or so, and also the style and the presentation of these so-called budgetary proposals betray the very heavy hand of the IMF. In fact, the IMF in the kind of circumstances in which we now find ourselves in Barbados would often not have a budget at all, and there are some – and I am one of them – who feel that this Minister of Finance in Barbados felt that perhaps he had to bring budgetary proposals to avoid people suggesting that he was afraid to do so.

The point I really want to make, Sir, is that we are hardly ever going to see a budget in the traditional form, format and style to which we have become accustomed. We are not going to see that, certainly not for as long **as** we continue to be under the management of the IMF. That did not start in 1992, last year we had three budgets. We had one in April, we had one in September and we had one again in December. This year it can be anybody's guess as to how many budgets we are likely to have. This appears to be the first one.

The truth about this budget, among other truths, Mr. Speaker, is that the Minister of Finance of Barbados is not necessarily going to need a budget of this kind to introduce what he himself referred to as details which will come later, or which will be revealed later, in the fullness of time – that is his favourite phrase – in due course there are going to be other occasions during this fiscal year, 1992-93, when we will see the imposition of other and more taxes. We have every reason to believe, and I am sure the Honourable Minister of Finance is not going to deny it, that some sort of value added or sales **tax** – and it does not really matter what you call it – is to be expected. A value added **tax** is only a sales tax by another name and it is clear that it is underway. The only reason why it is not before us, and it has been said in here before during the

course of this debate: is that it simply is not ready to be put in place.

I want now, at this earliest of opportunities, to call upon the Government not to impose any future value added or any other kind of sales tax on medicines, baby care products, baby foods, exercise books, pencils and any other such school **supplies** as the Democratic Labour Party had done way back in 1975 and this Barbados **Labour** Party had to put the case for the poor and disadvantaged then, and the sales **tax** in those days had to be lifted off those basic necessities of life.

Mr. Speaker, I am not one who is going to be misled into any talk about this being a tax free budget. I like to think that I know better. Just as you shuffle a pack of jokers and what you are left with after the reshuffle of a pack of jokers is a pack of jokers, so any tax by any other name is still a tax. There are certain words and phrases which would make it clear, even to a blind man, that we are into an IMF programme. Not that all Barbadians do not know it, but for the few who may still be in any doubt, there are certain words and phrases. When you **hear** out of the mouth of the Minister of Finance himself **talk** about **stabilisation** programme, structural adjustment, and now in this budget we are hearing about user fees and those are the ones I want to talk about.

User fees are **only taxes** by another name. Last week and the week before that when we were doing the Estimates debate, we saw the introduction of increased user fees proposed and confirmed then by the Honourable Minister for Health, the Honourable Minister for Education and the Right Honourable Minister for Finance, and confirmed now again in this budget debate, that there are going to be increased user fees.

I go to page 38 of these proposals and I see where it says at the bottom of that page these words:

".... the benefits principle of taxation to ensure that in certain circumstances those who benefit from a service should make a direct contribution to its financing through **user fees** and other cost recovery measures."

Mr. Speaker, increased user fees have just been added to Health, to Education, to Housing and to Transport. This is typical IMF style. While the Government and the IMF together – because it is one and the same now in Barbados – are cutting the budget in Health, Education and Housing, Housing decimated almost to a point where some of us believe there is no need for a Minister of Housing – he giggles at that – the budgets of Housing, Health, Education and Transport cut at the same time as the Government is increasing the fees for services offered in those same Ministries.

We have had increased taxes, we have had increased levies, we have had an 8% salary cut, we have had short time, lay offs, all of this the poor people of Barbados are having to absorb while at the same time now in this budget debate we are hearing that user fees are going to be increased threefold, fourfold, in some cases five and maybe sixfold. We are going to have to pay certainly for rooms at the Queen Elizabeth Hospital, maybe four or five times more than what we are paying now, for laboratory, X-ray services and all the other procedures and all of those services where we now have a small fee in place, we are told that this is going to be increased by 2, 3, 4, 5 and 6%.

In the Estimates debate the point was made, and could not be denied or refuted by the Minister, that at the Queen Elizabeth Hospital alone revenue was going to move by 360%, not 3.6%, Sir, not 36%, an increase of 360% in terms of user fees. Increased user fees in the Ministry of Education means that rental for textbooks in the textbook loan scheme is going to be multiplied, according to the Minister, by a factor of maybe 3 or 4. It means that parents are going to have to move from paying \$20 to perhaps \$60 or \$80, and if, according to the Minister of Finance speaking on Tuesday as he made his budgetary proposals, there is going to be privatisation of the Transport Board, although who will want to buy a Board which is now burdened with an \$8 million judgment in favour of the National Insurance Scheme, and well knowing that but not saying it to us he makes the statement that privatisation of the transport service is to come, well then can we not expect that bus fares, including school bus fares, are also going to be increased? Under private ownership, Mr. Speaker, there will no longer be any 16 and 18 million dollar subsidy to transport.

In respect of Housing, the user fees can only be interpreted to mean increased rentals, and when we see that in that particular Ministry very little has been put in the Estimates for expenditure in terms of housing, and the Government is only looking now for revenues to be raised from housing, I think that the writing now is clearly on the wall. People have less disposable income from which these user fees and these increased taxes and levies are to be subtracted. The bottom line of that, in Barbados, in the 1990's, is that it will mean poverty, destitution, deprivation and hardship. The real cruelty is that it is going to fall on those who are the least able to pay them. Those who are the chief beneficiaries of the social services in Barbados are those who are now going to be asked to pay more out of less for those services.

1.55 p.m.

Mr. Speaker, over the years and, particularly, on the occasion of every single one of the three Budgets that were presented last year, I have pleaded with the Government

that it must be compassionate, that it must be sensitive in this whole business of cuts in the social sectors. My plea has clearly fallen on deaf ears. The impact of stabilisation and structural adjustment on the social services, the impact on the poor and disadvantaged in our community is going to be devastating. Poverty, and especially among women, is already on the rise in Barbados. Women and children are always the earliest victims. This Government claims to be a caring government, a government which says it is going to put a human face on stabilisation. I want to know, Sir, where is the humanity in these increased user fees.

I refer Your Honour to page 49 where the Prime Minister and Minister of Finance on Tuesday says that

"There is no substantial evidence that the reduction in financial resources available for the social services sector will cause any severe disruption in the delivery of those services."

I am beginning to wonder where the Minister of Finance lives. I know he lives at Ilaro Court. I don't need the Minister of Health to tell me that. He is the Minister of Finance and the Prime Minister of all of Barbados. Can he be so blind and insensitive to the reduction in services to the damage that these cuts in the social sector are bringing about? Mr. Speaker, if people do not want to hear it from me I would want to make as a document of this House the United Nations Children's Fund, known as UNICEF, report for 1992 on the State of Children. I am reading at page 6.

"It is the responsibility of governments to ensure basic investment in people. Nutrition, primary health care, clean water, safe sanitation, family planning services, at least a primary education.

Such investments are essential, not only for humanitarian reasons and for the creation of civilised societies but also as the foundation for sustained economic growth.

All have shown that basic education and health are not just social expenditures but economic investments, not just indulgences which can only be afforded after countries have become prosperous, but the foundations without which wide-spread prosperity will not be achieved."

What this report is saying, Sir, is that the social sectors are also productive sectors. The productive sectors cannot deliver without a healthy, well-educated, properly housed, appropriately employed population. These massive cuts we have seen in the social sectors – and insult now added to that in the form of increased user fees for those who are the consumers of those services – point to very short-sighted judgment and vision on the part of the Government.

What is the use of suggesting that these services are available when people do not have the ability to pay for them? If a mother finds herself in a position because she has been sent home on short-time or because she has an 8% cut in her salary that she cannot buy shoes or she cannot buy lunch, she may not be able to buy exercise books or pay bus fare for her child to go to school. What is the point of boasting to the world and beating your breasts that you have a free education? We never knew before today that the education is no longer free. In fact, according to the Minister of Education it never was free. All of a sudden we are hearing that today from the Democratic Labour Party. Where is the humanity when the Government removes from people the ability to avail themselves of access to these basic services? These are basic human rights when we talk about the right to health care and the right to education and the right to decent housing. Where is the humanity **when** the Government removes the people's ability to have access while at the same time beating its breasts and saying that it has a free this and that?

Mr. Speaker, I ask the question which I always ask. What about the unemployed? The Government has said nothing about them. There are many and diverse representatives of the workers' unions in this Honourable Chamber and they have been strangely silent, as is their custom, on the question of the unemployed. There are people in Barbados who begin to wonder if the unions care about the workers furthermore about the unemployed. A great deal, too, has been said about productivity. I have made the point that productivity requires and can only be achieved when people have access to these social services. They have been cut to the bone. The Resolution which is before us and which we are asked to support, let me say now, Mr. Speaker, Sir, that I would find it impossible to support this Resolution.

This Resolution says among other things that the Government is about to implement a number of measures which will lead to the rehabilitation of the productive sectors and will result in the resumption of growth in the economy. The Government will never be able to do that. The Government will never be able to rehabilitate the productive sectors if it will persist in this policy of savaging the social sectors at every turn. Savage is not too hard a word to use, Sir. I cannot support this Resolution. Not if it is going to be at the price of severe cutbacks in the social sectors. The whole exercise will turn out to be self-defeating.

Mr. Speaker, Sir, if you do not want to take it from me, take it from those who lead the productive sectors in Barbados, tourism, manufacturing, sugar, non-sugar agriculture. They have all said within the last 48 hours that this Budget has done little and for the most part nothing for them. It is not I who says that. They have said it.

The Economic Report for 1991, the Central Bank Report for 1991, all tell the same story. The Honourable Member for St. Thomas has made the point and I feel so strongly about it that I feel I must make it again so that Barbadians cannot be in any doubt as to where we are at today. The Central Bank Report of Barbados says at page 4:

"The Barbados economy experienced a second year of decline in 1991 as activity in the export sectors fell by 4.5%. The **sugar** crop was the worst in modern times, tourist arrivals were severely depressed by the war in the Persian Gulf and manufacturing continued the slide which began during 1990."

If I can halt and say a few words about tourism.

I hear the Minister of Tourism going on and on that anybody would believe the Gulf War was still in process. The truth Mr. Speaker, is that there are other destinations in the Caribbean and in the Southern Caribbean like ourselves who have had the same experiences as we have had. Why is it that when you look at the **total performance** for 1991 Barbados is at the bottom of the class? Why is it that in **Aruba** between January and December of 1991, in terms of tourist arrivals, they saw a 15.8% increase in arrivals? Why is it that in Barbados we saw **8.8%**? Why is it that in little **Bonaire** in the Dutch Islands they could see an increase of **19.9%**? **Do** not let us **talk** about the Turks and Caicos Islands because they saw over 30% increase in tourist arrivals. Next door in St. Lucia they had a 13.2% in arrivals. In St. **Kitts** they had 10.9% increase. In Grenada they had 12.8% increase. But in Barbados we had 8.8% decrease, a fall off, or decline, or however you choose to put it in tourist arrivals in 1991.

2.05 p.m.

The Minister of Tourism gave us a lot of talk in here, not unlike the Minister of Finance, a lot of half-baked flannel and fuzz. That is what we got. The Minister of Finance gave us 79 pages, 2 hours and 19 minutes of this and 15 gallons of spit, thousands of words, to tell you what?

Mr. SPEAKER: Very unparliamentary. I think the Honourable Member should know the essence of good parliamentary language.

Miss B. A. MILLER: Yes, Sir. I withdraw the 15 gallons. It is still...

Mr. SPEAKER: You are going to withdraw everything in respect of that.

Miss B. A. MILLER: I withdraw everything. It is still 79 pages. There is nothing unparliamentary in that. This

is 79 pages, 2 hours and 19 minutes and at the end of it we are no better off. We have to depend on other people to be told the truth about the economy of Barbados.

Mr. Speaker, if I can continue to quote from the Central Bank Report of 1991. It goes down the line, tourism falling by 5.8%, long stay arrivals fell by 8.8%, arrivals from the U.S. declined by 16.9%, long stay tourists from the U.K. were down 7%, 4% average decline between 1987 and 1990. Sugar output fell by 68 680 tonnes in 1991, the lowest level in 60 years. Non-sugar agriculture output was well below last year's figures. Manufacturing output declined by 5.6%. Everywhere in every sector down, declined, fell. It is estimated that construction activity was 7.4% lower during 1991. That is the story. It goes on and on.

You turn to the Economic Report for 1991 it is the same story, economic growth in Barbados declined. We are expected then to support a resolution which is asking us that despite difficulties being experienced to believe that the Government has done something worthy to be called achievements? These are achievements? These are high points? Mr. Speaker, somebody must get up in here and speak for the poor and disadvantaged in our community. The Government has no care for these people not if we are to be guided by what we see in the Estimates, not if we are to be guided by what we have been hearing from Government Members over the past 2 days. Somebody is going to have to speak up for them. The Barbados Labour Party has been doing that from the time it was a party.

We have heard Honourable Members who have spoken on this side one by one led off by the Honourable Member for St. Peter making this point that we are at a watershed moment in our lives in this country and if steps are not taken now to correct what is wrong, that we are going to go the way of the Gadarene swine. All of this has to be laid at the door of the Minister of Finance. He is not now in his seat but he can hear my voice where he is. We have watched him from the beginning. Everybody cannot be wrong and he the only one right.

We watched one Director of Finance and Planning walk away from him. We watched a second Director of Finance and Planning walk away from him. We watched Members walk away from the front bench a few years ago. We watched Members walked away from the back bench. Yesterday we watched another Member walk from the front bench to the back bench. Can everybody else have the wrong vision and only the Minister of Finance has it all right?

In my submission, Mr. Speaker, the Minister of Finance has humiliated Barbadians in that the standard to which we had become accustomed is one that people now

feel there is no hope ever of regaining in their lifetimes. There are people who are deeply depressed today because they feel they will live and die and never see Barbados rise to where it was before and it is a cruel thing. There are people who feel they have had access to a quality of health care, education and housing that their children now will never be able to inherit from them.

Mr. Speaker, the Honourable Member for St. Peter has said that the time is now. I agree with him. We are going to have to speak frankly. I heard the Honourable Member for St. George North misquoting the Honourable Member for St. Peter a couple of hours ago, quite misunderstanding the point he was trying to make. Politics is a hard, difficult and unforgiving business. All of us who come into it know that. We all come in through the same door and by the same route. It is very hard when you sit in Opposition like we do and particularly those of us on this bench who have made a contribution particularly between 1976 and 1986 to see it being unravelled and dismantled programme by programme. It is really difficult to watch your contribution being destroyed in that fashion and not because it is your programme but because it is what it brought to your community and society.

It would not be easy for me as a former Minister of Health to watch the Government destroy the National Drug Service. I would have to be deeply concerned for all of those under the age of 16, those over the age of 65, all of those who are special cases of diabetes, hypertension and cancer who had special dispensation under the National Drug Service....

Mr. SPEAKER: One minute more.

Miss B. A. MILLER: One minute, Sir? It would be very difficult for me to watch this Government dismantle that in a systematic fashion as it has started to do just as it would for the Honourable Member for St. George South who was a Minister of Education to watch the work that the Barbados Labour Party put in dismantled programme by programme. I thought we were here to build up and contribute something. This Democratic Labour Party Government is into pulling down, tearing down and dismantling a social system that generations have given their lives, sweat and blood to in Barbados. They have a lot that they are going to have to answer to Barbadians for not only now and in the immediate future but in the years to come.

2.15 p.m.

Thank you, Sir.

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

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, I rise in this debate with a heavy heart. But, Mr. Speaker, for

the first time in about 6 or 7 months I am at peace with myself. My conscience, my heart, my head all are in unity.

Let me just settle a few things at the outset, Mr. Speaker, a few rumours that have been going around and the first one, let me say I am not joining the NDP, full stop. That was one of the rumours. The second rumour that is going around is that I got inkling that the Right Honourable Prime Minister was going to remove me from his Cabinet and therefore I resigned first. I have no knowledge of that and in fact I do not think that that was true. The third point I wish to make early in this presentation is the point about structural adjustment. Mr. Speaker, the people in Barbados are not and have not been ever against structural adjustment. In fact the people of Barbados were willing to structurally adjust from the time the elections were over in January 1991. Many of them met me on the streets, and they asked me, "Blackie when are you all going to do something? We do not want devaluation. Do something soon. What are you all doing? So people were willing to adjust. I do not want anyone to get the impression that the people of Barbados were not willing to structurally adjust. The complaint of the people of Barbados and of myself is how the structural adjustment was done, how it was put over to the people and what has happened since then. These are the things that are bothering the people of Barbados. I will deal with them systematically but there are other things that I have to get out of the way first.

Mr. Speaker, on Wednesday the 1st April I resigned from the Cabinet of Barbados. It had nothing to do with the treatment of me by the Prime Minister because the Prime Minister treats all of them over there the same way. I want to settle that first. It has nothing to do with any treatment of me. There are rather fundamental differences between the Minister of Finance and myself on the way things are done and about defending the way how things are done. Mr. Speaker, before I go any further let me say, up front, that those persons who believe that I should not tell you and this Honourable House, and whoever else may be listening the reason why I have resigned from the Cabinet, those people are sadly mistaken because as a Member of Cabinet, I had to represent the whole of Barbados and especially the people of St. Philip as a whole and St. Philip South in particular. I owe it to this House and to whoever is listening to speak about my differences with the Prime Minister and Honourable Minister of Finance.

Mr. Speaker, let me say that for the past 6 or 7 months I have gone through agony. Those people in Barbados who know my association with the Democratic Labour Party know the agony I would have gone through. When I first entered this Party, Mr. Speaker, when I first stand to support this Party from the time I was 14 years old, I never thought it would have come to this. I have been a committed Barrow man, DLP man you could say

from the time I was born. I believe that if I had served my Master the way I serve the DLP, my seat in Heaven would be secure. That is how I feel.

But let me press on. Every single Member of the front bench believe that the Prime Minister should move from being Prime Minister. Every single one of them bar none. Say that I say that. On the back bench every single one of them, with one exception believes that he should no longer be Minister of Finance. I have to speak my mind because I came into Parliament to represent poor people. I am going to do it regardless of what they do to me, regardless of what happens, I am representing poor people. I am not going to stand or sit in here and allow nonsense to continue and poor people getting murdered when things could have been different. I am not allowing it.

What is happening today is that persons are interested in their political survival. They are not interested in you or in me or in anybody else. They are interested in their political survival. Mr. Speaker, there is nothing wrong with political survival if it is synonymous with the welfare of the citizens of the country and after that, synonymous with the good of your Party. When it is not like that you move and let the country advance and let your Party continue as a great Party, as it was. That is what statesmen do.

We had recent examples of persons who realized that their colleagues no longer had confidence in them. Margaret Thatcher could have run again. She had the first ballot and she came out on top. She wanted a majority. She wanted 5 more votes to get a clear majority. Because she did not get those extra 5 votes she had to run again. She said, "I am not running again. If he got all of those votes, the people do not want me any more." And she stepped down. Bob Hawke from Australia could have called an election, could have done anything. He stepped down. Michael Manley from Jamaica realized that he would not be running in the next elections and what did he do? He handed over to someone else and said, "Look, by the time elections come around you would have had about 3 or 4 years to solidify yourself in that position." So you let the Party decide. Okay I am finished with that. I don't think those people were weak. In my view those people were strong because they put country and people first. That is what they did.

2.25 p.m.

Mr. Speaker, let me now turn to some of the differences, fundamental differences that I have with what was taking place. The first one, Mr. Speaker, immediately after the elections the Honourable Prime Minister and Minister of Finance, knowing that you had people of the calibre over there, look over there and you will see people of calibre. The three productive sectors of any economy, putting aside offshore banking – agriculture, tourism, and manufacturing. Now you have that array of persons

over there and what did he do? The first thing he did, he put two of the most productive sectors in the economy in the hands of two persons in the Senate so that when intelligent people over there probing manufacturing, probing agriculture, nobody in here to respond at all and you have to tell one of us to get up and answer the questions on manufacturing or get up and answer the questions on agriculture. You ever heard that happen before? I looked down through the ages and I saw D. D. Garner as Minister of Agriculture in the House of Assembly, Ronald Mapp, Minister of Trade, Industry and Commerce, in the House of Assembly. Check right through and you will see those productive sectors in the hands of people in the House of Assembly. That is the first fundamental difference I have.

I am going to press on because time flies. Mr. Speaker, my other fundamental difference, and I have a lot of them and I am trying to get through all of them. The other fundamental difference I have with the Minister of Finance is his relationship with the private sector. Let me tell you this, Mr. Speaker, no Prime Minister of any country at all can run it without a working relationship with the private sector. Errol Barrow realised it. You cannot run a country, you cannot be Prime Minister of a country and be paranoid every time you hear the word private sector. You have to have a working relationship with the private sector. That is one of the fundamental differences I have. How are you going to run a country and cannot have a relationship with the private sector? How can you do it? It can't be done.

Mr. Speaker, let us look now at the handling, how the Minister of Finance handled the consultations with the Coalition of Trade Unions. Mr. Speaker, the Minister of Finance had six meetings with the Coalition of Trade Unions.

Mr. SPEAKER: I have to caution the Honourable Member. If a Member wants to be critical of another Member in the way that the Honourable Member is presenting his case, particularly a Minister, on such positions, there is provision in the Standing Orders for such criticism to be brought under a particular motion.

I am cautioning the Honourable Member. I have not ruled against him. What I am saying to him is that as he goes along and he develops into that particular frame then there would be a Standing Order to deal with it.

Mr. H. A. BLACKMAN: I have listened to what you have said and I have no reason to argue but I have resigned recently as a Member of the Cabinet of Barbados. I have to give my reasons to this country for resigning from the Cabinet.

Mr. SPEAKER: I have not objected to that. What I am saying is, if you want to bring a kind of criticism to the point where it becomes a vote of no confidence, the Standing Orders provide for that.

Mr. H. A. BLACKMAN: Mr. Speaker I have no intention of bringing a vote of no confidence. I am only speaking as I see it. I am calling the differences I have and I am calling them out. I am saying that the consultations with the Coalition of Trade Unions – you had six meetings with them and at not one of those meetings did the Minister of Finance tell the Coalition of Trade Unions: "Well look fellows, the severance payments fund does not have in much money, if I continue to pay the money at the level that is being paid now, it will run out by a certain time. I want you to at least ease me for 18 months so that I could pay a little less." Six meetings and he never told them and when the meetings finish, bam and the fix put on them. The same thing happened with the Unemployment Fund when that was changed. He never told the Unions anything. How can I agree with that sort of operation. I am trying to demonstrate my fundamental difference to what was going on.

Mr. Speaker, meetings were held with the private sector, about 6 meetings as well, and at not one of those meetings was the private sector told that they will have to pay stamp duty and import duty up front. So they came to the meeting right up to the Thursday and Monday morning the import duty and stamp duty was slapped on to them.

Mr. Speaker, I am trying to point out that when that sort of thing happens it engenders animosity. The Coalition of Trade Unions, that coalition was representing thousands of persons in Barbados. The private sector organisation was representing thousands of workers in Barbados and I hope you see the point I am developing because if you treat the representatives in that manner, Mr. Speaker, you are actually treating the workers in that manner.

I have fundamental differences, Mr. Speaker, because I was born poor, Mr. Speaker, and nobody is going to stop me. I was born poor, I look after poor people, I am still poor, and I am going to die poor, so you had better believe it. Nobody is going to stop me. I see Barbados today, Mr. Speaker, at the cross roads. I love the Democratic Labour Party and any time I stop supporting the Democratic Labour Party, Mr. Speaker, I am finished with politics. I am not even going to listen to another political meeting. I am finished with it. There comes a time in one's life, Mr. Speaker, when one has to stand up and say this is enough. I do not like what is happening. Mr. Speaker, I don't like what is happening.

Let me continue. If you look at the Letter of Intent, Mr. Speaker, every single change that was made in that Letter of Intent was made by the rest of us here when

the Minister of Finance was in Zimbabwe. Every single change for the benefit of the people in this country. Every single change for the poor people in this country was made by the rest of us when he was in Zimbabwe. That brings me on to how those lending agencies feel about Barbados.

Those lending agencies, IADB, IMF, World Bank, will bend over backwards to help Barbados. They will do anything for Barbados. When have you heard before of any country signing a Letter of Intent to the IMF and then calling 2 months after and saying I want to change that Letter of Intent and the IMF saying Okay. When have you heard that? I don't think that ever happened in the history of Barbados or in the history of the World. Those lending agencies love Barbados and let me tell you why I believe that a change is absolutely necessary. The IADB, the World Bank, the IMF and what I tell you is a fact because I talked to them, they do not have any confidence in the Minister of Finance.

Let me tell you, Mr. Speaker, if you look and see, in that Letter of Intent there is a particular contract that we had to sign that Barbados cannot borrow more money in any one year than you have to pay back in debt. Name how many countries on earth the IMF has ever put that condition on, apart from Barbados. Do you know why they put it? Let me explain what that condition means. When the Honourable Minister of Finance was in Zimbabwe I got a call from a reputable bank in Barbados, probably the most well known bank in the world, telling me that there is a group of persons in Canada who are willing to lend Barbados up to \$200 million once they had gone into the IMF Programme. I put them on to the Acting Prime Minister, the Honourable Member for St. Michael North. The Honourable Member spoke with them. He put them on to the Permanent Secretary of Finance to speak with them. Do you know what happened the same evening? The Permanent Secretary of Finance came to me and said, "Well, there is no sense talking with them because you cannot borrow more money than what you owe next year." Can you imagine that? The whole idea of going into the IMF Programme, as you would know, is so that other people will lend you money. After you have gone into an IMF Programme, people line up to lend you money. But what conditions have they put on Barbados? We have gone into an IMF Programme and cannot borrow more money than what you owe. Do you know what that is saying? I hope the front bench knows what that is saying. That is saying that at the end of these 12 months that, if you wanted \$35 million to pay back the Japanese and you borrowed the \$35 million to pay them back, when you have paid them you are back to square one. Unless your productive sectors such as manufacturing, tourism, agriculture and offshore banking can bring in foreign exchange, you have got to go back to the IMF and borrow again. People do not seem to understand what is happening. 2.35 p.m.

Mr. Speaker, knives are drawn and guns are out. I will stand up for my rights and for the rights of people in Barbados regardless and that is my position. I am calling, Mr. Speaker, on those persons from the front bench who have guts to come out now and stop talking nonsense about if you get rid of the present Minister of Finance that you are handing the Government to Henry Forde. Is that a concern to anybody? That is no concern to me. If it means that Barbados will be better and people in this country will be better off, that is of no concern to me. I have my principle and I am going to stand by it regardless. If he calls an election, then you all will know who you were dealing with. So what are you worried about?

Those of you who believe in the policies of Errol Barrow owe it to yourself to come out and be counted. Stand up and be counted! The Democratic Labour Party today is not even a ghost of what it was before. To those persons in the DLP, I am telling them to look at what has happened since the late Prime Minister E. W. Barrow died. There were times when the DLP kept a dance at the Auditorium that we had the whole of Barbados with people standing out to the other side of the road. Nowadays when a dance is kept at the DLP Auditorium, we get 6, 10 or 22 people. That is what has befallen this party. There was a time when we had our Annual Conference that there was no room for anybody in the Auditorium and all on the top was full. Nowadays at the DLP Annual Conference you get 150 or 240. We had about 300 or 400 people last year in August. Do you know why? We had just won the election. Unless something is done, we will be lucky if this year we get more than 100. Because what the Democratic Labour Party needs now is somebody who can stand up for poor people. Make them know how you feel about them. Make them know that there is somebody in here that cares. Stop thinking about yourselves and think about the people out there. Stop thinking that I cannot do this because of this or because he will call an election. That is nonsense. If he calls an election, he calls an election. You do not have to worry about that. You have to have guts. You have to have spine. You have to be able to stand up for your convictions. That is what you have to do.

Mr. Speaker, let me just say one other thing. I am amazed, Mr. Speaker, at the way projects are being stopped left, right and centre in Barbados without discussion. Surely, you cannot stop all projects haphazardly and randomly as is being done. Everything is being stopped. I made a suggestion for the longest time to get a committee of Cabinet to look at all the capital projects from all of the Ministries and prioritize them. We can then say that we can only do that one or the other one this year. When that is coming to an end, we can say that we can go ahead with this one or that one. Therefore, you would not bring the country to a standstill.

What is happening in Barbados, Mr. Speaker, is that this country is coming to a standstill and you have to do something about it. We have the lack of discussion with people. You have to discuss matters. There is no one man on this earth who can have all the knowledge and consultation does not mean that you come and tell people after you do something. Consultation does not mean that you come and tell half of the story. Consultation means that you sit down and you discuss. You may still have the final right to make the decision. Of course, that is your right to make the decision. But once the rest of us know what is going on we will go out there and defend you to the hilt. Because if it is the Democratic Labour Party, I will go anywhere and defend the Democratic Labour Party. But I am not going to defend any one man at all when he goes and does something and, when all hell breaks loose in Barbados, the Honourable Member expects you to go outside and defend him. How are you going to do it? Defend what? Defend something that you do not know.

Mr. Speaker, I do not know how much time has gone. I am not even looking at the clock.

Mr. SPEAKER: You have about 5 more minutes.

Mr. H. A. BLACKMAN: Mr. Speaker, we have to understand. I feel so strongly...

Mr. SPEAKER: You have about 3 more minutes and I would advise you to take guidance from the Chair.

Mr. H. A. BLACKMAN: Thank you. Mr. Speaker, I am telling you that we have got to get back to what we knew. Get back to the people out there. The Barbados Labour Party usually talks about how much mass support they have. I am telling you that, when you come to the ordinary, poor people of the masses, there is no party anywhere that was more liked than the Democratic Labour Party. Some people may say that it was because of Errol Barrow. It could very well be, but Errol Barrow and the DLP were one and the same thing. You cannot say the same thing now.
2.45 p.m.

Mr. Speaker, I am going to close now. I will say once again that Barbados is at the cross roads. The situation is critical and it did not have to be like this. If there was discussion, if there was talk, if there was the throwing out and taking in of ideas, we would never be where we are now.

Mr. Speaker, I am at peace with myself. I am content and I am leaving it to my colleagues on the front bench to stand up like men and do what Errol Barrow would want them to do, to tell the Honourable Member, who is thinking only of his survival and not the people's, not

mine, not yours and not the Party, that the Party is more than the man and the country is more than the man, that somebody else, whether it is any one of them – it would not bother me. I would like it to be one of us but if the Honourable Member does not want it to be anyone of us, then let it be one of them! Thank you, Mr. Speaker.

Hon. E. E. GREAVES: Mr. Speaker, my task is a rather difficult one, speaking after the Honourable Member for St. Philip South, particularly in the terms of which he has spoken. I have no intention of getting into any cross talk on the points he has raised because it is my view that being a member of a Cabinet suggests a certain degree of confidence, and I have no intention of discussing publicly any discussions which might have taken place in the Cabinet of Barbados. Let me, however, correct the Honourable Member on one point which he has made. That has to do with his charge that the Prime Minister had a meeting with the Coalition of Trade Unions and did not tell them about the state of the Severance Payments Fund or the Unemployment Fund.

Sir, I think it is a matter of record and of public knowledge.

Mr. H. A. BLACKMAN: Mr. Speaker, Sir, I do not like to interrupt the Honourable Member because this is a Budget debate and it is not normally done. I never said that the Prime Minister did not tell them about the state of the Severance Payments Fund or anything. I said he never told them that he was changing the ground rules.

Mr. SPEAKER: The point has been made.

Hon. E. E. GREAVES: Mr. Speaker, it is a matter of record and a matter of public knowledge that the Severance Payments Fund and the Unemployment Fund were both in bad state and something had to be done with these funds. It is also a matter of record, and I am sure that the records of the National Insurance Department, the records of the National Union of Public Workers and the records of the Barbados Workers' Union will show that this is a matter which was discussed by the respective executives of these organisations relating to the proposals which came out of a report that was done sometime in 1986, considered by the Cabinet of Barbados after consultation with the 2 Trade Unions who, incidentally, Sir, are represented on the National Insurance Board. The proposals to introduce changes in the Severance Payments Fund and also the Unemployment Fund in respect of contributions and benefits were known and discussed and they were proposals which to a large extent came after discussions with the respective Unions. After the consultations were made, the unions replied in writing.

All I am saying, Sir, is that there is no point in trying to hide or to suggest that people were not aware that, if

the Severance Payments Fund were going to be able to withstand the pressure which it would have borne as a result of the lay-offs... In any event, the Fund, even before the lay-offs, could not really support the demands which were made on it, neither the Severance Payments Fund nor the Unemployment Benefits Fund. It was clear that changes had to be made in one way or another. As a matter of fact, I think that this was ventilated in this Honourable Chamber on more than one occasion and I am sure that the Opposition and the Government recognised something had to be done.

It is important that one understands the situation. On the question of this Budget, which is the matter that is occupying our attention here today, there are a number of things which must be said. In the first instance, I think it has been clearly established that the economy of Barbados as, indeed, the economies of a number of countries of the world, has been experiencing some difficulties. I want to refer Honourable Members to the Economic Report for 1991, page 1 with the heading Summary:

"Economic growth in the world economy in 1991 was estimated at 1.0 per cent, its lowest rate of growth since the 1982 international recession."

On page 2 we have another comment:

"Generally, economic growth in the region slowed during 1991. The prolonged recession in North America and the effects of the Gulf War at the beginning of the year were factors affecting the performance of regional economies. The rate of inflation across the Region was generally higher than in the previous year with some economies experiencing extremely high levels of domestic price increase following depreciation of their currencies. The production of sugar, bananas, bauxite and petroleum declined during the year."

The point I am making, Sir, is that Barbados is part of the world. Our economy is very closely bound up with the economies of our major trading partners which includes the CARICOM region, Canada, the United States of America and the United Kingdom. All of these economies did not perform in the way that one had anticipated. The fact is that they too were in recession. In 1991, from the evidence supplied here, the Canadian economy did not grow. The United States economy also had serious difficulties. The United Kingdom economy declined. There was a decline in the economies of all of these countries. We have to cease trying to make people in Barbados believe that Barbados is such a privileged corner of the world that no matter what happens with the economies of other parts of the world nothing will happen in Barbados. It has to be clearly understood that we are part and parcel of the world and the fact that our economy is so bound up

with the other economies of the world means that we will also suffer some decline when declines take place.

We know, for example, the impact of tourism on the Barbados economy. It is a signal of growth when tourist arrivals are up. The fact of the matter is that tourists have to have the money to come to Barbados and this can only happen if the economic situation in the countries from which they come, whether it is Europe, Canada, the United States of America or from the other CARICOM countries is in buoyancy.

I am submitting that if, as we are finding, these countries are experiencing difficulties then, obviously, our tourism would experience some measure of difficulties. This is not to say that we have to sit back and say there is nothing we can do about it. The fact of the matter is that this Administration is looking to reorganise and restructure, if I may use the popular phrase, the economy of Barbados. We have to recognise that for all the talk we have been hearing from the other side, no restructuring of the Barbados economy has ever taken place. In 1992, we are still in a situation where the Barbados economy relies to a large extent mainly on tourism and on sugar and a little manufacturing. Within recent years, we have been trying to restructure the manufacturing sector to ensure that at least it goes in a different direction with added areas of services. The Government has been able to develop the offshore financial sector as an area which would bring additional income into the country and also provide additional jobs.

We have to recognise that no fundamental restructuring has ever taken place in the Barbados economy and the time is now when we have to do it. Unless we are prepared to do it now we will go into the 21st century in the same situation we are in now and will be faced with the same problems when another cyclical downturn in business takes place. We, therefore, should be seeking to restructure the economy, to try to put it on a firm footing, to ensure that the kinds of problems experienced in Barbados in the 1970's the 1980's and at the beginning of the 1990's do not recur. If we are not prepared to do that, then we will be failing in our duty. It is in that context that we have to look at the Budget of 1992. It is a budget which outlines clearly the way in which most of the restructuring will take place.

We have heard a number of criticisms leveled at the system of taxation in Barbados. Everybody has been calling for a restructuring of our taxation system, whether it is direct taxation or indirect taxation and the Government of Barbados has taken a decision that it will restructure and reform the system of direct taxes and reform the system of indirect taxation. I know when I was Minister of Trade, Industry and Commerce the many criticisms and comments, which were made were in relation to the wide range

of stamp duties and consumption taxes which exist in Barbados. This is a matter of complaint and a matter of concern for potential investors. They get confused with the amount of detail and difficult tax system that we have in place in Barbados. What the Rt. Honourable Prime Minister has indicated in this Budget that he would do is that the whole system of indirect taxation will be simplified and made easier for people to understand and it will be made easier to be implemented. In the Budget it is stated:

"The system of indirect taxation will also be reformed. The wide range of stamp duties and consumption taxes will be replaced in due course perhaps by a single general sales tax, or by a value added tax."

It is not for the Honourable Member for the City to pretend that she is revealing something which is going to happen. In listening to the Honourable Member, one would have **gotten** the impression that Barbados for the first time was learning that the Government proposes to revamp the system of indirect taxation in Barbados. This is a commitment by this Democratic Labour Party and one which we will fulfil because we believe it is very important.

If you were to look at what is contained in the proposals to reform the direct tax system you will see very clearly what is set out: -

"to simplify the various taxes and levies on labour and on the payroll;

to harmonise taxation of capital income while ensuring that the tax burden on capital will not increase;

rationalise the individual income tax and social insurance systems;

reform taxation of the family;

broaden the tax base to allow for a reduction in taxes on low income employees;

the stabilisation tax on companies will continue to be in effect from April 1, 1992, but will be eliminated during the course of the fiscal year;

eliminate the individual stabilisation tax by the end of the fiscal year;

phase out the payroll levies over a 2-year period;

lower the maximum rate of income tax;

harmonise the individual tax and social insurance schemes in order to slow the tendency to sharp increases in the marginal **tax** rates; and

re-assess the present income deductions and credits to reduce abuse and give greater support to families."

Sir, you see the way in which ~~the~~ Government proposes to reform the direct tax system in Barbados, trying to ensure that it is easier on families, reducing the high rate of income tax and doing a range of other things outlined here. These are proposals which the Government has made as a part of this whole restructuring programme. The Budget has set out very clearly the whole question of productivity and proposes to deal directly with that in terms of the establishment of a National Productivity Board. Presumably this Board will have representation from the trade unions representing the workers, from the employers and from the public sector. The Board is to promote the concept of productivity as a key variable in the strategy of economic recovery.

Most of the Honourable Members who have spoken in here today did touch on the whole question of productivity. The Honourable Member for St. Michael South Central recently appointed Minister for Community Development, the Honourable Member for the City and the Honourable Member for Christ Church East Central all referred to the importance of productivity in our national economic recovery programme. I am sure that they, in their reference to the need for increased productivity in Barbados, were thinking of productivity in its broadest sense. We do not want to get into a situation where when we talk about productivity the idea seems to be that we are only concerned about the productivity of people at the level of the worker or at the lowest rung of the working situation. The whole concept of productivity involves the management of people and time. It is even more critical at the level of management and supervision.
3.05 p.m.

I remember some time in 1990 attending a seminar during the Miami Conference. There was a professor speaking on productivity and outlining the reason why Japan was able to have such a high productivity as compared with other countries in the world. One of the major reasons which he advanced was that management in Japan paid very particular attention to workers' welfare which consequentially had an impact on productivity. Management also paid close attention to their own productivity. They involved people at the shop floor level in decisions and made sure they were part and parcel of what was going on in the factory floor.

We have a situation in Barbados where at the level of supervisor, there is a general tendency that such matters are of no concern to the workers on the shop floor. These

matters are only matters for the people at the management level. The examples which managers and supervisors they set are ones which do not inspire people to be as productive as they can be. If this country is going to move forward and restructure in the way we expect it to restructure and in which the Democratic Labour Party and this Government expect the country to restructure, we have to restructure our thinking and, indeed, our attitudes from the top to the bottom.

I remember having to make this point in September last year that we need also a very serious attitudinal change in this country. There is a feeling in the public sector that once you are working there the money does not belong to anybody. If you at the supervisory, management or even at the ministerial level demand a high level of efficiency then you are asked questions of what you are trying to prove, that the money does not belong to you or anybody. It belongs to all of us. That attitude has to change.

In the same way we expect the highest level of performance from the private sector we also as a government and people must expect the highest level of performance from the public sector. I am sure that with this realisation on the part of everyone that we have to work hard, give of our best and be dedicated, we will be able to see this country move forward in the way we would certainly want to see it.

This brings me to the question of the reform of the manufacturing sector. I have said on more than one occasion that this is fundamental and I was glad to hear the Honourable Member for St. Peter refer to this, because I recall in September last year drawing attention to this, and let me say that many years before that I was also making this point. It was almost like a consistent theme which I have pursued, that is, that if we are going to be able to really make manufacturing into the kind of income earner and employment generator we would want to see, then we have to get, in addition to what we have, a new cadre of entrepreneurs.

I remember once asking where have the entrepreneurs in Barbados gone? As I understand it, an entrepreneur is a person who is prepared to take a chance. In many businesses there are people who are not willing to take chances but are always looking for protection from the Government. We will not get anywhere if we continue to look just for concessions upon concessions, that is, protection in the domestic market. We will not be able to grow. If it is recognised that we will not move forward unless we are able to break into the export market, then we cannot do it if we are only going to be able to produce under a whole sea of protectionism. This just will not happen.

Sir, what the Government is trying to do is to steer the productive sector, particularly the manufacturing sector, into the area where there is a change in outlook and a change in mind where they will not only be concerning themselves with the domestic market but more particularly with getting to the export sector. I would certainly want to see the situation develop where we would get a new cadre of entrepreneurs in Barbados.

Mr. Speaker, when you look at the proposal in the Budget which seeks to reorganize the Export Promotion Corporation and the Barbados Industrial Development Corporation, you must see it in those terms. Let me just quote for the record where it is stated:

"In an effort to generate new life in this sector, plans are afoot to rationalise the policies, functions and structure of the Barbados Industrial Development Corporation and the Export Promotion Corporation. Under the proposed rationalisation a new entity with a suitable name such as the Barbados Business and Investment Promotion Corporation will be created. This new entity will comprise 5 divisions having responsibility for the general management of the Barbados Investment and Export Promotion programmes. These divisions are:

The Export Division

The Industrial Development Division

Financial and Offshore Activities Division

The New Enterprises Division

The Small Business Division."

I am saying, Sir, that most particularly, the New Enterprises Division and the Small Business Division will provide the opportunity for new entrepreneurs to emerge in this country because these are sadly lacking in Barbados. When one examines the entire proposals which are contained in the Budget they touch a wide range of activities both in the public sector and the private sector.

I would also want to make reference to the fact that, there are proposals for the reorganisation of the sugar industry, the privatisation of the Transport Board and the provision of lands from the Agricultural Development Corporation to small farmers.
3.15 p.m.

I think that we have to see these proposals in terms of the way in which we are seeking to make it possible for additional people in the small business sector whether it is in manufacturing, whether it is in agriculture or any

other form of business, to have an opportunity in a new and restructured Barbados. I think, therefore, that this is the way the Budget has to be seen, this 1992 Budget must be seen as pointing the way in that particular area.

I would be failing in my duty, Sir, if I did not seek to respond to one or two comments which were made in relation to housing. Last night the Honourable Member for St. Michael South East made reference to the rental rate which the Ministry of Housing proposes to charge for persons who are occupying Government lands at Cutting Road in Haggatt Hall, St. Michael. This matter was raised in this Honourable Chamber again by the Honourable Member for St. Michael East. They are from contiguous constituencies. I think I would be failing in my duty if I did not first make the point that the Member for St. Michael East and myself have been having discussions on this particular matter. He has made representations on behalf of his constituents because he feels that the rent which is proposed to be charged is too high. We have not come to any conclusion on that.

But I would just want to say that the way in which rents are arrived at in the Ministry of Housing and Lands basically has to do with the **proposal** which comes from the Commissioner of Land Tax. The procedure is that any Government property which is for rent or lease, the Ministry of Housing and Lands refers the matter to the Commissioner of Land Tax for a valuation. The Commissioner of Land Tax gave the valuation of that property as \$520 per year as the annual rent which would be charged. This would be about \$43.33 per month. I searched all of the records in the Ministry. I searched the debate which **took** place in this House when that land was being transferred from use as the Transport Board's headquarters to Housing for the development of housing and for a sites and services programme and nowhere in that record could I find any commitment, on my part or on the Ministry's part that rents would be \$160 per year. I think that matter has to be put in its proper perspective and whatever impression was conveyed ought to be corrected. But in fairness to the Honourable Member for St. Michael East I would want to say that he has made the necessary representation and we are in discussion on that matter and I would hope that whatever final decision is made, it would be favourable to him and his constituents. I therefore want to indicate, Mr. Speaker, that I will certainly be supporting this Resolution.

Thank you.

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

Dr. R. L. CHELTENHAM: Mr. Speaker, Sir, the contribution of the Honourable Member for St. Philip South has added a new dimension to this debate. I must say, Sir,

that it is not often that one is privileged in a career in politics to be present and hear a member of the Cabinet who has just resign speak with the intensity with which he spoke and, perhaps, with the devastating impact both to himself and to his Party. He castigated his Prime Minister and reflected on the political integrity of all of his Cabinet colleagues. He has confirmed too what we in the Barbados Labour Party and many thinking people in Barbados have long felt and that is that the Prime Minister is a national liability and not an asset at all at this point in our history.

Certain remarks made by Dr. R. L. CHELTENHAM were ordered by Mr. SPEAKER, to be struck from the record.

Mr. SPEAKER: Will the Honourable Member continue.

Dr. R. L. CHELTENHAM: Mr. Speaker, Sir, I regard the contribution of the Honourable Member for St. Philip South as a reminder that politics, if it is not informed by principle degenerates into nothing more than a sorry mess. That is the precise situation that we are seeing now in respect of the Government and the members of the Democratic Labour Party. When it gets to that, it lames the image of all politicians. You, Mr. Speaker and me and all of us and it proceeds to hurt the national interest as we are witnessing in this country right now.

I want to turn, if I may, Mr. Speaker, to the Budget but before I do so I just want to address two particular issues that were raised by the Honourable Member for St. Lucy. He was at pains to make the point that the problems which we are experiencing in the Barbados economy are problems which have been created by the adverse external economic environment. We have to be careful on this side – and the Honourable Member for St. Peter emphasized it yesterday – to ensure that the economic history of this country be accurately written.

It is a fact that the Gulf War and the end of the expansionary period of international trade which came to an end about two years ago, that those factors have impacted upon us here in Barbados. But it is also true that when the world was experiencing a growth of international trade all through the eighties that Barbados' share of that trade was contracting and no one can tell us that the problem of the fiscal imbalance on the current account, the running up of the horrendous deficits in the years previous to the election, that that had anything to do with external influences. We shot ourselves in the leg. We are responsible, in large measure, for our own difficulties. When I say we, I refer to the managers of the Democratic Labour Party in Government.

We ought not to allow the view to be aired abroad that this crisis is entirely or in the main, the

result of the impact of any adverse external factors upon the Barbadian economy. It is the result of mismanagement. It is the result of managers placing their own interest above the interest of the nation. That has been the cause of the situation in which we find ourselves.

The second issue that I want to address has to do with the Honourable Member for St. Lucy making the point that we have never had structural adjustment in Barbados. That is not true. It is evidently not true. The mere fact that we have moved from an economy which was totally dependent on sugar and its bi-products, molasses and rum for its survival to an economy which has now several crops - sugar and non-sugar - and manufacturing, tourism, services, construction activities and other activities tells us there has been a substantial restructuring of the Barbados economy over the last 30 years. This restructuring has to be a continuous process and again we need to address the fundamental props of our economy. It is clearly wrong and utterly misleading to say that we have never had structural adjustments in Barbados.

3.25 p.m.

Mr. Speaker, there is widespread cynicism and indifference out there with respect to the Budget but, notwithstanding that, the declining numbers who still follow these matters were very much looking forward to this Budget. Not for what it would tell us about the sources that would have been tapped in trying to bridge the gap between estimated revenue and expenditure but, rather, what it would tell us about the specific steps which the Government intended to take to extricate us from this horrible mess in which they have landed us. People were looking to the Budget for that reason and in that respect the Budget has fallen flat. It has been very striking in its superficiality and almost offensive in its hollowness.

The country is drifting in uncertainty. Business persons both large and small were looking forward for the structural adjustment package to be unveiled. They need to know the specifics so they can plan their business with certainty. The Prime Minister continues to play a cat and mouse poker game. He does not want to reveal his hand, Mr. Speaker, and I suspect that he, himself, cannot read his own hand.

Now this crisis in which we have found ourselves has three dimensions. In the first place, Mr. Speaker, we have been spending more money than we have been raising by tax and that has resulted in a serious fiscal deficit. In the second place we have a balance of payments crisis, an imbalance resulting from the fact that we have been importing more than we have been earning foreign exchange to pay for. Related to that, but separate in some respects, is the fact that we have been suffering a serious decline in our productive sectors.

The Honourable Member for St. Peter in a very reflective and mature contribution yesterday evening, referred to that. It cannot be any better dramatized and illustrated by the fact that we are in 1992 producing only 50 thousand tonnes of sugar and importing sugar for domestic consumption. No man in your age group, Mr. Speaker, or in mine, indeed no thinking Barbadian would ever have accepted that in his time we would have had to import sugar for domestic consumption. That in itself illustrates and demonstrates the extent of the decline in our productive sectors, particularly sugar. When you put that alongside the fact that in 1984/85 our manufacturing sector was earning \$½ billion in exports, \$500 million, and that today in 8 short years we have gone down to \$238 million, that too tells the story of the extent to which our productive sectors are in decline.

I think it is common ground, Mr. Speaker, that alongside a stabilisation programme which means that we have to bring our imbalances into some form of harmony, we have to depress demand and make sure that we have a balanced budget but apart from that, I think it is also common ground, between the Government and the Opposition that we must earn our way out of our difficulties. We must produce more for export and to that extent we were all looking to the Budget to tell us what specific measures would have been applied to manufacturing; what specific measures would have been applied to tourism; what specific measures would have been applied to agriculture; particularly sugar agriculture, in order to ensure that we get the economy moving again and proceed to earn the foreign exchange so that we can pay our way out of our difficulties. In that respect, Mr. Speaker, this Budget has been a major disappointment. It is not the first time that the Prime Minister, rather in 3 successive budgets, all that he has told us with respect to the productive sectors is that he is awaiting studies and recommendations. In the interim, Mr. Speaker, the economy has been put on hold and we have been waiting year after year for the results of studies and recommendations in order to determine what to do. When the people of Barbados voted the Democratic Labour Party Government into office they did not vote them into office to do nothing.

• I, Mr. Speaker, had the opportunity of serving in Cabinet and heading a Ministry and I know from experience that the thing to do is to take action even if along the way you have to take certain mid-course corrections. The worst thing in leadership is to do nothing. There are rare instances when you are justified in doing nothing and this Government has been doing nothing for years in relation to our productive sectors. They have been having study after study as though they have no idea of their own as to what needs to be done.

Now I want to address some remarks very specifically to manufacturing. It is as though this Government

has given up on manufacturing. There was a time, Mr. Speaker, when it was a joy, a pride and a delight to pass at 4.30 and 5.00 o'clock on evenings and see the large number of young women and young men coming from the Harbour Industrial Park and from Wildey and from Newton and from the other industrial parks across this country. They are all now home. The industries that are surviving are working 2 and 3 days a week and the shift system is a thing of the past. The garment industry that used to be a big employer, that has shrunk to 1/3 of its capacity in the last 7 to 10 years and large areas of operation in electronics and so on are no longer to be seen. The Prime Minister, following the September Budget imposed 100 per cent duty on the imported items, the items for inputs into manufacturing. The manufacturers protested. They negotiated with the Government and on November 9, 1991, a statement was issued in which it was agreed that they would pay only 50 per cent of customs or import duty on the items which they bring in for manufacturing, 50 per cent consumption ~~tax~~ and 50 per cent stamp duty. But it was promised at the same time by the Right Honourable Prime Minister that he would have put on countervailing duty on Caricom goods coming into Barbados that did not have to pay those taxes on their imported items that go into making the manufactured product. That promise has not been kept. Many of us doubted whether it could have been kept; but it has not been kept, and those who participated in the meeting were clear that the Government led them to believe that those 50 per cent taxes which they have to pay and pay up front and which have the effect of destroying their cash flow, that those taxes would have been removed. They were looking forward to this Budget as the occasion when they would have been removed.

3.35 p.m.

When it is **borne** in mind, Mr. Speaker, that the manufacturers then have to pay a tax on the finished product, it is easy to understand why it is that the Government's tax policy in relation to manufactured goods is killing manufacturing in Barbados. The Government's policy in relation to manufacturing has threatened the very survival of the sector and the domestic market is lost to CARICOM products and because of their cost disadvantage they cannot penetrate the external markets.

Mr. Speaker, against that background, it is not surprising that there have been massive lay-offs in Wildey, the Harbour Industrial Site and in all the other industrial parks across the Island. The remaining industries are now working 2 to 3 days a week and the shift system is a thing of the past. The Prime Minister has got to tell us, Mr. Speaker, why is it that Trinidad and Tobago, Guyana and Jamaica all went through and some are still going through an IMF dictated programme and yet they have never had to put duty on the imported items that go into the manufactured product which we have put on in Barbados.

Why is that happening? Is it a death wish on the part of the Prime Minister for the manufacturing sector? Is it an absence of negotiating skills on the part of the Prime Minister? Why is it that the manufacturing sector in Barbados is being made to suffer in this way when no such conditions apply in relation to Trinidad and Tobago, Jamaica, Guyana and other countries in the region?

Sir, it is not only the manufacturing sector that we are concerned about. We are concerned about sugar agriculture too and all the Budgetary presentation has done is to tell us that the Government is supportive of the idea of BSIL being put into receivership and the management team headed by Tate and Lyle taking over, and that the Barbados National Bank will give the industry financial assistance. But there are many other questions that need to be determined. To begin with, we want it clearly spelled out what is the new policy in relation to agriculture. The Democratic Labour Party has lamed irreparably agriculture in this country by allowing the best agricultural lands to change use in Barbados and to go for housing purposes when at any one time in the last 10 or 12 years we have had 10 to 12 thousand unused lots for residential purposes in Barbados. So that there is no reason to allow any part of Cottage in St. George to go for housing purposes or any of the better estates in St. John and other parts of St. George to change use. That policy represents a reckless disregard for the best interest of this country and the Government must make it clear from ~~hereon~~ that agricultural land will remain sacrosanct and that land speculators, however close they are to the Democratic Labour Party, will not be given any entry into the door and will not be ~~allowed~~ to persuade anyone to change the use of good agricultural land for residential purposes, golf courses, tourism or otherwise.

Sir, we have to begin by establishing that, but we need to do much more. We need to determine and the Government needs to say what will be its target in relation to sugar output when the year comes. Will we be aiming hereafter for 75,000 tonnes or 100,000 tonnes? That is basic. We have to determine, too, the extent to which we are going to aim for the integration of the industry. We have to determine what we are going to do about the debt and what programme of restructuring of the debt there is going to be. We have to determine what we are going to do about interest forbearance and debt forgiveness. We have to determine how many factories will operate in the future in Barbados. Are we going to close Portvale as has been suggested in the Booker Tate Study? Are we going to concentrate all of our energies on Andrews located in one corner of the island and clearly ill-suited to bear the strain of processing all of the canes in Barbados? The Government needs to make decisions on those matters and to announce them for the benefit of Barbados. What is going to be the future for the small farmer? Has he a future or is the Government going to concede what we all know that by their policies they have destroyed the small man in sugar agriculture if not in all agriculture in Barbados?

The Budget, which has been so generously praised by the Honourable Members on the other side, has not addressed those issues. We have rather had a series of broken promises. For example, we were led to believe that workers would no longer be made to contribute to their own severance. We were made to believe that duties would have been cut back on the imported goods for manufacturing. But the road to this mess has been strewn with broken promises. That is important, Mr. Speaker, for us to pause and **make** the point that, in this particular predicament in which we find ourselves, it is going to be important that the Prime Minister's word be trusted and respected. That has particular relevance to the incomes policy which is at the heart of the Government's efforts to stabilize this economy. The Government only has control over 20 per cent of the workers who work in the public sector. We already know how they have gone about implementing an incomes policy in relation to them. They have frozen their increments for 18 months and they have deprived them of 8 per cent of their salaries and wages. But what about the 80 per cent of the other workers who are involved in what we call tradables? An incomes policy can only work in relation to them by the Government using moral suasion. If the Prime Minister does not have the respect of the social partners, in particular the unions and the employers, and if he continues to dishonour his own word and continues to parade his broken promises, that will not be the environment and the **setting** in which the Government will be able to exercise moral suasion in getting the rest of the Barbadian employees, that is the 80 per cent because the Government only has control over 20 per cent to follow a programme of incomes policy. Sir, it is very important that the Prime Minister speaks straight and abandons these words and that he tells the people at every level what to expect.

3.45 p.m.

The national effort will suffer if the Prime Minister does not lead by straight talk, by clear vision and by taking hard decisions. We cannot continue to depend unto death on expecting recommendations and reports. **The** Government must act, and act now, if the national interest is not to be more severely damaged than it already is. That is the point that we ought to make.

Other speakers on this side have already detailed the extent to which the stabilisation programme... We are not into structural adjustment yet. There is widespread confusion not only in this House but across the country that we are into structural adjustment. We are not into any programme of structural adjustment because there has been no agreement reached with the World Bank or the Inter-American Development Bank with respect to structural adjustment. Certainly, no measures have been introduced today. What we have been concerned about thus far is stabilisation measures. I thought the finest part of the

speech delivered by the Honourable Member for St. Peter yesterday was when he tried to explain to this House and to the nation what is meant by structural adjustment in the Barbados context, how we have to produce more, how we have to **try** to attract capital from abroad which we have not been attracting recently, how we have to save more, how we have to change our investment patterns at the national level from malls and real estate projects into productive projects.

There are just 2 respects which I would like to add to this thoughtful list. One relates to rural Barbados and the need for rural rehabilitation and rural reform. We are headed in a direction in Barbados in which we are having 2 Barbadoses, one that stretches from the lighthouse in St. Philip right down to St. Lucy, all through coastal Barbados and including parts of St. George and the southern parts of St. Thomas where there is a good road system, frequent bus service, where we have electrification everywhere and natural gas, playing fields, and where we have modern housing and, increasingly, sewerage systems.

We have a Barbados not too far away, St. Joseph, St. **Andrew**, parts of St. John and St. Thomas where people cannot get running water sometimes for 3 and 4 days a week. It is almost unbelievable, Mr. Speaker, that there are parts of St. Joseph where for half of the year people have been without running water, where there is infrequent bus service, where the roads are in acute disrepair and people continue to get a disproportionately small part of the expenditure of the State and playing fields are in short supply. That 1/6th part of Barbados can produce much more than it is producing and in any programme of structural adjustment we must be concerned to ensure that that part of Barbados, the Scotland District area, gives us more fruit, that it grows more of the flowers and the foliage that we need, and that there is more livestock reared there. We have to enhance the productive capacity of that 1/6th area of Barbados. That is an important part of structural adjustment.

I make one final point, Mr. Speaker. We have also got to be concerned with making special provision in training and providing job opportunities for our young people. That is a frightening phenomenon in Barbados that too many young people **are** not trained for the workplace and can find no opportunity. To that list which **the** Honourable Member for St. Peter so clearly identified, not the confused list which the Rt. Honourable Prime Minister read out and which nobody can understand – I am talking about the specific, clearly thought out list which the Honourable Member for St. Peter made mention of yesterday – we must add rural rehabilitation and we must add a special programme of training and the creation of job opportunities for young people.

His Honour T. C. ESTWICK: Mr. Speaker, I rise to add my voice to this debate even though today's^m

events leave me somewhat flabbergasted. Like my brother and new Member for St. Michael East, I must admit that my entry into politics has been somewhat like a roller coaster ride. It is not really doing me much good, I will admit publicly. I don't know how there can be an issue of resignation at this point in time. There is much work to be done. I want to start by adding my voice to the persons who would readily say that so far in Barbados there has never been structural adjustment as we are seeing today.

We have had changes in the economy. We have had incremental changes for the most part in the economy, but my problem with the analysis of the Honourable Member from St. Joseph is, if he is going to readily admit that he is of the school that believes there was structural adjustment before in Barbados, then he cannot agree with the analysis of the Honourable Member for St. Peter. His analysis clearly says that there has not been structural adjustment in the manner in which it has been seen before because it really was never necessary.

According to the climate and the economic thinking of the day, I do not believe any previous Minister of Finance has had to come to grips with the state of affairs as are present in Barbados today. It does not bother me who is Minister of Finance. I am not defending anybody. I am saying it as I see it. Back bench or not. All I am saying is that some people get into a motor car and before they get to it they see a tire looking soft but they decide it can get them to town so they will take a chance. They realise that something is wrong but they set off driving nevertheless in the hope that the car will be sensible enough to do something on its own to get them to town, or they may well pass a gas station or 2 and still hope to make it to town. They never do. What I am saying is that there will come a time when things will reach a crisis and whoever is managing at that time of crisis has to deal with the crisis in whatever way he sees fit.

Structural adjustment bears certain connotations of which we have never seen in Barbados before. We have had changes in Barbados. We moved from a mono-crop economy to one which is somewhat diversified, but in the context of modern economics, it is not called structural adjustment because it does not include fundamental and real changes that affect the mode and means of production. My fear about what we will call structural adjustment in Barbados is that it will not fundamentally affect the ownership structure of this country as regards major enterprises. It will affect it if we privatise nationalised industries but as far as the major industries are concerned in Barbados it will not affect it in the way that it should, considering the degree of unemployment which we have, which is in itself a deterrent from the majority of persons participating in ownership because they will have nothing to invest.

I am part of the school that will say that there has never been structural adjustment of the type that we are

presently facing in Barbados. I am in agreement now with the Honourable Member for St. Joseph when he says that we have 3 dimensions of the crisis. We have been spending more than we have been earning. There has been over the years balance of payments crises and there has been a tremendous downturn in the productive sectors. I think the Prime Minister readily admits to that in his budgetary presentation.

Sir, in spite of all that we can say in this country and in this Honourable House of Assembly, there are certain realities we will have to face. In spite of all things, we have for the first time in the history of this country a deficit which is small. We have been successful in controlling inflation. I think we may well be one of the few countries in the world in which inflation has not run amok in the last couple of years. It has moved according to page 16 of the Financial Statement and Budgetary Proposals from 3.1 per cent in 1990 to 6.3 per cent in 1991. To control inflation to the extent over the years that we have been able to do so, could well be in itself, for those who understand how little economies like Barbados work, a laudable achievement because we have set about to keep prices within reasonable range of the average man with his small purchasing power. The opposite is part of the inherent defect which has caused our economy to be in the position that it is in today.

A government seeks to control its prices so that people can have a reasonable standard of living to buy goods and services. The goods and services are imported or manufactured in this country. It can cut its purchases conveniently. Of late, we have been doing so. It can increase its taxes. Of late, we have been doing so. By slowing the growth of the money supply in the country it can cause its interest rates to rise.

I am going to agree with what the Honourable Member for St. Peter said as regards interest rates in Barbados. It has been of great concern to me for the time that I have been in this House of Assembly, Sir. I will agree with him. All of what I have just recited is one thing. It seeks to avoid the classical approach to one aspect of inflation, that there is too much money in the economy chasing too few goods. In essence, you seek to depress an economy but when you do that you cause your economy to go on the downturn. This is the paradox of which I spoke earlier. Once there is a downturn in the economy you are looking at rising unemployment and of necessity your actions are going to be politically unpopular. I would like to think that by and large in Barbados we have gone through that phase over the last year.

Of necessity, stability is a requirement in any country and it must develop, be it of the Eastern Bloc - Poland indicated to us that stability was a requirement. It

is also a requirement in any political party if it is to be positive in its approaches to helping the people it is supposed to represent. It is a fundamental requirement and I would hope that our period of instability is over as last year would have indicated that we were somewhat unstable. We are now looking at a period which is going to be introduced by the Budget which the Prime Minister set the parameters for, and which obviously, nobody on the other side bothered to read.

At page 2 the Prime Minister indicated what his Budget was seeking to do. It may well not have been a budget in the mode that we know budgets in Barbados, but I think it is somewhat unfair that if I tell you this is what I am going to do and set my parameters and I stay within those confines that you will quarrel and say I should have done otherwise, when all I said to you was that I would set my confines. Honourable Members, in the interest of fairness, should read page 2 before they shout that there is no budget.

Continuing from what I said, concerning that particular economic paradox which we in Barbados have had to deal with, another dimension is added, the continuing indebtedness of Barbados over the years. That adds a critical dimension. If you are faced with an economic downturn with a rise in unemployment and you are forced to go into those policies which are to depress your economy after a period of indebtedness, then you are still looking for major economic dislocation and thus the necessity of structural adjustment programme in the manner that we now know it. Tinkering with it as we have done over the years would not help in this circumstance. I am convinced that if tinkering would have helped, it would have been tinkered with. The fact is that, as I have said before, and I do not intend to run over it again, before 1966-76 electronics factories and clothing factories were here and we had our IDC flying high, between 1976-86 offshore banking came in, the BNB was established, ICB was a reality – the whole offshore sector came in under the Honourable Member for Christ Church South. There will also come a time when those will reach their peak as a result of not only the parameters that we set for ourselves in Barbados but the international and economic climate. The economic paradox which Barbados faced is in its own internal policy as well as those from outside. I don't think anybody in here is now saying that we are not faced with a problem that was somewhat caused or engendered by international circumstances. I think that is now accepted in spite of what was said before.

We have a dual cause of our problems. I call it our internal economic paradox because we are a small, open economy and the international circumstances. I don't think that we need to quarrel too much over that sort of formulation. Facts remain facts.

Over the last year, too, Sir, much talk has gone across the country in the form of a question: Could it be possible that Barbados grew too fast, that people were overspending? I want to put it in this way because I don't think such statements ought to be made in absolute terms. I am one of the people who firmly believe that it is the quest of every man to improve his physical standard of living according to his means. I do not subscribe to the belief that A or B can overspend his own money. If we are looking at a collective responsibility, then other variables come into play. If a man is producing and earning, I cannot see the problem. I see the problem where a man is spending but not producing or spending and not earning. That is where the problem is. The question must be asked, has Barbados as a country grown too fast for its own good? Other people may have other formulations of it but, obviously, based on what I just said in terms of an individual, Barbados could well have grown too fast in the area of consumption and not in the area of production.

It is now a given, and I do not think the Prime Minister attempted any sleight of hand. It is in the Budget, frank and open, that the only sector in the economy which grew is the offshore sector. Every other sector was in decline. Some by as much as 5%. We have a severe problem and no matter what is the cause of the problem, which I think various people have identified differently, we have to find a solution to it. In the circumstances, the solution, as seen through the Prime Minister's eyes, is the structural adjustment programme in the manner in which we have it or in the manner in which it is proposed. Other persons may have a different approach, others may have different views. My own view may not make much sense to people or may not even be listened to but that is a matter which I will have to grapple with in the fullness of time.

4.05 p.m.

Sir, we have approached the problem of whether Barbados has grown too fast in the area of consumption for its own good by doing many things. As I said earlier, we have dampened the demand for goods. I think that position, if we were listening to the Honourable Member for St. Peter, went somewhat like this, you dampen that demand to protect your balance of payments. One of the ways in which the Prime Minister chose to do it was to reduce the spending power of people by an 8% cut. Obviously, if you have less money to spend you will have less money to spend on imports. Your purchases will drop. I am just looking at the formulation of the Honourable Member for St. Peter to which I subscribe. If your purchases drop, it means not only would your purchases from sources outside of your economy drop but those from your productive sectors as well. It means that by trying to address one problem you are creating another problem.

If I have no money to buy, I have no money to buy from anybody who is also producing locally. The long-term effect is that unemployment will result. However, I think in Barbados today that unemployment has resulted in the majority of persons going back to household farming, or market gardening. The big farmers I am certain I heard some time ago spoke eloquently about small farmers cutting into their markets, again a position that I do not subscribe to.

The economic paradox with which I started continues because if you attempt to dampen your demand, as has been the case in Barbados, the very revenue that you are hoping to attract from economic activity is going to be interfered with. If there is no money to buy imports then your consumption taxes will drop. If you are not working first of all, there is no income tax. So the economic paradox in a small country like Barbados is a reality. That is why I started by saying that it does not really matter who is the Minister of Finance. The fact remains that these issues must be addressed and dealt with.

I do not know, considering the history of Barbados from 1961 until now, that we may well have not been in the same position no matter who was the Minister of Finance. I am not prepared to say that. I do not know. All I can say is that historically, we had the approach that once things were going well in terms of our trade balances or the fact that we had money to import, or we could borrow, then there was no problem, no matter how much it was manifesting itself. We had reserves, even though they were borrowed. We had reserves to buy 3 months of imports and all was well. The signs were there. But as I said, once all is well then the signs could well not have been there. When the crisis comes it has to be dealt with and it is now. For the third time and final time I will say it does not matter who is the Minister of Finance. This problem would have come to Barbados and would have to be faced one way or the other. There is a dispute as to methodology. I do not know if that would help one way or the other either. The fact is the crisis is here and we have to face it.

I worry, Sir, over this approach that is much mooted about today about an incomes policy. It is a fact that our wages in Barbados are higher than those of our major competitors to the extent, as I have been told earlier, that investment for Barbados from outside is now virtually non-existent. That is a fact. I also worry because at the same time we face a severe problem because over the years as a result of our approach to educating our people and providing all the necessary services for our people, we have been bred with certain expectations from this country which may well not have been real.

I fear, Sir, it may well be my generation and the generation of one or two other Members of this House, should we be here, to deal with that issue. It is not going to be an easy issue with which to deal. I know of no man,

he may well accept it, who will be happy if you are going to tell him he cannot build on a wall toilet and bath to avoid the cold, or that he cannot buy a bigger television set to see better, or he cannot buy a motorcar or for that matter that he cannot get a mortgage to buy a house or land. The crisis in Barbados today means that we have to be telling people those things.

I do not expect Barbadians to be happy. It is the duty of each and everyone of us in here to be in a position to explain as lucidly as humanly possible the reality of Barbados. Some in my generation say that it is not their fault and that they should not have to deal with the problem at all. I may well agree. It is not our fault to the extent that we did not make the policies but we benefitted from them. I need not recite the benefits. Therefore it is the duty of my generation to make sure....

Aside.

His Honour T. C. ESTWICK: The Honourable Member for St. George South says it is not coming into my generation whatsoever. In fact, he does not understand a single thing I have said so far because of that generation gap so we have a problem, Sir.

I am dealing, Sir, with ways in which we have been approaching the crisis. We have dampened the demand. There are high interest rates. There is the talk about incomes policy. There has been the clarion call from Honourable Members from Her Majesty's Loyal Opposition for an end to political jobs. I put it like that so that everybody can understand it. I agree with that wholeheartedly.

As I said just a little while ago, from the time such things are politicised, I do not know if at the time jobs were given on a large scale in statutory corporations of all types, or even within the bureaucracy of government, that politicians ever thought we would have to face the day when the crisis would have reached the proportion it has today that those said people would have to be sent home. I am not saying that they would have set out to be fooling people. But at the end of the day that is the result because you put people in an artificial circumstance and that is cruelty. It is wrong. There is no righting of it.

I hope Barbadians understand the lessons that are to be learned from such a situation. I do not care who it is but it is wrong to send 100 persons to work at a corporation when they are not needed. It is wrong and immoral. You are fooling people. I do not care who did it, whether it is a Democratic Labour Party or a Barbados Labour Party or a National Democratic Party member. It is wrong.

Sir, I think Barbados understands me. It is part and parcel of the process of not only controlling people but it is part and parcel of the process of engendering a dependency syndrome in people which I abhor. It is also part and parcel of the process of fooling people who are depending on you and looking at you to give them sustenance and to direct them. It causes them to believe that they are in that job forever when in truth and in fact the very position that person may hold could well not have existed and that is wrong. Whoever did it is wrong.
4.15 p.m.

There has been much talk about the protectionism. Let me start with that. Protectionism from the point of view that the manufacturing sector in Barbados as well as the agricultural sector, as well as the export sector should be still somewhat protected. I agree that to some extent this should be. I know of no major producer in the world that would not, either by a reduction in taxes or sometimes, Sir, as in some South East Asian countries by as much as giving producers money up front to help in the export drive. Governments do not set about to actively involve themselves in the export drive of the manufacturers.

I think, Sir, that no matter what the present situation is that is where Barbados must end up. I also believe and agree that there must be tax reform in this country. I need not say more about that. I have already dealt, Sir, with the issue of stability. It is vital for the survival of any organization; it is vital for the survival of any family, of any classroom if people are to be successful, of any political party, of any government. I hope that even though this Budget has had its fair share of criticism, it has indicated to the Opposition, Members of the Government Benches and the country at large that at least the foundation is being laid where stability – whether they disagree with it or not – is going to return to this country. That is all I am asking for, Sir. That this country be allowed a period of time in which there is no rancour, there is no setting about to destroy A or destroy B, there is no picking at anybody in a particular job or a particular place of employment, that this country settles down to pursue the path of economic growth and economic development, that this country settles down towards increasing and improving its economic surplus because at the end of the day that is what the quest is all about. One or two things must be done, Sir.

I do not, at this point in time, believe in the all out privatisation of the Transport Board because I think on the roads today there is too much nonsense. Unless and until we can make sure that Z vans, ZRs, ZMs are controlled to the extent that they do not provide threats to the lives of people in this country, I think they should be dealt with. I agree that there must be privatisation. In fact, Sir, I believe

that every opportunity must be given in this country for the majority of people to be involved in the mainstream of economic activity in this country.

Before I sit, I should also like to say that I do believe that there must be a different approach to how the people's money is spent in this country. There must be in general, more accountability. In fact there must be a **radicalism** in our approach to many things in this country. One last minute before I sit: I see you nodding at me, Sir. The advancement in this society must not – and I am sorry I do not have time to develop this – be built on class. It must not be built on family ties. Any advancement in this society if it is to hold true for the future must be built on merit. I hope that the approach as outlined be given a chance. I hope that there be stability in this country for some time to come. I hope, Sir, that Barbados be given a chance in its drive towards economic development, economic growth and its drive towards increase in the economic surplus to the benefit of us all.

Thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. James South.

Hon. N. K. SIMMONS: Thank you, Mr. Speaker. Coming 3 days after the Right Honourable Prime Minister and Minister of Finance made his presentation to this Honourable House in the form of his Financial Statement and Budgetary Proposals, I believe I am at an advantage in replying at this time.

First of all, I have had the opportunity of reading again his Statement. Secondly I have had the **opportunity** of listening to persons on the street, outside of this Chamber, for their comments, how they accepted it, their criticisms, *et cetera*. And thirdly I have had the benefit of listening to most of the Members who have spoken so far. But before I go on I think it is necessary for me to make 3 important points. The first is this. Like most people I am fairly frank and nobody on either the front bench or the back bench can speak for me. I want to make that point. Secondly, I want to say this: that I believe that I understand what collective responsibility is all about. I think I believe so even more so today. And thirdly, I believe as the second Vice-President of the Democratic Labour Party, the great Party, I think I owe it to the members of the Party to say this. That I have attended the last 10 Annual Conferences of the Democratic Labour Party and at no time have I seen less than 600 people at the Conferences, and we have held them 2 days each year. I think I should make that point so that people understand. The members would want me to make it because they were there. That is important to the membership of our Party. Sometimes we become so annoyed with ourselves that we do not think as straight as we should.

In looking at the Financial Statement and Budgetary Proposals the Prime Minister, as I understand it, gave the customary review of the performance of the economy for the preceding year. It was not a bright picture. Indeed, I do not think any country in this world can boast that the last 12 months presented a bright picture for any of them whether it be the United States of America, Canada, the UK, any country in Europe and even the great Japan about which we hear so much. I want to make this point abundantly clear as well because at times when we speak, we tend to speak about Barbados in isolation. If the economies of North America and Europe in particular are bad then we will suffer. I make that point to respond to a point which I believe the Honourable Member for the City made about tourism.

There was a point in time last year where Americans were not even travelling within America far less outside of America. Likewise in England. It is only in recent months that the European market has bounced back. All tourist destinations are going towards Europe for their clients. I am not saying they are running away from America and Canada. But the fact of the matter in the USA there is a great downturn in the economy. Whether they drop the interest rates or push them up they do not seem to be on recovery as yet. Those are the facts.

The Minister of Finance indicated in his Statement that, except for the Employment Levy, it would be a tax free Budget. He was at pains to spell out in detail the policies he will be pursuing, during the year, to achieve economic recovery. I believe that is exactly what we all want. He indicated there will be tax reforms, he indicated there will be an incomes policy. We all agree on both sides, I believe, that there should be greater degree of private ownership and we all accept the fact that as Barbadians we must produce more. Unless we produce more, in whatever field of endeavour we are engaged, we are doomed.

4.25 p.m.

Mr. Speaker, when you come here and you do not say what you intend to do you are criticised. You come and say what you have done and you are criticised. It seems as though, if you do you are damned and if you don't you are damned, whatever you do. So now you have come and put forward a programme which you have put in place and want to discuss, people will say, well that is wrong too. He should have come and said what he did do. I guess it depends on who is speaking and who is doing.

The Minister of Finance also explained to the people of Barbados the IMF Programme that we are in, what we have done so far – the Member for St. Joseph said, to stabilise the economy – but he has done it in public so

everybody will know exactly what is happening. We have to understand as well that you cannot come to people and say what you have done when there are two parties involved. Both parties must agree and I believe that this was the opportune moment for him to come and say exactly what has been agreed to. Because we know, during the period September to December there was utter confusion because he was saying what they were hoping to achieve. Now that we have achieved and we have said what we have done, as far as the structural adjustment programme is concerned, again there seems to be a problem in the minds of people.

The first person who commented, as far as I can recall, was the Leader of the Opposition. He said it was a monumental waste of time. I wonder if the Honourable Prime Minister had come here and spoken for 20 minutes what he would have said. He would have said, as he said before, that you are not candid, you are not frank, you do not allow people to know what is going on. Now he has come and spelt it out, it was a monumental waste of time. Again, Mr. Speaker, if you do you are damned and if you don't you are damned but you have to do what you have to do and that is important.

I believe, generally speaking, listening to people on the street and even in the newspapers, if I can say so, that the people understand and the people are grateful because they were made to believe that at least bus fares would be increased from April 1, but they were not increased. The people understand too that we came in September and put certain things in place and that those things will continue. They understand that we seem to be making some improvement.

Of course the business people, they have their comments. Sometimes I wonder what we can do for the business people. In 1986 we gave them and they wanted more. They always want more whatever you do. But I say to the business people of this country, if they are truly Barbadian, that the \$300 million which they claim was taken out of the country between January and December of last year, to bring it back into the country because if they were to bring back the \$300 million into the country any Barbadian would understand what that could do.

Foreign Exchange in the Central Bank. The Banking system can get rolling again. If you have foreign exchange the building industry can get going again. If the building industry gets going again more people will be working, the stores will be able to sell more. It is like a snowball effect so to speak. The business people owe it to this country and if they are Barbadians as they pretend to be they owe it to us to bring the money back into this country. I say \$300 million, it might be \$350 million or \$450 million but it is a substantial amount of money and they can bring it in.

They said at first that they took it out because they expected devaluation. That was 9 months ago. There has been no devaluation, there is no threat of devaluation. Bring it back in and let the people of this country see that you are Barbadian and have the interest of Barbados at heart. They try to hide behind this lame idea about lack of confidence.

I recall last year that California had a census or a vote on the institution in which the people of California had the least confidence in. It was the Senate. They had more confidence in the army than the politicians. You know why, Mr. Speaker? Whenever there is a downturn in the economy the politicians are blamed. There is a lack of confidence in the politicians. Would it mean therefore that if that happens you will throw up your arms and say you are going somewhere else? Let us be realistic. All of us must play our **part** in this country.

As politicians we will always be criticised, we have got to make all the sacrifices in the world. People believe that we get all the money in the world, people believe we don't pay taxes, people believe we get our petrol free at the stations, people believe anything about politicians, so they blame us. We are the first people they blame but unless we all put our hands to the plough we will not get out of this predicament. I am asking the business people of this country to think twice.

You know, it is strange, Mr. Speaker, I wonder since we have been in this crisis how many of them have gone overseas on promotions. They have got \$300 million overseas so they can use some of the same funds to promote Barbados or the industries. But no, they want subventions from the Government and they want consensus of Government. Can the taxpayers of this country continue to prop up the industries? Let us be serious about it. These are the facts of the matter.

It is a problem in the same way that the BSIL has just discovered that they can, on their own, go and raise funds. If they had done it 15 years ago they would be better off because they would have put their house in order. They are now doing it 15 years **too** late and whether the Barbados Labour Party or the Democratic Labour Party were in office the sugar production would have been at 50 000 tonnes this year. You better believe it, because they had no intention of doing anything for themselves. These are the facts and don't let us fool anybody about it. If we continue to poke fun at each other in this Chamber, if we continue to blame each other, the business people will use one against the other. I don't blame them. That is what I say, if you can divide and rule, divide and rule. Let me say this, as a boy we had 30 000 people working on the plantations and we were producing 130 000 tonnes of canes. Do you think it dropped from 130 000 tonnes of cane from 1986 to 1991? No. It was reducing all the time under the BLP and under the DLP so don't let us fool people that only under

the DLP that the production of sugar dropped. That is a fallacy.
4.35 p.m.

I heard the Honourable Member for St. Joseph in here make a valid statement. It is a question of **management**. We have had to go and bring in Tate and Lyle to tell us now that it is a question of management. We **knew** that for years but few of us were willing to accept that fact. **BSIL** has had to accept it now because this Government has taken the decision that we cannot prop them up anymore. They must go and look for their funds and put their house in order. It is not this Government but it is the taxpayers. When you take up \$20 million a year to give to any industry, figure out what that can do for the economy if it were allowed to be used properly. I am not saying \$20 million which you can recover. Think about it.

Mr. Speaker, I am not an economist and I am not here to talk about the economy or agriculture. I have the responsibility for the Ministry of Justice and Public Safety and I want to spend some time in that area. But I think that I must however make some comments on some of the speeches made by the Honourable Members on the other side. I listened carefully to the presentation of the Honourable Member for St. Peter and I found it was very professional. He is a professional economist and I think he was very **professional**. My own understanding of what he said was that he agreed with what the Prime Minister has to do. That is my understanding. Sir, it is true that he did say that he did not believe the Prime Minister could do it, but that is an opinion. Although he agrees with a lot of what this Prime Minister has to do, it is strange when it came to the point of implementation that he did not believe that he could do it. I also understood the Honourable Member for St. Peter to say that, if we had taken steps 10 or 15 years ago, we would not be in this position today. He is honest.

Aside.

Hon. N. K. SIMMONS: I took note. I was listening carefully and he said very clearly, if they had introduced an incomes policy 10 or 15 years ago. The point I am trying to make, Mr. Speaker, is that 10 or 15 years ago the Government of the day, if they were properly thinking, they would have realized where we were going. We were not there then. He is admitting that they could have done better. That is all that I am saying. That is the point I am making. He is a professional so it is hindsight. It is easy to look back or to be in a pavilion and tell Desmond Haynes that he should not square cut when the ball is pitched up. When you are in the driver's seat, you have got to make the decisions then and live with them. That is very important.

Sir, there is something also which I want to comment on and it is the fact that the Honourable Member talked about the sacrifices which he has to make and I hope the people of Barbados understand what we let ourselves in for at times. It is true we go in willingly but I do not think very often that people understand the pressures we are under because we want to represent people and that is important. However, having said that, let me say this. It will not surprise me, however, if on the call-in programmes I were to hear that the Democratic Labour Party has stopped the Honourable Member from getting a job. Unfortunately, the call-in programmes always seem not to set a criteria for those who have to moderate. You have to have a political axe to grind. You must be anti-DLP and, even when you come in and try to be objective, they try to twist what you say to show that you are anti-government. I make this point because it is valid. The Honourable Member for St. Peter did not even intimate anything of the sort. All the Honourable Member for St. Peter said, as far as I am concerned, is that when you are a politician you are at a serious disadvantage. But I am saying, in the same way that I hear about the long tentacles of somebody stopping somebody from getting a job or firing somebody, that we have to look at the call-in programmes and those who moderate them because they are fomenting trouble in this country. I have no quarrel with the call-in programmes but I think that people must be objective when they do things. If the only criteria is that you must have an axe to grind or be anti-government, then we are going down the road.

Aside.

Hon. N. K. SIMMONS: Mr. Speaker, having said that as well, Barbados was just represented at the United Nations Human Rights Commission Meeting in Geneva. One of the things that we were praised for was that in Barbados there is a call-in programme where every day you have people criticising the Government and the Prime Minister in particular, and nothing seems to happen. In Geneva, we were praised for that. They said that we were the most democratic country in the world. They cannot believe how it can happen that on a continuous basis people can criticise the Government and the Prime Minister and every day they are allowed to go on. Do you see what I mean? In a sense, I guess we are tolerant.

Sir, as far as the economy is concerned, I think that I want to turn to my specific area because it has a bearing on the economy. I speak particularly of crime. In the last few years, we have seen a substantial increase in crime in this country, particularly crimes of violence such as rape, aggravated robbery and knifings, something which is alien to Barbados. We were not accustomed to these types of crimes. It seems that these crimes are being committed primarily by young males. As far as I am concerned, it has nothing to do with unemployment. It might have something

to do with unemployables but not unemployment which is different.

I believe, too, that the drug culture is associated with it. It is the people who want to get quick money and people who are not working. I understand that when you take some of these drugs such as crack and cocaine that your personality changes and, therefore, a fellow who is normally quiet and non-violent becomes violent. This drastic increase in crime was one of the primary reasons why we had to ask for the Defence Force to assist in combating crime. I know there has been criticism. I understand the criticism. I would not want to say that I appreciate the comments made by persons who are not totally in favour of the exercise. But at the same time I think it was necessary and it has borne some fruit plus the fact that we had to do it because we are still in a situation where we have 4 escapees. Quite frankly, until such time when they are caught, I cannot see us changing the system. That is my view because too many policemen are involved in the recapturing of these escapees and I would not want to fool Barbadians.

4.45 p.m.

That is looking at reactive policing. The Police Force, as are all other Police Forces, is becoming more pro-active in their approach to crime. They are trying to prevent crime, and in this respect I would like to talk about the Juvenile Liaison Scheme, which tries to get to youngsters before they get involved in crime. I would like to think of the Community Police Post. Indeed, the last effort between the police and the Ministry of Education is in an attempt to make sure that youngsters follow the straight and narrow path. It was never intended that police would go out there and arrest young people because they are playing truant and lock them up, as some people would make us believe, but we have to realise that we are living in different days and times. The Truant Officers realise that some youngsters are not as co-operative as they should be and therefore they need sometimes to have policemen with them to make sure that law and order is under control, or that if the youngster attempts to do something there is somebody there who is sufficiently trained and skilled that he can handle himself properly, to put it mildly. That is why we have the police officers out there.

I would like at this juncture to express my thanks and appreciation to the police officers for the excellent job they are doing. At the present moment, because of our situation, the average officer is working 12 hours a day, but if he happens to be attached to the CID, the Drug Unit or the Task Force, the number of hours he works in a day are unlimited. It could be 24 sometimes. Sometimes they go on duty and never leave until 3 or 4 days after, and I am most grateful to them for the number of hours they are putting in.

I know that the time is running quickly, but today the Deputy Commissioner of Police goes on pre-retirement leave and I would not want this opportunity to slip by without publicly paying tribute to him for his commitment and dedication to the Force. I believe he has served 39 years. He rose from a Private to Deputy Commissioner of Police; a great achievement. All Barbadians should be grateful to him for the good job he has done during these years. I sincerely hope that he will have a pleasant and happy retirement but that his wealth of experience will not be wasted.

Briefly, the Prisons. There has been some discussion about the way in which we treat our prisoners. I am very harsh when it comes to punishment. I do not fool you, everybody knows about my stand on hanging and flogging, but at the same time I believe **that** once a chap or a young lady goes up there we must do our best to make sure that when he or she leaves there that that person has changed. We will not succeed with all of them. I am not fooling myself with that. Therefore, successive Governments have put in place programmes to assist these people. We have had remedial education. I believe not too long ago Mr. Leslie **Harris** celebrated 35 years as a teacher in the programme. We have had academic programmes. We are now into an agricultural programme and into values education. I sincerely hope, with those programmes, we will be able to turn around those youngsters and make sure that they are productive and beneficial to this community.

I thank you very much, Sir.

Hon. H. B. St. JOHN: Mr. Speaker, as I rise to speak on this occasion I must say that in all of my long years in this Place and in the Other Place I have never witnessed such a devastating attack upon the integrity of a Prime Minister and his colleagues on the Front Bench as I witnessed today.

We in Barbados are living in a period which can **only** be described as a period of great political crisis in which the very structure of our Government, the Westminster system of Government, is on trial. I do not intend to go into further detail about the devastating consequence for Barbadians and for the country as a whole if, at a very early date, remedial steps are not taken. It is my view that the Leader of the Opposition is the one who should deal in no uncertain terms with that matter.

I just want to say that, as a person who has been in politics for as long as I have been, I see a very disturbing trend in this country, a trend in which **the** right to dissent is being frowned upon. This trend disturbs me also, because I well recall that the Prime Minister on one occasion, when he held a different office, held the

viewpoint that sometimes it is necessary to depressurise and remove an Opposition. I want to say also that you cannot depressurise and remove the Barbados Labour Party. It is part and parcel of the political structures of Barbados, and in all of the restructuring exercise you talk of, you will not be able to silence the Barbados Labour Party. We shall continue to provide constructive criticism of all areas of government in this country. We will deplore when the parliamentary system and the privileges of Parliament are used as a platform to launch bitter, personal attacks **upon** people who dare to come forward and make statements which you dislike.

Now, Sir, the debate so far has highlighted in no uncertain terms the fact that the Minister of Finance has not in this budget brought the country up to date in a frank manner with the proposals he has been discussing with the multilateral institutions, upon whose funds he is dependent to help a very important area of the economy, namely the productive sectors. Last week and the week before when we were discussing the Estimates, we were discussing them against the background of a given level of taxation and a given level of expenditure, that there would be a financing gap and that that financing gap would be filled, to a **large** extent, by loans from international lending agencies in the form of the World Bank, the Inter-American Development Bank, the European Investment Bank and other such institutions. We tried during the course of those debates to elicit from the Minister of Finance what were the preconditions that those institutions were demanding of him. I well recall that I suggested policies to the Prime Minister, as long ago as November 1990, and the Prime Minister was well aware of those policies that the World Bank were demanding should be implemented in Barbados as a precondition to any export development loan.

4.55 p.m.

On more than one occasion during that debate, I quoted from various sections of a document which is now a document of this House and the Prime Minister and Minister of Finance's reply was that I was trying to commit him to policy measures with the World Bank that he had not agreed to and that he was not responsible for low-level negotiations which took place in Barbados between his officials and the World Bank.

Today, I repeat, the Prime Minister has not told the country that there is an impasse between him and the World Bank and the other multilateral lending agencies over structural reform measures that he has to introduce as a condition of borrowing money from them. There is a lot of **talk** and a lot of discussion in here and it is not surprising to me that some members and the Honourable Members on the other side are unaware of what is going on. We always suspected that the Front Bench in particular were placed in a position in which commitments were given by the Prime Minister and Minister of Finance on behalf of the Government of Barbados, and they neve.

had the opportunity of discussing them with him before he gave the commitment. The Honourable Member for St. Philip South today has confirmed that is the position. Nobody could fail to appreciate the fact that the general tenor of his speech was that the Cabinet was not informed on major matters of policy.

Now, Sir, a trade liberalisation programme is an essential precondition of structural reform loans. Anyone who has been following the trend in other parts of the Caribbean - in Jamaica, in Guyana, and in Trinidad & Tobago, would know that they, too, have had to change radically some of the mechanisms that they have in existence to prevent trade. It is not the Barbados Labour Party saying that our existing trade regime is not deserving of reform.

I reminded Honourable Members that as long ago as 1984 when we were responsible for trade policy in Barbados we pointed out then to manufacturers and others that the world trend was against excessive protection to domestic producers. We, ourselves, were the butt of abuse by many of them, some of them who have been so successful in their loyalty to the Democratic Labour Party that we can now read and hear of them driving special \$700 000 Mercedes Benz cars in other countries.

Sir, it is a matter of policy of the World Bank and the Inter-American Development Bank. Now, the Democratic Labour Party finds itself - the Honourable Member for St. Lucy, in his contribution, made no mention of this, but that is not surprising - in a position in which the Minister of Trade and the Cabinet of the Democratic Labour Party Government, in the last 6 years, have undone all of the effort that we made towards educating the manufacturers, as long ago as 1984, to the viewpoint that they must structurally adjust their businesses in order to be more competitive. They reintroduced the concept of providing protection at the domestic level by increasing licences, by quantitative restrictions and things of that kind. That is one of the reasons for the dilemma.

The other reason is as a result of the taxation policy of the Democratic Labour Party starting from the Budget of July 1987, running through every budget, namely the policy of implementation of increased indirect taxes in the form of increased stamp duties and increase in consumption taxes. The effect of which was to provide greater protection for these industries domestically.

When you come now to the position in which the World Bank and the Inter-American Development Bank are telling you that you must remove first of all your quantitative restrictions in the forms of licences, you must reduce your special measures of stamp duties and consumption taxes, you are in a difficult position. That is

the reason for the Prime Minister evading the issue, whether it is in the Estimates Debate or in the Budget. I am surprised that the Honourable Members on the other side can get up and say that the Budget outlines very clearly what measures, in the next financial year, the Prime Minister and Minister of Finance will introduce as part of the structural adjustment programme.

Sir, the tax reform proposals will involve radical changes in the levels of the stamp duties and consumption taxes. I am very concerned, as I said during the Estimates Debate, that at this period of time we are undertaking a great change in our economic policy and that we are not having the benefit of a free, open and frank discussion.

I repeat the call that I made then, because I genuinely believe that we, as Barbadians, will not achieve what we want to achieve in the form of emerging with an economy which is stronger and more competitive unless there is absolute confidence between all of those in the Government who are responsible for our productive sector. That is one of the problems and one of the disturbing features of this message that we have got from the speech of the Honourable Member for St. Philip South.

If one doubts, Mr. Speaker, that these are preconditions of the World Bank, one only has to read the Economic Review published in December 1991 by the Central Bank. It seems very significant to me that the Central Bank Economic Review of December 1991 devoted a number of pages to an article by a Mr. Denny Lewis, pages 28-31. In that review, Mr. Lewis reviews a book called Liberalizing Foreign Trade: Lessons of Experience in the Developing World. At page 31, No. 5, is a series of practical guidelines that policy makers have to introduce. It is very interesting.

"The opening move should consist primarily, even solely, of dismantling quantitative restrictions on imports. This stage may last 2 or 3 years."

When one sees that and one goes also to the document that I referred to earlier and read paragraph 6 of that. This document is in existence since 1990, paragraph 6 says:

"The Barbadian authorities have reconfirmed their agreement indicated in the Central Bank of Barbados. letter of March 8, 1990 to the World Bank on the elimination of non-tariff barriers and their replacement by temporary surcharges."

This is important because it goes to the integrity of what comes from the mouth of the Prime Minister. That is a very serious thing. During the Estimates when I asked the Prime Minister about that, his answer was about low-level. I got up and I replied that I was glad to see that the Prime Minister now regards the Central Bank as a low-level entity in Barbados.

The truth of the matter is that the Government is behind time with its commitment to the World Bank on the elimination, and the Cabinet of Barbados are all part and parcel of it. We are in here today in an exercise of tomfoolery of the public of Barbados because you know you have committed yourself to the World Bank and others to remove from the manufacturers...

Hon. B. M. TAITT: On a point of order, Sir. I know nothing of what the Honourable Member is **speaking**. He cannot get up and say I have committed myself to any World Bank. I have not.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I am not surprised. The Honourable Member for St. Philip South told us so. I want to go further and say that I am going to listen with interest to both the Honourable Member for St. Michael North and the Honourable Member for St. Michael West when they come to explain to the public of Barbados their understanding of the trade liberalisation regime. And so, too, the new Minister of Trade. I want to know their understanding of that.

We cannot escape from the fact that radical changes have to take place and the public is being kept in the dark. I think as Barbadians we should try to educate the agro-processors in Barbados in particular. I am interested in the impact of this trade liberalisation regime on agriculture and on **agro-industry**. It is a fact of life that we have to live with, that Barbados is uncompetitive in a number of things that we produce. We have to see how we can improve our competitive position not only in the form of reducing our wage costs but also by the application of technology to the processes so that we can increase our output in some of these areas.

We have laboured for a long time in Barbados under the impression that our production of milk, our production of pepper sauce and other agro-industrial products are competitive.

The production of flour. Let no one fool us, Sir. The flour mill in Barbados will have to face competition from the flour mills in Trinidad & Tobago, St. Vincent, Grenada and in Guyana. What I want to see, Sir, is a clear discussion and understanding by all and sundry that the rationalisation process that inevitably must take place takes place under terms and conditions that Barbadians consumers and Barbadian investors get the best deal possible.

Planning at this level cannot take place unless we have all of the facts and information available before we make a decision. I want to go further, Sir, because we must discuss also the impact of the removal of these existing protective mechanisms in relation to other areas of the

economy. The chicken industry, the broiler industry and the egg producing industry, these are a very important area. Honourable Members on the other side know, particularly the Member for St. Lucy. He knows the importance of chicken production in his own constituency.
5.15 p.m.

One of the boasts of the agriculturists in Barbados has been that non sugar agriculture, particularly livestock production has increased greatly. What are we going to tell them now? What is the policy of the Democratic Labour Party in relation to this matter? Are we going to have a regime in which poultry parts, other than backs and necks, because licences were issued for them but licences were only issued for other chicken parts in Barbados in very severely **restricted** circumstances? Are we going to have like in Antigua and in the other areas American chicken coming into Barbados which can jump the tariff and still be competitive? We want to know these things. This is the essence of a structural adjustment programme. You cannot hide it. You cannot evade it. You cannot postpone it.

This country has suffered greatly from the dithering attitude of the Democratic Labour Party **headed** by the Prime Minister and Minister of Finance. A number of decisions that should have been taken long ago were postponed for electoral purposes because, as I have heard the **Prime** Minister boasted, as a political scientist he thinks first of the political consequences and then after of the national interest. He is successful at that but with devastating consequences to the national economic interest. The time has come when it has caught up with us.

Sir, we have also the tourist industry. Every study that has been done on the tourist industry in Barbados indicates quite clearly that one of the most serious consequences of the Democratic Labour Party tax policies since 1986 has been to increase beyond all reason the cost of inputs in the form of imported goods which the tourism sector needs. Everybody knows that. Whether it is the Caribbean Tourism Association that does the study, whoever does the study, they say that the impact of import duty, which is common right through the Caribbean, consumption taxes, stamp duty and in particular the way how they calculated it, they come to somewhere between 80% and 120% of **some** essential inputs.

Do not let us fool ourselves that all of these inputs are granted duty concessions. As a matter of fact, Mr. Speaker, so serious is this that I see the Hotel Association has even resorted to the device of the "Investigator" to highlight it to the public's mind. There is an article today in a release which sets out very clearly how the tourist industry and the Hotel Association are reeling under the impact of these duties.

The Honourable Member for St. Michael North, should not be surprised about this. The problem.

is, there does not seem to be any clear understanding on the other side of the consequences of the policies that are being implemented by they themselves. That is a very serious thing because the World Bank in November 1990 said this in paragraph 9:

"The Government has taken actions, or has agreed to take measures which would aim at establishing a neutral status for exporters so as to enable them to compete on an equal footing with foreign competitors in international markets".

It sets out 3 of them on access to the tourist sector to inputs at world market prices. I want to re-emphasize that we understand on this side what this trade liberalisation regime means. It means a complete reversal of the policies the Democratic Labour Party pursued since 1986 in relation to indirect taxes. At long last you have to account for your folly in **trying** to tinker with the tax system for political purposes.

Mr. SPEAKER: The Honourable Member's time has expired but I will allow you to conclude what you are saying.

Hon. H. B. St. JOHN: That is good enough for me, Sir.

Mr. C. LeR. TROTMAN: Mr. Speaker, the resolve before the House is to note Government's achievements during the past year and to give the House support to Government's efforts to improve the performance of the economy and the standard of living in the country. I would agree with anyone who advances the view that the word "achievement" suggests success in 1991-92. I would also **agree** that it is very debatable. What is not debatable is the attitude which as a people we, and all of us in Barbados, must adopt towards the future. We all want to see improvement. We all want to see an end to the hardship imposed by the IMF programme.

My constituents in St. Michael Central are very severely **hurt** by the recession and Government's austerity measures. Jobs have been lost. The prospect of new jobs are most bleak. Some families are experiencing particular hardships. Those constituents of St. Michael Central have the further depressing problems of seeing further deterioration in the roads for which repair promises have been made to me as their representative, promises which have not been kept. The same thing I could say for street lighting.

Today, I look not just at those constituents of St. Michael Central, I look at organised labour. I look at the informal sector, the unemployed and the marginalised worker. We cannot find satisfaction in something which reduces more and more of these persons into the rank of

the severely disadvantaged as they either lose their jobs or find their earnings reduced, or they **see** the prospects of earning from their informal efforts being reduced day by day.

Yes, Mr. Speaker, I would want to support the genuine effort being made to improve the **performance** of the Barbados economy thereby giving the entrepreneur the chance to improve his business and to provide jobs so that workers may be able to gain a job of their choosing and that the self employed may be able to find a means of having a **fair return** on that person's efforts. In that desire which I have to support any such effort I examine the Budget we are currently looking at. It is my view that the Budget serves as a warning of a budget to come.
5.25 p.m.

It is a bridge that has to be jumped by us some time along the road. I however have some very critical issues which I think I have to address, if for no other reason than that I am to set the record straight. An important one of these relates to the question of severance pay, as it has come out of this whole matter of the recessionary period and the efforts being made to combat this particular phenomenon.

The Prime Minister said in his Budget Speech - and I am not quoting him, I am merely paraphrasing him - that agreement was reached to pay one month's salary with immediate effect and to pay the remainder after March 1993. I wish to advise that there was no such agreement. Let me put it that way. One of the reasons why we are still today...

Mr. SPEAKER: It is not fair that Members should take advantage of the microphones, which obviously send out signals, to make unparliamentary comments. I would wish that Members desist from speaking that loud and that those comments can go out which obviously is not an official part of the debate.

Mr. C. LeR. TROTMAN: I wish to say, Sir, that one of the reasons why we are still trying **today** to have a follow-up meeting to our last meeting of January 13, 1992 is that the Coalition has a number of matters which are still outstanding and one of those matters relates to this matter of the payment of severance with the Government putting the position that the payment should come after March 1993 and with the Coalition still being of the view that severance should be included in the estimates for this period and should be paid early within the fiscal year 1992-93.

Another important thing, Sir, which must be said here is that public sector workers who have been displaced

should be treated on no less a favourable basis than their private sector counterparts. I have just recently seen a situation where the Ministry of the Civil Service has written to advise other Ministries that in their computation of severance they should not include overtime payments.

I wish to suggest, Mr. Speaker, that that directive would clearly violate the text of the Severance Payments Act and the spirit of the Agreement arrived at between the Government and its negotiators and the Coalition in regard to the manner in which this matter should be treated consistent with the 1971 Cabinet decision on the subject. This would be pursued by the relevant trade unions I am sure. But the public should be left in no doubt whatsoever regarding the clarity of the Coalition's position.

Also while on the question, of the PM's Budget presentation, I need to restate the point I had made earlier about the Unemployment Levy which was imposed last September. The Levy of half of one percent. The Coalition recognized then and recognizes now that if we want to help displaced workers each of us may have to make some further sacrifice in terms of taxes in one form or another.

But we are objecting to the violation of a principle. We know that sometimes when we address the matter of principle that that action of opposing a matter which violates a principle is sometimes pooh-poohed by those who believe that matters like matters of principle are not terribly important. But we do. We disagree with an approach to severance which would say that a worker should contribute to his or her own severance. Because in doing so we are suggesting that he or she has a right to determine if and when severance should be exercised as a management tool. If we are accepting the residual management rights that an employer should have, and one of those management rights would be to determine if and when he or she has to trim staff, then I do not see how, at the same time, he can violate the ILO standards. That would indicate very clearly that workers should not contribute to their own severance.

I was of the view that Government had taken this point and had agreed to correct it. I am a little surprised that the oversight is here with us at this time. I would like to believe that the matter would be clarified because really the Coalition never said, and I do not think anybody is saying, that there is a problem relating to a commitment on behalf of one percent. But there is a matter of principle regarding how the matter is addressed.

I wish, Mr. Speaker, Sir, to address some challenges which were made to myself, in my professional capacity, by the Honourable Member for St. Thomas regarding the Transport Board and the Honourable Member for St. Peter

regarding economic difficulties and labour's response to those difficulties. They are relevant to the issue before us and do not represent any digression, Sir. Regarding the matter of the Transport Board, I was made aware that on the 30th January this year the Director of the National Insurance Board wrote the Transport Board indicating that in addition to an unpaid certificate in the sum in excess of \$7 million the Board would seek another certificate with payment of interest as well and that secondly the Board would move, if those payments were not made, to withhold payments of benefits:

I would wish to read my reply to that letter, Sir, which was copied to me and I would wish to make my reply a document of the House since I think it is important that the records be straight and that the impression be not given that we do not respond with alacrity and dispatch to matters of this sort. If I may, Mr. Speaker, the letter of the 3rd February, 1992, just three days later and addressed to The Director of National Insurance and it says:

"The Executive Council of the Barbados Workers' Union must disagree most vehemently with your stated intention to withhold payments of benefits to employees of the Transport Board. The Union cannot support the Transport Board's action in failing to pay the National Insurance contributions on Levies indicated by you particularly since about half of the arrears is money deducted from the earnings of the work force and therefore most improperly withheld. You must not however lose sight of the fact that it is you who made the Transport Board the facilitator in collecting the workers' contributions. You cannot, in the circumstances where the worker honours his or her commitment"

that word should be obligations:

"to pay fail to honour your obligations to pay benefits. Though the Barbados Workers' Union sympathizes with your aim it cannot agree with your measures and urges you to let this organization learn within the next 14 days that you have rescinded this decision and intend to honour all bona fide claims of employees of the Transport Board."

That was signed by one Leroy Trotman. I did undertake, Sir, to make it a document of the House.

The National Insurance Board has replied indicating that it has reconsidered its position on the matter of benefits in that regard. I hope, Mr. Speaker, that that brings some measure of understanding regarding the way we treat matters of that sort.

5.35 p.m.

Regarding, Mr. Speaker, the position of labour's response, it is my view that there needs to be some

further examination by, I am not now referring to the Member for St. Peter, some of the pundits who write and speak regarding our position over time before which much of the adverse criticisms were made. The public may not, for example, recognise that when we were undergoing problems brought about by the energy crisis in the mid 1980s, without being called upon to do so by the administration of the day in 1983/84, the Barbados Workers' Union executive took a conscious and deliberate decision that as a way of dampening our submissions to the employers of Barbados and trying to cushion the impact that our demands might have made on the cost of businesses, we decided to go the route of increasing the life of contracts from 2 years to 3. A very deliberate decision taken by an organisation, the Honourable Leader of the Opposition would say, an organisation having its roots in a relationship with the Barbados Labour Party. An organisation, mature and an organisation which continues in its effort to function always at the highest level of responsibility, notwithstanding what detractors might wish to say.

Our country thinks, Mr. Speaker, that there is absolutely nothing wrong with having some people receiving, and notice I do not say, earning, Sir, \$160 000 to \$180 000 per year and a large body getting somewhere between \$120 000 to \$150 000, when on the other hand a worker gets \$10 000 a year or approximately \$200 a week and that worker gets an increase of somewhere \$15 to \$20 week increase, everybody shouts for murder and then one begins to hear accusations about the worker being lazy, being dishonest, being unproductive and everything else that one could say that is derogatory. They talk, Mr. Speaker, of the comparative wage that those persons are paid, compared with named neighbouring countries but those comparisons, Mr. Speaker, are made only at the level of the worker at the base of the pyramid. We think that we have to understand that in a country where there is no difficulty in seeing a yearly emolument of \$180 000, which some people are getting, and I am not referring to people who are charging fees, it makes no difference and that point is very well made.

We think nothing wrong with that and we do not seem to understand that the worker at the base of the pyramid is a member of a total group and that we cannot isolate segments of that group and attempt to further depress the people at the bottom while seeing nothing wrong with those who earn more to continue to earn even more unless we are prepared always to go with the idiom that the rich will get richer and the poor will get children.

I wish to make the point further, Mr. Speaker, that as much as a decade ago the Barbados Workers' Union concerned itself with recognising that the time had come for changes in trends and approaches to wage determinations and we tried to push the idea of payments

by results to the employers as a class in this country. When you would push a situation like that, what they would take out is only the part of it that suits themselves and try not to recognise that a payments by results system is comprehensive revolution in approach to payments systems and it has to be based to a very great extent on the concept of disclosure of adequate relevant information.

We have gone further, Mr. Speaker, and we have started training in work methods and time and motions studies and we have geared ourselves towards looking at the subject of productivity. Nobody has had to ask us to do that. Working along with BIMAP on a person by person level with some of the officers in that organisation we have tried to include the employers and other interest groups in the planning for a regime that understands that if Barbados is going effectively to combat this current crisis then we are going to have to be able to look at matters like the productivity levels of our country, the understanding of what it is, the measurement of it and a sensitisation of our people to work towards improving in that particular area. I am not sure we have got the measure of support from the employers as a group as we would wish although the criticism we would hear from them ever so often would suggest that they have been working at very great pace and that the Trade Union has been asking for more money without being prepared to have their constituents give some measure of commitment in terms of improved production at the work place.

In this regard, Mr. Speaker, it might be of some interest for you to note that way back in 1988 we submitted proposals to one company that we thought was a company where the workers were earning a reasonably good wage and that we could contain the basic wage and seek to have increases on the basis of a sharing of profits. We wrote to Banks Breweries and they rejected our proposal out of hand. We wrote to another one, Sir, and I am going to read that letter if you will allow me and I will make it a document of this Honourable Chamber.

In 1990, Mr. Speaker, writing to the General Manager of Barbados External Telecommunications, BET, the Barbados Workers' Union wrote:

"This letter confirms the proposal made earlier by the Barbados Workers' Union during meetings to conclude our 1990/92 collective agreement. Specifically it addresses the Union's submission that our 1990 settlement should allow for a share by the work force in the profits of the company. In such a circumstance the company, (and that should be the workers) will be able to share the fruits of the Company's success with those who produced the profits without locking itself into an irretrievable situation which a bad performance year would damage. At the same time it would allow your staff to accept a more modest basic increase which will

not necessarily relate to the performance of the company. The arguments in favour of this approach to future payments to staff are myriad. The Barbados Workers' Union considers that the bargaining table will be the best place to express them. Meanwhile this letter is intended to formalise the proposal made at the table earlier in our discussions. The Barbados Workers' Union looks forward to your agreement with the good sense and purpose of this proposal."

I read that, Mr. Speaker, and make it a document of the House because I want to make the point that the social partners at the level of labour are serious and that as serious persons in this business of negotiations we are prepared to treat, with the Government, and with the private sector, at a very noble level.

In fact, Mr. Speaker, I submit that if we are going to attain the sustainable development which must be the goal of our efforts at this time, we have to recognise that that sustainable development must be based on certain very significant principles.

5.45 p.m.

We must be able to recognise, Mr. Speaker, the need for the maximisation of the labour resource. We must be able to recognise the need for social policies to protect especially the poorest among us. We must be able to give full respect, Mr. Speaker, to the consultative process. We must further be able to examine the protection of the disadvantaged that are among us including women and marginalized workers like the handicapped. We must pursue a policy the objective of which, Mr. Speaker, must be to harness wealth for the general good of the entire public rather than for narrow, private profit.

In understanding that need for consultation, Mr. Speaker, we have to be able to recognise that consultation must be meaningful and that in the interest of Barbados it must be tripartite. I am of the view that it is necessary for the employers and the workers' representatives to meet together at the same table where the same information is shared meaningfully. I do not refer, Mr. Speaker, to the quantity of meetings. I refer to the quality of meetings in the consultative process. I know that sometime ago when there were meetings that someone who set himself up as a pundit in these matters, writing publicly, indicated that too many meetings had been held with the social partners. I am not referring to the number of meetings. I am referring to the meetings in which consultation with disclosure of full and free expression of information and in which action will be taken by the parties involved in good faith coming out of those discussions that that will characterize those discussions.

It is my view, Mr. Speaker, that if and when that begins to happen more meaningfully the way forward will

be that much clearer: When we really come to the Budget, we might be in a better position fully to understand what the issues are and to be able to make positions and responses that are clear and unequivocally, demonstrably in the interest of the masses of people in this country. In that regard, Mr. Speaker, I would be very interested to have us recognise that the Government's present movement towards privatisation will be one such matter that must be addressed with alacrity. I would not wish to suggest, Mr. Speaker, that we would disagree with some level of privatisation. I would, however, be of the view that when we are considering privatisation that we must address that privatisation from some philosophical construct. I do not believe that our privatisation approach can be one that is pragmatic. In the final analysis, we have to concern ourselves with what our goals are and how we are going to fit the public of Barbados, the masses of the people of Barbados, into that framework that we are trying to address within that privatisation exercise.

At the level of the Transport Board, Sir, I would wish to believe that there is need for full consultation. I do not believe that what we need is a privatised transport system. If we are talking about a reduced public transport system owned by the people of Barbados and run by the Government of Barbados, that may be a different thing. But I think, Sir, that we will have to examine that as a matter of urgency and we would have to ensure that we do not find ourselves within a system where we arrive at a new Transport Board arrangement where all people do not have reasonably equal access to transport for work, educational purposes, as well as for social and enlightenment purposes.

Mr. Speaker, we have as well to ensure that the network within a transport system, be it partly government run or partly privately held, is such that the arrangement is sufficiently extensive in terms of the networking and that we have a proper mix between the places of work and the development of new building sites and building estates. We should make proper and adequate arrangements for the restructuring of routes to accommodate where people are living and playing and having social enlightenment exercises.

We have as well, Mr. Speaker, to examine the needs of the elderly among us. We have to look as well, Sir, at the safety on the roads and recognise that within the current systems there are very many problems which out-turn from the fact that there are not properly structured and properly managed transport systems within the private sector. I cannot develop that much more for you, Sir, because I wish very briefly to touch on 2 other things on which I believe we must have a say.

In the Government's efforts to expand the productive sectors, I get the distinct impression that Government want to merge the Export Promotion Corporation and the IDC.

I have no quarrel with that as a strategy, Sir, except that I am concerned that it is my understanding there is intended to be a manager for free trade zones. If that is so, I would wish to suggest to the Government that we must be able in Barbados to find a system of development or means of providing employment by methods other than by bringing slave labour to Barbados. I would want to make the point that, wherever in the Caribbean and outside of the Caribbean we have been able to see free trade zones ~~working~~, there have been areas where there has been the denial of basic human rights, denial of trade union rights and sometimes there have been all kinds of unsatisfactory and inhumane treatment of working people. The Government should be very careful to watch for what it does in that particular regard.

I think, Mr. Speaker, that there is yet much that needs to be done if we are going to be able to make within the consultative process an arrangement that will allow us to come to grips with some of those discussions which still have to be held by Barbados either with the IMF or the other multilateral lending agencies. It would be, in my ~~view~~, important that Government, recognising the need that exists for us all to work together for improving the country, treat the social partners with the need for fuller and more candid discussions which would be able to redound to the credit of all of us in Barbados as a whole for our future and to our children's future and for that, Sir, I am much obliged to you.

Mr. SPEAKER: The Honourable Member for St. Michael North.
5.55 p.m.

Hon. P. M. GREAVES: Mr. Speaker, earlier in this debate, we were treated to an unusual situation or a situation that is not usual in circumstances like this, particularly on the occasion of responses to the Budget debate. Mr. Speaker, I do not think it would be proper for me to join issue and enter into any kind of debate with the Honourable Member for St. Philip South who spoke with great **passion on** what he had to say. But I will have to say this for myself that I believe that some such implication was made today, and I resent it. If an Honourable Member ~~has~~ has any quarrel with anyone else, he has to quarrel with that someone else, do not necessarily involve me in that particular matter. I have differences with everybody on earth because I do not believe I have to agree with everybody else. There are times when I agree with my colleague on my right, there are times when I agree with my colleagues further down on my right, almost always on the other side, and even occasionally, there are times when you do not always see eye to eye with yourself. I do not see eye to eye with the Prime Minister at all times either. Therefore I have differences with everybody else on earth. There are times when the differences are very fundamental

and I think I know for myself what position I have to take. If the differences are not that fundamental, I also know what decision I have to take. That, to me, Sir, is fundamental. My differences with the Prime Minister would probably only be a matter of style. I do things one way, and he might do things a different way. I do not think a matter of style is that fundamental for me to take any serious steps. If at any time any such **occasion** arose, I would know what I have to do. I have no difficulty with that whatsoever. I will withdraw with great dignity and move on. That is my simple position on this particular matter. I have said it for the Honourable Chamber to hear, for all Barbados to hear, for all my constituents to hear, for everybody to hear. I think it is **important** that this should be said by me.

This Resolution seeks the support of this Chamber for the work that the Government has done to arrest the downward drift in the economy of this country and for its efforts to arrive at a long term solution to this problem by way of structural adjustment of its economic sectors.

Sir, Barbados' major problems, at this time, are social and economic. Both are fairly deep-seated and for this reason they both require **suonger** measures than are usual to bring Barbados back to the path of **normalcy**. I hope it is clearly understood that by social problems I am referring to the unprecedented high incidence of crime. I cannot, like the Honourable Member for St. George South, interlink the 2 problems. Far be it from me to suggest, as the Honourable Member appears to have done, that the persons who were recently laid off from their jobs are the principal perpetrators of the increase in violent crimes. If I am misrepresenting the Honourable Member, I will give way.

Mr. L. R. TULL: On a point of order. The Honourable Deputy Prime Minister is misrepresenting what I said. I never said that. Sir.

Hon. P. M. GREAVES: How else can one link them? I do not understand. How can one link the high incidence of crime with the lay-offs, as I understood him to have said? I am happy to hear now, Sir, that he is not so providing that linkage and accusing those who are laid off of carrying out those crimes.

Sir, from the time of the international recession brought on by the oil crisis in the early 1970's, the Barbados economy has been on a roller coaster ride, reflecting the vagaries of the global economy and, in particular, that of our trading partners. There have been partial recoveries but none sufficiently strong to keep Barbados away from the International Monetary Fund in 1977, 1982 and now in 1992. In my submission, stabilising the economy and doing nothing more to restructure the economy in a manner that could lead to a long-term solution has led us to the problem we are experiencing today. Those who paint a picture of Barbados, a

picture of virtual non-ending prosperity until the present Minister of Finance took office, and who attempt to pin all the present problems on him, forget that we, too, live in Barbados.

The Honourable Member for St. George South would want us to forget 1982. He would want us to forget history, but we cannot forget it, and neither they, nor anyone else, will be allowed to forget. In probably the best speech I have heard the Honourable Member for St. Peter make, and he has made some good speeches in this Chamber, he has admitted that the 1982 problems are similar to the ones now being experienced. He went on to state how differently he would deal with some of the problems today and to show what he perceives to be the difference of approach between then and now.

What has not been said, and what people refrain from saying, is that the 1982 problems did not begin in 1982. They began in 1980 when spending was stepped up to win the 1981 General Election. Then, too, the Prime Minister was warned about the serious decline in the economy and was advised to take corrective action. The General Election took place in 1981 and not one word was heard of the true state of the economy before June 18, 1981. That is the day, I believe the Elections took place. What we heard were slogans like "you never had it so good" and "one good turn deserves another". Within 3 weeks after elections there were talks with the IMF and by September of that year, 1981, we had yet another budget and the following year we were in the IMF programme, and none of the Honourable Members over there accused the then Prime Minister and Minister of Finance of concealing the true state of the economy during the election period and lying to the electorate.

The Honourable Member for St. Peter did not accuse his Prime Minister of procrastinating. The fact is that, not only Honourable Members here, but a large segment of the Barbadian public have been applying double standards in our dealing with our problems.

This is not to say that the Minister of Finance is beyond criticism for his handling of the economy. Nobody is beyond criticism. The real question is why do we exact a higher standard of ministerial conduct from our present Prime Minister than is expected or exacted from former Prime Ministers and Ministers of Finance. I go further and I ask, why do we expect from our Prime Minister and Minister of Finance greater standards that apply elsewhere in the world? The Opposition has a job to do and the Government does not intend to do its job for them. The columnists can take that statement and do what they want with it. It does not matter to me what they say. I stand by every word that I say, Sir. I am not afraid of what they say or of what I do. I am not a skeleton bearer. Everything I say or do can bear scrutiny. I have no problems with that. If the Opposition finds itself unable to convince the

electorate and instead of turning on itself and doing a self-examination it blames somebody else, then the blame rests very squarely on their shoulders. The fact is there is no quick fix for the economy of Barbados as it stands today. That would only be applying cosmetic treatment to problems that are very deep seated.

6.05 p.m.

In September last year some very strong medicine, was administered to this ailing economy. In the context of this economy now I believe it was very necessary. If I interpret the speech of the Honourable Member for St. Peter correctly when he made his response yesterday, he too feels that very strong corrective action was necessary. He may not have agreed with all that has been done and every detail of it. For one he did not agree with the way in which the interest regime was put in place. He did not even agree with the way it was put in place in 1982 so that is his position. Speaking professionally, as he said he was doing and not speaking politically, it was clear that unpalatable action was essential. It grieves me, Sir, as I am sure it grieves every other Member of the Government, that a necessary part of the package included the laying off of workers. To me that was the bitterest of the bitter.

Earlier today when the Honourable Member for St. Michael East spoke, he spoke about a commitment given to protect the jobs of his constituents. I am sure every listener might have felt at the time that he was referring to the Honourable Minister of Finance. I do know that he was referring to me. About February last year, I addressed a gathering assembled by the Honourable Member for St. Michael East. I told the Honourable Member on that occasion that I would do all in my power to protect their jobs. In May last year it became clear to me that I might not be able to keep that commitment given unless I attempted certain action because of the deterioration in the economy of Barbados. That is the reason why I introduced in the Ministry of Transport and Works the week on week off system so that the persons will not be completely without a job but that would be some way of protecting the workers of St. Michael East and all the other workers at the Ministry of Transport and Works from a full loss of jobs. At least that was one way and that was May last year.

My action was not completely understood either by the constituents or the Honourable Member himself. I had to explain to him. I hope he did explain to his constituents that, in fact, what I did was intended to protect the jobs but not to cause layoffs. It was unfortunate, to say the least, that a couple of months later, during the period of my enforced absence from Barbados, that the workers whose jobs I attempted to protect in the first place, eventually had to lose those very jobs. That is the position we found ourselves in.

I realise, Sir, that in politics the battles of yesterday are also the battles of today. The struggle never goes away. We have continually to be fighting it. We have continually to be fighting the problem of layoffs. We have continually to be fighting the problems of the 8% deduction. Here again, Sir, what I have just said about the layoffs would also apply with equal force to the application of the 8% deduction from wages and salaries.

I was overseas when I received a call and a fax seeking a determination from myself how to treat my own wages and salaries by way of the 8% deduction. I had no difficulty in responding to that fax and stating yes, take the 8% off my salary if that would help the stability of my country. I believe that every single Barbadian, be he in Barbados or overseas, has a duty to take steps in time of need. That is what patriotism is about. That is why people fight battles. I am not only talking of verbal battles, Sir. I am talking about warm wars in the interest of the protection of the integrity of their country. The 8% deduction from my salary that I agreed to was for that very purpose.

The purpose of the whole 8% deduction by the Government was to eventually protect the very workers who demonstrated on the streets of Bridgetown in October last year. Without bringing stability to the economy of Barbados, it would further deteriorate and then we would not be able to protect those jobs at all. That was the position of Barbados. The Prime Minister referred in this debate to "little Barbados" and so much is expected of little Barbados that other bigger countries cannot be expected to do or the expectation of other bigger countries cannot be as high.

I was in the United Kingdom in July of last year. I was lying on a hospital bed. I had a lot of time to listen to the radio or watch television. The Honourable Member for St. Thomas happened to be there at the same time. I distinctly recall and well remember on more than one occasion it being announced on radio and television that the rate of business failures in the United Kingdom was at the rate of one every 11 minutes. But that is the United Kingdom. This is Barbados. The United Kingdom can have those problems but Barbados cannot have those problems.

I went to Canada in September last year. In Ontario businesses were failing at the rate of 3 000 a month. People were laid off. With businesses failing obviously people are going home. There again, such a fate cannot befall little Barbados. We have been told here by the other side that we must reduce expenditures, and in the Other Place, by the economists and by the accountants. When one reduces expenditures you are jumped upon saying you have reduced expenditures. This is the hypocritical state in which we are today. We are told about the run-up of horrendous deficits in 1990-91 but we were not told what caused those deficits. Sir. We were not told that there was the

reclassification which added \$30 million immediately to the public expenditures. On top of that, last year, we came to the wage increases. We have heard about the horrendous increases giving the impression that Government was spending wild within an election year, knowing that we had certain commitments to keep. But nobody says those things. I am glad about the settlement of debts to suppliers of goods and services. I also want to say I hope that those suppliers of goods and services also settle their debts to the Government. Because the Government, by not paying them, can cause their businesses to fail. That is acknowledged. I am genuinely pleased about this. But they must equally understand that when they withhold the monies that are owing to the Government that that too has a serious affect upon the Government's ability to order its own finances. It works both ways.

6.15 p.m.

My time is running short. I really wish that I had more time to deal with the matters I have here. Privatisation of the Transport Board. I have to deal with this very briefly, Sir. Sale of shares. I think I have said here before that the Cabinet has agreed that the Transport Board should be privatised. I would agree with the Honourable Member for St. Michael Central, that is my position, that the Transport Board or the Government should retain a small portion of its fleet. That is my belief in order to service some of the areas that it would be difficult to service otherwise. Meanwhile, Sir, the Transport Board has taken a number of measures, which I cannot now deal with because of time, in order to reduce its expenditure levels. It has taken a number of measures. I believe that those measures are working and are assisting in helping us hopefully to contain expenditure on the Transport Board during this financial year at the level where we would not need any more than \$4 million from the Government.

But I must deal first of all with the question raised by the Honourable Member for St. Thomas yesterday dealing with the \$8 million – he said – registered against the Transport Board by the NIS. The Honourable Member said, he read a letter purportedly written by one Mr. Ancil Grosvenor where it was said that he gave the workers the opportunity to opt to be severed and after that then the Board itself would look at the lay-off of other people. He was critical of that particular way of dealing with it. I want to read...

Mr. D. A. C. SIMMONS: On a point of Order, Sir. The Honourable Deputy Prime Minister has now completely misrepresented my position. In relation to the letter by Mr. Grosvenor I just read it and I produced it as a document of the House just for information to say that the Transport Board was slimming by various means including the option of voluntary redundancy.

Hon. P. M. GREAVES: As I remembered it he advanced the theory of what should have been, is the last in, first out principle.

Mr. D. A. C. SIMMONS: Objection, Sir. It is totally untrue.

Mr. SPEAKER: Just one minute.

Hon. P. M. GREAVES: I give way.

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

Hon. P. M. GREAVES: I want to have the whole thing clear.

Mr. D. A. C. SIMMONS: I never made any references to LIFO at all in my speech. It was the Honourable Member for St. George South when he spoke who referred to the principle of LIFO, last in, first out. Not me, Sir. Please leave me out of it and do not accuse me of what I did not say.

Hon. P. M. GREAVES: It was said over there just the same. One is the same as the other.

Mr. Speaker, Sir, I must read from the House of Assembly Debates 1987 page 1175. This is an extract from a contribution made by me then as Minister of Transport and Works and I believe it will speak for itself as I read:

"We also found that the Transport Board."

I would like the Honourable Member for Christ Church South to listen attentively:

"was using the monies deducted from employees to be paid into National Insurance, the same thing we have condemned in private practice."

We found they were using the monies deducted from employees. The Honourable Member for St. Thomas is critical of that. We found that they were doing it, Sir. That is what I was saying here in the debate. We found the Barbados Labour Party was doing just that:

"The Honourable Member for St. Peter knows about it, he has made an entry on the file condemning it, to his credit."

I am quoting, Sir. These are the words I used:

"I have the file here, Sir. A similar thing was being done with monies deducted that should have been paid over to Inland Revenue. They were being used to finance the day-to-day operations of the Transport Board."

In the regime of the Honourable Member for Christ Church South.

I would like to quote what one official had to say and I am quoting what that official said:

"Every time MTW prepares a paper on the Board it states that the treatment of the ailment is another matter which requires bold and riskful measures."

That sounds like very familiar language to me in the House of Assembly – but does nothing.

"Therefore we can only conclude that the MTW is unable to deal with the problem. It seems to me that short of returning the Board to private enterprise the only option the Prime Minister has is to create a Ministry of State Enterprises and take control of it himself."

Later on another senior official said:

"The depressing feature of the Transport Board however seems to me that there is no light at the end of the tunnel. If anything the tunnel gets longer and darker despite re-equipment of the fleet, installation of fare boxes and the re-investment in modern facilities the revenue of the Board continues to decline drastically while the cost escalates."

The Prime Minister (Mr. St. John) in his own fine Italian handwriting that is almost indecipherable, to the credit of some typist I am able to read some of what he had to say. He had this to say:

"This is a very serious situation and I will give the \$8 million requested but on the following conditions:

Condition (a) related to the tenders and so on. Quite proper. Everything is proper.

Page 1175:

"(b) the issue of the reduction of staff in bus conductors must be faced now. Wage increase of \$3 million can only be financed by the reduction of the number of conductors by 600 or how many cannot be absorbed as additional drivers. We must be prepared to pay severance to these workers."

I am being fair to you. A call must be made for volunteers first and then the rule of last in first out should apply except in cases where there are bad workers, where there are actual complaints against them.

6.25 p.m.

Mr. SPEAKER: The Honourable Member's time has expired.

Hon. P. M. GREAVES: Mr. Speaker, Sir, I regret that I have reached the point that I have reached at this time but I thank you very much for giving the opportunity to respond to this. I will say finally that the moneys were not paid, that the \$7 million for which an order of the court has been registered, about half of it was incurred in their time.

Hon. W. O. FRANKLIN: Mr. Speaker, Sir, I would like to join this debate. Let me start by saying that I am going to be supporting the Resolution and I will tell you why, later. Before I get to that point, Mr. Speaker, earlier my colleague from St. Philip South, and I am glad he is back with us, indicated to the whole of St. Philip that he was at peace with himself.

Mr. SPEAKER: Order, please.

Hon. W. O. FRANKLIN: I know that because I am always discussing with him. He indicated that, Mr. Speaker, and I suppose if my people in St. Philip, because he said he spoke for the whole of St. Philip, do not hear me, by implication they might imply that I am not at peace with myself. So I just want to signal to my people of St. Philip that I too am at peace with myself.

My colleague would tell you, Mr. Speaker, and I am certain he will tell the people of St. Philip that I have no reason to be otherwise than at peace with myself. I am not going to get into that any further, Mr. Speaker, because in the best of families there are little squabbles but there is a protocol. Every family usually settle their little squabbles and therefore I will move on from that one, Mr. Speaker.

I want to spend my time, Mr. Speaker, looking at 3 areas which are critical to any structural adjustment and the first I want to start with, like everybody and most people, is sugar because it is so critical to us and there can be no structural adjustment unless we deal with the matter of sugar.

Mr. Speaker this is not an easy matter. It is a complicated matter and it is complicated because it involves lots of dollars. As at the 31st March 1992, the indebtedness of the sugar industry to the Barbados National Bank – and the Barbados National Bank carries about 80 per cent of the indebtedness to the sugar industry... The plantations indebtedness was about \$138.1 million and BSIL about \$98.9 million giving you an overall indebtedness of some \$237 million.

Mr. Speaker, \$237 million in any place, in any language is a lot of money and particularly when it is a loan or money disbursed from the Barbados National Bank, the Agricultural Development Division, which in the long run ultimately is a loan from the people of Barbados and since the Barbados Government guarantees these loans one has to look at it.

At the moment, Mr. Speaker, of the 67 estates that BNB is actually financing and this has nothing to do with those estates that are not in good husbandry at the moment, there are about 38 estates with a debt equity ratio of above \$2 500 per acre. There are about 9 estates, Mr. Speaker, with a debt equity ratio between \$1 000 and \$2 500 per acre and luckily there are 20 estates with a debt equity ratio of less than \$1 000 per acre.

Now, normally, Mr. Speaker, in Barbados the price of agricultural land is somewhere between \$2 000 and \$4 000 per acre depending on the size of the holding so you will realise that the BNB has a real problem. One of the first problems that the BNB has, Mr. Speaker, which I will deal with is the farcical situation that there are a lot of people in Barbados who are generally interested in working as agriculturalists. Many of them have made offers to the BNB for the purchase of some of these plantations but they have not been successful for the simple reason that BNB is holding on their books, as security, some large sums attributed to acreage that cannot be achieved in the actual sale of the plantation. Therefore the fear of the BNB is if they should sell at any time any of those plantations that they would have to write off a considerable sum of money.

There are a lot of reasons, Mr. Speaker, given for the level of indebtedness of these plantations. Some of them, Mr. Speaker, as I said earlier, in the sugar industry were in relatively good shape up to 1981 and from 1981 there was a declining profit on sales of sugar because of the contractual price on the LOME Convention was below the cost of production. There was also a further problem with that contractual price since that contractual price is quoted in ECUs which is aligned to the US dollar. There have been times when the movement of the European currency has been to the disadvantage of the sugar industry and there have been times when it has been to the advantage of the sugar industry.

No one can deny, Mr. Speaker, that some of the problems associated with the sugar industry are inefficiency and ineffective management. This we must address because later I am going to look at management because productivity has always been said to be a management consideration. Management is responsible for productivity.

More important, Mr. Speaker, has been over the years the removal of acreage in the sugar industry. Let us look at this. There is only a limited amount of land in Barbados. The land economists would tell you that land is a resource and therefore it is expected that it would rise, if allowed, to its highest value. This is what has been happening in Barbados over the years. It did not start yesterday. One would not realise that Bank Hall was a plantation, Mr. Speaker, Eagle Hall was a plantation, Regency Park was a plantation, so there has been this continuing pressure

on agricultural lands everywhere because in the hierarchy of land use agriculture comes very low.

In the hierarchy of land use you talk about areas in Bridgetown for commercial use, then you talk about the lands that adjoin that and you come out to the tourist sector and then you have residential use, industrial use. So naturally agricultural lands being at the bottom of that hierarchy, there will always be downward pressure from the other uses of land. Therefore the policy and it is in the Democratic Labour Party Manifesto that one would have to reserve a particular acreage of land for the production of sugar and we are targeting in the first instance between 60 000 to 75 000 and 80 000 tonnes of sugar.

What is disturbing, Mr. Speaker, on this one is that the fall off in the yields of sugar from some 4 tonnes of sugar per acre to about 2.2 tonnes of sugar per acre means that the inefficiency of the sugar industry is forcing us in Barbados to retain for sugar agriculture larger acreage than would have been necessary if our production in yields had gone back up. If you return it to 4 tonnes per acre, you would have an active acreage of 20,000 acres to give 80,000 tonnes plus or minus 20 per cent in rotation and you could well be dealing with 25,000 acres of land. What we have to do now in Barbados is to earmark some 35,000 acres of land for the sugar industry. Therefore, it means that because of the inefficiency in the sugar industry there is some 10,000 acres of land in Barbados that logically could have been allowed to move to a higher use that cannot now move to that higher use. There is a lot of emotion out there, Mr. Speaker, about this and we have to look at it.

6.35 p.m.

Our policy in the short term is between 75,000 and 80,000 tonnes of sugar. We must decide that the industry must improve its efficiency. Mr. Speaker; how can one explain that the sugar industry, which is the oldest industry in Barbados over 300 years old, where some people have been in that industry for years, instead of improving its efficiency and variety that you get a reverse trend? I would say, Mr. Speaker, that in the agricultural sector the only agricultural produce that has not improved its yield per acre within the last 15 years has been sugar. When every single other agricultural produce has been moving up in yields due to better research, management and better variety, the canes have been coming down. The Democratic Labour Party would have to look at the revival. The critical thing about the revival is what we are going to do with the debt of the sugar industry.

Mr. Speaker, let me start by saying that I am not one of those who believe there should be any writing off of debt. Do you know why I do not believe that, Mr. Speaker? The Barbados National Bank has been pursuing relentlessly the little Barbadians out there who owe \$20,000 for a piece

of land and those who have a little overdraft. I cannot let that kind of policy sit in my conscience while they must now go and write off anything. Let us see how we have to deal with it.

Mr. Speaker, there has been a lot of work going on. Obviously, there are some plantations in Barbados that still have equity and there has been a proposal with which I am in agreement that there can be some kind of debt equity swap. I have no problem with that. There are other plantations between 1,000 and 2,500 that you might have to do some refinancing. When those plantations have got to the stage where there is equity, you might then be able to take over by some debt equity swap. Where there are those owners of plantations that have no equity, the Barbados National Bank must make a definitive decision on those. The reason why they must make a definitive decision, Mr. Speaker, is that if you look at the correlation between production in the sugar industry and the debt structure, those plantations that are heaviest in debt are the ones that are doing worse as far as productivity is concerned and I will tell you why.

Mr. Speaker, the reason why is: (1) The level of management has fallen off in those. (2) You have a situation in some of those plantations where you have ratoons at 5th, 6th and 7th ratooning. The reason for that is that when you go down to that you are squeezing the last bit out of those lands because the only expense of those 6th and 7th crops, except for some spray, is the cost of reaping. We know that in Barbados the cost of reaping a tonne of canes has been up until now. Therefore, where there would be an additional expense in first crops because you have to till the land, there is no separate expense for the 5th and 6th crops. You find, therefore, that they are doing what we call "squeezing the last drop" out of their plantation. They cannot squeeze them any longer so you are getting diminishing returns from those plantations and I would say that the Barbados National Bank has to do something about it.

Mr. Speaker, the proposal from the Booker Tate Report stated, long before I left the Ministry, that there should be some type of land management company. The idea behind that is that if you amalgamate some of these plantations you would get a mass from which you can operate. By introducing a concept of savings by bigger units and better management, we hope that we can return some of those plantations to profitability. Now this has been going on for a little while, Mr. Speaker, but I say that time is absolutely critical. These decisions have to be made and made like yesterday. As was said from the other side, nobody in Barbados takes any pleasure in having to bring sugar here. Not only that, the sugar industry that impacts so much on the rum industry is creating a problem for us. Therefore, to get back the sugar industry, we have to make sure that all of the units are producing and those that cannot produce by the people who own them will have

to be put into a management situation. Mr. Speaker, as I said, the ball is in the court of the Barbados National Bank. They have to make the decision.

As far as BSIL is concerned, this is the processing arm of the industry, there have been some proposals and recommendations that that should also go into receivership and that a new company should be formed. I am of the view that most of the owners of these estates would cooperate if they are brought into discussions with the Bank and they are made to realize the integral part that these estates must play. Mr. Speaker, the call for sugar cane is not only the foreign exchange that is being received from it. The call for sugar cane goes further. It goes to the environment and the upkeep of the environment in Barbados. It goes to one of the conservation efforts in Barbados which is the top soil. Therefore, collectively among the 3, there is a debt that the people of Barbados will have to pay for those 3. But I am saying the debt should be in such a way that any benefits in the long run from the debts of those people should go back to the people of Barbados by way of some intake.

Sir, I am in full agreement with the proposed policy. I do not have time to go into it but the BNB must now move. They must use recapitalization, debt equity swap and all the available financing tools to them to get the industry back on its feet because we do not have a lot of time.

Mr. Speaker, a lot has been said in this debate about productivity and this is critical now. I have said before in Barbados and I am going to read a short part of a speech that I made to the Employers Confederation which is as follows:

"In Barbados and in most of the developing world or maybe in the developed world, there is and has always been a tendency to down-play the contribution of labour to the finished product. That has always been a problem in Barbados."
6.45 p.m.

When you read any book on management, Mr. Speaker, you will notice that all the management experts are coming around to the view that the fastest way of —increased productivity by the work force any place in the world is increased involvement of workers in the work place. This is what is now called participative management. Do you know why that is so, Mr. Speaker? If you allow your workers to have a say in problem solving, in goal setting, in decision making and in change which is sometimes sprung on workers as if they are not part of the situation, that simple process would do two things. The human resource specialists are now telling you that it would lead to a feeling of satisfaction, a feeling of being wanted, a feeling of security and, most of all, of acceptance in the work place. Those four collective feelings eventually

lead to motivation, which leads to productivity and efficiency in the work place and, therefore, a higher outturn in the work place for the same input.

But there are problems, Mr. Speaker. The main problem in this kind of situation is the fear of management that the workers are moving up. In this type of participative management low level and middle level management have to concede some of their authority, and people do not do that, so that is the biggest problem you would have in the work place.

Mr. Speaker, on 27th March last year I addressed the 31st Annual General Meeting of the Employers' Confederation, and among many things I said at that meeting was this:

"Only on Saturday I listened to the Union's song, the chorus of which is 'Solidarity for ever'. I thought this theme useful, since we need solidarity to plan for our country and build this nation for our children and our children's children. Actually, the words of the second verse of that song lingered with me. These words were:

'They have taken untold millions that they never toiled to earn.'

At this point I realised that the workers were saying the same things today as they were saying many years ago. The workers today still perceive that employers are reaping the profits of their labour. The song goes on:

'But without our brains and muscles
Not a single wheel could turn.'

Here the workers are recognising the value of their labour in creating the profits for the company. The song continues:

'We can break their haughty
Gain our freedom when we learn.'

"You have to accept, Mr. Chairman, this is a serious song. It speaks of the failure of workers today who, through our educational system have learnt their lessons well. It seems that management has not yet adequately come to terms with this educational achievement, and for that reason we are seeing a different type of conflict of labour-management relations."

On that occasion, Mr. Speaker, I challenged the Employers' Confederation to try to move our industrial relationships in Barbados to a higher plane. I said that annually a company reports to a Board of Directors, who are the owners of capital. I asked why would a company not experiment by reporting to their workers, who

are the providers of labour. I went on to explain that in my opinion this would have the merit of removing the suspicion that lingers in labour relationship matters in Barbados, in that it is the root cause of lack of productivity, and I explained that if a manager in such a meeting took the balance sheet and explained to the workers that depreciation was put in the balance sheet so that trucks could be replaced, there is no worker who would worry about depreciation. If in that same balance sheet they explained that they paid dividends to the people who provide the capital, the workers know if they put their money on the bank they would get interest and there would be no problem. The only problem there might be is if the level of dividend is such that the workers feel they are giving away too much. I went on to explain the whole balance sheet and said I still believed that if a company was bold enough to take that move and take the workers into its confidence at that level, you would have a tremendous improvement in productivity because you would have participative management at the highest level. I still believe that, because there is too much suspicion in that whole area of productivity.

In this area, Mr. Speaker, we believe that there must be improved productivity throughout Barbados. It is most important now in this IMF session, since the wage plan indicates that there should be a freeze in the public sector and that the private sector guideline should be 1991 wages, plus productivity, plus any bonus. If there is going to be one snag in this, once again it is going to be the suspicion of the workers and the measurement of productivity. This is why the Government is setting about to set up a Productivity Board, because if such a Board is not in place it would not be too difficult if a company does not realise its obligation, that at the end of a year when you would normally write profit, you could put it towards inventory, or bring in additional inventory. At the end of a year if you would normally work profit you could *retool* before the retooling time.

I say all this to say that there must be an **area** of trust between the workers and industry for that area to work. Therefore the Productivity Board would have to be set up very quickly to have a look at things like cost benefit analysis, budgeting and improved marketing, production product diversification, management and workers' productivity, measurement of productivity, improved technology and, most of all, workers in management education. This is the way we must go, Mr. Speaker.

I want to make a special plea to industries and business at this time. Let us accept that we are going through a difficult time, but companies must have a **social face**, a corporate image. I want to appeal to those who, within the next year or so can improve their efficiency in other areas, to appeal to their shareholders to hold their share of dividends at a reasonable price, to hold on to as

many people as possible, because, Mr. Speaker, the thing about most companies is that labour productivity is the easiest one to measure. It is always the easiest and first way they think they can bring about improvement in their operations by cutting labour, because a lot of them have not been doing any research and development, they have not been looking at new ways to improve their product, at how to *retool*, and in this respect there should be no excuse, because most of them have an item called depreciation on their balance sheets. Therefore, ~~that~~ depreciation should be going in the sinking fund to *retool* so there is no reason for them to have equipment that is not up-to-date. My special plea, very quickly, Mr. Speaker, is let us all realise that we are Barbadians. Those of you who can hold some strain, do so, that those who are less fortunate more of them would not be put on the bread line. 6.55 p.m.

Very quickly, Mr. Speaker, on the merger of the IDC and EPC. Yes, there is a proposal to merge these. I want to give the assurance that I am putting the matter on the road because we must merge those 2. In the 1990s nobody* owes Barbados a living. There has to be aggressive marketing. You have to get our there. You must have your strategic goals, marketing plan, management by objectives and personnel that are motivated, trained and who can identify with the goals and objects of the institution. In this case the goals and objects of the institution are to further the overseas promotions and investment of Barbados overseas to bring in as much money as possible.

We hope that with the amalgamation of those 2 that we would cut out some fat because there has been some fat in the 2 bodies. We will get down to do some more aggressive overseas marketing so that we in Barbados will be able to push. There is a new section to be called the Financial Offshore Activities. There is a section to be called the New Enterprises.

The Honourable Member for St. Michael Central spoke about the possible free zone and to make sure there is no exploitation in those free zones. There is to be a small business section as well as an area of research.

Mr. Speaker, a lot of us said that it was no budget. I heard a lot of emphasis earlier on the fact of the human element in structural adjustment and the movement of a country forward. This Budget makes provision for a national productivity board, the amalgamation of IDC and EPC, the structural adjustment of the Tourist Board, the setting of a privatisation unit and a training component, a reform of the tax system and the **updating** of the Budget Office. Nothing is perfect in this world. We are going through a difficult time. The objective of this Budget, in my opinion, is to the human resource element of Barbados, that, if we collectively push forward we would **make**

sure that at the end of the period Barbados would be once more on the road to growth.

Thank you very much, Sir.

SUSPENSION OF SIRING

Hon. B. M. TAITT: I move, Sir, that the sitting be suspended until 8.00 p.m.

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

The question that the sitting be suspended until 8.00 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly.
7.00 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed. The Honourable Member for Christ Church West.

Mr. H. deB. FORDE: Mr. Speaker, everything I have heard in this Budget debate over the last 2 days has reconfirmed my view that our beloved country, Barbados, is in a mess. We are in the midst of an economic crisis and the whole social fabric is at the same time under threat as it has never been before. We have reached where we are not because of any age old factors which need to be addressed in a fundamental way since the year 01 as the Prime Minister would have us believe. We have reached this stage not because of any external shocks such as the economy has suffered before, as he would have us believe. We have reached this stage because of the selfish, partisan, political agenda of the Right Honourable Member who is not now in his place.

His administration has inflicted on the people of Barbados the most grievous damage that has come on it in the last 50 years. His administration has inflicted on the economy of Barbados the most devastating blows that we have had in a long time. It has exposed each and every person living in this country to the reality of having our standard of life devalued. It has taken away the jobs of many people. In the case of the young, it has destroyed their hope of ever finding gainful employment.

As usual, Mr. Speaker, this Parliament has been subjected to the Goebbels theory. The same untrue and misleading statements are repeated and repeated in order to find excuse after excuse but the truth wins out. It is that truth I want to address in this House tonight. Other speakers on my side have exposed the inadequacies of the Government's economic plans. I, in winding up for my party, had intended dealing with some other aspects of the economic problems confronting Barbados.

What has happened in this Chamber today satisfies me beyond reasonable doubt that the diagnosis which I have been explaining to this country over the last 3 years in particular, and the diagnosis which I made in this Chamber only a few days ago in the Estimates debate about the style and quality of leadership of the Right Honourable Member, is 100% correct. Mr. Speaker, the crisis in Barbados is first and foremost a crisis of confidence and trust. Until that confidence and trust can be restored Barbadians can rest assured that there will be no recovery at all in this country.

Earlier this evening the Honourable Member for the constituency of St. Philip South made some very serious strictures against the Prime Minister's style of leadership. I believe it is fitting that in my contribution I should address those strictures. They are not new as far as this side is concerned. I am sure that sitting in the chair where you sit you yourself have heard them repeated from this very side and from this very mouth. But what is new about them is the refreshing candour which conscience has forced and compelled the Honourable Member for St. Philip South to show to the country of Barbados. What he said, Sir, is that the Prime Minister treats all of his colleagues in less than a civil manner, with scant respect.
8.05 p.m.

It is a fundamental principle that a first Minister has only the influence with the Cabinet which is given to him by his personal argument, his personal qualities and his personal weight. That is a statement of Lord Rosebery and it is often said that without the external support of his Cabinet, he is disarmed. It is unthinkable that in a Westminster system of government which we follow in this country a first Minister should set himself up in such a way that he shows less than the normal respect that we would expect would be shown to Cabinet colleagues.

What was his second allegation, Sir? His second allegation was that every single Member of the front bench believes that the Prime Minister should move, and a similar view is held by the back bench with the exception of one. Mr. Speaker, it was that distinguished, socialist Prime Minister, beloved by all, Clement Attlee who has made famous the aphorism and I quote: "You must have confidence in the judgement of the man in charge and if he has not got that confidence he is not fit to be Prime Minister."

I interpret quite clearly the statement of the Honourable Member as endorsing Clement Attlee's famous dictum. There is no doubt in my mind now, Mr. Speaker, that the Prime Minister does not maintain even among his colleagues the confidence that is necessary if he is to remain in charge of this country's affairs. What is very significant is that so far in the debate, after the

Honourable Member had spoken, at least 4 Ministers rose to their feet. They have had the opportunity in this debate to deny the statement made by the Honourable Member for St. **Philip** South and indeed all of the other Ministers on the front bench have been in the House and were fully aware of the statement made by the Honourable Member and he has not been contradicted, not by one, Sir. I am going to go through the 4 Ministers. There were some pious little statements from those 4 Ministers.

The Honourable Member for St. Lucy took issue with some statement, not relating to that. He took issue with the Honourable Member for St. **Philip** South on an irrelevant and marginal issue. The Honourable Member quickly cleared that up and the Honourable Member for St. Lucy went on his good and kindly way with a general debate. I am therefore satisfied that he too has shown no confidence in the Prime Minister and has told him so.

The second Minister who intervened in the debate is the Honourable Minister of Public Safety and Justice, the Honourable Member for St. James South. He spent a lot of time talking about all things other than the main issue that has come in this debate. Not a word have we had from him disassociating himself with the statement of the Honourable Member for St. **Philip** South. Not one word.

After him came the Honourable Member for St. Michael North, the Deputy Prime Minister. He was his usual self. He said he resented any statement which would make him seem less than a person of integrity or any imputations against his integrity. But it is interesting to **read** between **the** lines of this more than cautious, more **than careful** Minister. He said he does not see eye to eye with **the** Prime Minister at all times. Mr. Speaker, Sir, that is the very essence of the allegation which has been made in here by the Honourable Member for St. **Philip** South. He has differences with him. But he would describe his differences as one of style.

Under the Head of the Estimates dealing with the Cabinet I **raised**, you will recall, the very question of the Prime Minister's style of management, style of government, style of dealing with his other members in his Party and in his Cabinet. Every word that I said on that occasion has been confirmed.

The next Minister to speak was the Honourable Member for St. **Philip** North. What did he have to say for himself? He wanted to reassure his constituents in St. **Philip** North that all is well with his soul. All I can say is, praise the Lord. Amen. I would not want to hear anybody say, praise CARSICOT Amen. But all is well with his soul. That is not what the country expects from him. I can understand that Honourable Member's predicament. Obviously the Honourable Member for St. **Philip** North has come under more scrutiny and more pungent and stringent criticisms than perhaps any other Member on the front

bench during the last 4 years. He is no doubt eternally grateful and thankful to the Prime Minister for giving him some support. But despite that, in his mind like the others, he too has great difficulty with the Prime Minister and feels like all of them, like every Member on that front bench that he should move and resign his office.

What is the position of the other Members? I will start with the most junior Minister that has **just come** into the Cabinet, Sir. When the reshuffle took place he was or), the back bench. It is significant that there was only one person on the back bench – he was then on the back bench – who did not feel that the Prime Minister should move. There are two interpretations. There are only 2 possible interpretations, Sir. Interpretation number one...

Aside.

Mr. H. deB. FORDE: He was then on the backbench. ...is that he has been promoted for being that one person, or interpretation number 2 is that he has been promoted to keep his mouth shut, but certainly there is no third interpretation that he has been promoted **because of** anything he has done or because of any competence he **ha** shown. It will be difficult for the workers of this country to forget that he did not have the courage in this House to vote against measures that dealt with their welfare and their livelihood.

8.15 p.m.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member is discussing an Honourable Member who is not in his place and making the imputation that he is a coward. Sir, he knows that is unparliamentary. I am sure he knows that, Sir.

Mr. H. deB. FORDE: Mr. Speaker, Sir, the other Honourable Members, Sir, on the front Bench ...

Mr. SPEAKER: The Honourable Member for St. Michael West has risen on a point of order and made a submission. He submitted that reference ...

Mr. H. deB. FORDE: I withdraw the word "courage" and substitute "metal". That he did not show the metal that is expected of anybody who is going to hold **ministerial** office in this country. He did not show the metal when he was put to the test of standing beside the workers. So too, Sir, for all the other members.

The time allotted to me in this debate would not allow me to go through each Honourable Member one by one. Suffice it to say however, Sir, that I am not surprised that they were asking for the debate to be moved on a non-partisan basis, at least one Member did. But it is the other allegations as well, Sir, made by the Honourable Members that we must address.

He said, Sir, that his Cabinet colleagues do not show the metal that he would expect of them in dealing with this issue nor indeed do the other Members on the back bench show the same courage and metal. I am left to conclude, Sir, what I have been saying to this country for the last couple of years that in the case of members of the Democratic Labour Party that what one sees is that they are prepared to put themselves before the country and their party ahead of the national interest. This is a dangerous development in the practice of democracy in Barbados. Nothing can be more dangerous than when men who are called to public service will not continue to recognise that may mean at times severing friendship, severing personal interest and putting the public interest first.

I am satisfied and I am sure the country tonight is satisfied on everything that we have heard in this House that the problem confronting Barbados tonight is a problem of confidence, a problem of the sturdiness of its men and of its institutions.

Mr. Speaker, I want to deal with the other very serious allegation made in this House tonight, Sir. The Prime Minister came to the House and he read a statement in which certainly every Member of this House who heard that statement and who has subsequently read it, as well as the thousands of people out there understood that an agreement was reached with the Coalition of Trade Unions to pay one month's salary by way of compensation and the remainder after March 1993.

Now, Sir, the Honourable Member for St. Michael Central, I observed when the Prime Minister read that statement that sitting on the back bench he had some difficulty with it and I waited to see whether he would, in this debate, speak to that statement and he spoke to the statement, Sir. He said that no such thing has been agreed. It is not true.

Now, Sir, this House has its traditions and it has its long standing rules. For the public's benefit I think I am in duty bound to explain what is the position. Any Member of the House and particularly a Minister of Government who comes into the House and makes a statement which is untrue, has a duty not merely to withdraw that statement, but if he is a Minister of Government and it affects a matter of major policy to do the decent thing and resign.

Mr. Speaker, Sir, this is too serious for me to listen to asides, Sir. I am obsessed with making sure that this country lives up to its high standards and that morality is restored in public life in this country. That is my primary obsession and I wish to God that the Members of the front bench were obsessed with the certain thing because they too would have done the decent thing and resigned and made the Prime Minister call a new election or give up his office.

Sir, a Member of this Honourable House has pointed out that the Prime Minister's statement is untrue. In England, in a scandal, Profumo, a junior minister in the then British Conservative Government made an untrue statement to the House and did what is understood in all of the practice that we have followed in these countries, he offered his resignation to the people. But Sir, the moral fabric of Barbados is being destroyed. The standards that we have come to expect from our political leaders have been seriously compromised and what we get from the front bench, instead of answering the charges that their colleague made against them, the *sotto voce* noises, not one word to show that they understand the principles of the Westminster system that we operate, Sir.

I have said in this House before that there is something called collective responsibility. It is clearly set out in the Constitution of Barbados. The fundamental law of this country, section 64 says that the Cabinet shall be the principal instrument of policy and should be charged with general direction and control of the Government of Barbados and shall be collectively responsible therefore to Parliament and the country. In any circumstances where there is no confidence and the feeling within the Cabinet itself is that the Prime Minister should demit office then the country must say to the Cabinet, not merely to the Prime Minister, that they have a duty to their constituents and the people to follow up on that action. They can't get out of it, Sir.

Mr. Speaker, it does not surprise me that we have witnessed in Barbados a cynicism among the people and particularly the younger people in this country. After the last election, Members on both sides of the House commented on the failure of a large number of young people, in particular, to go to the polls. Each one of us came to the conclusion that the principal reason for that was that they were fed up with the type of politics that was being practised. They have no confidence in their politicians and no political leader and no political party has done more to encourage that feeling of cynicism and that feeling of hopelessness than the present political leader has done and his administration has done.

8.25 p.m.

It would be a gross mistake, Mr. Speaker, for us to proceed in this House to conclude this debate as though nothing has happened to undermine that trust which the public must have in its leaders if a country is to be seriously governed and if they are to make the sacrifices, particularly at this time, that are so necessary to build national strength, national unity and national development. I am absolutely satisfied in my mind that the first requirement which is required of us in this House is clearly to say to the Right Honourable Member that your time has come to go. You have lost the confidence of all of us. Sir, this should *not* surprise us. It was only a few months

ago that the DLP constituency of St. Michael East passed a similar vote of no confidence in the Prime Minister. A similar vote was passed by the constituency of St. Michael North East. We heard from the Honourable Member for St. **Philip** South that the Prime Minister has no good relationship with the private sector and he has passed a similar vote. At least 2 of the unions in the Coalition of Trade Unions have called for his resignation. Letters are in the Press and **graffiti** are on walls. People on the call-in programmes have seen the same thing that each of those Honourable Members have seen but have not been courageous enough to articulate their views publicly and to recognise that the country's affairs demand his resignation.

The first requirement for the Cabinet therefore, Sir, is to search their conscience carefully, not to make any statements off-shore but on-shore, Sir, and to have the courage of the Honourable Member for St. **Philip** South to come out and this time put the country first. That is what is required of each one of those Honourable Members and it is equally required of the Honourable Members on the back bench as well. They must join in the chorus of the thousands of Barbadians who marched and they marched against the Prime Minister's style of government and his measures. They marched against the way in which the Prime Minister treated the workers of this country. They marched for those who are oppressed. They marched for the disadvantaged. That is what they were marching for, Sir, and they marched to signal to each one of us in here that what has been done, as has been described by one of the very Members on the other side, was murderous to their welfare and to their well being. That is why they marched. They marched in the hope that those of us who represent them would have the courage of our conviction and recognise that holding public office is not the be all and end all of the world.

Sir, I said to this Prime Minister before and I repeat it to him tonight. It is not enough to be a political scientist. It is not enough to be a mere politician. It means much more to be a statesman. I say to him, Sir, with all of the conviction at my command that, in these circumstances following the high **traditions** that have come to characterize parliamentary democracy, he has one proper and only course which is to say to his Cabinet colleagues, "Thank you. Goodbye. Farewell."

Sir, I say that the message to the country is clear. The Opposition have done their duty. We were beaten with verbal blows on our heads by the other side. We were being told that we were going only after partisan interests. **Can** the **same** be said tonight in this country after people have listened to the speech of the Honourable Member for St. **Philip** South? I have never witnessed in any **right** thinking country a situation where resignation after resignation has come from a party. In the previous

Parliament, we had 4 Members who crossed the Floor and their indictment against this Prime Minister was a similar indictment to what we have heard from the Honourable Member for St. **Philip** South consisting of not letting his left hand know what his right hand does, insensitive, uncaring and putting self interest and party interest ahead of national interest.

Sir, let me say that I **am** sadden to learn that the international financial institutions have no confidence in him. I am sadden to learn that, Sir. I am not surprised about it though, **Sir**. We have said on the **platforms** of this country and in this House that that was our assessment. I am concerned about the implications of that statement for Barbados because it means that in our perilous times those to whom we look for help can feel no happiness in the hand that is guiding the ship of state. I appeal, Sir, to the Honourable Members' conscience. If there is goodness left in this country and if the country's institutions are to be built up, I say to them, "Be men. Stand up and be counted for Barbados."

Mr. SPEAKER: The Honourable Member for St. **Michael West**.

Hon. B. M. **TAITT**: Mr. Speaker, Sir, it is interesting that I should come to debate at this point following the Honourable Member who just sat down after his stirring and magnificent rendition of his annual statement saying that we must stand up like men. No doubt, Sir, he is calling upon us to stand up like he did when Tom **Adams** on the Floor of this House said to that Honourable Member, who want to resign, and that Honourable Member in this Chamber did not stand up as he is now calling on us to stand up. I am not going to spend time discussing that **because** I am not going to allow the Honourable **Member** for Christ Church West or any other Honourable Member in this Chamber to decide an agenda for me.

I am not going to allow any political posturing to put me into a position where I have the options as outlined by them, and I **am** not going to allow anyone to make me feel ashamed of being a member of the Democratic Labour Party. There is no one who is going to look me in the face and **make** me feel ashamed of being a member of the political party of which I have had the honour to be a President. It is therefore interesting that the **Honourable** Member for Christ Church West, who withdrew a no-confidence motion in the Prime Minister...

8.35 p.m.

Mr. H. **deB. FORDE**: On a point of order, Sir. The Honourable Member is deliberately misleading this House.

Mr. SPEAKER: That is not acceptable.

Mr. H. **deB. FORDE**: Well, Sir, I have to say **because** it is on the Order Paper.

Mr. SPEAKER: I am taking it out of the records.

Mr. H. **deB. FORDE**: He speaks out of an abundance of ignorance then, if he is not speaking so deliberately, because on the Order Paper of this House is my no-confidence motion which the Government refuses to allow to be broadcast.

Mr. SPEAKER: That is not the point of order.

Hon. B. M. **TAITT**: The Honourable Member had on the Order Paper for some considerable time a vote of no confidence, which he has refused to debate on a specious basis, and now he takes the opportunity...

Mr. H. **deB. FORDE**: On a point of order, Sir. I am objecting to the word "specious", Sir. He objected to "courage".

Aside.

Hon. B. M. **TAITT**: The Honourable Member for the **City** now wishes me to go to Tudor Street and Baxters Road and surrounding areas.

Mr. SPEAKER: No, you do not have to.

Hon. B. M. **TAITT**: I am not going there, Sir. Are you ruling that "specious" is unparliamentary?

Mr. SPEAKER: What I have always said, when there is a difference in interpretation it is left for the Honourable Member to determine what he really wants to say.

Hon. B. M. **TAITT**: Sir, I withdraw "specious". On a **basis**, and for reasons known only to himself – and I wish that since the Honourable Member is revealing and is casting aspersions on the characters of Honourable Members on this side, he would have the courage to come **and** tell the public the real reason why he does not wish to debate that Resolution. Get up and tell the public. I am not going to tell them.

Asides.

Mr. SPEAKER: Order, please.

Hon. B. M. **TAITT**: We sat quietly and listened to the fulminations for a whole hour and 10 minutes and the Honourable Member for the City will have to sit and listen quietly.

Mr. SPEAKER: You have no other choice.

Hon. B. M. **TAITT**: Sir, he said nothing about the Budget, because he took the opportunity to put into the **—record**, and for the public broadcast, a number of the things which he wishes to say about his good friend. The Prime

Minister is capable, or ought to be capable, of responding for himself on these matters. Because the Honourable Member for St. **Philip** South makes a statement, you are calling upon Honourable Members over here to engage in a hatchet job. They would love dearly now, Sir, for this Honourable Member to get up and have the blood flowing in the well of this House, and that would say that I and the other Honourable Members are men of **courage**, and they would be able to say how magnificent we were. Then tomorrow would be another day and the thousands of Barbadians who, even as they listened to this debate during the last two days, may be concerned and confused. They would be in a worse state tomorrow, should I get up and do what those Honourable Members would like me to do, or indeed what the other Ministers according to the Honourable Member ought to have done.

This is a House of Assembly and we are supposed to be leaders of our respective constituencies. The Honourable Member is discussing my backbone, Sir. I can hear him discussing my backbone, which means that the people out there can hear him. The asides will go out. I know about that very well. To say I have no backbone is nothing new, the only thing they have not said about me so far is that I am a decent, respectable person.

Mr. SPEAKER: I am very concerned about that statement. I made reference to it today and I thought Honourable Members would be courteous enough or would dignify the Chamber by not making statements that they know are not part of the debate.

Hon. B. M. **TAITT**: That is right, Sir. I know the techniques. I have been here a very long time and I know that when these little asides are said into these microphones that are at mouth level with those who are sitting, the people out there hear them, because I heard some while I was at home listening. I want the television viewers to know that I know when they talk about me too. My backbone is not an issue. Those who believe that they have courage, they have acted always **as** men of courage.

An example of courage, Sir, was the Honourable Member for St. Thomas yesterday. I was not in my place, but the Honourable Member took the opportunity yesterday to discuss the Mangrove Pond landfill. The reason I was not in my place is that I was speaking at the Speech Day of the St. Leonard's Boys' School. I got permission, if permission was necessary, and I made it known to the Honourable Member for St. Peter that I meant him no discourtesy not to be here for his speech and he understood that that was a public duty there as well. It might not have been well known because I understand that the methodology used would have suggested that there was another reason why I might not have been in my chair.

I wish to deal with the Honourable Member, because in his speech he ought to have continued that courageous intervention and point out that he had in fact visited the new **landfill** and had in fact reported his complete satisfaction with the approach which we are taking in the development of the new **landfill** that will replace the **landfill** that was set on fire some time yesterday or the day before. I think it is important that we understand these methodologies, not the Honourable Member's in this respect, Sir, but I have had a report which has now come from the person qualified in Barbados to discuss landfills at this level. I crave your indulgence, Sir, to read from the file what he said:

"My personal observation when I visited the site today is that the fire is superficial and not due to spontaneous combustion in the interior. If it were spontaneous combustion, there would have been numerous areas issuing smoke on the surface. It was evident that the fire travelled from the north east around the periphery of the site to where the loose uncovered refuse is located on the north west and western side of the site. The area where covered material has been placed is not affected by the fire. It appears that the fire may have started accidentally, carelessly or culpably on the north eastern side above where night soil is buried and where there was plenty wood and cardboard protruding from the interior of the landfill."

That is the verdict, Sir, and the officer who was at the **landfill** the night before, the same officer who is reporting, indicated:

"Mr. C. reports that at his departure from the **landfill** at 6.00 p.m. on Wednesday, April 1, 1992 there was no sign of smoke or fire on the landfill. At about 6.45 p.m. Wednesday he got a telephone call at home from the **landfill** watchman informing him that the **landfill** was burning on the north windward side. Mr. C. reported his leaving home immediately and returning to the **landfill** from where he sought the assistance of the Barbados Fire Service."

8.45 p.m.

"The Fire Service dispatched one tank full of water which they applied to the burning area. He left the site at 9.00 p.m. Wednesday night."

Aside.

Hon. B. M. TAITT: Sir, do I really have to put up with the utterings of the Honourable Member for the City? The Honourable Member for the City needs attention in the worst way. I do not understand why the Honourable Member sat all day - 26 other Members spoke. The Honourable Member found no need to interfere. As soon as

this Honourable Member gets up the Honourable Member for the City is off and running. I do not understand what the problem is. I am going to spend some time on her, Sir, but not now.

I was going on to make the point that the whole question of the **landfill** is one in which I have had about 16 calls. Since all of them more or less sounded the same way I could not help feeling this morning that those calls might have been as a result of a meeting where people though they would express their views. They came from all sides. I was able to discuss with them our plan for the new landfill. I was able to tell them that the representative for St. Thomas is satisfied that the Government is doing the right thing for the new landfill.

I promised this House that I would take a personal interest in the new **landfill** and I have done so. I am able to report that for the first time in the history of Barbados we have a **landfill** that is going to be completely protective of the water table. We have laid clay from St. Andrew which has been overlaid with additional material. We have put 6-inch pipes at strategic points at the base of the **landfill** and they have been perforated to allow leachate eventually to flow through the pipes to a tank which will be put at the western side of the landfill. In that tank the leachate will be treated and recycled on the landfill. It is unlikely when this **landfill** begins by June that it will suffer the fate of what, in essence, were dumps before.

We got \$100 000 from PAHO to assist us with this. We are going to enclose the landfill. We are going to grass it on the outer perimeter to give it the kind of appearance which **landfills** in North America, those who have seen them, have. We hope we will have a regime in place that will ensure that much of the matter which now goes on the old dump will not go on the **landfill** but I will have more to say when time permits in due course.

What is more important, Sir, is that the whole issue of solid waste management in Barbados is one which we have taken very seriously. On December 19 we signed an agreement with the Inter-American Development Bank whereby the Bank makes a grant of \$1.5 million or 217 million yen to Barbados to finance a comprehensive long-term solid waste management plan and a feasibility study. I am giving details of this because the environment in Barbados is, perhaps, one of the most important aspects of our development into the 21st Century. It is important, therefore, that the population becomes aware of what plans we have for solid waste disposal into the 21st Century.

Funds are going to be disbursed over 32 months. The project will be executed in 2 phases: the first phase of 9 months and the second phase of 6 months. In accordance with the Agreement consulting firms were invited from member countries and there are some 6 engineering

consultants who have been in the final group from which one will be chosen. Here are what the objectives of the study will be: to support the Barbados authorities to improve environmental sanitation by means of a comprehensive long-term management programme well into the 21st Century suited to the needs of Barbados. Its goals will include elements of an integrated approach such as area wide planning, land usage, regulations, monitoring and enforcement, disposal points, cost recovery alternatives, institutional coordination, training, research and public education.

Mr. Speaker, the Solid Waste Disposal Project, if the feasibility studies are completed in time, will see us having a project that will be in excess of U.S. \$90 million for a comprehensive plan for solid waste management in Barbados. That is expected to come on stream towards the end of 1993 going into 1994. When I say come on stream that means we will make the application for the loan. That is only one of the indicators of how the productive sectors will be able to keep going. The Honourable Member for Christ Church South had asked about aspects of development and what are the plans to keep the system going.

The other project the Honourable Member heard about is the Health Rationalisation Study. I am not going to go into the details. Suffice it to say the IADB gave us a grant of \$1.7 million. That has been started. A team from Northwestern University out of Illinois is presently in Barbados carrying out that project.

Mr. Speaker, also recently there has been a question about the South Coast Sewerage Project. The South Coast Sewerage Project has been put on a 5 month hold while another study is being done. Believe it or not, Mr. Speaker, that study is being done to discover if in fact we are as contaminated on the south coast as we say we are. The IADB has, in fact, said to Barbados that we must prove that we are sufficiently contaminated in order to get the loan funds which have been earmarked. The plans have been completed and the feasibility study which has been completed, but we have as a country to wait, because some official in the IADB has indicated that the studies about waste disposal on the South Coast and contamination have not been sufficiently detailed.

Mr. Speaker, it is a very interesting problem when you are into a situation with the so-called donor agencies because here it is Barbados will have to demonstrate. I would have thought, you would have thought, and almost every rational being would have thought, that seeking to get a sewerage project on a coastline of a small island country would have required nothing more than the desire to get the sewerage project and a proper feasibility study and that it would have been implemented post haste. Sir, we are going to have to "demonstrate".

In fact, what they actually said is that the South Coast, according to what we have submitted is not sufficiently contaminated to warrant a sewerage project. However, I have every reason to believe that Bellairs, who is conducting the study, will be able to demonstrate the necessity for the study.

We are seeking to have the West Coast Study which we had tapped on to the South Coast Project. For speed of getting it going we are seeking to have that extracted from the overall study so that can get going without delay.

The Prime Minister and Minister of Finance will be going off shortly to the Dominican Republic to continue discussions with the Inter-American Development Bank about those 2 projects and some other projects which will give some indication, I hope, of where we are going by way of financing for development.

Mr. Speaker, I feel bound also, in the light of certain comments made by the Honourable Member for the City about user fees, to draw attention to an inaccuracy which has gone forth into the country and which, if not corrected, might lead to the wrong impression. First of all, the concept of user fees seems to be attracting some misunderstanding. Any fee that is being charged apparently is now being called a user fee.

There is one point I want to clear up. The Honourable Member said that the Democratic Labour Party Administration was in danger of destroying all of the social development which the Barbados Labour Party Government had put in place and, indeed, she cited the Drug Service as an example. I have here, Sir, a statement from the Director which indicates that:

8.55 p.m.

"Between 1981-86 while beneficiaries who saw a doctor in the public sector obtained their prescriptions free of charge at point of service at public sector pharmacies, those who had them filled in the private sector paid the following charges: Persons 65 years of age and older the first \$5 on each prescription. Children under 6 years of age 50% of the price of each prescription.

Persons who received drugs for the treatment of hypertension, diabetes and cancer 50% of the price of each prescription.

It was in September, 1986 that the above arrangements were changed due to the following reasons:

The benefit category for children was raised from under 6 to under 16 years of age.

All co-payment fees were removed and beneficiaries of the special benefit service were allowed to obtain their drugs and related items listed in the formulary free of cost at point of service, at pharmacies in either the public or private sectors."

When the Honourable Member for Christ Church West talks about someone – and I am to try not to use the word that would attract your attention – not telling the truth to the House and that someone should resign, the Honourable Member might have been quite mistaken. The Honourable Member for the City gave information today which was untrue. But I am not going to ask for her to resign.

Miss B. A. MILLER: On a point of order, Mr. Speaker, Sir. I said no such thing. I hoped that the Drug Service would not be interfered with. I did not even speculate because it cannot be within my contemplation that this would **try** to interfere with the Drug Service.

Mr. SPEAKER: The point has been raised.

Miss B. A. MILLER: I said no such thing.

Hon. B. M. TAITT: I am saying, Sir, that..

Miss B. A. MILLER: I am asking the Honourable Member to withdraw the remark.

Hon. B. M. TAITT: No, Sir. We will have to send for the record.

Mr. SPEAKER: The Honourable Member knows very well that if you rise on a point of order and a person refutes that, the only way that that can be said is if the written report for your speech today has been brought forward.

Miss B. A. MILLER: Let us have the record.

Mr. SPEAKER: There is no need for the record at this point.

Hon. B. M. TAITT: Sir, in the interest of carrying it on, Sir, I will withdraw. But I am saying that when the record is had the Honourable Member gave the impression and the people out there heard, she gave the impression that the Barbados **Labour** Party had given these things and the Democratic Labour Party was taking them back. The key point that I am making is that the user fees were in fact imposed by the Barbados Labour Party. User fees were a part of the policy of the Barbados Labour Party. The concept of paying the first \$5.00 is the main principle of the user fee concept. It is what applies in St. Lucia. It is what I am fighting against.

Aside,

Hon. B. M. TAITT: But we never said that we were not going to have user fees.

Mr. SPEAKER: I am not permitting any cross talk or counter cross **talk**.

Hon. B. M. TAITT: It is important, Sir, that the people of Barbados not be taken by any special ambience which is being created to give the impression that the International Monetary Fund has Barbados by the short—hairs and that somehow there is nothing that people had which they cannot get. What they have been doing is giving the old people in this country the impression that they are not going to be getting their drugs free. They are. Giving the children in this country the impression that they are not going to be getting their drugs free. They are. All of the drugs that people used to **get** before they will be getting still. Indeed it was this Government that in September 1986 raised the level and furthermore, Sir, in 1989 this Government added asthmatics and epileptics to the special benefit categories.

What we have been able to do, because the whole concept that the IMF had directed that we cut the **social** services, this has been going through the byways and the highways of Barbados and giving the impression that a Daniel has descended upon this country and suddenly all the things that people had are being withdrawn from them. It is simply not true, Mr. Speaker.

The Honourable Member made reference to the \$6 million increase in the revenue from the Queen Elizabeth Hospital. I explained this before but I am going to explain it again. Since 1987 we have been working on increasing the fees for those who paid fees at the Queen Elizabeth Hospital. The fees will come into existence shortly. But they will be for those persons who have always paid. Anyone who now gets free service at any polyclinic will get free service at that polyclinic. Anyone who gets free service at the Queen Elizabeth Hospital or any other health institution in Barbados will get free service.

I wish every single old person to understand that there is no need to be apprehensive, as they put it, that the Prime Minister is going to take away the free service. It is simply not **true**. What has happened, Sir, is that we have called upon those who manage the health sector to exercise the care in the expenditure of money that ought to have been exercised a long time ago. As I have said, to give an example, in the Queen Elizabeth Hospital, first of all we sent out people to be trained and they have come back and their training is starting to show. We now have managers who understand all of the advanced techniques that are used in all of the advanced countries in the world. As a result we have been able to impose systems in that the Queen Elizabeth Hospital and the other places but in particular in the Queen Elizabeth Hospital we have been able to make substantial savings. I have quoted a

figure before and I am going to quote it again, Sir. In the 4 months from November, December, January and February we have been able to save \$52 000 per month in food supplies alone in the Queen Elizabeth Hospital. It is only part of an ongoing programme. The cut in drugs is about \$700 000 we cut from the Drug Service amount for supplies. We have been able to demonstrate that by using a number of techniques. They are not difficult, Sir. It is no magic. We are simply going to be able to apply by doing such things as requiring supply protocols, prescription reviews, drug utilization reviews, requirement of Barbados ID cards. There was a racket going on where people were coming from all over the Caribbean and coming to Barbados and getting their drugs free and going back out. We now require ID cards and we have had the co-operation of the electoral system and so we are now able to refill the prescriptions with those that have been written.

9.05 p.m.

Mr. Speaker, there are a number of other areas in which we are going to be able to affect savings but what is important, Mr. Speaker...

Aside.

Hon. B. M. TAITT: I am getting the same time that you got, Mr. Speaker ...

Mr. SPEAKER: If they interrupt you more you will get extra time.

Hon. B. M. TAITT: Thank you, Sir. Mr. Speaker, Sir, one of the things that is important in this country is that we do not become like the United States where there are 37 000 000 people who do not have access to health care. The people of Barbados must continue to have access to high quality health care and we are going to spend whatever is necessary but we are going to see that we get more for each single dollar which we spend in each sector of the Ministry but in particular in the Ministry of Health and in the Ministry of Education which have spent substantially and always traditionally most of the budget.

There is no secret that we have had to have cuts. There is no secret that there are cuts in every budget in every hamlet, in every part of the world.

Mr. SPEAKER: The Honourable Member's time has just expired.

Hon. B. M. TAITT: And we are like all the other administrations everywhere. During this difficult time we are going to be using our skills and we hope that not long from now we will be out into the clear again. I am grateful to you, Mr. Speaker.

Rt. Hon. L. E. SANDFORD: Mr. Speaker, I rise to reply to this debate. We have had in this Honourable Chamber, Sir, many contributions from Honourable Members, and many things have been said. There are a number of points therefore which I would make reference to in reply.

First of all I would like to indicate that the budgetary exercise is not a political harangue or a political meeting. It is not a roadside cold pone; rather it is supposed to be a thoughtful, incisive, coherent analysis of the problems facing the country, of the solutions being proposed for correcting those problems. That is what I attempted to do in my opening presentation.

According to my recollection, Sir, it is one of the most comprehensive presentations in terms of a budget ever presented in this Chamber; and it is ironical that questions about communication could be raised when the process of communication was, during this debate and before, Sir, at its most open in the history of this country.

Let me indicate, Sir, what I attempted to do. I reviewed the performance of the national economy and the public finances for 1991/92 against the background of the international events as well as regional developments. I next turned to the economic outlook and the prospects for this current financial year 1992/93. Then I made a judgment as to what are the major problems facing the country at this time and how these should be dealt with. In this regard I proposed a strategy for economic recovery based on tax reform of direct and indirect taxation, an incomes policy, productivity considerations, privatisation, an indication of the steps that we have to take and will be taking in respect of agriculture. I referred also to areas for mitigation of some of the aspects or implications of the adjustment effort. I spoke about structural reform of the economy including references to trade reform. I dealt with expenditure arrears in the economy, and I dealt with administrative reform.

As part of a sweeping set of proposals for transforming and reforming this economy I proposed the establishment of the Barbados Business and Investment Authority, or some body to be appropriately named, to generate new life into production and investment and the export marketing thrust for trade, industry and commerce.

I proposed the establishment of an executive Travel and Tourism Authority together with a Tourism Advisory Committee as part of a revamped thrust in tourism. I then made the Budgetary Proposals which included a budget free of new taxation. I know, Sir, this has caused considerable problems, particularly for the Opposition which wanted or expected that we would have been coming with a heavy dose of taxation, and when that did not happen then they had to change their whole approach to this Budget.

I indicated the tax reform proposals which we will be considering, and which we will in due course be bringing to this Honourable Chamber, and which will be neutral in terms of the amount of money being raised. So all of the concerns that there will be any substantial higher taxation or anything like that coming from these proposals, I think you can revise the script for that as well.

I made proposals for the stamp duties and consumption taxes to be replaced by a single tax like a general sales tax or a value added tax or something like that. I spoke about divestment and I referred to another piece of legislation, the Financial Intermediaries Regulatory Bill, which we should commence discussing before the start of the second half of this year.
9.15 p.m.

Sir, that was my presentation. The principal spokesman for the Opposition agreed with me on the need for an incomes policy. He said that he subscribes to an incomes policy. He agreed with me that the country has been living too much on foreign savings, used not for productive investment but for consumption. He agreed that structural adjustment must involve a process of tax reform. He agreed that the base of taxation should be widened. He agreed that there should be a shift to production for export; and that manufacturers should understand that if, they are to produce in an international competitive environment, they need to be competitive. He agreed that there is a need for a new industrial class which would be committed to the taking of risks.

Mr. O. S. ARTHUR: On a point of order, Sir. At no stage in his Budget did the Minister of Finance cite the need for a new industrial class so I could not have possibly agreed with him to something he never cited, Sir. He is misleading the House.

Rt. Hon. L. E. SANDIFORD: Apparently, the Honourable Member is a bit disturbed because I said he agreed with me in that. If he wishes me to say I agree with him, that would be all right with me, because he knows, about our proposal for economic enfranchisement in this country. He is well aware of that; and he is well aware that during the proposals I spoke about new legislation coming in respect of the Export Promotion Corporation and the IDC, of the new enterprise regime, and the small business sector which is included in that particular arrangement. If he wishes, I can put it that way and say that I agree with him. There has been broad agreement or closer agreement between the positions as enunciated by the principal spokesman for the Opposition and the Government on the needs for the economy. Of course, Sir, that was when he was speaking as an economist. I have no quarrel with that particular presentation.

Sir, the point I am making is that, when we can put aside the political concerns and get down to discussion on

a rational basis, and look at the economics of our situation and the economic proposals and policies that are needed to correct the problems, there can be a wide measure of agreement in this country, and of all places on the floor of this House. It was demonstrated during this particular debate, Sir. There is some kind of growing convergence that we have to do something about the problems. We have to make the sacrifices, and we have to do it with the assistance of the international agencies.

Sir, I think that at least that aspect of the programme is a measure of the growing maturity under certain circumstances in this country. To that extent, I would say that the speech of the Honourable Member, as I indicated elsewhere, is one of the most remarkable that have been made in recent times in this Honourable Chamber. I do not wish to dwell too much on those matters, as I said, because there are signs and indications that there is this growing agreement and convergence unless for party positions now there is an attempt to go and demonstrate that there is some great divide, and that that was not really the impression being created. But that is where politics would take over—from the economics of the situation.

What I would like to deal with, Sir, are some of the other kinds of other criticisms that were made, not in the area of economic analysis and economic prescription, but some of the other kinds of comments that have been made both from the other side and also from certain quarters behind me, Sir. It is not directly behind here, Sir. If maybe we go obliquely, we may get it. I will deal with them and with the criticisms one by one in the time allotted to me.

As I recall it, Sir, the Member for St. Philip South said that he had no knowledge that I was proposing to remove him from the Cabinet and he does not believe that. I had any such intention in any event. He is right in that, Sir. I have never contemplated nor have I ever taken any action to remove him from the Cabinet, so he is right in that. He has left the Cabinet of his own volition. In fact, on Tuesday when I spoke with him, I offered him the Ministry of Agriculture. I was also reminded earlier that sometime about a year before that I had offered him the Ministry of Trade. So I have given him ample opportunity, more opportunity than any other Member on this front bench and, needless to say, on the back bench to participate meaningfully in shaping economic policies in Barbados. He said that he preferred to work in the Ministry of Finance as the Minister of State and so it was. All I am doing here, Sir, is to indicate that I have not taken any action against him. He has taken action against me. That is how it is, Sir. I am not responsible if one takes action against me. I will set out what the position is and, if I have to, I will defend myself.

Sir, I turn now to these fundamental differences. It has nothing at all to do with being in the Cabinet, and

how I treated someone in the Cabinet, or what position I offered to the people in the Cabinet or not. It had to do with "fundamental differences", he said. I believe the words were stressed very often. I would like to examine and analyse these very "fundamental differences", because they must be rooted. If they are fundamental they must be rooted deeply in policy formulation and in some particular area that is of deep consequence for the livelihood of this country and the economy, so I would like to examine them — one by one.
9.25 p.m.

The first "fundamental difference", Sir, that I recall being mentioned, or one of them, is that I placed the Ministers for the productive sectors in the Senate, not on the Floor of this House. The Minister of Tourism is a Member of this House and it is true that the Minister of Agriculture is in the Senate and the Minister of Trade was in the Senate at the time to which the comment referred. But it is very ironical, if this were a fundamental objection that at the very time that I was taking steps to bring, or start the process of bringing, those subjects into the House of Assembly, that Member could use this as a fundamental purpose why he is resigning from the Cabinet.

I have never heard anyone resigning from a Cabinet because a particular subject is in one of the duly constituted Houses of Parliament. There is nothing unconstitutional or illegal about it. And if this was something going from 1991, after the last elections, do you mean you are going to bear that in your breast, or hold it in your breast and ponder it in your heart all of this time as a major fundamental problem, and not allow it to come out? I find it passing strange that this could be a fundamental reason for someone to resign from a Cabinet! The reason has to be elsewhere. Saying that something is fundamental does not make it fundamental.

Let me go to a second point which is supposed to be "fundamental". My relationship with the private sector is supposed to be a fundamental point of difference, one that would cause a Minister in my Cabinet to resign from the Cabinet. Now, the process of consultation and the principle of consensus government have been major characteristics of my Government, and my objectives in the management of the public affairs of this country. I have indicated that many times, and there can be no doubt about it at all, that this represents one of the premises on which I base the administration of my Government, or the administration of this country. In order to underline the efforts I have made, in order to give meaning and purpose to that particular objective, I have carried out consultations with the private sector prior to the Estimates and budgetary process; and I have done more consultations in that particular regard, except for this year, and I have carried out more consultations with the private sector than any other Prime Minister in the history of this country.

I set up an Economic Consultative Council, including trade unions and private sector organisations, such as the Chamber of Commerce and Industry, the Barbados Manufacturers' Association, the Barbados Sugar Industry Limited, and the Barbados Agricultural Society as members of that in an effort to reach out for that particular consultation,

Now, Sir, I have never declared war on any sector in this country, and certainly not on any interest, because I have always said that we have to work together in this country, irrespective of adventitious differences which we may have the one from the other. So I have never declared war on any private interest. If any war was declared, or if there were any combinations taking place in that regard, it is the private sector organisations that declared war on me. For some weeks before the last general election — and it brought great comfort to members of the Opposition and gave them hope — the Heads who got together in the private sector said they had no confidence in me and my Government. As I said, that brought great comfort over there to the hopes that their time had come, and that they would constitute the Government of this country. They even had a meeting outside Government Headquarters, and looked across hopefully into the promised land. They are still looking, Sir, and still calling for my resignation, but the people of Barbados, if you are talking about confidence, took their decision at that time.

In addition to that, Sir, at meetings a number of rude and offensive remarks have been made by private sector persons about the office of Prime Minister and the Prime Minister of this country. We are in a democracy and people can say whatever they like. I have never made any comments about them. I have, in spite of those things, reached out and extended the hand of cooperation. Just as it takes 2 hands to clap it takes 2 or more persons or groups to cooperate. It really saddens me that one of my former Ministers, a colleague who has been a Member of the Cabinet of this country, is more concerned about the attitude of the Prime Minister to the private sector, but not the attitude of the private sector to the Prime Minister. May be there is an explanation for that. I do not know. You heard, Sir, what was the second major point of difference.
9.35 p.m.

I move on to the third major "fundamental" point of difference. The Honourable Member for St. Philip South said that I had 6 meetings with the Coalition of Trade Unions and at no meeting did I tell them that the Severance Fund was low. This is really so strange. It was really such a strange charge that I find it very difficult even to have to reply to that particular situation.

Over and above the fact that, there were not 6 but 12 meetings, at least, more important than that this House

of Assembly itself within the last 3 years, or more than that (I do not want to go and say it is 2 years and if it turns out to be 2½, or 2 years and 2 months, I will see the Leader of the Opposition jumping up and saying I should resign because I said it was 2 years and it is really 2 years and 2 months. The only word that drops from his mouth now is resign. He wants everybody to resign) more important than that, this House of Assembly actually passed a resolution, I believe it was, for some \$10 million to lend to the Severance Payments Fund because the Fund was experiencing difficulties. This is common knowledge throughout Barbados because this is a public forum. Up to this particular date, I do not think the Fund has been able to repay that particular loan. It was common knowledge to Members of Parliament, including the Honourable Member for St. Philip South and members of the trade union movement who are Members of this House that the Fund was in difficulty. Indeed, there is representation from the Union on the Board of the National Insurance agency which has responsibility, I believe, for administering that Fund.

There is nothing hidden from anybody about the state of the Severance Payments Fund. As I recall, there was a report called the Pelikanos Report which made reference to the problems in national insurance, including the Severance Payments Fund. So it was well known. I do not know what is this "fundamental principle" and issue that could cause a Member to resign on that particular point.

Sir, it goes further than that, because at 2 meetings with the Coalition of Trade Unions on October 11 and November 1, 1991, I have only been able to research 2 so far, Sir, the issues of the restoration of unemployment benefits and severance payment benefits were raised. Certainly at the latter meeting, I referred to the condition of the Severance Payment Fund that is under the National Insurance Scheme. The Honourable Member for St. Philip South was present at those meetings and would have been in a position to know that the issues were raised. But now he comes and says that the unions were never told about the state of the Severance Payments Fund.

Sir, I move on to the next "fundamental" point of difference causing the Honourable Member to resign. He indicated that there were 6 meetings, again his count, with the private sector and that I never told them they would have to pay increased stamp duty and import duty. These are all fundamental matters of difference that I did not tell the private sector in spite of having 6 meetings with them.

Sir, I held a meeting at Dover Convention Centre to brief public and private sector representatives up-to-date on the economic situation in Barbados. That was August 22, 1991. At that meeting I referred to Government's borrowings, the foreign debt and the consequential repayment obligations and the fiscal deficits. I then indicated that the objective of the Government and the

national objective was the reduction in the fiscal deficit to about 1% of the GDP by reducing Government expenditure and increasing revenues.

I plead guilty, Sir, that I did not tell the private sector or any other sector that stamp duties and import duties would have to be increased. I believe I would have needed my head examining if I had disclosed that. I believe I would have needed my head examining if I had gone and said stamp duties and import duties would be increased. — 9.45 p.m.

Let us go through the scenario. Let me take the business people out there. If I had told them that those duties would be increased do you think they would have been ecstatic that the increases were being imposed? But that is not the point that I am making. The point that I am making is that if I go and disclose what would be the taxation measures and movements in indirect taxation, what do you think would be the reaction of that class? What do you think they would do?

Asides.

Rt. Hon. L. E. SANDIFORD: Let me make this point. Fore knowledge is useful. I heard some talk about Profumo. But I also remember a Chancellor of the Exchequer in Britain by the name of Hugh Dalton who went and, quite innocently I believe, disclosed some part of the imposts that were to be made in the Budgetary Proposals, and which became Budgetary Proposals. He, the Labour Chancellor of the Exchequer had to resign. These matters now raised formed part of the intended Budgetary Proposals, and subsequently formed part of the Budgetary Proposals in Barbados. I am not, and will not be, caught that kind of trap. But that is a "fundamental" principle.

Sir, let me move on to another reason given. And one of those fundamental principles, or one of those reasons, however it is stated, is that changes in the Letter of Intent were made when I was absent from the Cabinet, out of the country. I am not questioning that decisions would have been taken when I was absent from the country, nor am I disclosing Cabinet business here. I have a responsibility, under the Official Secrets Act in this particular area, and under the conventions of Cabinet Government. But what I would say is that the major decisions relating to the withdrawal or the continuation of concessions, after representations by the manufacturers, and in respect of severance and unemployment by the Coalition of Trade Unions, were made when I was present at the Cabinet. I cannot really see what this particular point is. It is a non point! No substance at all to it! And if that were so, I would have thought that it would have evoked a call for resignation a long time ago when the action was being taken. Sir another point advanced was that the

Inter-American Development Bank, the World Bank and the International Monetary Fund have no confidence in me. And that is given as a cause for resignation, a fundamental point of difference!

How does one refute such a statement? Or how does one make that statement? On what basis? I would only say that he should produce credible evidence.

Aside.

Rt. Hon. L. E. SANDIFORD: I can hear the Member for St. Thomas telling me – because he will tell me outside, no matter what he says here, no matter what he says on the Floor of the House, he would tell me use the word credible with it – Credible evidence to establish that those institutions have no confidence in me.

What I do know, Sir, is that I have just been able and this country has just been able to conclude an Agreement with the International Monetary Fund that contains in it features that other countries would have welcomed. We had an inflow of resources up front, substantial amount of ...flows up front in that particular agreement.

But the point I am making is, Sir, that we have been able to conclude Agreement with that particular body, and also with the World Bank and the Inter-American Development Bank. The World Bank and the Inter-American Development Bank are themselves poised to participate in our programme of adjustment.

Asides.

Rt. Hon. L. E. SANDIFORD: Oh yes, I am very careful. I choose those words carefully. Not like others, sometimes they speak and the words drop out.

And then, Sir, I am not sure if this is a fundamental difference, or what it is. I heard that the Front Bench, my colleagues, my Ministers have no guts – I will have to ask the Minister of Health to examine that – they refuse to stand up and be counted. I am not sure if that is a point on which resignation took place. I do not know.

He castigates his former colleagues and tells them they have no guts, and in addition that they have no spine. One would have to be in a very sad state not only to have no guts but then to have no backbone as well. That is a serious, serious...I do not know! But to castigate your colleagues, with whom you recently sat, in those terms is really a remarkable exercise.

Then, Sir, we even talked about dances – these fundamental problems – that the DLP dances are not supported! But the irony of this is that in the not too distant past there was a dance held – you do not believe I know about dances too, I know about those too – at a place

called, I think, the Victoria Sports Club. There is some place called the Victoria Sports Club in St. Philip, and I went.

9.55 p.m.

Sir, the Member for St. Philip South. was the chief cook and bottle washer at that particular dance, Sir. I attended to support the effort; and I went independently, and as I was parking to go into this dance, I saw the Member for St. Michael North East who was also there independently, and we joined the other 12 or 14 people who were there at this particular function. Now what conclusions do you draw from the fact that a dance is not well attended, or one dance is not well attended. Sir, I don't think there is any major conclusion you can draw from that. Then there is the number of delegates at the DLP Annual Conference! These are the reasons given, Sir, seriously on national television for resignation, or the background against which a decision is taken. The Member for St. Michael West, I think, heard that 250 persons only were present. But he got more votes for the position of First Vice President than the 250 delegates that were said to be there, and there were others there.

Hon. B. M. TAITT: Sir, on a point of order, I am not sure of the implications but just in case there were over 240 persons the votes I got were all legitimate.

Rt. Hon. L. E. SANDIFORD: Sir, these are the reasons advanced for resignation from a Cabinet! The only thing we can do is to deal with them in this particular way. How else are we going to deal with it when it is untrue? It is a delegates conference and there are more than 500 delegates who attend those conferences. And on that particular occasion there were something like 567 delegates present. I am going to put it on the record just as everything is put on the record. Apparently people like to make criticism of me or of my Government, but don't like to know when we reply.

Another fundamental point raised was how projects are stopped. Sir, it is well known that the capital projects in this country were stopped as part of the expenditure reduction process, and the methodology was that those projects which were locally funded would be stopped, and that included projects such as the St. Thomas Secondary School, the Sherbourne Centre and others. But projects with a foreign component we tried to see that these would continue for as long as possible. So there was no stopping of work on the gymnasium, work continued on the gymnasium and on other projects as well. I think some work continued on the headquarters for the Ministry of Education. There were projects going on and right in St. Philip the Member should know that there was a housing project going on in Church Village, St. Philip, which is still going on and we are concerned about how these projects are stopped.

Sir, I don't know there is anything else. Oh, there was something else about a loan, a fundamental principle, some big loan of \$200 million! It is true, I was out of the country. Now that Member, the Member for St. Philip South, was acting as Minister of Finance and Economic Affairs. Every time I left this country up to the time that he resigned, I put him to act as Minister of Finance and Economic Affairs with the full powers of the Minister. He comes here and talks about a loan, some offer of \$200 million. This is the background, Sir. Somebody telephoned the Ministry or telephoned him or telephoned somebody, I don't know, offering over the telephone a loan of something like \$200 million. When it was checked out the person offering the loan was a dentist and when asked what are the banks he would be dealing with could not and would not and did not supply any information. He simply said it is a reputable bank either in Switzerland or England, he could not say the sources of the funds. There was no substance to the offer. I am sure that the Member for Christ Church South and the Member for St. Peter might be able to indicate that there are these kinds of offers which are made from time to time, and there is a file which has been dubbed as the Santa Claus file on which these unsubstantial offers are made. There are a whole lot of them, Sir. I am certain you can find some more as well.

Sir, those as far as I can recall are the arguments given by the Honourable Member for resigning from the Cabinet, and I redly must apologise to the House that I had to use this occasion to respond in that particular way to the charge. I think we would expect more substantial arguments, and it does not really give me any pleasure or satisfaction to know that a colleague has had to fish around for arguments of that kind to support an action. Any time that I find I am not comfortable with what I am doing in the Cabinet I will resign, and that is true of all Members on the Front Bench. They are not spineless people or people without guts. We are talking about people who have committed themselves in some significant way, very significant ways to public service in this country. But apparently we believe that the purpose of politics is to try to pull down everybody in this country, and to try to mar or ruin their reputations, and then we wonder why we may be having the problems that we are having.

Sir, he has called for us to stand up and be counted. Let me say, Sir, we have come to the end of this debate and we have dealt with the particular issues facing the country.
10.05 p.m.

I commend the Resolution that we are debating, Sir, to this Honourable Chamber. Let no one think that the only way you can have achievement is if you are looking for indicators going up, but one also has to manage in times of adversity. It is an achievement to seek to contain and control the situation and to get the support of others both

inside of the country and outside of the country, whether as individuals or groups, to lend support and assistance in the programme. The kind of glib lawyer tactics that we have by taking a word...Sorry, Sir, I believe that I see some lawyers over here as well in this Chamber. I will change that word. It is a cheap approach to try and pick out a word and to play around with it in order to hang a debate and hang a person on it.

Aside.

Rt. Hon. L. E. SANDIFORD: Sir, I think that those appeals are for those who might be carried away with the specious surface arguments. But I do not think that they will carry any weight in this particular debate. I have great pleasure, Sir, in moving that this Resolution do now pass.

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

The question that this Resolution do now pass was put and resolved in the affirmative with the House dividing as follows:

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

NOES: Mr. H. deB. FORDE, Mr. D. A. C. SIMMONS, Mr. O. S. ARTHUR, Hon. H. B. St. JOHN, Mr. L. R. TULL, Miss B. A. MILLER, Dr. R. L. CHELTENHAM, Mr. DeL. O. BRADSHAW, and Mr. R. C. EASTMOND. – 9 Noes.

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, at this late hour, I think all we should do is to adjourn this sitting which I now do. I beg to move the adjournment until Tuesday, April 28, 1992 at 12 o'clock noon. May I also say at this time, as I said last week, that I express my thanks to everyone including the support staff and those who are not on the staff but who were on duty here for these few days.

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

The question that this House do now adjourn until Tuesday, April 28, 1992 at 12 o'clock noon was put and resolved in the affirmative and Mr. SPEAKER adjourned the sitting accordingly.
10.10 p.m.

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TUDOR, Mr. J. O. (St. Michael East)
TULL, Mr. L. R. (St. George South)
WALKER, Hon. C. V. (St. George North)