

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 - 96

HOUSE OF ASSEMBLY

Tuesday, August 24, 1993

Pursuant to the adjournment, the House of Assembly met at 12.25 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.R, (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

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

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

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

Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Trade, Industry and Commerce)

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

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

Mr. O. S. ARTHUR, M.Sc. (Econ.) (Leader of the Opposition)

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

Hon. C. V. WALKER, J.P., (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, Lands, Community Development and Culture)

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

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

Hon. D. J. H. THOMPSON, LL.B. (Hons.) (Minister of State, Ministry of Finance and Economic Affairs)

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

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

Miss B. A. MILLER

Mr. DeL. O. BRADSHAW

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

Mr. J. O. TUDOR

Mr. D. W. BOWEN (Minister of Agriculture, Food and Fisheries)

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

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Hon. P. M. GREAVES: The Minutes of the Meeting held on August 10, 1993 have been circulated. I move that they be taken as read, Sir, and confirmed.

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

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

ANNOUNCEMENTS BY HIS HONOUR

Mr. SPEAKER: I am to announce that I am in receipt of the Accounts and Statements for the month of March 1993 as prepared by the Accountant General.

PAPERS

Hon. P. M. GREAVES: Mr. Speaker, there are a number of papers that we will want to lay here early. I do not see the courier and therefore, Sir, I am asking leave

to lay those papers later in the session. And that goes for Government Notices as well, Sir.

Mr. SPEAKER: I am sure there is no objection.

Hon. P. M. GREAVES: I also state, Sir, that included among ...

PRIVATE MEMBERS' NOTICES

Mr. SPEAKER: The Honourable Member for the City.

Miss B. A. MILLER: Mr. Speaker, Sir, I beg to give notice of the following Resolution:

"WHEREAS the Honourable Member for the Constituency of St. Michael West has, in the execution and performance of the office of Minister of Health, been party to and collaborated in breaches of mandatory provisions of the Financial Administration and Audit Act, Cap.5 and rules made thereunder with respect to tenders for Government contracts and to the award of such contracts:

AND WHEREAS the same Honourable Member as a responsible Minister under the provisions of the St. Joseph Hospital Act 1989-30 has without lawful authority personally exercised functions allotted to the St. Joseph Hospital Board, established by section 3 of that Act *and* contrary to section 5 of its provisions:

AND WHEREAS the Honourable Minister has by public official statement and assertions acknowledged his dereliction of ministerial duties described in this Resolution:

AND WHEREAS the arrogation by the Honourable Minister of Health to himself of duties and responsibilities beyond his legal authority has violated the constitutional principles inherent in his functions and justifies the greatest censure:

BE IT RESOLVED that this House has no confidence in the Honourable, the Minister of Health and calls upon him to resign his office."

Mr. SPEAKER: I will just go on to make a few comments in respect of the motion but some of the comments may not necessarily be directed to the Motion itself.

First, I want to thank the former Chairman of the Public Accounts Committee for his efforts in producing his report and nothing should impact negatively on his contribution for improving the democratic process so necessary within our own system. Here was an opportunity

for Parliament to improve its image in the eyes of its constituents and somehow we came over as quarrelling among ourselves and uncertain as to what to do, rather than building trust and confidence in our institution.

I have taken most of the comments in good faith including some personal telephone calls from the legal fraternity who was represented and other comments I do not know how to describe or classify.

However, it is unfortunate that after recognising the limitations of some Members of the Committee I sought to have a group of experts who were in the island and the area at the time and with additional files of literature to conduct a session with them. However, attendance was very, very poor. Only the Chairman, the most knowledgeable of them took advantage of that. I think it is good for the public to know one or two things.

This Session was set up in 1991 and we were able to get some of the most knowledgeable people who had some knowledge in respect of Public Accounts Committees and some of the persons were Sir John Bourne, CB, Controller and Auditor General in the United Kingdom, Mr. Martin Sinclair, Secretary to Sir John and the Canadian Assistant Auditor General. We also had a member from Trinidad and Tobago and then we had from our own Barbados the Deputy Auditor General, the Principal Auditor, the Accountant General and the Deputy Accountant General.

It really did sadden me when the Chairman had to apologise at that session for the absence of all its members. That is what he said. The Chairman apologised for the absence of members at that session. Therefore it was a source of disappointment for me that I had to resort to my statement which was borne out of the concerns of some of the members of the Committee.

However, all Parliamentarians are accountable to Parliament, not only for what they do, but what they say and a decision can only be arrived at by the most extensive investigations hence the Motion before me today forms part of that machinery to deal with such matters.

I also want to say that technicalities and things of that sort would not dissuade me from fine tuning any select committee. I want to make an urgent recommendation for this Committee. It can be found in Mays Parliamentary Procedure on page 649. I will not read the whole of the contents but the headline refers to Government replies to reports and I will read part of it.

"It is now the regular practice that where a select committee has made a report relating to Government administration or policy, the Government will reply to the committee's recommendations and observations. Such a reply may be published as a command paper

or submitted by the Department most directly concerned as a memorandum to the committee".

My feeling is that had this been in place we would probably have a smoother conclusion to the whole report.

However, my decision in this matter was always predictable because in my statement I laid emphasis that the House will deal with these kinds of matters. That was the essence of the statement. Therefore, the Honqurable Member has brought a motion under Standing Order 7, quite legitimate for any Member. I would add that the previous text was not quite in order and now it has been corrected. I just only want to mention that this motion is also linked to the PAC Report. 12.35 p.m.

The Honourable Member's motion will succeed, but I urge the House, and strongly, it is my opinion, and only opinion, that the House should first adopt the Report. The motion shall now be placed on the Order Paper. Let me clarify that That second part is only my opinion in respect of the matter, it is not a ruling as such or demand, it is a wish that I may want to see, but it is again what the House may desire. However, the Honourable Member's motion will be placed on the Order Paper.

Hon. B. M. TAITT: Mr. Speaker, on a point of privilege. I wish to ask Your Honour a question. I have not myself seen the Resolution, but I heard the Honourable Member.....

Mr. SPEAKER: The Honourable Member

Hon. B. M. TAITT: I am not debating it, Sir, I am asking Your Honour, on a point of privilege. The Resolution which I heard the Honourable Member read had a statement in it which is not true. I wish to know

Asides. ~

Mr. SPEAKER: Let me rule right away. There cannot be a challenge to a ruling from the Chair.

Hon. B. M. TAITT: I am not challenging it, Sir, I am just

Mr. SPEAKER: Neither can there be any interruption as such.

FIRST READINGS OF BILLS

On the motion of Hon. P. M. GREAVES, seconded by Hon. E. E. GREAVES, the Supplementary Appropriation Bill was read a first time.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of the day's sitting.

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

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

ORDER NO. 5 - FURTHER CONSIDERATION OF THE CONSUMPTION TAX (AMENDMENT) (NO. 2) BILL, 1993

Dr. R. L. CHELTENHAM: The measure under discussion, Mr. Speaker, has vast implications. As I understand it, Barbados is regarded as a closed trading system, as it were, characterised by licences, quotas, negative lists and non-tariff restrictions of many sorts.

What this Bill intends now, is to in effect, place the import goods of Barbados into 3 lists and remove in large measure the non-tariff restrictions. List A, as I understand it, Sir, will consist of goods which the Government believes can withstand the full blast of competition. List B for the most part will consist of items that are produced in Barbados and items that the Government believes for a short while only, maybe 3 to 5 years, will need protection in the form of an across the board imposition of a surtax of 100% on imports. List C will consist of some goods which initially fell under the Miscellaneous Controls Act and the Regulations thereunder which will mostly be weapons and some goods that are damaging to the environment which will continue to attract import licensing.

Mr. Speaker, this in effect means that trade in Barbados will hereafter be liberalised. Our system that has to date been described as a closed system will hereafter become an open system, and in turn that iniuaive has major implications for the Customs Act, the Consumption Tax Act and also the Regulations under the Miscellaneous Controls Act. No one listening to the introduction by the Honourable Member for St. John would have had any insight whatsoever that the implications of this measure are so vast, because his introduction was characterised, if I may say so, by both brevity and obscurity. But it is not surprising, Mr. Speaker, that the Government would treat the matter as they did in the introduction, because there is no reason to believe that this measure is in any way in the interest of the people of Barbados. It represents evidence of our continuing surrender of our economic sovereignty.

The Government must bear responsibility for this measure. But it has been a measure in large part dictated by the World Bank and the International Monetary Fund,

but not even in relation to its timing, which is misplaced, has the Government been able to exercise any sovereignty whatsoever. This represents evidence of the continuing surrender of the economic sovereignty of the country. It represents a further lash to our national pride and there can be no doubt about it that it will not in any way help employment, much to the contrary it will add to unemployment, and in so far as we have a manufacturing sector left, many of the facilities therein will either have to downsize their operations, be relocated or collapse.

Mr. Speaker, the first point of objection to this measure has already been clearly elucidated by the Honourable Leader of the Opposition, the Member for St. Peter, who spoke two weeks ago, but it is that there is scarcely any country in the world that does not protect its production in some form or other. We are being asked to adopt a model, which is supposed, to be the ideal free enterprise model, when the major planks in the free enterprise system, Japan and the United States of America, are themselves the main countries imposing non-tariff barriers against the reception of goods from other parts of the world. They are countries with large manufacturing capacity. They are countries for the most part very generously endowed with resources, and yet they have found it necessary in the development of their manufacturing, their agriculture and their economy generally to introduce non-tariff barriers. And we are being asked, as a small country deficient in resources and with a small manufacturing capacity, to open up our system to the rest of the world to the detriment of our producers here. 12.45 p.m. •

We are now into the 7th round of GATT, the Uruguay Round. It has been under discussion and negotiation since 1985-86; and one of the reasons why the Uruguay Round has not been concluded is precisely because the major countries of the world are quarrelling about the extent to which, their agricultural capacity should be protected by subsidies and non-tariff restrictions. GATT itself has been more honoured in the breach than in the observance but, nevertheless, we in our vulnerable way are expected to reduce these barriers completely and open up our system on the false assumption that once you do that the industries that survive would somehow be able to penetrate through trade countries around the world.

I submit that that is a false assumption. It is not supported by the evidence around the world. It is not empirically supported and, in addition, it proceeds on the premise which is also false that the conditions in each producing country are the same, also the market conditions and the conditions with respect to cost of inputs and cost of production. To that extent, when once we open up and withstand the winds of competition those manufacturing and producing facilities which survive those winds of competition will be able to lead us into the penetration of

markets around the world. I submit that that is false and the reason why this policy is flawed is that it is based on false assumptions which the empirical evidence around us contradicts.

Now, Mr. Speaker, the second objection on our part to this policy has to do with the introduction of a 100% surtax with respect to the items in list B. What in effect the Government is saying is that those items which are produced in Barbados and which we think need some protection for the next 3 years or so will be protected by 100% surtax across the board. I submit that that is a thoughtless policy and one which will in effect not produce the protection for some items. Some items will still fall by the wayside and on the other hand you will find that in some cases it is too much protection which will result in a loss to the consuming public.

I want to take one or two illustrations, Mr. Speaker. The result of this new policy where Tee shirts are no longer protected is that we can get Tee shirts into Barbados for US\$15 a dozen even with the 100% surtax which means that what is left of our productive capacity now in clothing - remember that the garment sector has gone from \$70 million in 1984 to \$14 million today - will disappear overnight. We cannot withstand the competition from the Asian countries, particularly China where we can get a dozen Tee shirts, even with the 100% surtax, at US\$12 to US\$15 per dozen.

So that is an illustration of one important item in our garment sector where several hundred percentage protection might have been necessary. On the other hand, there are areas where a 40% or a 50% production might have been enough to allow them to withstand the competition.

I cite further pasta produced by Catelli. It is a simple product to manufacture. 100% protection is no protection for pasta at all. We can confidently forecast that Catelli will fall by the wayside. We go further and we deal with^v an area like margarine produced by Roberts. With all the butter mountains and margarine mountains around the world in New Zealand, in Australia and in the EEC countries, 100% protection will not ensure that Roberts is not undersold and undercut to the extent that it cannot survive.

The same stricture may be made with respect to items like imported hams and several products of an agro-processed nature. The protection of 100% will not ensure their survival. There are some items that need more than 100%. Equally there were others that could have done with 40%, 50% or 60%. That is why I say that the blanket policy of 100% across the board in relation to list B represents a thoughtless policy. We needed a more discriminating and thoughtful policy with respect to list B items/

I make an additional criticism on this measure. When once you allow items to come on the market that did not come before, regardless of the price, there is a certain percentage of our consuming public that will buy those items. The result is that there will be less local production of those items and the existing facilities will become more and more unviable. What we can confidently forecast therefore is that unemployment levels will increase as a result of this measure; many of the manufacturing facilities that now remain will either have to downsize, relocate or collapse and in the end we will be adding to the sum of human woe and misery across this country brought about by the mismanagement of the Democratic Labour Party administration.

The timing of this policy with these measures is also wrong. Even if we had to reach the point where we had to liberalise our trade we should have done it when we have put our manufacturers and our producers, generally the whole productive sector, in a position to withstand competition. One of the major steps which we needed to have taken was to remove or reduce significantly the taxes on the inputs. Arthur Lewis as early as 1964 made the point that our countries in the Caribbean cannot make their way in the international marketplace unless they have access to inputs at international market prices. 12.55 p.m.

You cannot ask a producer in Barbados to compete with producers from around the world when they are having the inputs that go to make up their products at a significantly reduced price because of the fact that they do not have the taxes, the consumption tax, the stamp duty, the surtax, the import duty and all the other taxes that currently producers in Barbados particularly in the manufacturing and tourism sectors have got to pay. In addition to that, Mr. Speaker, we have to reduce some of the institutional constraints to production in Barbados and to manufacturing in particular.

We have a situation now where manufacturers are still complaining that often they have to take 2 weeks before they can get their imports cleared. Some of them are saying that we need to set up free trade zones such as we have in Jamaica and other parts of the world. But that is an issue that we have debated for 20 years and more in this country and the weight of specialist opinion was that Barbados was small enough for the entire country to be regarded as a free trade zone.

What we need is efficiency on the part of Customs. We need to have those institutional constraints removed. If a man's imports come in here on Monday there is no reason why by Tuesday, Wednesday at most he cannot be cleared. But to ask a man to carry that extra cost of having tonnes of raw materials tied up in the Port for 2 weeks,

sometimes more, sometimes slightly less is the height of inefficiency.

We cannot begin to be serious about putting the productive sectors on a footing whereby they can have a chance to compete in the world unless we get our fiscal fundamentals right and unless we remove some of the institutional constraints that presently hamstringing them.

There is another point which we need to make in relation to the fiscal fundamentals. As I understand it, the consumption tax which has grown in this country to record levels is an ex warehouse tax. The manufacturers are saying - and I think we will all agree that it is a valid viewpoint - let them pay the consumption tax at the Port. When they pay it ex warehouse it means that it becomes a tax on energy, it becomes a tax on wages, it becomes a tax on the whole production process and it adds to their cost.

I find it difficult, Mr. Speaker, to understand why is it that the Government is regarding this as a major policy initiative which will help to refashion economic activity in Barbados and make us more competitive, more prosperous in the long run when the basic assumptions on which the policy is structured are false, when the empirical evidence is that this model will not work and does not work and when we know for a fact that it will add to our unemployment levels...

This very same policy measure in terms of all its essentials was introduced in Trinidad and Tobago. They had one or two of the fiscal fundamentals in place before it was introduced. In addition to that they have a bigger production base than Barbados and the energy costs are very much lower than in Barbados. In fact our producers have a problem that the primary costs of utilities, insurance, energy and so on are much too high in Barbados. And notwithstanding that advantage the evidence in Trinidad and Tobago is that the economy in terms of the productive sectors, so far as you can measure the impact of the trade liberalization, they are worse off than they were before.

I have no reason to believe that we in Barbados would be better off. If the Government is to lead the way in promoting efficiency in the productive sectors, the Government must take the lead not only in reducing and removing the institutional constraints but in getting our fiscal fundamentals right. Until the Government does that the Government is not seriously addressing the problem of increased production and increased output leading in turn to increased foreign exchange and to the alleviation of our balance of payments situation.

But there are other measures which are necessary if the Government is serious about addressing the problems in the productive sectors - manufacturing, tourism and agriculture. It has got to do with ensuring that

the purchasing capacity of our people is immediately increased. You need a viable home market. At present things are flat in Barbados not because there is no money, in some respects there is still money as is reflected in savings in the banking system, but there is no confidence and too many of our people are out of work. The Government has got to address the question of getting back some purchasing power in the Barbadian economy.

But I am concerned about some other matters which I think the Government need to tell us about. How are we going to avoid dumping? When we have opened up our markets as this measure will do, how are we going to avoid dumping, that is to say countries exporting to Barbados below the cost of their domestic production? It has been a long standing technique employed by exporting countries for centuries, how are you going to avoid it? How are we going to avoid the false invoicing that is so much part of modern day international trade.

The experience of Trinidad and Tobago is that the cheap T-shirts and garments from the Asian countries has so undersold their market that they are now invading the Barbadian market and they believe, and I suspect with good reason, that a lot of the goods that are coming to them are dumped goods produced below the cost of domestic production in the countries in which they are produced. And also that the invoicing is false.

But we have another problem which we must address if we are serious in this country about giving the manufacturing and the productive sectors a new opportunity. It has got to do with the absence of a harmonized exchange policy in the region. It has got to do with the fact that Barbados is a kind of oasis of stability in an expanding desert of devaluation that whilst our dollar exchanges \$2 to \$1 with the United States, there are countries in the region competing with us where US\$1 is worth \$100 of theirs or \$28 of theirs. It puts us at an enormous disadvantage. It seems to me, Mr. Speaker, that the Government owes it to the productive sectors once they are holding on to a fixed exchange rate of \$2 to \$1 to impose countervailing duties. If you do not have a harmonized exchange rate in the region and they are exchanging at \$100 to \$1 in terms of their dollar *vis-a-vis* the US dollar, then Barbados can only survive if we impose countervailing duties against those countries in the region that have devalued. Even the GATT makes provision for that. I believe that Article 19 of the GATT has for a long while made provision for that. So that we are not going to be doing anything that is not known, anything illegitimate, anything that is not sanctioned by the GATT itself, if we were to move to the point where we impose countervailing duties with respect to goods coming in from Guyana, from Trinidad, from Jamaica and from the other countries in the region, that have as a result of devaluation given

themselves an enormous advantage *vis-a-vis* the Barbadian producers.
1.05 p.m.

So, Mr. Speaker, we on this side of the House feel that for very good reason we should not and cannot support this measure. We say that we do not agree with the assumptions on which it is based. We say it is contrary to the experience and the wisdom of many countries which have made their mark in the world by protecting their producers. We say it is part of a model which has turned out to be a false model in so far as the main countries in the free enterprise system have not themselves adopted this model. And we say that in the short run and the long run it is going to adversely impact on unemployment in this country and to this extent it is not a measure in the national interest.

I want to say a little about the Barbados Labour Party in office and the period 1976 to 1986 because studies ...

Mr. SPEAKER: You cannot be very long. YOU only have one minute more to go.

Dr. R. L. CHELTENHAM: Perhaps, Mr. Speaker, on another occasion I will develop that thesis, because research has been done and it has been demonstrated that we had moved some 'way towards a sensible policy of limited free trade and limited protection and it has turned out that Barbados was the most successful exporting country in the entire region as a result of that policy. It was a policy that was undermined within months of the Democratic Labour Party administration coming to office.

Mr. Speaker, others on this side will be addressing this issue and I have no doubt that the point will be made. For now, I wish to register the fundamental objection and resistance of the Barbados Labour Party to the measures being introduced today.

Mr. H. A. BLACKMAN: Mr. Speaker, I need to speak on this Bill. I have some points that are of concern to me and I think I need to make them known.

* The first point, Mr. Speaker, is that I believe that trade liberalisation is too important a matter to be discussed in the manner in which this matter started to be discussed and it is not enough for anyone to tell me that because in the budgetary proposals it was mentioned that trade liberalisation would start at some time down the road, that all you had to do is to come to the House of Assembly with facets of trade liberalisation and expect it to be debated like that.

Mr. Speaker, the same way that you could print a document when you were making the changes to the

direct taxation system, the same way that you could bring a document on VAT, Mr. Speaker, I believe that trade liberalisation has more far reaching consequences for this country than either one of those and I believe that some documents should have been printed on the trade liberalisation setting out the disadvantages and the advantages for this country to understand what is happening. That is my first point, Mr. Speaker.

Trade liberalisation, Mr. Speaker, has been defined as where you are reducing the level or dispersion of your trade taxes. You either, Mr. Speaker, and I am not going to speak on trade liberalisation as such today, because I am firmly of the view, as I have stated at the outset, that trade liberalisation is so extremely important and the timing is so important that trade- liberalisation should form an entire debate in this House of Assembly. That is my view.

Mr. Speaker, let me say that this reduction in the level and dispersion of your trade taxes could take the form of either removing your import quotas and putting on tariffs or then removing the tariffs. But, Mr. Speaker, let no one be fooled. The idea of putting on a surtax on items as is done in this Bill is not protecting anyone in this country. This is simply a revenue raising measure. This is not protecting anyone in this country.

Let me explain, Mr. Speaker, I do not mind how many times anyone tells me that the business sector or the private sector or anyone agrees with this, all I can say is if they agree with this and they have shouted from the house tops, I will have to say "Lord forgive them for they know not what they do".

Mr. Speaker, let us be honest, trade liberalisation means liberalising trade, removing protection. So if you are liberalising trade how can you put on something that is going completely opposite to what you are doing. This first exercise is raising revenue in order that this revenue will go towards removing the deficit or helping with the deficit. Because there is no doubt that when you then start to remove your tariffs, you are going to lose a lot of money. So this first half of it is to get your revenue. Then when you remove your tariff your revenue is gone. So this is like a neutralising exercise, Mr. Speaker.

Mr. Speaker, I am going to quote today from this book. I cannot make it a document of the House but I can quote the page, the author, everything. I am not going to quote from it yet. The title of this Book is *Fiscal Policy in Open Developing Economies* and it is a document put out by the International Monetary Fund. There is a Chapter in here, Mr. Speaker, Chapter 5 - Fiscal Implications of Trade Liberalisation, written by Mr. Blejer who is Division Chief of the Special Fiscal Studies Division of the Fiscal Affairs Department of the IMF and Miss Cheasty who is an

economist in the Fund's Fiscal Affairs Department. I will get to that shortly.

Mr. Speaker, Government should state today how much revenue it expects to collect from the imposition of these measures. That is what I would like to hear. I have said, Mr. Speaker, and we have to understand that tariffs are only protected to the extent that they are higher than the domestic indirect taxes that are already on these. This point has been brought out by the Member for St. Joseph. If your tariff, or surtax, or whatever you want to call it is not higher than the domestic indirect taxes that you are putting on the persons who are now manufacturing these items in Barbados, then to all intents and purposes the 100% surtax will not be protected anyhow. 1.15 p.m.

Mr. Speaker, what concerns me as well is that the United States itself, who is probably the controlling power for IMF, IADB, World Bank, has taken all sorts of measures to defend their local people, their manufacturers, their producers. I am giving you some of the examples of how the United States itself is trying to protect its local market. The United States' President threatened to renege on a truce reached with the European Economic Community last year over Airbus and he made the threat at Boeing, which is the biggest rival to the Economic Community's airbus. America has put punitive tariffs on imports of steel from 19 countries, because it is protecting its steel making industry. America has threatened to prevent European countries from bidding for Federal Government contracts. They are protecting their own. The United States is pressing to have a strengthened section 301 procedure which would allow the United States to retaliate against any foreign trade practices that it deems unfair, not that GATT deems unfair, that the United States itself deems unfair to its own manufacturers.

Mr. Speaker, my Government is not governing because it is not choosing. It is as simple as that. What is going on today is that my Government, this Government, is agreeing left, right, centre, up, down, everywhere with everything the IMF or World Bank tells it, regardless of what effect it has on this country. That is what is bothering me. I am bothered about that. One has to be able to stand up and say to these people "Look, I can do A, B, C, but I cannot do D. I can do E but I cannot do F." Until you can do that, then something is radically wrong. That is what I am bothered about. You have to stand up and let them know there are things you can do and there are things you cannot do.

What is worse, Mr. Speaker, is what happens, when we introduce these measures, to unemployment. I believe the biggest problem we have in Barbados today is unemployment. Everybody knows that with trade liberalisation the first thing that is going to happen

is that your unemployment is going to get worse. I have nothing against trade liberalisation. Let me say that up front. I believe it is totally wrong to introduce trade liberalisation at this time.

Let me just say this. The IMF has been warned on numerous occasions not to impose trade liberalisation on countries when they are down, in recession like this one. They have been repeatedly warned. I am going to quote from this document at Chapter I - Public Finance, Trade and Development - What have we learnt. I will just quote from a particular page. This was written, as I said, by the Head of the Fiscal Affairs Department of the IMF, so he must know what he is talking about. He said here, on page 80 of this book, Fiscal Policy of Open Developing Countries, which was written by Blejer and Cheasty, two hard seeds at the IMF, and this is what they say: "Countries tend to be pressured to undertake liberalisation programmes during a general period of adjustment when financing is in short supply and the Government is trying to reduce its budget deficit." They admitted that countries tend to be pressured. They did not say countries tend to be asked or advised, they used the word "pressured", Mr. Speaker. These are people who are at the very top at the IMF.

I have nothing against trade liberalisation, I believe that trade liberalisation should be introduced when your manufacturers and the other people in your country are at a certain level and are able to withstand the shock. I believe that trade liberalisation should be introduced in your country when your employment is at a certain level, so that when the unemployment starts then you will go down slightly, by a small amount. But what is happening in Barbados today is that you have nearly 40 000 people unemployed, because they said at the end of March it was between 36 and 37 thousand and at the end of June another 2 or 3 thousand came out from school. I cannot add very much, I said about 40 000 people. You cannot kill me for 1 000. By the time you introduce this trade liberalisation, Mr. Speaker, can you imagine how many people will be unemployed by then? Can you understand it? We have to be able to say there are certain things we can do and there are other things we cannot do.

What is happening in Barbados today, Mr. Speaker, is that the Government is trying to do everything the IMF has told it to do for the last 5 or 6 years. Whether it is right, wrong, indifferent or whatever, I am doing it to show them that I mean business now, but when you operate that way you are putting poor people in real trouble. You have to decide what you can do and what you cannot do. A lot of things are being done now in a hurry so that when meetings with the IMF take place in September people can say "I did this and I did that". For 2 or 3 years they were not done, but all of a sudden you have to get everything in

place by September when you go to the meeting. Whenever you are operating like that, in a hurry, you are bound to get into trouble. 1.25 p.m.

You cannot operate that way with people. You have to sit down and analyse what you are doing. You have to sit down and realise that there are certain things that you just cannot do. There are certain things that will cause too many social problems in this country. This country cannot take any more unemployment and anything at all that increases the unemployment in this country further cannot be good for this country. Not at this time. I am talking about the timing. Trade liberalisation is very good but you have to know when to do it because most of the benefits of trade liberalisation are down the road.

This book again points out that the benefits of trade liberalisation are in the long term not in the short term and therefore when we are putting these things in place we should be, thinking about the disadvantages at the moment. You should have your economy a certain way and then you could put these things in place because the benefits are not going to accrue until down the road. But the costs are severe.

Mr. Speaker, I am going to say this. The IMF, as I have said before, has been repeatedly warned not to pressure countries into introducing trade liberalisation when they are down and out. I believe that my country at this time is down and out. The economy receded in 1991. The economy receded in 1991-92. They are saying now it is going to be no better this year than last year but we have to remember that last year it receded by 4% and you are telling me it is going to be no better this year than last year. So right now this country will be where it was in 1986 or further back.

This is no time to introduce measures that will cause people more confusion in this country. You have to understand the position that I am taking. I believe that trade liberalisation is the ideal and that it should be done at an appropriate time. If there are people who are more knowledgeable than I, warning the IMF for years that to impose trade liberalisation on countries when they are down and out is wrong, I believe that it is wrong for my country as well. It has nothing to do with who is imposing it or not. It does not matter who was imposing it or who was bringing it into place if it is wrong.

Mr. Speaker, I am going to say this. There are people in the business sector who believe that with trade liberalisation they are going to run overseas and buy whatever they want and run back. I saw an article about 6 or 7 months ago written by Rich Man, Poor Man in a Sunday paper. It was so simplistic. It is just as simplistic as people writing and speaking on the incomes policy.

There are people who believe that they have to agree with everything regardless as to whether it is right or wrong. You cannot be simplistic about certain things. You have to look at all the parameters that impact on what you are doing. You just cannot take one thing out of it and say that is going to cause an increase in competitiveness when you have so much taxes on the people of Barbados. Do you expect to pull out one thing, an incomes policy when all the reports of the Central Bank have shown that the wages and salaries in this country are not the cause of the loss of competitiveness in this Island? It is the large amount of taxes on the people of this country and until these taxes are reduced you can do everything else. If you leave that massive amount of taxation on people... The IMF and the World Bank wrote a book, *Barbados: Requirements for Sustained Development*, August 9, 1991 and said that Barbados is a high tax country by any comparison. This was in 1991. Since then could you imagine how much tax was collected from the people in Barbados?

Mr. Speaker, they are asking me what has happened to the taxes. Now I was not addressing what has happened to the taxes. All I am saying is if the World Bank in 1991 says that Barbados is a high tax country by any comparison and you have taxed Barbadians a lot more since 1991 that, therefore, it must still be a high tax country. That is the only point I was making. If you want me to explain where the taxes went or where they are going I can do that at another time. It is as simple as that. I am not going to sit and agree with anything at all unless I can see that it is beneficial to this country.

I do not believe that trade liberalisation imposed at this time can be beneficial to this country when the manufacturers who have not been already destroyed, the few that are left, will be wiped out. Mr. Speaker, that is my position. I have nothing against trade liberalisation. I believe first that it should be debated at length in this Honourable Chamber. I believe a proper document should be laid and written setting out the advantages, and disadvantages. Let me say before I go any further, I am quoting from the 2 "generals" at the IMF: They say and I am reading it from page 68 of this document:

"Trade liberalisation will have to be associated with a devaluation of the exchange rate to avoid a deterioration in the balance of payments and to alleviate the employment losses in the formerly protected import substitution industries."

Do you hear that, Mr. Speaker? I am going to read more: What they are saying here is that you either have to adjust your exchange rate up front or it will be inevitable that you have to adjust it later on. Let me read what they say here now. This was written by the Head of the Special Fiscal Studies Division of the Fiscal Affairs Department of the Fund, the IMF that is telling us to do these things. I am reading:

"If the exchange rate is allowed to depreciate immediately with the inception of the liberalisation process (and we are beginning it now) import growth will be slower and the economy wide efficiency gains from liberalisation will emerge faster implying less transitional employment".

What it is saying is if you devalue now when you are beginning your trade liberalisation it will be better for you. They end up by saying that it is inevitable. Mr. Speaker, I am sorry I did not mark these things for you. The point I am making is that these people from the IMF said that trade liberalisation has to be accompanied by devaluation either up front or later on. It has to be. They did not say "might have to be".

Asides.

Mr. H. A. BLACKMAN: Of course. I believe it because these are the people who are pressuring us to bring in the trade liberalisation. These are the same people who have to tick whether Barbados is good enough to get the loans on the international market or not. These are the people who are doing it. These are the people who we want an enhanced surveillance programme with. If you are looking forward to an enhanced programme with these people...In the Budget you said that they are going to control almost every facet of your macro economy. It is obvious. There is no country at all that has put trade liberalization in place imposed by the IMF that did not have to devalue. All through this book there are examples from Korea, Chile, everyone. 1.35 p.m.

Mr. Speaker, all I am saying is this...

Aside.

Mr. SPEAKER: Order, please.

Mr. H. A. BLACKMAN: The heckling does not bother me. The point is that I would expect that because my opinion does not gel with others' opinion that, at least, they should listen to see if what I am saying makes any sense. That is all I am saying. Listen and see if you should go down the hill and be thrown overboard like the Gadarene swine or to step back from the cliff and to say, "We are on a dangerous road." That is all. If people are determined that they are not going to sit back and decide whether we are going down a wrong road or not that is a matter for them. It is as simple as that. I believe I should sit back and see what is happening and to determine if what is happening is good for this country at this time or not. That is what I would like to do.

Mr. Speaker, just let me say finally trade liberalization is okay if the timing is right. I do not

believe that any Government should give up its capacity and its ability to choose because an old adage said "Governing is choosing and a government must have a choice." This Government seems to have no choice.

Thank you, Mr. Speaker.

Hon. W. O. FRANKLIN: Mr. Speaker, the Bill before this House is to amend the Consumption Tax Act in order to allow the payment of a surcharge on certain items.

The previous speaker, the Honorable Member for St. Philip South made the comment that trade liberalization is the ideal. I repeat trade liberalization is the ideal. But then he took objection to 2 points:

- (1) the timing of the introduction of trade liberalization; and
- (2) the point that the measure is not really intended to protect any production in Barbados but to raise revenue.

His thesis was based on those two points, that the matter was not intended to protect any production but to raise revenue. The basic one was that we seem not to have any choice and therefore the time is not right for trade liberalization. That is a matter of opinion. He also made the point that trade liberalization must be accompanied by devaluation.

Mr. Speaker, the Honorable Member for St. Joseph took objection to the Bill on 4 points:

- (1) that every country must protect its production;
- (2) he took objection to the fact that a 100% surcharge was put on some items which meant that there were certain items that were over protected and some that were not protected enough;
- (3) he talked about the timing - in common with his colleagues - is not right, that it should be done when the production is up and the economy is strong; and
- (4) that there was no anti-dumping legislation in place to protect the economy.

Mr. Speaker, before I get to the point of trade liberalization, let me make another point. Barbados for years has been one of the most liberalized places in the world for trade. Let me repeat. Barbados for years has been one of the most liberalized places in the world for trade. This is the Customs Act that comprises some 795 pages

and these are the things that come into Barbados. What we are seeking to do, and I want to make it absolutely clear, is only to deal with those items that were on licence. This whole Bill only deals with the items that were on licence before. It does not touch the thousands and thousands of items that were not on licence. I think it would take a little time for me to spend on those items that were on licence. What has the Committee decided? The Committee decided that the items that were on licence should be put in the 3 categories:

- (1) those that can come off immediately without any effect on the production in Barbados, those that we have some local production for;

Let me read those items, Mr. Speaker. List A those that can come off immediately:

Live fish, shrimps and prawns, butter fresh or salt, hatching eggs, potatoes, pigeon peas, plantains, pineapples, oranges, grapes, apples, apricot, pepper, cinnamon, clove, maize, rice flour, ground nuts, soya bean, corned beef, chocolate, bread, vegetables, tomatoes, mushrooms, frozen French fries, wine, cigarettes, sulfuric acid, polishes, pneumatic tyres, trunks, suitcases, vanity cases, brief cases, spectacle cases, shopping bags, plaques, envelopes, pouches, *et cetera*.

All of these items, Mr. Speaker, were on licence and all we are saying is that there is no local production for those items therefore there is no necessity any longer to have the red tape of people having to obtain a licence for those items and take them off.

List B is intended to be those items where there is some domestic production and as the speaker agreed, like every other place, we should protect that domestic production. The Government, after deliberation, in consultation with the Barbados Manufacturers Association, the Chamber of Commerce, the Hotel Association and everyone decided after a deliberate study that we should provide a surcharge to protect the production of these items which surcharge would be gradually reduced over the next 4 years in order to remove them completely.

Mr. Speaker, for years there has been a discussion on whether or not the protection of your local production lends itself to efficiency and improvement in production. Let us see what is happening. You are talking about a domestic market of only 250 000 people. You are saying that you should always have a manufacturing section that should survive on 250 000 people and therefore you should not, at some time, put that manufacturing section in a position where it can take on the other place and compete with it because it is well realized that as long as you have a protected manufacturing sector dependant on a

domestic market that their conditions and horizons are almost governed by the domestic market. Let me give you an example. 1.45 p.m.

Let me take an example. For years, Mr. Speaker, we have one of the best rums in Barbados - Mount Gay Rum. I know for a fact because I have spoken to the manufacturers of Mount Gay Rum before and their reply was they were satisfied with the domestic market so they never made any effort to export, Mr. Speaker. So we had a situation that a manufacturing sector that wanted and used foreign exchange because they had to bring in the bottles for bottling had no interest in generating the earning of foreign exchange because they were satisfied with the domestic market.

Mr. Speaker, if you take every one of our domestic people on this market, one of the problems that has always been argued is that the manufacturing sector would never grow up and improve if it is not exposed to competition. And it has got to the stage in Barbados where we were even protecting our manufacturing section from competition within Caricom.

What kind of manufacturing sector you had, Mr. Speaker? You had a situation, Mr. Speaker, where because they were comfortable they did not improve their technology. Mr. Speaker, recently I went to one of the most successful manufacturers here, and I would not call the name. He is one of the most successful manufacturers. If you see that production line, Mr. Speaker. The production line is that you go from here and the next step should be here, but it goes two miles down and then comes back. It is only now that that production is exposed and he has to compete that he is taking care and looking at the streamlining of it. So every study that we have made, even the last one, the Maxwell Stamp study has been saying that unless you remove that protection from your domestic supply they would never compete.

The Government has decided, Mr. Speaker, that we cannot overnight throw our manufacturers to the wolves but on the other hand we have decided that our manufacturers in order to earn foreign exchange must move themselves up to the stage where they become proficient and efficient enough to take on international competition. So what are we doing in Item B. We have said in Item B, the first thing we are going to do is provide some protection by a surcharge, phase this protection out over a 4 or 5 year period during which time you would gear the manufacturer to take on the external competition when he is ready and we have selected those items.

Let me talk about the surcharge. Yes it is true that 100% does not protect some items. Yes it is true 100% over protects some other items. But if you were to take

every individual item as we have done in the exercise and the exercise was done, Mr. Speaker, you would have a situation where almost every item under Item B would have a different surcharge. How untidy that would be. One item 30%, another item 32%, the third item 60%, one 150%, another 180%. How untidy. And we are making the argument that we must remove the administrative problems. That would simply add further to the administrative problems if you have a range of surcharges on every single item.

What we have done, Mr. Speaker, is that we have taken more or less the means and means is 100% in those and in some places it is 100 minus the GET and we have applied that surcharge. What are those Items? Those items, Mr. Speaker, were selected very carefully after consultation with the people in the private sector and our social partners.

List B items: Margarine, lard, sausages in the light of meat, other prepared or preserved meats, sugar confectionery, pasta products, pastries, biscuits, cakes and other fine bakers, prepared or preserved vegetables, jams, jellies, marmalade, fruits, fruit juices extract, lemonade flavours, spa water, beer made from malt, shandy, portland cement, flour of wheat, motor gasoline, paints, prepared glues, mosquito mats, thinners for paints, PVC, plastic bags, etcetera. And what you will find, Mr. Speaker, in that list are some local productions among that list and we figured that those local productions needed protection from extra regional sources but does not apply to Caricom goods and therefore we have drawn up these postcards. Men and boys' suits, jackets, shirts, blouses, T-shirts, suits *et cetera*. And the protection we have agreed on these is 100% surcharge on the c.i.f in most cases and some of the sensitive ones would be 100% surcharge minus the GET. So some would have 65% and the GET is 35. If the GET is 25 some would have 75% and some would have 100%.

Finally, Mr. Speaker, in that exercise we decided that there were some items that still needed protection by way of the licence system and we selected those items very carefully. We intended that this list should be as small as possible and therefore this list was restricted to agricultural produce and dangerous produce and that is the one to protect.

List C: Items still to be on licences - live poultry, pork - fresh, chilled or frozen. Meat of poultry, ham, bacon, fish - fresh, chilled or frozen, fish fillet, milk and cream, birds eggs in shells - fresh, tomatoes - fresh or chilled, onions, cabbages, cauliflower - fresh or chilled, lettuce, carrots and turnips, cucumbers, sweetened condensed milk, vegetables, sweet potatoes, melons and lamb. Those are the agricultural produce.

Now we come to the items under the oils and fats. We have lard, vegetable oil, sugar, soaps. And then

there are dangerous items that we think we should have some protection from, fireworks, items like mace, ratchet knives, spring-loaded knives. Then there is the public transport type vehicles, motor cars chassis and vessels for pleasure or sporting equipment, handcuffs.

Mr. Speaker, on those three lists, Item List A contains some 83 set of items. List B, 77 and List C, 35. So you have, Mr. Speaker, 215 items of which we have taken off 83 completely that are now free and we have provided some protection for 77 and we are keeping 35 on licence against the situation where I said earlier. If you look at the tariff book of Barbados it is 795 pages of things that are brought into Barbados. And could you tell me against that background, Mr. Speaker, that you can say this is causing a complete collapse and a terrific change in the whole trading environment in Barbados?

Mr. Speaker let me say that we are not living in a little world by ourselves. The world has now become almost like a global village and if the world is becoming a global village we have to look at the positive. We have to see it that we are not opening our small domestic market but that the world is opening its market to us and therefore, Mr. Speaker, if the world is opening its market to us we have to prepare our people to play on the world market and since the earning of foreign exchange is a critical part of the requirement for the Barbadian economy you cannot earn foreign exchange unless you are able to compete and take on people in the international market and provide goods and services that are tradeable on the international market against the competition out there.

Therefore, Mr. Speaker, the contention is that the timing is wrong. That is subject to one's discretion but nobody is denying the fact that trade liberalisation as one speaker said is the ideal. Nobody is taking any issue against trade liberalisation as such. 1.55 p.m.

The issue being taken is that (1) we are being pushed into trade liberalisation by the command of the World Bank and the IMF, and (2) that the timing is wrong.

Let us look at the timing. Mr. Speaker, I would risk to bet that at whatever time you introduce trade liberalisation in Barbados somebody will have an opinion that it is the wrong time. Therefore, somebody has to make a decision.

Let me look at the other items which are very important. The whole area of dumping. I agree that we have to make provision to protect ourselves from dumping, and it is not easy. There is some legislation on the books at the moment, but we are looking at modernising our anti-dumping legislation. Under the GATT rules if we can prove that items are coming into this country below the

cost of production in the country of origin, we can take countervailing measures. We now have to beef up the machinery in Barbados and we should be able to do that.

Let us take T-shirts. There is nobody who can convince me that T-shirts coming into Barbados at U.S.\$7 per dozen already made is not dumping. If you take the cost of the material alone, it has to be above that. I know for a fact that when you get these kinds of items coming out of China they sometimes do not cost-in the material, so it is dumping and we have to do something about it. There is no way anybody in the world could send T-shirts here at U.S.\$7 per dozen, already made up, that would not be dumping them, so we have to see what we are going to do about that dumping. We are looking at the anti-dumping legislation and very soon we should come to Parliament with something on that.

Another thing we have to do, Mr. Speaker, is to make sure that our Barbados National Standards Institution is equipped to make sure that we do not have inferior quality merchandise coming to this country, particularly foodstuff. I remember in many cases, because of the inability of our BNSI at the moment to examine all kinds of foodstuff coming into Barbados, a terrific variety of foodstuff has been coming in. Some 42 different brands of corned beef have been coming for years, about 13 or 14 different brands of luncheon meat; different brands of pilchards and that kind of stuff, and our people have not been able to equip themselves to examine in a consistent way all of the food coming into this country. We have to do something about that and we also have to make sure that we have standards for all kinds of things, like foodstuff, and right now the Barbados National Standards Institution is about to put out a whole series of standards for foodstuff coming into this country. These are the things we have to worry about.

Mr. Speaker, we have to make sure that wherever, and as far as possible, that our manufacturers have their inputs at world price, that they are able to compete with the people they are working against. We have to make sure that modern technology is made available to our manufacturers as soon as possible to gear them. We have to assist our manufacturers in producing their production technology, we have to assist them in their management in order to get higher productivity out of their work force and we have to assist them in looking for the markets where these goods can be sold.

The Bill before us is intended to address these concerns. We have to make that decision that trade liberalisation is upon us and we have to move with the trend. The Government has opted at this time, now that we are going through a complete structural adjustment, to introduce the trade liberalisation so that when you

go out we would have our people ready and willing to go. These are the things we have to do.

Let me say, in passing, Mr. Speaker, that it is a fact that all over the world the same way people are born and die, companies come and collapse and are replaced by new companies, which is not a phenomenon in Barbados alone. If you look at the United States and Canada, you will see that every day companies collapse, some of them because they are not moving with the times and some because of the change in fashion. Let us take garments. Every day people move different types of garments. A' garment company that might be producing something tomorrow might collapse today because the consumer has moved away from that, so although we have businesses collapsing in Barbados it is not something that is peculiar to Barbados. It has been going on and will continue to go on. The companies we now have in Barbados should accept the challenge and equip themselves so that they will be stronger tomorrow and will be able to take on the international arena and survive and save our foreign exchange.

Mr. Speaker, with those words I beg to lend my support to this Bill.

PAPERS

Hon. P. M. GREAVES: Mr. Speaker, I had earlier indicated that the Government would be seeking later in the session to lay and give notice of a number of documents. We have reached the point now where notice can be given of those documents.

Mr. SPEAKER: If there is no objection, then leave is given to do that

Hon. P. M. GREAVES: Thank you, Sir. On behalf of the Minister of Finance and Economic Affairs, and by command of the Cabinet, I lay the Annual Report and Financial Statement of the National Petroleum Corporation for the financial year ending 31st March, 1992.

GOVERNMENT NOTICES

Hon. P. M. GREAVES: I give notice, Sir, of a Resolution for the noting and approval of the Protocol for the Implementation of a Prices and Incomes Policy in Barbados, and of the National Productivity Board Bill, 1993.

FIRST READINGS OF BILLS

On the motion of Hon. P. M. GREAVES, seconded by Hon. B. M. TAITT, the National Productivity Board Bill, 1993 was read a first time.

ORAL REPLIES TO QUESTIONS

Hon. P. M. GREAVES: Mr. Speaker, I give notice, on behalf of the Minister of Finance and Economic Affairs, that Replies to Questions Nos. 37, 38, 39, 45, 46 and 50, asked by the Honourable Member for St. Peter, are ready. 2.05 p.m.

Mr. Speaker, I give notice that Replies to Parliamentary Questions Nos. 51, 52, 53, 54, 55, 56, 57, 58 and 59 asked by the Honourable Member for St. Michael South East are ready.

I also give notice that the Reply to Parliamentary Question No. 61 asked by the Honourable Member for St. Thomas is ready.

Also that replies to Parliamentary Questions Nos. 66 and 67 asked by the Honourable Member for St. Peter are ready.

So too are Replies to Parliamentary Questions Nos. 69 and 70 asked by the Honourable Member for St. James North. Also the Reply to Parliamentary Question No. 71 also asked by the Honourable Member for St. James North.

Reply to Parliamentary Question No. 75 asked by the Honourable Member for St Thomas is ready and the Reply to Parliamentary Question No. 76 asked by the Honourable Member for St. Thomas is ready.

Mr. SPEAKER: Is that the end of that recommittal?

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

Hon. P. M. GREAVES: I now move, Sir, that the sitting be now suspended until 3.15 p.m.

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

The question was put and resolved in the affirmative and Mr. Speaker suspended the House.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. H. B. St. JOHN rose.

Mr. SPEAKER: The record shows that you have concluded your speech.

Hon. H. B. St. JOHN: Mr. Speaker, I have the record before me. I did make a speech in here appealing to the Government and the Chair to protect the rights of

the Oppositifirt M j t a i f an hour and even if it took me half an hour to appeal to His Honour to protect the on having regard to the intention of to ram down a Resolution on this matter, tfi&fe'lire facts and that is what I spoke on. I was prepared for the worst.

The gist of what I said was that I begged to move that further consideration of this matter be postponed. If the first thing that is uttered from the mouth of an Honourable Member in here is that he is moving that further consideration of the matters...

Asides.

Hon. H. B. St. JOHN: It doesn't matter whether it was seconded or not. The point is that I rose and asked.

Asides.

Mr. SPEAKER: My rulings always go in favour of debate. I do not want to suggest that the members at the Table have acted in a wrong manner. On the other hand, I would not want to deprive the Honourable Member of any contribution. I think I will try to solve it in this way. Could the Clerk tell me what was the length of the Honourable Member's speech?

I will have to take this decision myself. It appears as if the Honourable Member had not spoken for longer than 15 minutes but apparently there is no record as to how long he spoke. Therefore I will rule in favour of the Honourable Member and I will give him 15 minutes.

Hon. H. B. St. JOHN: Mr. Speaker, I wish to commence my speech on this matter by re-emphasising some of the valid and cogent points made by the Honourable Member for St. Philip South. There is absolutely no doubt about it that it is incumbent upon this Honourable House to consider these proposals in the light of the fact that in Barbados, unlike the situation in Jamaica, unlike the situation in Guyana, unlike the situation in Trinidad and Tobago and our other partners in the Caribbean Economic Community who are undergoing a similar exercise, we are the only ones who have attempted to introduce trade liberalisation in the context of a currency which has retained its value in relation to the international trade.

The likely impact therefore on our domestic economy will be different from the impact in those countries. Indeed, in the World Bank document which has already been made a document of this House, Report No. 9545 BAR of August 9, 1991, the World Bank itself clearly recognised at paragraph 634 page 127 that the consequence of trade liberalization will be, and I am going to use their words here:

"While it is impossible to be precise the net effect in the long term may turn out to be a manufacturing sector with roughly the same level of employment but internationally more competitive, less susceptible to the inevitable disruptions in the CARICOM market but nevertheless the result may be a reduction in employment." 3.25 p.m.

It is not too difficult to understand why that is so. In a country like Barbados, as in the rest of the developing world if we take the instance of the agro industrial development that we have in Barbados, we can see very clearly, before our eyes, that the temptation is going to be exceedingly great for importers of agro industrial products to bring in products from countries in the developed world which are cheaper in price to importers in Barbados because of the subsidies that are granted by those countries to exporters, a classic example of this is the European Economic Community which is well-known, grants subsidies for the export of milk, butter, cheese, beef, wines and a number of other products.

I have just returned from a short visit to Guyana and it was brought home very forcibly to me the impact of the United States domestic subsidy .on commodities exported under PL 480 to countries within the CARICOM Community. The rice industry in Guyana is now faced with a position in which they have large quantities of rice which formerly they exported to Jamaica but because of the PL 480 grants to Jamaica the price of subsidized exported rice to Jamaica is US .04 cents a pound less than the Guyanese rice. That is a visible example of how these matters work in practice and that impact is in a country which has devastated its workers and others with a massive devaluation from \$4 Guyanese to U.S. a couple of years ago to \$125 to the U.S. and they still cannot compete with the subsidized export of rice in the United States of America. We can see very clearly before our eyes some of the impact that this is going to have.

I ask myself the question, is this worth it? Because there cannot be any doubt about it, all on that side must admit that the Opposition was right over the course of the last 2 -years in which we have been trying to warn the Government that they should resist with all of their might the effort of the World Bank, the IMF and the Inter-American Development Bank to ram down the throats of the decision-makers in Barbados their policy of unlimited trade liberalization without making sure that compensatory mechanisms are in place to reduce the impact on the Barbados domestic sector, particularly in manufacturing of garments, agro industry and others.

We say, Sir, that when you look at the range of non tariff barriers in Barbados you would see that in truth and in fact Barbados itself did not have a very large

range. As the Honourable Minister of Trade pointed out we had only 200 odd items. Certainly in our time, licences used to be granted in a very transparent manner. We set up a mechanism whereby if you could not get a licence you had an appeal mechanism. It is true that Honourable Members on that side abolished that. They preferred that you could go through the usual political regime to get it, the contact basis. But that is their style. That was not our style. Our style was these matters were to be administered by permanent officers, civil servants and if you did not like it you could appeal. Many appeals used to take place at the beginning of the system but thereafter the integrity of the system was unquestionable.

The position is that if you do not make sure that your manufacturers are protected against subsidized exports you are saying very clearly to them that you are abandoning them. That is the charge we made. I am going to make it again. The most senseless, foolish, the most destructive political and economic policy I have ever witnessed in all of my time was the policy pursued by the Minister of Finance when he came in here and took away the duty free privileges for manufacturers in Barbados on their inputs. Senseless. We told the Honourable Member then you are going to destroy, you are going to create unemployment. The Honourable Member said, Oh no, the theorists have assured me that this is the modern way of doing things. We were right and they were wrong. We have record levels of unemployment right now. The manufacturing sector has been devastated. We pointed out then that in other countries which had trade liberalization policies they never denied their manufacturers imported raw materials duty free. Subsequently, some attempt was made to mitigate the impact of this senseless and destructive policy by giving them 50% of the duties .off.

But at the present moment all of those manufacturers who are operating in the sector of import substitution still have to pay 50% of the duties. There may have been a little mitigation because under the Common External Tariff some of those, inputs have been reduced and the 50% on the reduced import tariff would mean a lesser amount than what it was. But the point is the trade regime that we had in existence which was built up over 10 to 15 to 20 years after a case by case meticulous examination of the trade protection committee and as part of a harmonized approach right through the CARICOM and which had to be justified under the Conditional Duty Exemption list. At every Trade Ministers Conference we had built up a similarity of treatment for these manufacturers. Many were rejected but all of that has gone by the Board. I say with a great degree of confidence that it is clear to me that the Government has decided in its mind that it wants to have a shrunken manufacturing sector. It wants to have a shrunken agro-industrial sector. That is the position. If that is the policy of the Government all we can do in these

circumstances is to let the public know precisely and clearly what is the consequence. 3.35 p.m.

I am not going to lend my vote to this process when I know from my experience, from all I have read, from all I have seen, even recently, that the effect of it is going to be to create more unemployment and we have already record levels of unemployment.

Mr. L. R. TULL: Mr. Speaker, Sir, at the beginning of this Session among the things the House prayed for was for us to be generous in the protection of weakness and I watched the Members of the Government while those words were being said and I wondered how they could reconcile this particular measure with that prayer.

All the speakers who have spoken on this side have highlighted the fact that this particular measure will increase the level of unemployment in Barbados and it is principally in that area that we will speak. But I am also concerned, Mr. Speaker, about a number of troubling developments in this country.

Right after the second world war there were a number of institutions that we set up as a result of the Breton Woods Agreement, the International Monetary Fund, the World Bank and GATT. And from the beginning all enlightened commentators pointed to the fact that these institutions were in essence a rich man's club and really were not intended to bring within the umbrella of equity, developing and Third World countries.

A lot has changed since then, Sir. At that period most countries like Barbados were still dependent. They were non independent countries. During the period of the sixties and the seventies many countries gained independence from the very framers of these institutions but not much has happened to change the nature of these institutions to meet the new realities.

What troubles me, particularly in relation to this, in this respect is that the Government seems almost to be like Esau, ready and willing to give up his birthright for a mess of pottage. Because I understand and the Honourable Minister can say in his winding up whether I am totally accurate, is that the Government is seeking to inflict this additional social pain on Barbadians for a meagre \$20 million loan from the World Bank. \$20 million to borrow and they must move to the drum beat of their bosses to inflict this kind of pain.

Now a lot has been said about the values and the virtues of trade liberalisation. I am not yet a convert. I have read as much of the literature of those who speak so stoutly in favour of trade liberalisation and why I say that, Sir, is because you cannot expect a second division player

to play test cricket The world is structured in trading blocs and it is structured in terms of levels of industrial and manufacturing development in such a way that those in the category of Barbados, a small country with a tiny population, industrial capacity and sophistication, that it can in no way be equal to so many other countries in the world and cannot simply play in the same league. And what we hear coming through in the debate which is true, is that even the countries that are far better endowed in the industrialised countries, have all set up a number of protective barriers among many of their goods.

I would not, Sir, seek to go through those that are already mentioned but in relation to Barbados and the Caribbean, the United States has set up and continues to set up barriers against the importation of textiles, leather goods, garments, to mention 3 from the Caribbean. It does not fit well then in the mouth of countries like the United States of America who are the leaders in this international drive for trade liberalisation to tell countries like Barbados that if you want to get money from the World Bank which they control that you have to liberalise in a way in which they themselves are not doing and where on a constant basis, if you keep in touch with news you hear so many of the industrialised countries setting up all kinds of barriers against the importation of goods in their country.

Now Barbados finds itself in this position, Sir. Not as the Honourable Member for St. Philip South said because of pressure from these institutions. In my view, Sir, the Government "are willing conscripts in this army fighting against countries like Barbados. I do not see the pressure and the Government denies that there is pressure so I can only accept that they are willingly going along to have the kind of measures such as they are asking us to support today.

Now the question of unemployment, Sir. The rate of unemployment in Barbados everybody accepts is very high with a lot of social problems ensuing. These measures will, if I am to believe those who are more versed in these things than myself, put the industrial estates in Barbados almost as deserts.

I see, Sir, that the output in garments, for instance, in Barbados in 1983 is only 22% of what it was in 1980 and whereas through the first part of the eighties we used to see large numbers of young women, thousands of them, not even hundreds, all through the industrial estates going to work and going home from work, in their large numbers, many of them working in garment factories. We see, not a steady, but a rapid decline in those numbers in recent years and I accept, Sir, that this measure will flood Barbados with a number of garments from the Far East at a fraction of the cost of what they can be produced in Barbados and that with the best will in the world the garment industry in Barbados will take the kind of savage beating that will

affect primarily those women and girls who work in the garment factory and who will be joining the ranks of 30 000 to 40 000 almost who are currently unemployed.

I am very concerned about this because the Government does not seem to understand that their economic policies must take into consideration the social fall out of those policies. They go along and they glibly spout a lot of the tired cliches that you hear in their particular aspect of the industry, the financial and economic industry. There never seems to be in recent times accompanying that, a concern, a sensitivity to the interest of ordinary people in this country for whom these policies should obviously be geared.

We have the situation also, Mr. Speaker, Sir, where in addition to the reduction of the protection for certain categories of manufacturing industry, the ones we think they should not touch. We have already an agreement in CARICOM on the Common External Tariff which I understand will reduce the protection to goods coming into the region from 45% to 35% and by 1996, I think it is, it will then drop to 20%, I am not so sure the year incorrect but in a couple of years, 1996 to the beginning of January 1997 it will drop to 20%. This seems to be throwing small manufacturing industry in Barbados to the wolves. I am not particularly stressing the point about the industry, because the people in industry have a way of shifting to other things where they can make money, but I am concerned about the question of employment and this, more than anything, is what moved me to get into this debate. 3.45 p.m.

I have read, like others, the barons of the old Roebuck Street spouting the virtues of trade liberalisation. Commonsense suggests to me also, Mr. Speaker, that in that new dispensation the people who buy and sell goods are the ones who are going to be made beneficiaries, not the manufacturers.

Aside.

Mr. L. R. TULL: As I am advised in a *sotto voce*, Sir, a lot of people buy and sell, but the people I am concerned about do not fall into that category of large numbers who buy and sell. There are certain people with special interests who are not concerned about the impact about this unemployment, they are concerned about the impact of it on profits for them.

We have a situation where the self-interest that is manifested in the international community is duplicated in Barbados. It is not altruism. The United States and the industrialised countries who want to push around Third World countries and put them in a new form of economic dependency are consciously and deliberately pauperising small countries like Barbados so that they will

continue to be dependent. We see this kind of situation also operating among certain persons in Barbados, where self-interest is the dominant factor, not altruism. People make all kinds of nice, flashy statements, but when you dig deep you see that most of it has to do with their own self-interest rather than the interest of the community. So we have, Mr. Speaker, over and over to warn the Government that we cannot be too pleased in the Opposition that we should be bringing these measures on a timetable that is obviously not that of the Government's. This is coming on to the end of August and the House has not even had a summer vacation, because the Government has to introduce this legislation before the end of the summer and we have to pay for it

Nothing that the Honourable Member for St. John said in introducing this legislation suggests to us that he wanted us to understand the full implications of what was coming before the House. I will not, like others, say that he did not understand the nature of his work. I believe he understands, but he just refuses to spell out the details to let those of us who are not normally involved in these matters grasp the significance of what is coming before us.

Mr. Speaker, this business of the removal of protection to enhance efficiency in the manufacturing industry you hear all the time. I have been hearing for nearly 25 years that if you reduce protection you make the manufacturing industry more efficient. They can only tell that to someone who is retarded, because you have to consider a lot of things in relation to that industry. If you remove protection you will destroy a number of industries. There is no doubt about that. The imposition of the heavy taxation we have been hearing that the Government made on the manufacturing industry in the last 18 months, we understand has sounded the death knell of a lot of the manufacturing industry, and this particular measure now is literally reading the last rites. You cannot take industry that is at an early stage of development, an unsophisticated stage of development, and say I am going to make you more efficient by removing all protection and suddenly overnight the industries that are struggling for survival, and working against innumerable odds, including poor equipment, poor machinery, lack of expertise in every area of the industry, will suddenly become efficient. Common-sense suggests that what is needed is a proper balance between the need for enhancement of efficiency in industry in Barbados and the maintenance of jobs, which means that you have to consider the viability of those industries. If you remove the protection and those industries die, then obviously you are going to kill off the jobs that so many low income Barbadians rely on.

I want to tie this all into the amount of pain that Barbadians are experiencing as a result of unemployment and other measures inflicted by Government. The unemployment rate is high and it is causing a lot of

disruption in families and communities right across the island. As a result of the Government's policies not only has unemployment risen but every area in the social services has been affected. There has been an increase, for instance, Sir, in the user fees and the cost of social services, whether it is telephones, water or electricity, an increase in cost that parents have to pay for books in the secondary school, or the cost for services in the hospital, the fact is that at this time there has been a significant increase in the cost of social services, not to the Government, to the individual consumers of those services and then you add on this additional burden. We hear that the Government has decided not to pay the economic cost to students at the University from 1996. 1996 is not a long way from now. Those kinds of measures which are anathema to a Democratic Labour Party Manifesto of just 2 years ago which spoke with a great deal of chest beating about free education at the tertiary level and sought maliciously, if I may say so, to say the Barbados Labour Party had plans for the ending of free university education. That was a statement that was thrown in loosely. I believe it was offered by the Honourable Member for St. John but the very Government that touted this is now saying up front because they have published it as a policy that they will be ending the payment of economic costs for Barbadian students to the University of the West Indies from 1996. 3.55 p.m.

Asides.

Mr. L. R. TULL: That is the policy that has been stated by the Government and a number of things obviously will arise from that. We will go back to the whole division between those who are privileged and get university education because of their family means and those who, although bright and able, will not be able to benefit from university education because they will not be able to find the money to pay for the university education. This is a classic case where more is less.

The Government by taking a decision not to pay the economic cost of students will as a result...

Asides.

Mr. L. R. TULL: I am saying it is the position of the Government and any member of the Government can get up and deny that it is not the policy of the Government to stop paying the economic costs for Barbadian students in the University of the West Indies from 1996. If I am wrong I am prepared to give way. I say more is less because what will happen is that the Government will retard the development of a large core of trained personnel who are needed to make the kind of progress in all the productive areas in our country. Without skilled, able and trained labour we are not going to go anywhere.

A lot of things are troubling me, Sir. Not merely the fact that this Trade Liberalisation, this new buzz word, this thing that is picked up lock, stock and barrel by persons in Government who seem not to have the courage to say to those who would impose this thing on them that this cannot be in the interest of Barbados at this particular period and therefore we will resist it. These things will continue to trouble us.

In relation to the list they say that in respect of list A there will be no protection at all, that you are out among the sharks in the international community. In relation to the list B the Government says that it will provide some protection but will impose a 100% surtax and bring an end to the non-tariff barriers that existed. In list C they say that they will allow non-tariff barriers to subsist.

Now a check by our side with the people in the industry has revealed that a number of people in business in Barbados were not up to the time this measure was brought before Parliament informed by Government as to what items would fall into one category or another. That is not surprising, Sir, because the Opposition itself, at the last sitting of the House, had frantically put a case for the Government not to proceed with this measure because the necessary documentation was not put in the hands of the Opposition. And the business people who are going to be affected in the first place by the introduction of this 3-tiered system have not been consulted. A number of them will discover when this legislation is passed - because the Government has the votes - that a significant change to their business will take place overnight without any warning in advance as to what was going to befall them.

The Government keeps talking about consultation. The Government consults in areas when their backs are to the wall. If the Unions make some noises the Government runs and patches it up, offers a few sops on either side and sorts that out. When there are certain other sectors of the community... The members of the Government are as rattled about my speaking as when the Honourable Member for St. Philip South was speaking.

Asides.

Mr. L. R. TULL: Mr. Speaker, Sir, they talk about consultation and then when matters that affect in a very important way one sector or the other come up and that sector does not have the clout nor exercises it, the Government goes and rides roughshod over their concerns and pushes through what it wants.

I am saying again, Mr. Speaker, that a number of persons involved in the manufacturing industry did not up to the time at which the Government introduced this measure before Parliament have any idea of what category their particular goods sell.

Asides.

Mr. L. R. TULL: I don't know why the Honourable Member for St. John who obviously has not done his work very well if not he would not be so nervous keeps...

Asides.

Mr. L. R. TULL: I don't need much protection from the Honourable Member for St. John. He is a lightweight in more sense than one. As I said, Sir, I have no particular brief for the manufacturing industry. It is an important and integral part of the economy of Barbados and to that extent any right-thinking and responsible citizen must be concerned about the continuing integrity of that industry. As I said earlier in this debate I am concerned about the number of low-paying jobs that are going to disappear in the manufacturing industry as a result of these measures.

Aside.

Mr. L. R. TULL: They shut down Ellerton already. It cannot compete. The printery gone. 50 or 60 young women from the printery in Ellerton, in the heart of my constituency, gone. These measures will make sure that a lot more go. Instead of seriously considering these measures I am subjected to the constant heckling from the Honourable Member for St. John.

Mr. Speaker, I am going to stop at this point because the point obviously that must not be missed is how does this particular measure affect employment in this country. I am advised, Sir, that this measure will result in increased unemployment among the lower income people in this country and it is a measure that needs some more consideration and I would find extreme difficulty if what I say is the case to give it my vote, Sir. Thank you very much.

Mr. R. L. MORRIS: Mr. Speaker, I rise to add my contribution to this debate on a matter that I consider to be vitally important to the economic future of Barbados. I wish to say at the outset that when we are talking about trade liberalisation in Barbados just as when we are talking about privatisation we need to underscore first of all that Barbados has been the free enterprise country *par excellence* in the Caribbean and perhaps in the world.

When we talk about privatisation in Barbados, there is not much to privatise because Barbados has always been a private sector country. There is not much nationalisation. When we talk about trade liberalisation, trade has always been liberal in Barbados and that is a fact. Compared with other countries, we do not have any real regimes that block services or free movement of goods throughout our country.

As I understand it, the basis of the discussion is about privatising or rather liberalising further certain areas that might have been unlicensed. That is all. In fact, there are several things that have never come under that kind of regime in our country and they remain as they are now. When we look at those that are being further liberalised they can be put in 3 categories as I understand the Minister of Trade to have spoken. 4.05 p.m.

In List A we are talking about a number of things that, quite frankly, for the Barbadian consumer 'are best taken off licence, a number of things that if they come into Barbados cannot threaten anybody in manufacturing but will give a boost to the distributive sector and will help the pockets of Barbadians-, hopefully, in getting these things cheaper. That is List A.

In terms of List B there is an area where we have some productive capacity in Barbados or within the wider CARICOM and we must remember that we are moving towards a single market in the Caribbean. Hopefully, we would not always be talking about a Barbados market with 250 000 souls, but not all of them buying and trading souls because a lot of them are old people and a lot of them are children, a very, very small market We are hoping to move to a CARICOM market and therefore we are talking about an entity that might have 10 million or 12 million people, if you are talking about the wider Caribbean. If you are talking about the more limited Caribbean you might be talking about 6 million people. Those you are going to protect by putting on a surcharge. Hopefully if the unit cost of the goods produced locally, that is in Barbados or in the Caribbean is at a reasonable level, if unit cost of production is restrained because of your factor input costs, then this surcharge would be sufficient protection.

Our manufacturers would have to consider that even with protection by a surcharge, and they still cannot compete, then that tells them something about their productivity levels and what they are doing. But the fact is that you are providing a certain level of protection and at the same time you are signalling to them that in order to compete in this world you have to get your house in order.

As I understand it the third group will remain on the licence system, agricultural products, et cetera, and some other things which would mean that we in Barbados would have to continue buying expensive products as consumers because of the protection in that particular area. That is a fact. We are willing as consumers to keep buying things that are very expensive in order to make sure that those who produce them here have a livelihood. That is where the sacrifice will continue to be made.

Within that broad framework of understanding of what we are doing here, why do we have to get into all of

this hyperbolic talk? Let us look at the origin of all this. There are 2 streams of intellectual thought in the Caribbean about the role and the presence of the IMF. One stream sees them as a group that is intervening that should not come in and that is totally bad. Another one sees them as a group that comes in only because you need them and that when they come in they bring a lot of positives by the expertise that they can offer to the countries by the surveillance and the guidance that they can give. Those are the two competing views. You can either see the IMF as a big bad wolf come bounding into your country, getting on as they wish and destroying everything or you can see them as a group that you invited to come in and that if you did not make the changes that they gave you, you would have to make them yourself anyhow but at least they give you a regime in which you have to do it because there are certain conditionalities attached to not doing it. You take your pick how you want to see the International Monetary Fund. As far as I am concerned the International Monetary Fund did not come and plant itself on Barbados but Barbados and several other countries in the world asked for their assistance.

Secondly, my view is that if Barbados and other countries like Barbados were able to introduce their own programmes similar to the International Monetary Fund programmes they would be a lot better off as countries than they are now. I am saying that sometimes that discipline that is imposed from outside should be imposed from inside. If we can generate that capacity to do so, we would be better off. I do not want to get emotional on these matters. As far as I am concerned the International Monetary Fund is an agency with a particular role to perform. And yes this is part of the policy that the International Monetary Fund would have recommended for structural adjustment for Barbados. It is a package that they are going to introduce all over the world and it is intended to bring the Barbados and CARICOM economy in line with international developments.

All those people who are walking about in 1993 with a 1950 approach to life would have difficulty in convincing anybody that they are real. The facts of 1993 are that we are into world restructuring, global restructuring. You are talking about the forward march of the European Economic Community and all that that will entail, an initial market of 250 million widening to 350 million. If they are able to capture the former Russian countries and so on, you are talking about a market of 850 million people. If you think that is going to be business as usual whereas in the rest of the globe we have the United States of America, a market of 250 million joining with Canada, joining with Mexico another huge market and then the Pacific Rim grouping, then you are shortsighted and, if we think that we are going to be operating within that reality after 1993 by dealing on 1950 and 1960 understandings of where we are, I think we are doomed to failure.

The question is, can Barbados set up a regime that is different from what the rest of the world has? Do you think that those who govern the world and who control the world will establish a particular regime concerning the movement of goods, because that is what we are talking about here now, across the world, and that we can stand by and say we are not part of that? We have to get the same terms as America, we have to behave like how the Americans would behave and so, if the Americans are getting on with protectionism we have to do it too. But who sets the terms on how the world behaves? Let us understand these things. Let us be realistic. America is now the only economic super power in the world and the major military power. All that is wrapped up in the United States of America. Do you think you can really sit down and dictate terms for the United States of America? Do you think that 250 000 people, no matter how strong our polity is, can dictate the terms of how trade operates within the world? We have to understand that. To do that is not to beg. To do that is not to take everything the IMF is giving. I hear people say that this Government takes everything the IMF is pushing at us. That is a lie because the IMF and the other international bodies would want us devalue. We have not devalued. One of the only countries in the world.

Aside.

Mr. R. L. MORRIS: That is a value judgement and you know that is not true too. That is a problem you have to deal with. Unemployment is a problem you have to deal with.

The point is that anybody who says that you have been taking lock, stock and barrel what the IMF has been proposing or any of the other agencies they know that is not true. They know that the programme that has been tailored for Barbados has a lot of unique elements in it as a result of negotiation. They know that the IMF and the World Bank have not been totally happy with the fact that Barbados has had to ask them to step back off certain things. Let us be factual. We are dealing with a small nation that is able to say to these huge agencies we have a Barbadian way of doing it. But of course you do not have total negotiating power. That is the point I am making. But a lot is left to the Barbadians, how flexible they are in their approach to what has to be done. Let us understand the regime that is going into place.

I recognize that it may have some impact particularly on the manufacturing sector. I think all of us are a bit wary on what a programme of trade liberalization might mean to the manufacturing sector particularly as I believe that surcharges and so on cannot be a continuing programme. I would have to assume that the international agencies might have wanted complete liberalization, up front and one time. 4.15 p.m.

It is entirely possible but I believe that we were able to say, look we have to put a surcharge in for a particular point in time in order to protect what we have. Again that would show that Barbados was negotiating and I have no doubt that is what the surcharge is all about. The Honourable Member for Christ Church South made the point in his speech that Barbados recognised that you had to put in a little protection for our people. That is what the surcharge is. But I do not anticipate that the surcharge will be there forevermore but it is a barrier, it is cushioned behind which our manufacturers know that they have to get up and get. Because there is such a thing as the market. Let us understand that. There are some of us who do not like the market in its raw form and would like to be able to hold it and control it but as the market gets older in our analysis we realise it is less amenable to control than we thought.

Those of us who were brought up on a certain socialist thinking coming out of economic philosophy that came from the 1930's and so on - Keynesians and others - recognise that we were analysing a relatively young market, when the market was not as well-known. Now the market is becoming like a bull charging, or rather a bull elephant and the economic analysts now recognise that this thing that they were taking for granted as something that you could control by welfarism, and control by regulation and control by all sorts of different measures, does not work that way. So I think we have to be very careful how we look at the market and we need to recognise in Barbados that you can have a mis-allocation of resources by tampering too much with the market. These are things we have to be very careful about. If there is a capacity for manufacturing to exist in Barbados then manufacturing will exist.

If local manufacturing is virile and productive and competitive there is nothing in the world that will stop it from existing. On the other hand if local manufacturing is ineffective, non productive and flabby there is nothing in the world that will stop it from folding up and these are ^x things we have to understand. It is the same with the labour market. All the markets are markets. I agree with you, the same as the labour market, the same as the money market, the same as the service market and the political market. That is true. The fittest will survive and that is a fact and that is what we need to recognise.

We cannot try to do the impossible. I think we need to recognise that the world is moving away from trade in goods and commodities. The world is moving into trading in services. That is going ahead very, very rapidly. Areas that we used to consider manufacturing are now refining into manufacturing/services, combined basically.

"The world's financial market is a growing market. These are the real growing markets and we have to look at a future for Barbados. Barbados' future might be

hanging on to that financial market. Barbados' future might be hanging into that services market. That is the way we should be going and I am not saying abandon manufacturing but I am saying, readjust your manufacturing to reality otherwise reality will readjust your manufacturing. That is what I am saying and I am saying to our manufacturers, and remember, we only have limited areas of manufacturing. We are not the United States of America where everyday there is a new manufacturing area. We are talking about garment manufacturing, we are talking about furniture manufacturing, leave out rum and so on because quite frankly we are really good 'in rum manufacturing. We are tops in the world with that. But whatever manufacturing we are doing on any scale basically, such as agro-processing we have now started. We are really now at the beginning of that at a time when other countries in the world have gone through several cycles of agro-processing. We now have to catch up with them. But if you look at our markets, quite frankly in terms of garments and in terms of furniture, we all know we have a hard road to travel with them and we would not want to put anything in the way to make it worse for those who are now existing, but at the same time we have to make them understand that the reality of life is that we are dealing, if they are in furniture manufacturing, with countries that are using computer assisted designing, that are using robotisation and therefore their unit production costs are so low that they can flood the world.

Now do you think that forever you will be able to tell a Barbadian or a Caribbean person that he has to depend on a low quality fairly expensive shirt or dress when he can buy quality material, a beautiful design, at a cheap price and that is being done out there in the world. You think you would be able to do that forever? We need in all this to remember that the common citizen out there is a consumer and that common citizen as a consumer has an interest in all this too and that when we negotiate wages those wages only relate to what the common citizen can purchase and if we reduce the amount that we have to spend as money on, more is left for saving or investment so we have to be thinking on all those persons in this particular community that have special interests and to me the consumer has a massive special interest and the consumer is each and every one of us and I do not see why we should be putting the consumer behind and advancing everybody else to the front.

Every one of my constituents is a consumer and if my consumer can get \$100 a week and go in the supermarket and spend \$50 and keep \$50 it is better than if you give him \$200 a week and he has to spend \$175 because the goods are expensive whether they are coming from Barbados, or from Trinidad or from wherever. The point is that we have to understand that we are talking about macro economic adjustment but the impact of that macro economic adjustment will come down at the micro level, in

the household and in the different firms. That is what we are trying to do. There is a direct link between the macro economic adjustment that we are trying to bring about in this country and how it will impact on each one of us.

We want to be able to go out there and spend our dollar on things that are available to us, of good quality and good price and if that is going to be the spin off from this kind of measure I don't think Barbadians will be badly served. At the same time it does not stop manufacturers from getting into the niches that they can get into and try and sell. Oran and Company Limited, in spite of all the hostility to manufacturing, in spite of high prices, has never stopped giving a wage increase to its workers. Why could Oran be selling throughout the Caribbean and in America? Tell me why Oran could do that, selling in Miami and all through the Caribbean. Tell me why my friend, Mr. Roberts of WIBISCO, could be selling his biscuits all over the place. Tell me why at BICO, ice cream is now going wherever it has to go. Can you tell me why this did not happen before 3 years ago and so on? Barbados Cosmetics is another example.

There are some manufacturers in this country who know the work that has to be done. They know the work in terms of assessing the materials that they need, in training the workers, in marketing and then when they make some money, not turning it into consumer items for themselves - another big house, another big car and two more women, but throwing it back into the business. 4.25 p.m.

I think a lot of us engage in a lot of glib discussion about what is happening in our country, and there are micro stories about those manufacturers out there who are willing to work hard. There are manufacturers out there who are working hard to get into extra regional markets and to earn foreign exchange, and to keep Barbadians working. As I said, look at Oran again. Oran has a good relationship with the Union, it has its Open Days for the workers and so on, it honours its workers and it is able to move forward, because it has progressive policies. Scott or Marshall Oran will be up and down the island every week trying to sell something more. Look at Solar Dynamics.

Aside.

Mr. R. L. MORRIS: He has gone into the service sector and made an investment. He is a sensible man, he is looking to the future. Do you think he would invest his wealth in a furniture plant? There is a market out there for wind surfing and he can make some money.

I am very protective of the manufacturing sector. It employs Barbadians and there is a group of Barbadians, the semi skilled, the partially skilled and the unskilled, who will not be taken up in the financial sector if that

expands, but they will be taken up in manufacturing. We recognise that our manufacturing has to be competitive and that manufacturing can never depend on a low wage situation, because Barbados will not be a low wage country in relation to the rest of the Caribbean, but in terms of European or North American incomes, because anybody who believes that Barbadian hourly wages can get anywhere near North American or Japanese or Scandinavian wages would have to be dreaming. Our wages are high in relation to Haiti, the Dominican Republic, Jamaica or Trinidad, especially with devaluation, but those who believe that countries that have high wages are the ones that do not produce would have to be crazy, they would have to be foolish, because the countries that trade most are countries that have high wages but they have high technology and high productivity. They have high quality, they have high market access.

We have been talking about the trade policy, especially trade in goods and services, but what I wish us to move forward into, and we have to lobby the rest of the world, -is that just as GATT was structured as it should have been after the second world war, we also need that general agreement on the movement of services that we have not got yet, because I believe it is fundamental to human development. They are now thinking about it seriously, but the future is not going to be in commodity goods and that sort of thing, or the products that we are moving here, it is going to be in services, intellectual services, entertainment services and all the other services. It is going to be in technology. What we should be really concerned about is when Barbados is going to be able to access patents and the technology that we want to transform this country. That is the kind of discussion we have to have in the future, because unless we understand very clearly that the future for the country is about productivity - I have to get back to that each time - whether we are discussing trade in goods or whatever. The future of the country is all about productivity, because if we are going to sell out there, if we are going to outsell anybody, it is going to be on the basis of our productivity, but if we can reduce the unit factor cost on anything we are producing and the factors we are talking about. . . .

I heard one gentleman refer to a discussion about the relative value of an incomes policy to reducing taxation, in one sector in particular. Let me just spend a moment explaining. In any production function, whether it is a service production function or manufacturing production function or whatever, there are certain factors that go in there that will end up as outputs. The major factor is going to be labour and that is going to be paid for as wages. Management and administration is going to be paid for as salaries. The materials you are going to buy from whoever, you have to put a price on that. There is a price on your utilities, your equipment, and in most cases for equipment you are going to borrow some money and the major thing

you have to be concerned about is the interest you are going to be paying on the equipment. All of these factors have prices.

On the material you are bringing in, one of your major problems is going to be taxation, whether intermediate goods or whatever. I am saying to anybody that the major cost that any person who is into business will have is the labour cost. If you put labour in terms of the hourly wage together with the administrative labour, management and so on, that can range in Barbados from somewhere maybe about 10% up to about 60%, depending on where you are.

In manufacturing you will find that your major expenses are going to be on equipment and material and that relatively speaking you will find that your labour cost is not as much, and that because your heavy investment is going to be in equipment, your intermediate goods and so on, therefore taxation might be effective. But if you are talking about an entire macro economic system where wages would be common to every area, as against a small manufacturing sector . that might be experiencing the taxation problem, can anybody tell me that the taxation policy on equipment and manufactures is on the same level as an incomes policy in a country? You would have to be crazy to use that kind of argument. You could not have much sense. The macro economic policy that looks at wages has to be more important than a policy that looks at the kind of taxation that goes in a narrow sector, and. people who are supposed to be intelligent and who are supposed to be leading debate in this country about economic matters, first of all I think they are misleading themselves, because I do not believe they are that ignorant, but I believe they have a reason to try to obfuscate and confuse the general public.

The point is, an incomes policy is of far more importance in terms of your country's competitiveness than taxation for a small sector like manufacturing and so on. You cannot compare the two things, it is a different ball game. I am not saying that the only policy you need to change is an incomes policy, there are a whole lot of changes you have to make. Interest rate adjustment from time to time, which has been done; taxation policy, which is being changed, and so on, so when you put the things together as a package, then you realise what globally you are trying to do in Barbados.

Why are people whom we put here as legislators, who have another function of educating the masses of the people of this country, bringing these kinds of approaches that cannot enlighten or assist? Just for short term gain and for popularity? I can tell the workers of my country, and I am a workers' representative, that there are times when you have'to look at the total impact of salaries and wages, both at the macro and at the micro level, because wages have a particular impact on the economy. Wages can harm

the same labour market, as the Honourable Member for St. Michael South said, in that those who are working can push up their wages to a level that they also keep others from getting into the same labour market. All these are well known relationships, well documented by micro economic analysis. These are things that anybody who has a passing acquaintance with labour economics or any kind of economics would know, and therefore if we are in that market and we do not know how to regulate it for ourselves, then somebody else will regulate it for us and we will end up exporting Barbadian jobs to the United States of America, to Japan and everywhere else. That is all that will happen. We will keep buying their goods and services and our jobs will be going through the window.

This particular argument, although it appears to be only about adjustments in trade liberalisation, is a debate that speaks for the future of Barbados within a changing global economic situation. I will share the view of those who say there is not enough discussion in our country about these matters,' because quite frankly I think we are going through a revolutionary period in our existence as a nation, which is necessary, because the world itself is going through that same kind of change. I believe there is a lot more which needs to be discussed outside of these Chambers where a few of us speak in each other's hearing and then might be translated by the Press, depending on how generous they want to be in terms of what they project outside, but a lot of people's lives are going to be affected....

I can only say this, because I do not believe that Government itself has the role to do all of that education, but there was a time when you had a lot of youth groups where there used to be moot debates on these matters. The Press has a responsibility to discuss all these matters. The business sector is in contact with their membership all the time, the workers, can spend some time on the shop floor and say "Look, for the next hour I am going to talk to you about these things". The Trade Union has to meet its membership ongoing to report on these matters and to bring them up to date, but those who are looking only for one institution to do it clearly cannot do that. Each one of us as legislators has a particular responsibility to transmit our understanding of what is happening around us, and not narrowly to Barbados but within the Caribbean and globally, to our constituents. Whatever mechanism we use to do that, I think it is vitally important that we do so.

Mr. Speaker, I have no difficulty whatsoever in supporting this legislation. I understand its genesis. There is an old time saying, Sir, if the Devil brings it, the Lord sends it. If the IMF is really the group that is sending this legislation, the fact is we have to find out whether it is good or not for Barbados and on that decision we have to make our judgment.

I thank you, Sk.
4.35 p.m.

Mr. DeL. O. BRADSHAW: Mr. Speaker, there is a story which goes like this. A fellow was walking through the rain and after being soaked from head to toe he decided to go back home and put up an umbrella. What I am going to say is that we have waited until the damage was done to come in here. I want the Honourable Members on that side to keep quiet and I hope they will understand.

Mr. SPEAKER: I agree with you.

Mr. DeL. O. BRADSHAW: I want the Government to understand that there were a lot of problems in the manufacturing sector. The Government is aware that since 1989 that things in Barbados were getting worse. Mr. Speaker, people were losing jobs, the manufacturing sector was not performing as well as was expected. The Minister of Finance time and time again came in here with measures in order to boost the manufacturing sector and those factors that could generate certain employment and hence boost the economy. These measures could only be geared toward, not as people say, the liberalisation of trade, but bringing about or they should have been geared towards bringing about jobs, wages for Barbadians so that Barbadians could spend money and then the manufacturers in turn would be able to develop and expand their businesses. That is how I understand it.

I am going to say this. How could one really expect me to believe that by the mere allowing of competition in trade that this is good for Barbados? What madness am I hearing? Unless you have as an objective, unless a policy enables people to get jobs and to stabilise and feed their families and have money in the family to spend, this is pure foolishness.

I have heard these arguments about protecting manufacturers that is why I told the story of the umbrella situation. I do not know if the Government is unaware that a lot of manufacturers have gone out of existence in Barbados and that is why I said that something should be done. We need to find out why they went out of existence and if it is because they did not have these measures that are now before us I am saying they have come too late. I have good reason therefore to ask why it has taken the Government so long to implement some of these measures. That is what I am saying. I am asking therefore and someone will have to convince me that these measures will seek an increase in jobs and not only an increase but a significant increase in jobs. That is the question before us.

We cannot look at these measures and talk about the IMF. I am not interested in any IMF at this stage. I am not interested in the sort of jargon that I hear in here on these measures. I am interested in what it means to the

average man. I have to be in a position to articulate this to the average man in the Pine and St. Michael South East. I have a duty. So it is all right for us to be talking and having lectures on this high note in here, but I would like members to go in St. Michael South East and address this problem in the same sort of language. People want to know whether these measures have some sort of job creation in them, how are they going to protect the present level of jobs. That is what I want to know. I am not going to deal with the possible job loss because I know that is speculation.

Some manufacturers have spoken to me and they have said that this is going to lead to further job loss. I am hearing one thing coming from some manufacturers and business people and from some of my colleagues in here. Now I am beginning to wonder. In other words all of the manufacturers are not on the same wave length so therefore, if the Opposition has a different view the Government cannot criticise us or should not be criticising us but again that is its problem. We are going to say there is another side because we are hearing other sides of the story. .

We have seen situations where just 2 weeks ago a furniture manufacturer, Blair Sargeant, who used to employ over 25 persons, who was a major furniture manufacturer operating out of Bank Hall along with Hampden Furniture was, according to the newspaper last week, down to 1 or 2 people and his manufacturing plant is virtually closed. I know of a gentleman now whose house and workshop has been negotiated for sale because things have gotten so bad in the industry. He used to supply furniture to one of the leading stores in Bridgetown. Things have gotten so bad that the man's house is up for sale today. In fact it has to be sold by auction. Now that is a situation: a small manufacturer operating out of Content, St. George, his house is up for sale for \$100 000 because of the difficulty and he used to employ people in that one industry. Now the jobs have gone and he himself has to sell his house. It is true. I am the agent for the person so I am telling you a true story.

What I am saying is that I am not concocting stories. I am saying you must look at Sargeant. I know that Sargeant was one of the small businessmen who used to get orders when John Hampden went to Trinidad and sought over \$1 million in orders. He used to subcontract to people like Sargeant but now both Sargeant and John Hampden are now dead, gone out of business.

Asides.

Mr. DeL. O. BRADSHAW: Don't let me say what I would want to say . I would not say it in here but the pressure that was put on Hampden gave him a heart attack.

Mr. SPEAKER! I don't think I want you to carry the debate that way.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am just saying people who want to manufacture are under pressure from the banks. You have to understand what has happened. 4.45 p.m.

It is a pity when you had a furniture manufacturer having over \$1 million in contracts overseas, a man who went into the extra-regional market, sought business in the extra-regional market and now today, the man was doing well, a leading manufacturer and now today, a couple years after the business is now closed.

We are talking about trade liberalization. You are making it possible for Barbadian manufacturers to compete. Yes. That sounds well. But what I am saying is that a stitch in time could have saved nine. I do not know if it is not too late for some people who are presently going through the hassle of trying to keep afloat whether these measures will save them.

I am going to say this. We talk about wages. I know and some other Members from that side know of the story of Coopers. Coopers used to operate in Barbados doing sports gear. Coopers left Barbados and one of the reasons given by Coopers for leaving Barbados is the high demands, of wages on that firm. These are things that we have to look at. We cannot ignore these facts. A question of labour. Over the years the trade union movement must take some blame for this too. While it was okay for the unions to look after the interest or to demand proper wages, I am saying and it cannot be denied, it is a fact that some of the reasons that were given by these people was the high wages. I am going to say this without any fear. I am not afraid to say it. I feel that you could have had a more analytical approach in the past in dealing with some of these problems. I have a lot of respect for the Honourable^k Member for Christ Church South and his approach because I have seen a different approach. As I said I can agree with that sort of approach because things have changed in the circumstances. But I am saying I do believe that there were times»when common sense was not brought to bear on certain negotiations. I said that and I remain convinced. Some of it was activated by certain motives. As I said I have seen a level of, as I said, improvement and that may augur well for the current leaders of the trade union movement. These things were problems.

What the Government is faced with and is trying to do are things that could have been done if the social partners had sat down, put their heads together and understand the reality of the situation and come up with a solution earlier. We are forced into this situation today. Why .should we be forced now? The social partners

are now agreeing to something. What on earth caused them to have waited so long to do this? They waited until the country has lost the lot to try now to recover or to try to balance. I tell you there is something wrong. Where was this thinking before? Everybody was thinking in terms of strike and all this sort of thing and wages and conditions which could not be met. A lot of people have gone out of existence.

I am interested in the level of jobs because I know what it means. We can talk about all these measures in here and if it does not redound to more jobs we are going to have the same problems in this country. The attitude of people will not change. I want to see a change in Barbados. I want to see these changes and I want to see changes for the good of this country where we can alleviate most of the unemployment problems in Barbados. If that is the objective then I am supportive of this or any similar measure. But when no one can convince me that these measures are going to lead to additional jobs, I have my reservation and my concern about them. I must be satisfied. It is alright talking about introducing measures but the effect and the results of the measures are what I am concerned with.

Mr. Speaker, it is quite alright for people to talk. I listen to people. I am often up early on mornings listening to people. They are calling and they are asking me to help them with jobs. Not only in St. Michael South East. I have to be concerned when my constituents call me daily and approach me daily seeking some assistance in finding work. I want to know if I can say to them that these measures that are brought before this Honourable Chamber are 'measures that will see an improvement in the job situation. I want to be able to tell them that. I would be proud to say that to them. Until I can hear the appropriate Minister say something to this effect I will still have my doubts. I said I do not want to have doubts especially in dealing with certain matters pertaining to people's livelihood.

We are talking about consumer. Consumer what? Are you going to have a consumer without money in his pocket? A lot of people can go into the stores and pretend - they look like consumers - but they may be shoplifters because they do not have any jobs. That is a problem. Never in the history of Barbados have so many people been brought before the magistrates' courts for shoplifting. That: does not concern anybody in here. It is because of the lack of jobs. They are the poor people. I am saying that whatever measures, whatever is done, I want to see further incentives. I am calling on the Government not to stop here with these measures, that there must be ongoing investigations to see how best some of these bottlenecks could be removed so that these manufacturers who are on the brink of disaster or going out of existence could have a little hope and come back, and those who would like to come in would be able to do so.

I want to understand Government's policy. You are saying you are training people to be self sufficient, self employed. I am looking at it in that context. Self employment means that you are giving people an opportunity to compete. Yes. And therefore, to that extent, I would agree with the surtax or the surcharge in order to allow those people to make a living. I just say it in that sense. But we have got to be consistent and we have got to look at all of the factors surrounding this whole question. Government must not seek to feel that these are God sent measures and they do not have any fault, nobody can take issue with them. That is nonsense.

I want the Honourable Members on that side to understand that we have a stake - I remind - in this country and if they would listen they would find that we have got other views and those views are views of a percentage of the electorate and of Barbados as well. They do not have all the answers.

Aside.

Mr. DeL. O. BRADSHAW: This comes with some of your members sometimes. Not you. They do not want to hear this Opposition. But they are going to hear me. I think they are going to hear this Opposition because we are going to do the job that we know we should be doing.

If the Government can listen sometimes. In the same way you are going to listen to the social partners, you are going to embrace the trade unions and you are going to embrace the manufacturers, are you going to tell me that you cannot listen to the Opposition? You had better understand that they talk to us too. When you do not listen a lot of things happen. It is all right. I do not have to warn you. The public out there know and they are listening and if anyone wants to bring any records to me which show that a Government with over 35% wins an election, you bring them. Let me see the countries that happens in. I am saying if you want to have a chance of winning any election you will have to improve your job creation promise otherwise you will have your work cut out over there. I do not want any more hardship between now and the next two years because I am confident that this party here will form the next Government. I know that. I am confident. 4.55 p.m.

Aside.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I like to be frank. The leadership of this Party will not be determined in Stanmore at a private meeting trying to oust the leader, and the leader will not have to come in at the airport and go through the back door to catch the fellows. Not this party. Enough is enough on that. I am keeping a close watch. I will tell you what is going on because you

would not have to go up in Christ Church at another M.P.'s house and pick the Members of Parliament.

Mr. SPEAKER: All right don't let us get into that now.

Mr. DeL. O. BRADSHAW: Mr. Speaker, let me get down to it. I agree that there should be a forward march. I agree with the last speaker about this forward march. We recognise that Barbados cannot continue to operate in the way that it used to operate 50 years ago. People's thinking must change but I am saying this, that at the same time there are certain things that must be put in place and kept in place, it is the question of jobs. The pace of your economic development would depend on the level of jobs or employment in the country no matter what we do and Governments must aim at that. This is but one part. I am looking forward to seeing Part 2, Part 3 and Part 4. What I would like the Members on that side to do is to put and to recommend to its own party other measures that should be follow up measures so they will complement these and put Barbados on the right track, but don't sit down and pretend you are defending. It does not do your party any good when you defend something that is flawed or that can be improved. That is it. We would all benefit.

Mr. Speaker, I am worried about some of these manufacturers and I know some people are complaining about the protection. I want to say you have to be careful sometimes. Some people are going to want everything banned. I am not for that, but some of them have got their own agenda too. Some of them have their personal agenda, they want something banned because they want the whole hog. They want everything and I think Government in its judgement must know when to do this and not pander to the whims and fancies of some of these people. You have to keep your head on and act responsibly.

I am going to say this and I hope the Prime Minister will understand that some of these people will make money, they go for it, and when you have people with investments the first thing they think about is to protect their investment and to make money. I would like to see a policy put in place so that they could then turn around and re-invest. Don't let them make the money like what happened a couple years ago when they were given all this money back then by a former Minister of Finance, now the leader of the NDP, I don't want that. I want policies to be put in place so that these people could utilise some of the profits and plough it back into this economy. If they don't do that I hope that the Minister of Finance would understand that they were not really with it and that they were selfish in their interest.

I want to see them expand. I don't mind them making some money but I want to see them expanding and creating more jobs, so that more people can benefit from the

national cake, not putting it in the bank. Let us aim at reducing the 30 000 plus persons that are out of jobs.

Aside.

Mr. DeL. O. BRADSHAW: Oh, I said 30 000 plus. I don't want anybody getting up and saying I said 40 000. I will play safe, over 30 000 persons. I am playing fair. But we have to think about those 30 000 people. Multiply that by three and you will see 90 000 persons dependent, cannot benefit and with a population of 250 000 that is a significant number. That is how I look at my politics.

I want you to understand people are being asked in this country to pay increased bills and I want to understand ... I have to speak.

I am hearing there is a policy being contemplated to increase the rents for my constituents when I know they want work. I hope these measures bring work so they can pay their increased rents. If you are asking my constituents in the Pine and Wildey to pay increased rents I hope that these measures will bring some work for them so that they will pay the increased rents, although I don't feel they should pay it. I don't feel it should be increased. Wrong time.

Sir, I want to see work so that we can all be proud of saying we put Barbados back to work. That is the aim or should be the objective of every Government. That is the angle from which I come. I hope that everything will be done. Let the trade commissioners, all of them because when we talk about them they have a role to play too. Some of them had businesses and the business collapsed. Let them say how the business collapsed and learn from them. I know them. Two trade commissioners had businesses doing well and both businesses collapsed.

Mr. SPEAKER: That is not how I expect the debate to be conducted.

Mr. DeL. O. BRADSHAW: Mr. Speaker, I am not saying the Barbados Trade Commissioners. With respect, what I am saying is that you have to ask questions. They could* be wiser after the event. This is not attacking anybody. We can ask them what was responsible and have their inputs so that we can avoid this happening again. I am not here to criticise any individual. I do not believe in that. I am saying we learn from our mistakes and if this can be done I think Barbados will be able to move forward.

While I have my reservations about this, the intention seems okay but I am doubtful and I will remain doubtful until I am convinced beyond any shadow of a doubt that these measures will protect the level of jobs and go a bit further to create further employment so that this country can benefit within at least the next two years. When

that is done, Mr. Speaker, I think that I will say these measures were really worthy of the Government. Well, you know me, if they work I might say I support them then but I would be in Government so I will have to do some changes to them. I thank you, Sir.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, I must confess that I am heartened by the quality of the debate which has so far emerged on the measure before us, especially by members of this side. I must also confess, Sir, that I would have observed that over the years Barbados would never have been guilty of being a practitioner of excessive protectionism. I have no evidence that successive Governments of this country in the last 50 or so years would have so practised protectionism as to anger our trading partners or as to cause our trading partners to believe that the type of reciprocal arrangements that would normally ensue between trading partners had been dishonoured by Barbados. So, Sir, to the extent that I am sure that Barbados has not been a practitioner of protectionism, especially when the structure of the Barbados economy would have warranted such under certain conditions, I am not satisfied that the measure we have before us is really a measure that would redound to any great extent to the benefit of the economy, especially the productive sectors of the economy. 5.05 p.m.

If we examine the open structure of the Barbados economy, where Barbados produces very little for export but is a huge importer of goods from all parts of the world, especially from some parts of the world which sometimes sell us goods but buy very precious little in return, we are left to wonder why this thrust towards trade liberalisation when the country has been very much over time practising trade liberalisation to a substantial degree.

A question which has not been addressed so far in this debate is the extent to which the measure we have before us will have any implications for the CARICOM Agreement and the arrangements Barbados has with the other CARICOM countries in respect of the spirit and practice of CARICOM. As you are aware, Mr. Speaker, Barbados would have entered into a pact backed by a series of reciprocal regulations over time where within the context of CARICOM Barbados would have been party to a Common External Tariff which would have been designed with the intention to ensure that intra regional trade among member states of CARICOM could proceed apace nicely, indeed to be stimulated, and where indeed goods from outside of the CARICOM area would have been subject to particular imposts, to particular regulations, designed to protect CARICOM trade.

To the extent that so far in this debate we have not heard anything from Government that indicates to us how the CARICOM obligations that the Barbados Government

has would be met in view of this measure, I am asking the Government to clarify for the benefit of members of this Honourable House how after the implementation of the measure before us will the Common External Tariff be affected and to what extent would intra regional trade be permitted to go on in the same traditional spirit and practice that would have informed the intention of the founding fathers of CARICOM, and of course in what ways would Barbados, having introduced this measure, be able to continue its CARICOM obligations.

We live in a world, Mr. Speaker, where within the last 5 or so years we are hearing a lot about privatisation and trade liberalisation. Indeed, we heard today from an Honourable Member in the course of his contribution to this debate about the market place, and if one looks at the economic history of Barbados in the years since the second world war, one would realise that notwithstanding the fact that certain metropolitan countries have been able to practise a type of heavily encouraged open market type of economy; that because of the historical colonial economic past of Barbados; the notion of the market place especially with respect to how the vagaries of the market place could affect the poor and the under privileged would have been something that we in Barbados would have taken account of and would have taken steps on.

To expand a bit, Sir, in the current debate, especially in the USA, Canada and the United Kingdom, lots of politicians and economists are saying that the days of heavy Government spending are over; that the days of Government subsidies to economic sectors are over or are coming to a close; that the days of Government being a godfather to the poor are coming to a close; that the days of socialism, even Fabian socialism, are numbered, but if we look at the reality of the situation where in Barbados a significant segment of the population still remains poor, deprived and under privileged, we must ask ourselves to what extent can we leave the poor and the under privileged to the vagaries of the market place, which can sometimes be cruel to those who are under privileged, those on low income, those who find it hard to find jobs, those whose marketable skills are insignificant and such like.

I am saying, therefore, that what the Government should have done was to bear in mind that in bringing this measure to the House it should have taken into account the fact that traditionally enlightened Governments in Barbados have always been ensuring that economic policies have always taken into account the under privileged in the community, and indeed over time we have seen a situation where a number of social policies were evolved to protect poor people. I am a little skeptical as to why in this international debate on privatisation and trade liberalisation Barbados could so easily fall into a trap as though it was oblivious to the reality of its social structure, as though it was oblivious to the reality that leaving the poor

to the happenings and the goings on of the market place could very well open the flood gates to such a degree that the type of suffering we have seen in Barbados over the last 2 or 3 years would continue unchecked.

A further observation that can be made on the measure before us is that if we are going to liberalise our trade in such a way and to such a degree as to permit all types of goods, all types of imports, to come in from all over the world without checks and balances and without curbs being put on them, then we may very well open the flood gates for a situation to emerge where, if imports come in here and flood the local economy in a situation where our own exports are not growing, you might very well find a situation where increasing pressure is going to be put on the country's foreign reserves. I raise this as a challenge to caution the Government that when we enter these reciprocal and mutual arrangements with metropolitan countries, we have to be able to bargain hard, because there are times when countries like the United States of America would condemn and criticise poor countries for being practitioners of protectionism, and at the same time the United States itself may be protecting its own manufacturers and producers.

The challenge to us, as we continue this debate, is to ensure that while Barbados liberalises its trade to a degree when imports are going to continue to cost us substantial amounts of foreign exchange, we must at the same time do something to stimulate the productive sectors to get exports going, with a view to earning foreign exchange to make up for the type of losses of foreign exchange that may occur through excessive importation.

Another legitimate question we can raise in this debate is this. Even though the surtax is being imposed as a measure to cushion the effect of great amounts of imports coming in, we must also ask ourselves whether the surtax is enough of a cushion, enough of a buffer to protect the productive sectors from suffering, because with so many imports coming in naturally you might very well find a situation developing where our own producers are going to find themselves competing against goods produced in foreign countries. The question is, if foreign countries are producing goods to Barbados in great volume, and if Barbadian manufacturers and producers themselves are finding that these imports which are coming in are competing against what we are producing, if the local producers find these things hurtful, what other measures can the Government devise to protect the local entrepreneurship, manufacturers and those who export? The surtax will bring some revenue and will act as some sort of short term cushion to the effect that the competition from imports will have on our producers. At the same time, large numbers of our producers, including our manufacturers are hit with problems like high operating costs. Then clearly, if high operating costs, low levels of productivity, high

debt and other problems affect producers here, then the surtax by itself will not go far enough towards ensuring the type of protectionism which our local producers require.
5.15 p.m.

I believe too that as we look at these measures we should also raise the question as to how does trade liberalisation today really take into account the urgent and pressing needs of the economy. Among the pressing needs of this economy are (1) to fill manufacturing (2) to encourage exports and (3) to stimulate the productive sectors with the view to decreasing unemployment. We must therefore ask in the context of this debate how does this really impact favourably on the rest of the economy? In other words my suggestion in my contribution is that this by itself, even though it has implications for the economy does not take into account the wider urgent and pressing implications for this economy. We are liberalising trade but until we can show how liberalising trade can impact significantly on employment and on the national income in a positive way then we would not have satisfied the country that the measure is indeed so critical and so urgent as to be passing it.

If we look at what has been happening and this has not escaped those members who preceded me in the debate, if we look at what happens when a country falls into the trap of trade liberalisation especially when the country is deemed to be insignificant in the scheme of things in the world or especially when the bigger countries only see these smaller countries as pawns in a big international game. Such does not happen very much these days. In the days of the Cold War sometimes we could find ourselves getting benefactors and godfathers helping us with one aim which is to keep us loyal to them but in a situation where this Cold War has ended, Sir, and in a situation where there is one powerful superpower and in a situation where this superpower is able to influence satellite states, we must look closely at a situation where if that big powerful superstate believes that these little so-called insignificant states are not playing the economic game or the economic tune that they like they may very well encourage their satellites to want us down here to accept all types of goods which are not of good quality which are inferior in every sense and the result then would mean that Barbados may end up experiencing what people call dumping.

In the midst of all this, we need to hedge against dumping and we need therefore to ensure that the Barbados National Standards Institute and Customs and other agencies are well equipped enough to be able to pick up and note those goods which have been failed and disqualified in the metropolitan world and other places and which still end up in the stores and in the marketplace for consumers. We need to give every encouragement to the Barbados National Standards Institute to ensure that

goods which have no real value which have failed standards in the U.S.A. and Canada are not dumped here.

Some consumers will tell you that years ago, 10 and 5 years ago, you would see these so-called bargains for tyres advertised in the newspapers and these tyres would be selling in Barbados below market price and you would go and buy these tyres because you are poor and because the price suits you, the tyres are not that expensive and then after 2 or 3 months the tyres' usefulness has expired and as a result you have bought garbage.

As I come to the conclusion of my contribution, Sir, I would want to encourage a situation where we take steps to make sure that only quality goods come here. In the situation of an open marketplace where there is democracy it might be difficult to impose direct curbs on dumping but you still have to ensure that from the perspective of quality and value for money and in the interests of consumer rights that the imports that we receive and pay handsome amounts of foreign exchange for, which we can ill afford to fritter away, are things the consumer would be interested in.

However, as I conclude I would like to comment on the question of this measure we have before us in the context of a term we have been hearing a lot about since 1991, this term called structural adjustment and structural transformation. It seems clear that whenever countries go to the International Monetary Fund and get assistance from the International Monetary Fund, the International Monetary Fund and those that support it come up with pretty words and pretty labels. If we really look to see to what extent the IMF programme that we had in Barbados Since 1991 has been working we would still be left wondering what structural adjustment has occurred in sectors of the economy. We would have had a situation where Government would be compelled by the IMF to play a smaller role in the economy. We would have had a situation where Government spending would be scrutinised by the International Monetary Fund and the Government would have been encouraged not to waste but we would have had no situation developing where the IMF and other international institutions would have given us the type of assistance to really re-structure the economy.

In other words, Sir, if you have an economy where exports represent just a fraction of your total national income and total gross domestic product, where imports represent such a high part of your economic activity and where your country may be able to produce goods that it now imports, you would wonder where do we get our economic structural adjustments from when the economy cries out indeed for adjustment for structural transformation, for a situation to be where we maximise output of exports and where we try our best to produce and help ourselves. At the end of this programme, I would still be left wondering how much has Barbados gained apart

from the short term help under the programme that the Government has been following where by and large at the end of the programme the Barbados economy is going to remain largely open, subject to the vagaries of the international world, huge amounts of imports still coming in, doubts whether we would be able to make the best of our exports and the whole exercise would have been one where the country would have been subjected to the enormous pressure from the International Monetary Fund and its associated entities and yet the economy of Barbados would not have been transformed. A lot of sectors and subsectors that we need would not have been developed but in the process Government's role in the economy would have declined, large amounts of people would have been laid off, cost of Government services would have risen and at the end of it a tremendous amount of pain, hardship, sacrifice and suffering would have occurred and a word named structural transformation bandied about and yet the structure would not have changed. You would still have ended up with the type of economy and the sectors that we have always had coming back without being further developed, Sir. 5.25 p.m.

With those remarks, Mr. Speaker, I am deeply obliged to you. Thank you, Sir.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, I am proposing to wrap up debate on this Bill. I want to thank the Members who have spoken so far and in particular to single out the presentation of the Honourable Member for St. James North which, apart from his last point, I would consider to be the leading speech on behalf of the Opposition with the kind of substance that one could respond to because he got to grips with some of the very difficult issues that arise in relation to trade liberalization and a speech that is deserving of commendation and I prefer that modestly.

But I also wish to comment on the presentation by the Honourable Member for Christ Church East Central who, on this side, I thought also put the issues squarely where they belonged and addressed the issue of inefficient allocation of resources in an economy which is the real substance of this particular debate.

This debate has highlighted the divide on the issue of trade liberalization that is traditional in intellectual and in other fora, in the international arena the battles that small countries face as against the impact of structural adjustment programmes and the attitudes of first world countries. That is not unusual and I think that all of the issues that are relevant to that exercise have been raised.

But there have been some things said in this debate which show a glaring lack of appreciation for the fact that we are living in the year 1993. I have already had

many occasions in this House to debate the issue of trade liberalization so those who foolishly make the assertion that it has never been debated in here or seek to lead the public to believe that the Government has hidden something and is now springing it upon the public are doing a great disservice to this Parliament.

It would well have been impossible for us to have gone through the economic debate that we have gone through in the past 3 years since 1991 without, at some time, having addressed the issue of trade liberalization. The Honourable Member for Christ Church South of all people should not permit any other Member in here to suggest that he was so negligent as not to have raised the implications of trade liberalization. That is precisely what one of the presentations on this side sought to do.

But the issue of trade liberalization has come before this Chamber in many forms. The Honourable Member for St. Peter who was the Shadow Minister of Trade has raised it implicitly in several debates and also directly. The Government was accused in 2 Budgets ago, not the last March Budget the one in 1992, of subscribing to some document which meant that we were going to carry out a programme of trade liberalization and we had to indicate that no such agreement until that time had existed. But the issue was debated. The way in which trade liberalization has surfaced, the way in which we have dealt with it based on consensus reached between the Government and the private sector is in keeping with the precepts and the approaches which other developing countries have used. The Honourable Member for St. Peter of all people I am certain is aware of these approaches that are used to trade liberalization and I am certain that none of this took him by surprise.

The comments that I wish to make, Mr. Speaker, relate to the emotional questions that arose in this debate. The Honourable Member for St. George South showing a clear lack of appreciation about the true impact of trade liberalization made the point that if you add the surtax on to the other costs that Barbadians have to bear, for example, the increase in user fees, the increase in telephone rates, the increase in bus fares and all of these other costs that it would be an additional burden to them. The point is that the items on which the surtax is applicable...

Mr. L. R. TULL: On a point of order, Mr. Speaker, Sir. The Honourable Member is misrepresenting what I said. What, in fact, I sought to portray and if he were listening carefully he would understand that what I was saying is that with the other imposts, the areas I just mentioned plus the unemployment that will arise as a result of these measures the burden would be too heavy. That is all I was saying, Sir. They are 2 completely different points.

Hon. D. J. H. THOMPSON: My interpretation, Mr. Speaker, of the Honourable Member's speech is that if you add this cost - these are the words he used - on to the other costs which he then listed that this is an additional burden. But let me make the point in case anybody is confused that the items on which the surtax is exigible are items that are presently under licence. The point being that they are not items that are freely available to Barbadians and therefore unless they are items for which licences have been granted on a regular basis which have been available in Barbados on a regular basis then it would not have a sufficiently damaging impact in the short term unless the taste of Barbadians changes so substantially that they harken after those items in preference to others or unless the surtax is so low as the Honourable Member for St. Joseph pointed out as to make them more competitive than the same products which are produced here in Barbados. So that it is no additional cost unless you are going to go out and purchase these products made in other parts of the world in favour of the products which are domestically produced. That will happen in some cases.

The second point that needs to be made relates to the question of burdens on the poor. The Honourable Member for St. George South again has failed to understand that what you are really talking about in relation to the issue of trade liberalization is the extent to which you are going to protect your domestic producers, protect the level of employment or seek to keep them producing and increase the numbers that they employ as against the cost that the individual consumer in this country has to pay for goods that he purchases on a daily basis. If you can justify high levels of protection because they create jobs for thousands of Barbadians and say to Barbadians, "look you should pay \$300 more" for a good that is domestically produced than they would get it if they went to Miami or went to another part of the world, if you can justify it on that basis there may be some cases in which the argument holds water.

But in the vast majority of cases and particularly those which are affected by this adjustment, the consumers of Barbados may very well prefer to be able to purchase those goods at cheaper prices and it is the poor man that purchases them. It is not only rich people who purchase the goods which are affected by trade liberalization. If he is going to benefit by cheaper imports, some of which are of a higher quality then you have to determine as a matter of philosophy which position you are going to take, a position on behalf of the consumer or a position that speaks, almost exclusively to the question of employment.

But inherent in the argument of those who are against trade liberalization is that the taxpayer in Barbados must subsidize many of those operations. When I look at it - and I have had time and I know there are other Honourable Members on that side who know - many of them have benefitted, manufacturers in Barbados, from concessionary rates of finance from Government owned institutions,

the BDB in particular. Many of them have not paid their National Insurance contributions. Many of them do not pay consumption tax to the Customs Department and have not started to owe it now, they have owed that consumption tax from way back, in some cases as far back as 1982, 1983 and even before if you look at the breakdown of the arrears and many of them have had other forms of subsidy in addition to the levels of protection that are provided by the trade regime that exists in Barbados. When you look at their performance in the context of that, one simply has to ask whether it has, in fact, been worth it or whether at some point you do not have to signal to your domestic producers that there must be a change and that that change must come abruptly but that it is in the long term interest of the country. That change will improve their efficiency and also assist Barbadians in making sensible choices about the way in which resources are allocated in the society. 5.35 p.m.

That is what the debate, Mr. Speaker, appears to me to come down to. Some people have difficulty. They want to say, yes protect the manufacturers and at the same time they wish to say on behalf of the poor that costs are rising and spiralling and some where in between there they wish to travel both positions with equal facility. And the Honourable Member for St. Joseph is somewhat guilty of that in his presentation and I would get to that when I deal with it.

Now let me also make the point, Mr. Speaker, that I can't respond to trite arguments. A country goes to the International Monetary Fund when they have difficulties so it seems to me trite to say that the IMF pressures countries into trade liberalisation when they are down and out. They only go to the IMF when they are down and out. No country goes to the IMF to draw on their resources and seek their assistance when they are performing satisfactorily. When they are down and out, the international institutions then say, "Well, if you want our money you apply our prescriptions." Those prescriptions are by and large based on the concept those institutions have of world welfare - issues relating to the global trading relationships and a whole set of other issues.

So it is trite, Mr. Speaker, it is almost nonsensical to make a big point about the IMF telling countries that they are pressing them into trade liberalisation when they are down and out. What one can say in respect of this is that that kind of criticism is misplaced for the simple reason that in the Budget presentation in March of this year the Ministry of Finance indicated that the time period that the World Bank wanted us to implement trade liberalisation was not consistent with the timing that we thought was appropriate. So therefore we said we are not following that particular trajectory and we are going to put in place trade liberalisation at a pace that is consistent with our economic objectives.

Now that we have done it that way we are still being accused, Mr. Speaker, of being dictated to both as to the content and the time period in which we implement the policy. Now, it is well known, it is not a secret, that the World Bank's position on the Barbados economy and our negotiations with them have not, to this point been successful because their views on the structural reform and our views are not presently coincident and that has not been denied.

It was openly stated in the budget in March and it seems to me silly, Mr. Speaker, on one hand to be quoting the IMF and their principal spokespersons in support of one argument and on the next occasion, when it suits you, to say that the reason why the IMF does not have confidence in this Government is because it is not implementing the same policies that you oppose.

That is what has been happening since September 1991, that on the one hand you are told that if you don't implement the policies the institutions have no confidence in you and therefore your economy is performing badly and international institutions do not believe in you and people who are up in New York as the resident Labour Party ambassadors, writing foolishness in the newspaper every week ... I would not say anything stronger than that out of deference to the unemployed and the indigent but anyway in due course I will make that clear.

The point is, Mr. Speaker, that one has to make it clear that we have set our own timetable for the implementation of these reforms and the time table that we have set has been consistent with the discussions we have had with the private sector.

Now the private sector, particularly the manufacturers, were represented by the Barbados Manufacturers Association and I might add by the Ministry of Trade because the Ministry of Trade itself saw its role, and rightly so, as defending the position of domestic manufacturers and the Ministry of Trade did more work to ensure that those domestic manufacturers had a level of protection that was commensurate with their continued operation in Barbados.

So that any suggestion that the private sector was not represented or that the view points of manufacturers were not represented is totally without foundation and those persons who have spoken to the Honourable Member for St. George South are out of place because we sat down at several points, exchanged information and made it very clear that Government's policy would be implemented in this way and they sat down with us and there was give and take in the discussion.

They have raised concerns since the publication of the order, particularly about soft drinks, beer, jams, jelly,

fruit juices and sausages and so on and we will look at those items because their argument is that they would prefer if those items remained on licences or if the surtax was slightly higher than that which is proposed.

If we had to look at that and it is going to have a devastating effect on those sectors because the persons involved did not make their case strongly enough or Explain their position strongly enough then one could look at it. However, there are several other manufacturing concerns which have their own lobbied positions put before the Committee and which have been addressed by <way of these orders and by way of the legislation which is presently before the House of Assembly.

There are those who say that we did not publish a document on trade liberalisation. I made it clear that the matter has been raised on the Floor of the House on several occasions. The Government indicated it was implementing the policy on July 1, 1993. The Minister of Trade and other members on this side have from time to time indicated the nature of the policy that was to be introduced. The information relating to the lists, A, B, C, which eventually became part of the legislation by virtue of the Miscellaneous Controls and also the amendment to the Customs Tariff were circulated to the parties who were involved in the discussions and they had full knowledge of the way in which the policy would be implemented.

We need to make the point again that the protection that is being offered is going to be phased out over time, that it is protection which is going to continue to give your manufacturing concerns and your domestic producers an opportunity to re-tool and re-organise their production processes to ensure that they can compete effectively.

And you hear all kinds of brilliant ideas suddenly surfacing from the Opposition. The Honourable Member for St. Joseph said that the whole of Barbados should be a free trade zone and if I am to ask then why they did not implement it they would get vex and say you are the Government now so why don't you implement it. But if they had all of these wonderful intentions under who ever be the leadership, to implement all of these policies which were so critical, which were so in keeping with their concept of where the Barbados economy was to go, why, pray tell me, Mr. Speaker, did not the collective wisdom of these brilliant people see it possible to introduce the free trade zone policy, whether in selected areas or in Barbados as a whole. Why? One has to ask that question, Mr. Speaker. I have heard it before but that is the way as I have said, Mr. Speaker, that they function in relation to this matter.

Five principal concerns were raised by the Opposition shadow Minister of Trade. The first one is that there is scarcely any country in the world that does not protect its

production. So we' have not removed protection for domestic production. That point is made that in many other countries in 3 to 5 years you will find ...

Aside.

Hon. D. J. H. THOMPSON: Well I do not wish to subscribe to gambling but the trend, if he were aware of the international trend, is that many countries are going to phase out protection at a faster rate. In fact, one of the principal problems that the Government in Jamaica is having now, which has caused the political defections or whatever, is the pace at which you carry out liberalisation. 5.45 p.m.

The Honourable Member for St. Joseph said wait until the reforms have taken place, wait until we introduce the VAT, wait until the other reforms - mind you, the reforms which they previously criticised - but wait until these reforms take place, wait until your manufacturers are on their feet again, which means that the taxpayers of Barbados still have to fork out of their pockets substantial resources to rehabilitate the sector, but he says wait until that happens and then introduce trade liberalisation. My view is that you could as well talk business with the manufacturers now on the basis that either they change now and make adjustments that are critical to compete effectively, because it is not only Barbados that is going through this process, or they will be completely extinct in 5 years.

Many people in the manufacturing sector, contrary to what the Honourable Member for Christ Church South is always saying, have already been saying that Government's structural reform, that its initiatives since 1991 have in fact infected the manufacturing sector with a new move, that they are trying new techniques of production, that they are concentrating much more on the export sector and that they are looking for the same niche markets which the % Honourable Member for Christ Church East Central has spoken about.

It is nonsense, Mr. Speaker, to suggest that you can rehabHiate the sector and then at that point tell them "well, now you have to face trade liberalisation". If you are going to have a thorough-going reform process, then you have to have that reform process now, but the taxpayers of Barbados at the end of the day - I wish to repeat this point - must say what reforms they are willing to underwrite and at what cost. The sugar industry this year is already of the order of \$40 million, the direct subsidy for which may come to about between \$12 million and \$14 million, which the taxpayers of Barbados have to fork out to restructure that sector. Can we do that in tourism, manufacturing and in any other micro sector? I do not think so, so I think that we have to be frank about where we are going

to put resources and how we are going to carry out the restructuring of the Barbados economy to take it into the next century.

The second point relates to the issue of the 100% surtax, or the way in which the surtax is calculated. The Honourable Member for St. Peter, in the only point in which he made of substance other than the revenue implication, is that to have the surtax calculated at 100% in respect of all of the items which appear on the Schedule does not make sense, that some items need a higher level of protection and some items need a lower level of protection. As I have said, that may be theoretically true. It is very difficult to estimate an effective rate of protection for goods, for a number of reasons. When the Government removed the concessions which the manufacturing sector had, the manufacturers were asked in respect of competing CARICOM goods to provide the Ministry of Finance with information on the competition which they had from CARICOM in respect of the goods they were producing. Do you know that they, domestic producers in this country, did not even have that information?

Aside.

Hon. D. J. H. THOMPSON: How then could you expect that it could be some easy exercise to calculate the effective rate of protection that should be exigible on goods for which licences are being removed? It is an entirely hit and miss scenario and we all know that, so I do not believe that any economist - because my view of economists is that they are very good cartographers but they are not good captains or pilots. They are very good at drawing the map but when you ask them to lead you there they get lost. The point is, Mr. Speaker, that economists tell you they work out all kinds of models to determine an effective rate of protection, and still at the end of the day criticise every country that has introduced trade liberalisation, and now in Barbados are criticising this Government for introducing it. That is the kind of intellectual duplicity that one has to face from people who are not out there dirtying their elbows and doing the kind of work that brings them into contact on a daily basis with people who have real problems as manufacturers in this country.

Aside.

Hon. D. J. H. THOMPSON: And I know you have scant regard for that kind of advice anyway, so you do not worry to come in. You would not let any economist sit down and determine for you what an effective rate of competition would be, because you and I and nearly everybody else know that that information would be suspect. While they are poring over the statistics and working out all of these adjustments and so on, the sectors which you say need resuscitation and need all of this work being done, would be starving and, as I have already said, almost extinct.

The time frame in which to work out all of that was not there and the information from the manufacturers themselves I am certain is not there, and if the Honourable Minister of Trade wishes to contradict me, he can do so, but I am almost certain that that information is not now available, has not in the past been available and I am not certain if in my lifetime will be available. That is the reason why the surtax is exigible in the way it is and the rate has been calculated. There are going to be imperfections, as in any system imperfections will arise.

It is not a revenue earning measure. In fact, provision was only made for the sum of \$2 million. I do not know that \$2 million could close a deficit in Barbados, and again I do not ascribe to myself these great economically powerful skills that anybody has, but if \$2 million could close the deficit in Barbados, as was alleged again on this side, then I would be redundant and I suppose the Honourable Member for St. Peter would be redundant too, because he would have nothing to criticise. There would be no economic council.

Now, here you have a situation where you are imposing a surtax on goods which presently were not really available in Barbados officially - the suitcase trade mainly and by other means they were leaking into the country - but officially these are goods on licence. In some cases licences were granted, but not in a large number of cases, and you know that, particularly in relation to garments. How in Heaven, I have to ask, Mr. Speaker, can you sit down therefore and work out with any exactitude the revenue implications of the removal of the licences? I really do not know. 5.55p.m.

Now if we are looking for work for technicians for the sake of giving them work, well then, perhaps, such an exercise is useful. I do not think it is a useful exercise to carry out and I can say now that we have not indicated the revenue implications because Government does not anticipate there will be any substantial increase in revenue as a result of the introduction of this surtax. It is not intended as a revenue raising measure. It is intended to provide protection for domestic production and as a result of that no provision has been made other than the princely sum of \$2 million for revenue which will arise from this particular measure.

I don't think there is any major issue. The Honourable Member for St. Joseph raised concerns about the Customs Department and I hope those concerns will be addressed whenever the Value Added Tax system is fully operational and the other aspects of the Customs Department can be upgraded as part of the process of revenue collection, Tax Administration Reform, which we are having the assistance from the IDB in funding. One anticipates that Inland Revenue, the Customs

Department and any other revenue collection agencies would see some improvement. One has to bear in mind that we are on the threshold of introducing the Value Added Tax and at the point of introduction of that many of these things would be irrelevant, Therefore one does not wish to put resources into the administration of a system which at the end of the day you are about to phase out.

With those few words - I cannot imagine there was anything else that this particular debate raised - I wish finally to say that the Honourable Member for St. Joseph had indicated that Government views this as a ^ major economic initiative and he wishes to ask why. As I have indicated to this House there are many views about the utility of trade liberalisation. You can be stuck in the 1980's as some people are and do not have to move out of the 1980's or you can move into the 1990's. This Government has the mandate of carrying Barbados into the first half of the 1990*s and we seek a mandate to carry it into the second half.

Generations of Barbadians are depending on this Government to continue the process of reform. This is one of the reforms that we are introducing. The introduction of this reform as I indicated could have a positive impact on the allocation of resources. It can have a positive impact in relation to employment so long as we understand the reason why we are carrying out the reform. The question of anti-dumping legislation and the question of the protection by way of health and other regulations is a point that was made by the Honourable Member for St. James North and is a very important point. I believe the Minister of Trade had indicated that we have anti-dumping laws in Barbados. We need to improve on the enforcement of those laws and we need to ensure that we are more vigilant in the way in which products are brought into the market in Barbados. And this again is part of the process of reform.

I therefore say that I am committed to the process of reform and, like other members on this side, we will give our full energy and commitment to ensure Barbados is a more competitive and efficient society and that the reforms that we introduce will have an impact that is positive for the average Barbadian and will produce growth and create more jobs and I am giving my support to it.

Mr. Speaker, I beg to move that this Bill be read a second time.

Hon. C. V. WALKER: I beg to second that.

DIVISION

The bell was rung.

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

Ayes: Rt. Hon. L. E. SANDIFORD, Hon. P. M. GREAVES, Hon. B. M. TAITT, Hon. M. A. KING, Hon. E. E. GREAVES, Hon. N. K. SIMMONS, Hon. C. V. WALKER, Hon. D. W. BOWEN, Hon. D. J. H. THOMPSON, Hon. W. O. FRANKLIN, Mr. L. L. BRATHWAITE, Mr. J. O. TUDOR, Mr. R. L. MORRIS, His Honour T. C. ESTWICK - 14:

Noes: Mr. O. S. ARTHUR, Miss B. A. MILLER, Mr. D. A. C. SIMMONS, Hon. H. B. St. JOHN, Mr. L. R. TULL, Dr. R. L. CHELTENHAM, Mr. DeL. O. BRADSHAW - 7.

On the motion of Hon. P. M. GREAVES seconded by Hon. B. M. TAITT, Mr. Speaker left the Chair and the House went into Committee on the Bill, Mr. L. L. Brathwaite in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clauses 1 - 2 were called and passed.

On the motion of Hon. D. J. H. THOMPSON seconded by Hon. C. V. WALKER, Mr. Chairman reported the passing of one Bill in Committee and Mr. Speaker resumed the Chair and reported accordingly.

On separate motions of Hon. D. J. H. THOMPSON the Bill was read a third time and passed.

Hon. P. M. GREAVES: Before proceeding to the next matter when I gave notice today of some papers and documents I omitted one matter. I should like to revert to that in order to cure that omission.

Mr. SPEAKER: If there is no objection then leave is granted.

PAPERS

Hon. P. M. GREAVES: I am commanded by the Cabinet to lay the Protocol for Implementation of Prices and Incomes Policy. It has already been circulated to Honourable Members.

ORDER NO.6 - TO MOVE THE SECOND READING OF THE LOCAL LOANS (AMENDMENT) BILL, 1993

Hon. D. J. H. THOMPSON: Mr. Speaker, this is a Bill to give effect to the increase in the aggregate sum which may be raised by loans in Barbados from \$550 million to \$997 million.

Sir, at the 30th June 1993 the National debt stood at \$2 044 000 000 of which local debt was \$1 310 000 000, 64.1% of total debt. 6.05 p.m.

Sir, at the 30th June, 1993 the national debt stood at \$2 044 000 000 of which local debt was \$1 310 000 64.1% of total debt and foreign debt and foreign debt \$734 million 35.9% of total debt. Debt service on domestic debt is estimated at \$24 million and on foreign debt at \$42.5 million. Exports of goods and services for the April to June 1993 period totalled \$269.2 million of which \$102.6 million were exports of goods and \$193.6 million were net exports of services.

Mr. Speaker, the need for the Government to remain disciplined in the management of its fiscal affairs has forced a sharp reduction in the level of Government's subsidization of commercial activities and entities. At the same time however it becomes necessary for Government to finance the restructuring of such activities and entities. At the same item however it becomes necessary for Government to finance the restructuring of such activities if they are ever to become profitable concerns. Hence the need at this time to seek an increase in the limit for the sums that can be borrowed under the Local Loans Act, 1992 to facilitate financing for the restructuring of the Barbados sugar industry.

Since 1990 central government alone has provided at least \$36 million to the sugar industry. In collaboration with the Barbados National Bank Government has Advanced at least 10 times as much to the industry over the last 10 years and the Barbados Sugar Industries serves as a salient example of where an open-ended commitment to provide support has failed to bring about lasting improvements in the sector. Consequent on this loss making nature of the sugar industry in recent years the Government has decided to put in place a plan to revive the industry and, at the same time, to relieve the Barbados National Bank of its non performing sugar portfolio. Essentially this plan consists of Government's use of debentures to purchase \$212.4 million in debt owed to the BNB by the highly indebted plantations and the Barbados Sugar Industries Limited.

This portfolio will reside with the public sector debt workout entity which we have named the Barbados Agricultural Credit Trust and which would supervise and manage the repayment of this debt to Government over time. In exchange for Government's assumption of that debt to the BNB the HIP the Heavily Indebted Plantations and BSIL will, on hopes, lease their lands, equipment and other assets to the Government in respect of the HIPs for a period of 12 years and in respect of BSIL until we can

come to some agreement on devaluation of the debt to the BNB and consequential matters.

These assets will be managed by a field and factory entity the Barbados Agricultural Management Company which will supervise sugar cane cultivation and factory manufacture of .sugar. The receipts generated by the BAMC from sales of sugar will form inflows to the ACT which will retire the debt of the heavily indebted plantations and Barbados Sugar Industries Limited.

In addition to the assumption of BNB's dormant sugar industry portfolio, the Government will also assume a substantial portion of the debt of a number of Government agencies to the BNB. This debt of approximately \$103.9 million in principal and approved interest relates to a number of statutory bodies and other enterprises in which the Government holds a financial interest and for which Letters of Comfort were previously issued. The \$70.4 million leeway between the nominal value of local debentures outstanding at June 30, 1993 \$479.6 million and the current statutory limit on local debentures outstanding \$550 million will be maintained as a statutory limit is raised to accommodate the securitization of the BNB sugar portfolio and the Government's borrowing requirements for the remainder of 1993 or 1994. This leeway would be adequate for the remainder of 1993-94 since the Central Bank is expected to redeem \$43 million and issue \$50 million in debentures to March 31, 1994. The leeway is also expected to be sufficient to cover a number of intra public sector arrears clearances totalling at least \$5 million which would be undertaken during the remainder of the current financial year. Government's new borrowing requirement for 1994-95 is estimated at \$130 million and it is considered advantageous to make provision for the 1994-95 period now and that the ceiling under the Local Loans Act ifc being changed to accommodate this.

In summary then, Mr. Speaker, it is necessary for the limit to be increased from \$550 million to a new limit of \$997 million which means an increase of \$447 million in order to finance:

- (a) the Barbados National Bank sugar sector portfolio \$213 million;
- (b) the Barbados National Bank Letters of Comfort \$104 million;
- (c) Government's borrowing requirement for 1994-95 of \$130 million

making a total of \$447 million.

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

Hon. C. V. WALKER: I beg to second that, Sir, and reserve my right to speak.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, once again the Minister of State in the Ministry of Finance has kept very closely to his brief without putting the matter under discussion in its proper context. Again - and the Government does not want to hear it - the particular matter that now engages the attention of the House has to do with Government's compliance with a policy agenda and a timetable set by the International Monetary Fund.

Mr. Speaker, Sir, one matter that was outstanding in the previous programme between the Government of Barbados and the International Monetary Fund was the Government's commitment to restructure the Barbados National Bank. The Government of Barbados was unable to complete the restructuring of the Barbados National Bank within the item frame prescribed by the International Monetary Fund. Again it has set for it a specific timetable with which it has to comply. And we are here this evening purely because the Government has to comply with that timetable. But we have heard the Minister of State speak but he has not, as yet, advened to the fact that this particular initiative being embarked upon by Government is to enable the Government to carry out part of the restructuring of the Barbados National Bank as is required by its policy agenda set of it by the International Monetary Fund. That is a fact

The restructuring required by the International Monetary Fund has, in point of fact, Sir, be set out in 2 studies to which the Government has access. There has been a study of the financial conditions of the Barbados National Bank undertaken by Peat Marwick and there is an additional study of the restructuring of the Barbados National Bank that has been undertaken under the auspices of the Inter-American Development Bank.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, I rise on a point of order because the Honourable Member for St. Peter is totally misrepresenting this issue. Any timetable that the Government has for the restructuring of the Barbados National Bank relates to the Investment Sector Loan that it is pursuing with the Inter-American Development Bank. It has nothing to do with the International Monetary Fund programme. Both of the Reports which he referred to were Reports commissioned by or done by the Inter-American Development Bank. 6.15 p.m.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am very pleased by the nature of the Minister of State's intervention because everybody in this House knows, Mr. Speaker, that as part and parcel of getting access to investment loans of which the Minister speaks the Government does not only have to comply with this particular deficiency in the

previous programmes with the International Monetary Fund. It does not only have, as part and parcel of that exercise, to do what it is doing in relation to the BNB. It has been also under dictation, Mr. Speaker, to carry out trade reform. And it has also been under dictation to do a number of other things including the amalgamation of the Barbados Agricultural Development Corporation and the like.

I say, Sir, it is a form of idleness for the Minister to get up in this House and pretend that there is not a relationship between access to financing from the multilateral institutions in the future and Government's compliance with policies to which it was committed in the past. I am saying, Sir, as a matter of fact...

Hon. D. J. H. THOMPSON: Mr. Speaker, the Honourable Member cannot accuse me of idleness. I merely corrected him and he has to acknowledge that what I have said is correct. That is all.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I withdraw the word "idleness" and substitute "ignorance".

Mr. SPEAKER: That is even worse because I think that carries it beyond the point. Milder language.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, it is a matter of fact that the Government is giving effect to a number of policy changes including this in order to put itself in a position to be able to have an enhanced surveillance facility in place with the International Monetary Fund.

Aside.

Mr. O. S. ARTHUR: But it is a fact and if you all are embarrassed by it then we will continue to repeat it. It is a fact, Sir. And the enhanced surveillance facility with the International Monetary Fund, Mr. Speaker, is the basic condition that must exist for the Government to get involved in a financial relationship with the Inter-American Development Bank, Sir.

Sir, the Member for St. John is unintentionally attempting to mislead the House. Because to try to cast the impression that there is not a relationship between this measure, funding from the Inter-American Development Bank and the compliance with conditions that were set by the IMF is to carry the House in a wrong direction.

I am saying, Sir, this matter should have been put in its appropriate policy context because everything that we are being called upon in this House to do is not as a result of the Government acting on its own volition but the Government acting under the dictation of the International Monetary Fund. That is the point that we are making on this side, that virtually everything that we are going

to do this week, including the incomes policy, has to do with dictation from the International Monetary Fund. But the Member for St. John rises and will piously ask us to accept that this is a measure that the Government is seeking to undertake on its own volition.

Mr. Speaker, Sir, whether or not the Bank needs restructuring is separate and distinct from the fact that it is being done under the dictation of external donors and that is the issue in this particular matter. Sir, what is being conceived here is a situation in which the Government is going to raise the Local Loans Act and issue bonds to the Barbados National Bank in order to accommodate the debt of the sugar industry to the Bank as well as the debt of certain statutory boards.

Asides.

Mr. SPEAKER: Order, please. Order please. I said order please. I need order in the Chamber. Will the Honourable Member continue.

Mr. O. S. ARTHUR: Sir, the effect of this will be to replace on the books of the BNB, assets which were normally in the nature of non performing loans or bad debts. To that extent, Mr. Speaker, this initiative will fundamentally restructure the asset position of the Bank. For that reason one cannot, in principle, condemn the financial arrangement.

Having said that, Mr. Speaker, the House should also recognise that the problems at the Barbados National Bank do not begin and end with the sugar industry's debt and the debt of statutory institutions. It is a matter of fact as well that a substantial part of the commercial portfolio of the Barbados National Bank is also tainted. That is a fact, Mr. Speaker, Sir, that a substantial part of the commercial portfolio of the bank is also tainted. I believe that if the Minister wants this House to accept that the Government is serious about carrying on a restructuring of the BNB, he should be telling us as well how the Government proposes to deal with the other aspects of the Bank's portfolio that is also tainted. I am not going to go into any specifics but there has been the practice of bad banking at the BNB, Mr. Speaker, in recent times.

On the other side, Mr. Speaker, the Members are proclaiming that it was so from the beginning and perhaps I ought at this stage to acknowledge that the Barbados Labour Party made a fundamental mistake in the choice of the first President and Chairman of that Bank. We, Sir, put a square peg in a round hole. And Mr. Speaker, I want to agree with the Deputy Prime Minister that the first President and Chairman of the Barbados National Bank contributed mightily to the inefficiency of the Bank under the Barbados Labour Party.

Hon. P. M. GREAVES: Mr. Speaker, this is the kind of intellectual dishonesty ... I have not spoken, Sir. Not only have I not spoken, I have never said anything either from my seat or otherwise to him to give a slight indication as having anything to do with any First President or Second President or Third President. I have not spoken. It is not proper. It is highly improper and unbecoming from a Leader of the Opposition. I never said anything of the kind and it should be in the records.

Mr. SPEAKER: I am going to be very specific. I will not allow any debate to develop around a personality in such a way as to breach the Standing Orders of this House. Standing Orders 28 is very clear on conduct and if there is any semblance of that direction I will have no hesitation in ruling it out of order and even attach a penalty to it. I am not going to allow that kind of level of debate. I am almost certain our last week's experience demonstrates that to me. When I made the statement the gallery was full and silent which meant that persons will come to the House if we encourage a higher level of debate. This kind of debate will reduce the numbers in the public gallery. I am not standing for it. 6.25 p.m.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am also familiar with Standing Order 28 and I am only referring to the performance of the first President and Chairman of the Bank in his official capacity, and under section 28(10) one can do so. I am saying that in his official capacity as President and Chairman of the Bank he was a bad banker, that he came to the post without any experience whatsoever in banking, and that to that extent he was a square peg in a round hole. Therefore to the extent that we are hearing asides from the other side that the Barbados Labour Party mismanaged the Bank, I say let us look at who was responsible for its management. Nobody on this side serving as a Member of Parliament was responsible for the management of the Bank. The Bank had a President and it had a Chairman, and we know who the President and the Chairman were, because they were one and the same person.

Aside.

Mr. O. S. ARTHUR: But you know who was the President and Chairman.

Mr. SPEAKER: The matter before the House has nothing to do with such. I will ask Honourable Members to stay within the confines of the Resolution before the House. It has nothing to do with what we are discussing.

Mr. O. S. ARTHUR: Mr. Speaker, I am going to defend the record of the Barbados Labour Party.

Hon. B. M. TAITT: On a point of order, Sir. The Honourable Member in his speech indicated that he knew the Standing Orders, and then went on to talk about reference to someone in their official capacity. Standing Order 28(9) says:

"The conduct of Her Majesty the Queen, Members of the Royal Family, His Excellency the Governor-General, Members of either House of Parliament,

Mr. SPEAKER: That is Standing Order 28(9).

Hon. B. M. TAITT: Standing Order 28(9). "Members of either House of Parliament." It is therefore improper, I submit to Your Honour, for anyone. . .

Asides.

Hon. B. M. TAITT: I submit to Your Honour that no matter how you are dealing with a Member of either House of Parliament, it falls within this Standing Order. It is improper.

Mr. SPEAKER: I have already ruled. I have disallowed that kind of . . .

Asides.

Mr. SPEAKER: Order, please! Order, please! I have ruled against that kind of discussion and there is nothing more to be said on it. I understand the Standing Orders as well. Will the Honourable Member continue?

Mr. O. S. ARTHUR: Mr. Speaker, I was just simply attempting to put the nature of the financial problems of the BNB into proper context; to acknowledge what is generally recognised, that the Bank got off to a bad financial start, and that to some extent the bad start the Bank experienced in its initial years was due in some respects to the nature and the structure of its management. That is a matter of fact, Sir.

In 1985-86 fundamental changes were made to the management of the Barbados National Bank as well as to its portfolio policy, and there was an improvement in the performance of the Bank. I also want to say that the records of the Bank will show that there was an additional improvement in the financial condition of that institution in 1987 and 1988. So that if there is now a deterioration in the commercial portfolio of the Bank, it is largely as a result of developments post 1988, because fundamental changes were made both in terms of personnel and policy of the Bank in recognition of the problems it was facing. Those fundamental changes brought about some improvement in the Bank's financial condition. In this debate the Government will have to accept responsibility

for the existing financial condition of the Barbados National Bank.

The point I am making is simple. Last year the auditors of the Bank qualified the accounts of the Bank. The financial state of the Barbados National Bank has been a source of concern to people in 'the banking community. I am not going to delve into the greater detail on the full extent of the Bank's problems, because one does not want to create a scare. But it seems to me that if the Government is bringing to this House a measure that has as part of its purpose dealing with the financial condition of the Bank and its restructuring, then it is pointless for the matter to be half addressed by Government with major outstanding problem issues remaining to be dealt with.

I am therefore pressing the Government to disclose in a more forthcoming way the full extent of the restructuring that has to be undertaken at the Barbados National Bank. It goes way beyond merely taking the sugar industry's debt off the books and taking the debt of statutory institutions off the books. If the Government wants to convince us on this side that they are into meaningful reform - and we keep hearing that term being flung at us, that we must accept that it is meaningful reform - then set out the full extent of the reform that has to be undertaken. Let this House be as seized of the facts, Mr. Speaker, of what must be done, as the Inter-American Development Bank is seized, the consultant engaged by the Government is seized, Peat Marwick is seized. Let the Members of this House be fully seized with what needs to be done by way of fundamental reform so that we can exercise our responsibility as a Parliament. But the Minister has given us only a part of the picture and will want us to support these measures without knowing precisely what we are committing ourselves to.

I also have to say that it is the judgment of people involved in the banking business that the arrangements the Government has put in place to secure the management of the Bank subsequent upon the resignation of the former General Manager are of dubious worth to the Bank. There is now a loose structure of management existing at the BNB which is not dissimilar from the loose structure of management existing at the Barbados Tourism Authority. In too many instances when the Government wants to convince us that fundamental reform is being undertaken and is necessary, we are seeing this Government making haphazard and unsatisfactory management changes. What other value could be generated from the reform itself is destroyed by the fact that the management changes the Government is instituting are simply not adequate for the purpose.

"What has happened at the Barbados Tourism Authority is a tragedy. Equally so, the management situation at the Barbados National Bank is also a

financial tragedy. I want to hear the Minister of Finance therefore deal in a more forthcoming manner with these things. I am not going to accept that fundamental and meaningful reform is being undertaken, if we are only being given part of the picture, when we know that there is a large number of commercial issues outstanding, and when we know there is a large number of management issues outstanding. And I think this House would be failing in its responsibility as a Parliament to support these half measures being brought to the House by the Government, poorly introduced and poorly conceptualised by the people who are introducing these things on behalf of the Government.

I am intervening in this debate, Mr. Speaker, to press the Government to give us a full and clear statement on the extent of the restructuring that is proposed and has been recommended to Government. Let me repeat the point. The Government has access not to one study but to two, a Peat Marwick study and a study financed and prepared under the auspices of the Inter-American Development Bank which sets out a full series of measures for the restructuring of the Barbados National Bank and these studies do not only prescribe changes in how it deals with the sugar industry debt and the debt of the statutory board but they prescribe fundamental changes in the management of the Bank's commercial portfolio and its management. 6.35 p.m.

Therefore, Sir, because of the nature of the arrangements on principle I am not opposing the change in the Local Loans Act. In principle I am not opposed to the Government issuing bonds to the Bank so as to enable the 'sugar industry debt and debt of the statutory institutions to be taken out of the bank's portfolio with the subsequent improvement in the Bank's asset portfolio. One cannot oppose that. But we need to know the whole facts. I believe the House would be irresponsible to be aware of other deficiencies at the Barbados National Bank and agree with the half measured approach that the Minister of Finance would want to put in. That, Sir, is the burden of my contribution on this matter. If you are reforming, reform, but this is not serious reform.

Now, Sir, it is nonsense for the Government to ignore the nature of the bad banking that has taken place at the BNB. The bad banking does not only have to do with the sugar industry, it pervades the entire commercial operation of the institution and the time has come when the bad banking must stop. In this debate, Mr. Speaker, we want to hear the Government speak to that matter as well.

The final point I want to make in this debate is that the Government has already determined that its local borrowing requirements for 1994-95 will be in the vicinity of \$130 million. It is very obvious that the Government has already prepared all its budgetary provisions for 1994-95

and has obviously done all the projections of its revenue expenditure, that it has already identified the overall deficit with which it is going to be confronted in 1994-95, that it has already determined what proportion of that deficit is going to be sourced from foreign loans both multilateral and otherwise and that this figure of \$130 million is the residue. I should just want to say that we are in an economy in which local savings do not increase by more than \$100 million a year. If in fact in any one year the Government is going to tap the local market for \$130 million, as it seems here to be described, and I am taking the Minister at his word, then it would seem to me that the Government intends in 1994-95 to have access to the total increase in national savings. If this is the policy of Government let me say that I have to oppose it.

I would have to ask the Minister as well in which year recently has the Government utilised \$130 million of local financing? I want to warn the Government in advance that taking \$130 million out of local savings in an economy of which the savings increased by \$110 million a year will do what the Government in and of itself would want to say is contrary to its strategy to so crowd out the private sector at a time when you are liberalising the economy, as to reduce the prospects of the private sector investment.

It was very interesting that the Minister of State gives us advance notice that come 1994-95 the Government will in fact be looking to attack the local market for credit as to put potential sector investment in jeopardy. If that is the true intention of Government, we want to say now that we are opposing it and that those financial projections should be taken back to the drawing board. In due course, we would hope that, given this very early warning, that a more sensible financial strategy will be presented to the House rather than the financial madness of which the Minister of State delivered himself.

Let me sum the position of the matter. We have no difficulty with the increase in the Local Loans Act. We have no difficulty with the issue of bonds to replace the debt of the sugar industry, but we are not going to be supporting these measures in the context of a situation where we are not being provided with the full picture. The time has come when the Government must take this House into its confidence if it wants us to give it critical support in matters like these. We are not going to give critical support to Government in circumstances where we are not given the benefit of enlightenment of the facts which exist and that is the Opposition's position on this matter. I am obliged to you, Sir.

Hon. H. B. St. JOHN: We must not allow this debate to come to an end without the whole position of the Barbados National Bank being brought into proper perspective. I am one of those, who is proud of the fact that the Barbados Government, as it was then

constituted, had the courage to recognise that in a community like Barbados it was necessary to have as a catalyst to development an indigenously owned bank which would provide services for the general mass of borrowers in Barbados which services, in the past, were only performed by commercial banks who had to report not to the people of Barbados, not to the Government of Barbados but to the shareholders of their parent companies.

Indeed, we were naive, we were trustful and in making the appointments at the outset we sought to enlist the services of those whom we believed to be of such ability, character and objectivity that they would perform their functions to the benefit of all of us.

Asides.

Hon. H. B. St JOHN: Mr. Speaker, that we made mistakes in some of our appointments, I readily confess; but we recognised our mistakes early enough to do something about it for by the time we demitted office in 1986, the Annual Report of the Barbados National Bank showed that the Bank was operating in a profitable manner. 6.45 p.m.

The 1986 Report of the Barbados National Bank will show that the Bank was operating in a profitable manner. The Barbados National Bank's Annual Report and Accounts, 1986 indicated, quite clearly, and the Chairman at that time a Mr. A. W. A. McClean, in his introductory statement spoke of the progress of the Bank and that the amount of the profit, although not satisfactory, was at a profitable level.

I well recall that a study was carried out on the operation of the National Bank by representatives of the National Commercial Bank in Jamaica and a policy charted for its future commercial operations. There was no question at that time of the sugar industry contaminating the portfolio. No question at all in 1985 or 1986. Indeed at that time as part of the review structure an examination took place of the sugar industry and policy guidelines were set out to deal with the non performing loans in that area. The next year 1987 the profitability of the Bank advanced and the same Mr. McClean was able to report further progress in 1987. The Barbados National Bank, for the first time according to him, attained a very satisfactory level of profitability. Net income for 1987 was \$5.1 million. This constituted a return on average equity of 30.5%.

The position is therefore abundantly clear that something occurred between 1987 and 1993. The contamination that the other side speaks of obviously occurred in that period of time. I agree with the Honourable Leader of the Opposition, it is time that the people on the other side tell us what is the real reason for this contamination. We are not going to allow the

institutions that we created with the noble objectives which we set them for to be perverted by those who came after us without having a full and frank disclosure of how the incompetence of the Democratic Labour Party and their satellites can bring down well thought out institutions. It is a very serious thing. Because it is necessary that all and sundry starting from Ministers down must understand that we are living in an era of accountability. The world over is living in an era of accountability. If you are a Minister you must be accountable to Parliament and to the electorate. If you are a Chairman or a President of a public institution you must live in that era also and understand that you are accountable to Parliament and to those who appoint you. That is what we are asking for.

A lot has been said about the complex arrangements that are taking place with respect to the restructuring of the sugar industry. We went through this already. I am not going to go through it except to reiterate the point that I have always made and we will continue to make and that is that in an area like Barbados in which the land is a finite quantity any institution that holds a mortgage as security over that land can take comfort from the fact that that land would never ever go down, it can only go one place that is up in value.

Many of the so-called contaminated loans, in truth and in fact, by a mere stroke of the pen particularly of the Minister of Housing and Lands can become very valuable, comparable to gold mines. After all we have evidence before us in one of the newspapers today that 479 acres are likely to bring in \$1 billion. This is the reality which we are dealing with. If 479 acres will bring in \$1 billion what do you think 2 500 will bring in?

I am not here going to sit down without putting the record straight. After all I have no interest other than to see that the record is placed in proper perspective.

Aside.

Hon. H. B. St. JOHN: I am proud of the fact that I have a 1/26 share.

When we are talking about these matters we much understand that this is the context in which we are talking, the national debt of Barbados. I have lived to see while we were on the other side, the central plank of the Democratic Labour Party and its then spokesman was that the Government was likely to take Barbados into a position in which it would have a debt of \$1 billion and that the future of the next generation was being mortgaged.

As I understand it now, Sir, we are likely to be reaching the stage where the domestic component alone in a short period of time - we were talking about \$1 billion - would be \$1 billion. I am not one of those politicians

who is going to be irresponsible and say that Governments do not have to borrow money. I have always believed in that. I have always believed that there is a role for Government to play. But what I do fear is that when you have that sacred trust entrusted to you to look after taxpayers' money you must understand that you have to expend it wisely, not extravagantly. You must spend it on behalf of the taxpayers and for the purposes for which it is voted for in Parliament and not for any other purpose.

Mr. Speaker, Sir, that is why I feel very strongly about the essential role that Parliament has to play in this function. That is why we say that we are disappointed in our dealings with a matter of this magnitude that this House was not given a comprehensive Addendum. The House should have a comprehensive Addendum so that the public will understand what we are dealing with. The little brief that was read here by the Minister of State is not sufficient. That is not sufficient for we understand the great and important role that Parliament has to play. We want to know. Tell us so that we will understand it. 6.55 p.m.

I sum up by saying that we are not going to oppose this, Sir. We do not share the gloom of some about the portfolio of the National Bank in respect of the sugar industry because the underlying security is land and if you only have a certain amount of land in a country and you will always need land for development for agriculture and for things of that kind, its value does not go down, it goes up, and the debt structure, as I understand it of \$200 million over 25 000 or 30 000 acres ought not to be feared. I think that is less than \$1 per square foot, first cost. I am not very skilled at that kind of activity, Sir, the buying and selling of land is not my thing. I bow in that to the Honourable Member for St. Philip North with whatever figures he told me and I know he could do that quickly. So, Sir, the position is that we need to have more details on this for our benefit. We heard very clearly.

Now the other loan, Sir - Statutory Boards and other institutions that Government has shares in. I will forever say in here that we are not going to make great progress with our public sector managers if they do not understand that if they are given the job of management that they must manage efficiently. They must understand, Sir, for the public sector managers in a country like Barbados should have the good sense to know that they have been brought into a stream of activity which they could not penetrate previously. Government introduced them into this stream of activity. Government has created these jobs. I remember when the Democratic Labour Party spokesman used to say that we should not pay statutory board chairmen too much because you must not let them get accustomed to so much money that they are not deserving of it. I remember that. The Democratic Labour Party spokesman used to say that. He used to criticise the amount paid to the Managers of the

statutory corporation. It is a fact. The Democratic Labour Party shadow Minister of Finance used to say that all the time. You are paying the statutory boards too much, you are paying the top civil servants too much. It was all right for the Governors of the private sector to receive that money but it was wrong.... That is why we have always taken the bull by the horns when it came to public sector payment and politicians. I am a firm believer in politicians getting properly paid but if they steal they must be exposed. I believe that. Lionel Craig used to say that also.

We have had these debates in here, Sir and it is important that we understand these things and I want all of us in here to understand the great responsibility we have in this area.

So we have the National Bank and we have these other institutions and quite frankly we all know one of these institutions, CARICARGO. One of the mysteries we have is about CARICARGO. How can an institution which at one stage was proclaimed in this House by no less a person than the former Prime Minister to be profitable...

I am hearing that the Minister of Transportation in the other place is saying that it achieved in 1987 a level of profitability and now we are hearing it has 78, it is bankrupt, but it was profitable. If we left it with \$35 million in debt and it was trading in its ...

Hon. P. M. GREAVES: On a point of order, the Honourable Member is misleading the House. The CARICARGO did not make any money. Look at the records. It came into the Democratic Labour Party with over \$35 million in debt that it was unable to service when he was the Minister.

Hon. H. B. ST. JOHN: The Honourable former Minister of Finance and Prime Minister, on the floor of this House made the statement that CARICARGO was profitably operated in 1987. That is what he said. He said the fact that it had a debt of \$35 million does not mean it cannot operate profitably. All it means is that it had a high gearing and that whoever ran it at the particular period of time was able to use the gearing, the debt of other people as its capital and make a profit. So don't let us worry about that. If you tell me that was untrue then I am very worried.

I am very worried about public sector accountability because all the books of these corporations are audited by independent chartered accountants and I want to say this that you must understand that they have a responsibility. They too must understand that.

I am dealing with a fundamental point here. I am dealing with the important point of public accountability. As long as I am in public life I want it to be clearly understood that accountability is an important facet of

activity whether it is in the public sector or the private sector. We all work on company law reforms to ensure that the role of auditor... The role of financial controllers is set out in clear black and white in the company law so the shareholders understand what is going on. So too in the public sector. I am one of those who believe that in countries like Barbados and in many other developing countries you can never ever reach the situation in which there is no role at all in economic activity for Government. I believe that. Take that from me. I have been around long enough to know that if the Government sometimes does not take action nothing will be done. So that if you are going to take action all of those who are graced and honoured with the responsibility they must understand that they have an obligation too.

Don't let us feel, Sir, that people who are working in the public sector, either in the Government itself or in the statutory boards or companies incorporated under the Companies Act in which Government is a principal shareholder or an important shareholder do not all have to be accountable. All have to be accountable. It is a dangerous theory to put forward the view that you can break the law and say that it has been done before so therefore you are right to do it in the future. That is a dangerous thing. Think of it. You cannot break the law and then justify it by saying it has been done before, therefore you can break it. It is a dangerous thing to do that. So, Sir, I would like to know who these parastatals are. We want this kind of comprehensive information because we want to know what we can do. The past is the past, we want to know what we can do to prevent it in the future. That is an important point. It is an issue that people are grappling with, not only here, all over the world people are grappling with this issue of accountability. So let us get that information too, Sir. 7.05 p.m.

Hon. D. J. H. THOMPSON: Mr. Speaker, I propose to wrap up the debate on this Bill. I will be very brief in responding. Let me make the point very clear, particularly in relation to the timetable that is set for the restructuring of the Barbados National Bank. It is the Government of Barbados that has set that timetable. It is set, it is true, to coincide with the resources which will be available from the Inter American Development Bank. It has absolutely nothing to do with either the previous International Monetary Fund programme or any other discussions which the Government of Barbados has had or is having with the International Monetary Fund.

The Honourable Member for St. Peter insisted, Mr. Speaker, on trying to suggest that there is some kind of IMF timetable for the restructuring of the Barbados National Bank. Let us make the position very clear. The Government has said in here on a number of occasions that it proposes to take out the contaminated agricultural

portfolio. It has also said on a number of occasions that there are statutory corporations which have amounts outstanding to the Barbados National Bank, and as part of its efforts to clean up the portfolio initially it will remove that indebtedness essentially to protect the financial system in Barbados and to seek to put the Barbados National Bank on as good a position as it can for the further restructuring that needs to take place in the Bank itself.

It is well known that the audited reports could not be completed for some considerable time.

Aside.

Hon. D. J. H. THOMPSON: How do you mean you did not know that? That was on the front page of the *Nation* newspaper and caused the *Nation* problems. It may be *sub judice*, so therefore I do not wish to deal with it, because it was on the front page of the *Nation* newspaper, and that is because the issue of the write down of the bad loans in the BNB has not been settled and the BNB itself has not made adequate provision for the bad loans. That is not a secret, I think it was well known, so in the initial stages we felt it would be better to take out that contaminated or bad loan portfolio, and this constitutes the first stage in restructuring. This is not the exercise in total restructuring of the Barbados National Bank, because it is true that both the Barbados National Bank and the Barbados Development Bank are being looked at by the Government with a view to cleaning up the portfolios and putting them on a sound financial footing so that they could discharge whatever new mandate the Government gives to them.

The Prime Minister has already indicated that the BNB is going to be partly privatised. We have already indicated publicly that it will be chartered under the Financial Intermediaries Regulatory Act and that we will have to deal with issues relating to the BNB Act at an appropriate time, and at that point we will bring all the issues of restructuring of the Barbados National Bank to the public. But it seems strange that the Honourable Member for St. Peter is asking us to report to the House based on two simple reports from consultants. That is all we have before us, a report from the consultant from the IADB and a report from Peat Marwick in relation to the BNB. There was a previous report by an International Monetary Fund fiscal affairs consultant some time ago, maybe 2 or 3 years ago. These reports have to be looked at, because at the end of the day, and I need to say this once again, because the Honourable Member for St. Peter seems to think that in these restructuring exercises you wave a magic wand. The cost of restructuring the Barbados National Bank and the Barbados Development Bank falls to the taxpayers of Barbados and we have to determine that whatever restructuring we do can be phased in such

a way that we can meet the expenditure requirements to service the debentures or the other forms of Government paper which are issued.

Let us not fool ourselves that an increase in the Local Loans limit is an exercise in restructuring in itself, and I did not give that impression, because it is not so. The restructuring is something that we have to examine the parameters of and it will be announced in due course to the public of Barbados when we have settled for ourselves what the new mandate of those organisations will be. There is no IMF timetable for the restructuring of the Barbados National Bank, the Government is setting its own timetable in relation to this.

The Honourable Member for St. Peter has asked me and the Government to respond to the issue that the commercial portfolio of the BNB is tainted. Now let us be reasonable. Maybe you do not have enough experience in the financial sector, but the BNB is competing with major commercial banks in Barbados. Do you know of any Minister of Finance who would be stupid enough to come in this Chamber and seek publicly to set out what the commercial portfolio of the Barbados National Bank is? Who owes the money and other matters relating to that? I want to say that for this reason, that to give the impression that the commercial portfolio is tainted and that the tainting began since 1987, or is something to do with loans contracted since 1987, is patent nonsense. The commercial portfolio, like the agricultural portfolio, in many cases the loans that are bad loans were contracted in the so called halcyon days - well, not the halcyon days for the Honourable Member for St. Peter, because he considers 'they should be wiped off the record - which the Honourable Member for Christ Church South speaks of, and many of the loans which we are now seeking to clean up relate to consolidated or accrued principal and interest in relation to statutory corporations, operating prior to 1986, and many of the loans which now have to be met by bad debt provision are loans contracted - in fact, I could probably go as far as to say most of the loans in the commercial sector, and you can check that for yourself - unless you are trying to say that the BNB went on a lending spree since 1987 and that the majority of loans, money it lent out since 1987, is bad debt. How can you come to the conclusion that the bad debt provision, which has not yet been made, because the audited reports have not been completed, relates to bad loans contracted after 1987?

As I say, I have never credited myself with being a financial wizard, but there are certain things that have to make sense based on the facts presented, and I say the statement by the Honourable Member for St. Peter, and the response he would require of me and the Government, could only be calculated, in my view, to do more harm than to do good to the Barbados National Bank. If he

wishes to lick up the National Bank, of which he was dissatisfied about how his colleagues formed it, he should find another way in due course to mash it up, but do not expect that the Democratic Labour Party would be so irresponsible as to do that.

We have had meetings relating to the Barbados National Bank's portfolio on the heavily indebted plantations. The Press was there too, but we had to ask the Press to leave because certain people, including the Honourable Member for Christ Church South, acting in another capacity, were sensible enough to realise that you cannot have those issues discussed in public. The Barbados National Bank is a commercial institution, as I have said, competing with Barclays Bank, the Royal Bank of Canada, the Bank of Nova Scotia, the Caribbean Commercial Bank and other commercial entities in Barbados. 7.15 p.m.

The first point that must be made, and I believe leads to the end of the commentary of the Honourable Member for St. Peter, is that we have to respect confidentiality in this exercise. We are not about to go down in the Carlisle car park and read out people's names who did not pay their income tax, we are not going down in Carlisle car park to say who owes the Barbados National Bank money. We are not going in Carlisle car park to prostitute ourselves before the public simply for political gain. That is not the exercise that this Government intends to engage in. I want to make that clear, Mr. Speaker, because any attempts to goad us into taking that position would be subversive of our financial institutions and we cannot afford to do it.

Now, in relation to the comments of the Honourable Member for St. Peter who spoke about the borrowing requirements to the end of 1995. He indicated that I had said that \$130 million will be the provision for domestic borrowing for Government to the end of 1995. He is quite correct. But what he has to remember is the same point that he raised. The commercial portfolio of the BNB and the non-performing portfolio of the Barbados Development Bank may have also to be provided for by way of the issue of debentures.

Therefore, what we sought to do was to make provision in the event that we are required to purchase out the contaminated part of the BDB's portfolio and any other parts of the BNB's portfolio. So included in the \$130 million is a notional figure to clean up those 2 Government financial institutions and issue government paper for it. It is true I omitted to say that at the beginning but it is not the intention of Government to go on the market for \$130 million at one time in terms of domestic borrowing. It includes the things that we need to do 10 restructure the 2 institutions further.

The other point relates to the Barbados National Bank. We have already discussed what we are doing about the sugar portfolio. Land is a finite resource and the person who holds a mortgage has the benefit of the increase of the value of land. That is true but you cannot end the argument there because the bank must also have some flexibility in the way in which the investments that they have made are reaping returns. Now Barclays Bank and those other institutions do not carry debts of that proportion which are secured either by mortgages or by certificates of loan. They do not carry those and they do not carry that risk. They do carry some.

The point is that the BNB is competing with them but not on equal terms and we either have to determine that the BNB is going to be a commercial operation competing with other commercial entities on terms synonymous with those entities or we have to decide it is going to have a special role which is either developmental or which is supportive of Government's investments.

-Now, the stage has come in fact when we have to make such a decision so that it is not enough in my view to say that the fact that the bank holds the mortgage and is secured means that it is in a sound position. In fact, if it cannot seek to deal with the securities that it has in a way that is desired then we will have problems. Foreclosure suits in Barbados are horrendous in the amount of time they take and the amount of work that goes into them and the legal costs associated with them and the Honourable Member for-Christ Church South knows about that matter only too well.

We agree with the point that public sector managers need to be efficient and the restructuring process at the BNB itself will lead to greater efficiency in the public sector. In due course we will announce the features of that restructuring as we make the decisions in Cabinet over time.

There was one question in relation to the statutory corporations for which amounts are being purchased out. I do not have the exact statutory corporations but in reply to a Parliamentary Question which will come in due course the indebtedness of the BNB as at August 31, 1992 will show which statutory corporations owe and how much in principal and interest and I will seek to tell you which of those are being cleared by way of this particular Bill.

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

Hon. C. V. WALKER: I beg to second that.

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

On the motion of Hon. P. M. GREAVES seconded by Hon. B. M. TAITT, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. Brathwaite in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee.

Clause 1 was called and passed. Clause 2 was called.

Hon. D. J. H. THOMPSON: I move that clause 2 stand part.

Mr. D. A. C. SIMMONS: Mr. Chairman, Sir, I just want some information from the Minister that we are increasing the limit of the Local Loans Act by \$400 million and you said that some of this would go to clear the debt which certain statutory organisations have with the National Bank. Government, therefore, must know how much is the value of the debt of the statutory corporations to the BNB and I would like to know how much these statutory corporations owe the Barbados National Bank and what are the names of the statutory corporations. You must know it. That has to be in the brief.

Hon. D. J. H. THOMPSON: Mr. Chairman, the Letters of Comfort that have been cleared by way of this total amount to \$104 million and I have indicated to the House that in answer to a parliamentary question which has not yet been laid that information will be available. If you wish me to read out the total indebtedness to statutory corporations concerning the BNB that could be done but it would not tell you which of those are being cleared by this. I can attribute that at a later date. I do not have that information but as I have said to you that is not difficult information. We know for example that CARICARGO accounts for \$69 million of it which is the most substantial part of it and if you wish me, as I have indicated, to tell you the others as at August 31, 1992 Arawak Cement Ltd. \$13.3 million, ADC \$22 million, Agro Processing \$3.6 million, Heywoods Hotel \$3.6 million, Hilton Hotel \$5.9 million, Barbados Sugar Industries Ltd. \$104 million, Caribbean Air Cargo \$69.3 million, Caribbean Cotton Industries \$1 million, Caribbean Sea Island Cotton Industries \$9.4 million, National Petroleum Corporation \$3.8 million, Transport Board \$10.4 million. Some of these may already have been cleared because, as you know, we already did an arrears clearance and issued some debentures in respect of the Transport Board. But that is the total amount. I can tell you at a later time which of these are attributable to the \$104 million for which we are making provision. 7.25 p.m.

The question that clause 2 stand part was put and resolved in the affirmative without division.

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. C. V. WALKER, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. J. H. THOMPSON, seconded by Hon. C. V. WALKER, the Bill was read a third time and passed.

ORAL REPLIES TO QUESTIONS

Mr. SPEAKER: Question time. The Honourable Member for St. Peter, Question No. 37.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, Question No. 37,

To ask the Minister of Finance and Economic Affairs:

1. Will the Minister please state the terms and conditions set out in the supplemental Letter of Intent submitted by the Government of Barbados and agreed to by the International Monetary Fund on February 7, 1992, and
2. The financial performance targets and any other conditions which have to be met by state enterprises under the programme agreed between the Government of Barbados and the International Monetary Fund?

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, the Reply to Question No. 37 is:

- (a) The Supplemental Letter of Intent was laid in Parliament on February 26, 1992.
- (b) The 1992-93 financial performance targets to be met by the state enterprises under the programme are as follows:

The Transport Board, and this is in relation to surplus or deficit		
after transfer	\$	0.65 million
Barbados Water Authority		10.96 million
The National Housing Corporation	-	1.57 million
The National Petroleum Corporation		0.64 million
Agricultural Development Corporation		23.2 million

Barbados Port Authority	-	6.19 million
Barbados Industrial Development Corporation	-	.03 million
Caribbean Broadcasting Corporation		.34 million
Civil Aviation Authority		0
Barbados Marketing Corporation		1.01 million
Barbados National Oil Company		1.27 million
National Conservation Commission		2.00 million
Post Office		0
National Insurance Scheme		40.49 million
Total	\$	72.77 million

Mr. O. S. ARTHUR: Supplementary, Sir. As the Question states, were there any other conditions other than financial performance targets that were to be complied with by these institutions and particularly in the instance of the National Housing Corporation? Could the Minister please state what those other conditions were?

Hon. D. J. H. THOMPSON: Particularly the National Housing Corporation, the National Housing Corporation is required to review its rent structure. That is all.

Mr. O. S. ARTHUR: Mr. Speaker, another Supplementary Question, Sir: Does the review of the rent structure carry with it the obligation on the part of the National Housing Corporation to charge an economic rent and would the Minister please state what is implied by economic rent?

Hon. D. J. H. THOMPSON: A decision had been taken by the Government in respect of that matter.

Mr. SPEAKER: Any more Supplementaries? The same Honourable Member, Question No. 38.

Mr. O. S. ARTHUR: Mr. Speaker, Sir^Question No.

To ask the Minister of Finance and Economic Affairs:

Will the Minister please state the value of:

1. Debentures and securities raised under the External Loans Act Cap. 94D since September 1987, and
2. The Sinking Fund for the redemption of those securities as at December 31, 1991?

Hon. D. J. H. THOMPSON: Mr. Speaker, in reply to Question No. 38:

1. The value of debentures and securities raised under the External Loans Act, Cap. 94D since September 1987 is \$192 249 132.
2. The value of the Sinking Fund for redemption of those securities as at December 31, 1991 is nil.

No Sinking Fund was established for these loans at signature as it was envisaged that the retirement of the debt would have been by way of new borrowing on the market but such new borrowing did not materialize. However Sinking Funds will be established for both loans at the usual rate of 2.5% of the nominal value of the loan annually. In addition the repurchase fund facility which was set up under the Barclays de Zoette Wedd loan to cover any redemptions in the first four years will eventually be transferred to the Sinking Fund.

Mr. O. S. ARTHUR: Will the Minister please explain what extraordinary financial circumstances can explain Government's either inability or refusal to support these issues of debentures and securities by a Sinking Fund, as required by law?

Hon. D. J. H. THOMPSON: Mr. Speaker, I believe that has been answered already. The Sinking Fund was not established at signature in respect of the loans. The Sinking Fund was not established and permission was not sought of Parliament, at the time, in the Resolution to establish the Sinking Fund.

Mr. O. S. ARTHUR: Will the Minister further agree that the inability or the refusal of Government to establish Sinking Funds for the debentures raised in 1987 accounted, in large part, for the difficulties experienced by Government in servicing the debt in 1991?

Hon. D. J. H. THOMPSON: I do not agree.

Mr. SPEAKER: Any others? Same Honourable Member, Question No. 39.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, Parliamentary Question No. 39:

To ask the Minister of Finance and Economic Affairs:

Will the Minister please state:

1. The amount paid as Income Tax Refunds for the income years 1987, 1988, 1989 and 1990 respectively, and

2. For income year 1990, the amount of Income Tax refunds still unpaid?

7.35 p.m.

Hon. D. J. H. THOMPSON: Reply to Parliamentary Question No. 39:

Available information indicated that as at March 31, the amounts paid as income tax refunds for the income years 1987, 1988, 1989 and 1990 are: \$10 928 115.47, \$10 780 185.90, \$13 165 817.74, and \$14 164 750.98 respectively.

2. No income tax refunds remained unpaid for 1990.

Mr. SPEAKER: The same Honourable Member Parliamentary Question No.45:

Mr. O. S. ARTHUR: Mr. Speaker, question 45: To ask the Minister of Finance and Economic Affairs:

1. Will the Minister list the persons who have sought tax concessions or waivers towards development of property:

(1) to include golf courses and,

(2) for other purposes, from 1st January, 1990 to date and identify such applications as have been rejected and the bases for rejection?

2. Where, from 1st January, 1990, tax concessions or waivers have been granted in respect of any properties with the right to create golf courses contained in planning consents for those properties, will the Minister state:

(1) the principles applied in the grant of such concessions or waivers and,

(2) the details of such concessions or waivers as have not been gazetted or are not required to be gazetted?

Hon. D. J. H. THOMPSON: Reply to Parliamentary Question No. 45:

1. The Ministry of Finance and Economic Affairs received two applications between 1st January, 1990 and October 20, 1992; one from Coronation International Ltd and the other from Thornbrook International Consultants Inc. for tax concessions towards the development of property to establish golf courses and ancillary facilities as well as a hotel and resort houses/villas in each case.

2. (a) In considering these applications for tax concessions the Ministry of Finance focussed on the likely benefits that might accrue to the economy of Barbados should these projects be realised, namely, the foreign exchange to be earned, the amount of employment to be generated and the revenues to be earned in taxation.

(b) The concessions granted to the companies to date are as follows:

Coronation International Golf Ltd.

(i) Waiver of Property Transfer Tax payable by any non-resident purchaser of the resort houses/villas and any remaining land to be purchased for the development of the golf course.

(ii) Reduction of the rate of Property Transfer Tax payable by the non-resident vendor to 5% instead of 8%.

(iii) Waiver of withholding tax on interest on shareholders' loans.

(iv) Waiver of withholding tax on management fees, dividends, interest as well as fees paid to non-residents for other services to be performed for the project over the period of the investment

(v) Waiver of all imposts in respect of all materials and equipment for use in the development of the golf courses and ancillary facilities.

(vi) Waiver of imposts on materials imported for the construction and development of the resort houses/villas.

(vii) Write off capital expenditure on the golf course against future profits.

(viii) Waiver of imposts on vehicles imported by non-resident, personnel recruited to work on the project, and also all

household and personal effects, within the meaning of the Customs Tariff.

Thornbrook International Consultants Inc

(i) . Waiver of Property Transfer Tax payable by any non-resident purchaser of the resort houses/villas and for all lands to be purchased for the development of the Golf Project.

(ii) Waiver of withholding tax on interest on non-resident shareholders' loans.

(iii) Waiver of all imposts in respect of all materials, furniture, fixtures, equipment and vehicles for use in the development and operation of the golf courses and ancillary facilities.

(iv) To enter into an agreement under section 4(2) of Cap. 73 which is the Income Tax Act to waive all corporate taxes on income and capital of the Golf Project for a period of ten years following the construction of the golf facilities as approved by the Ministry of Housing and Lands for Phase 1 of the Project.

(v) (a) reduction of the rate of property transfer tax payable by the non resident vendors to 5% instead of 8% on say to an owner or user of resort houses/villas and remaining land of the golf course project

(b) waiver of all property transfer tax payable by all vendors involved in the development process prior to (a) above except the sales of the shares of Kingsland Estates Limited.

(vi) waiver of imposts on materials, furnishing, fixtures and equipment imported for the construction and development of the resort houses/villas, whether new or used.

(vii) waiver of imposts on vehicles imported by non-resident personnel recruited to work on the project and also all household and personal effects both new and used.

(viii) waiver of the payment of withholding tax by the companies on management fees, dividends, interest paid to non-residents employed or involved in the development of the golf course project.

Those concessions which must be gazetted are:

1. Waiver of the withholding tax on interest on shareholders' loans.
2. Waiver of withholding tax on management fees, dividends interest as well as fees paid to non residents for other services to be performed for the project.

Mr. O. S. ARTHUR: Mr. Speaker, supplementary. In the light of the substantial waiver of duty and taxes applicable in both instances what is the estimated Government revenue from the development of these two particular entities?

Hon. D. J. H. THOMPSON: The Minister does not have that information.

Mr. O. S. ARTHUR: Another supplementary, Sir. Is it the intention and policy of the Government to apply a similar range of concessions to any or all applications to develop golf courses and related properties that are approved by Government?

Hon. D. J. H. THOMPSON: Yes. The Minister of Finance agreed that similar concessions would be applied to similar developments for a fixed period.

Mr. O. S. ARTHUR: A further supplementary, Sir. To the extent that these concessions are generally more favourable than those obtained by other sectors that similarly earn foreign exchange, generate employment, create income in Barbados, would the Government give consideration to generalising such concessions to all sectors that earn foreign exchange and generate income on a similar scale.

Hon. D. J. H. THOMPSON: The Government gives consideration to all ideas which are economically prudent and which are manageable within our financial resources.

Mr. SPEAKER: The same Honourable Member, Question No.46.

Mr. O. S. ARTHUR: Question 46 reads: To ask the Minister of Finance and Economic Affairs:

1. Will the Minister please state the separate amounts owed to the Barbados National Bank on August 31, 1992, by individual statutory bodies and other enterprises in which the Government of Barbados holds a financial interest?
2. Will the Minister please state what arrangements Government proposes to or has put in place to discharge the indebtedness of these bodies to the Bank?

Hon. D. J. H. THOMPSON: Reply to Question 46. The separate amounts owed to the Barbados National Bank on August 31, 1992 by individual statutory bodies and other enterprises in which the Government of Barbados holds a financial interest are as follows:

	Principal	Accrued Interest	Total Outstanding
Arawak Cement Co. Ltd.	13 157 244	174 222	13 331 446
Barbados Agricultural Development Corporation	15 978 240	6 064 510	22 042 750
Barbados Agro-Processing Company Limited	3 493 616	135 262	3 628 878
Barbados Tourism Investment Corporation			
(1) Hey woods Hotel	3 582 001	4973	
(2) Hilton Hotel	5 832 984	7	
Barbados Sugar Industries Ltd.	91 808 988		3 631 738
Caribbean Air Cargo	62 389 295		5 919 443
Caribbean Cotton Industries	1 041 476	12 245 603	104 054 591
Caribbean Sea Island Cotton Industries	9 348 801	6920131	69309426
National Petroleum Corporation	3 766 424		1 041 476
Transport Board	10 408 234		
TOTAL	220 807 303	93 178	9 441 979

7.45 p.m.

The arrangement Government proposes or has put in place to discharge the indebtedness of these bodies to the Bank is as follows:

(i) Arawak Cement Company

Arawak Cement Company owed the Barbados National Bank approximately \$13.3 million as at August 31, 1992. Government has started the process of privatising this company and proposals have been received for its purchase, which are at this time being considered by the Government. When the sale of Arawak Cement Company is completed, the Barbados National Bank will be paid all outstanding liabilities from the proceeds of such sale.

45 974	3 812 398
84 024	10 492 258
25 899 100	246 706 403

(ii) Barbados Agricultural Development Corporation

On September 30, 1992 the sum of \$10.9 million in Treasury notes and \$11.2 million in debentures were issued to the Barbados National Bank in order to clear off the Barbados Agricultural Development Corporation's debt obligation to the Barbados National Bank in relation to the sugar industry.

(iii) Transport Board

The Transport Board's debt obligation to the Barbados National Bank stood at approximately \$10.5 million as at August 31, 1992. Government had commenced the process to privatise the Transport Board with the intention that funds secured from the sale of the Board's assets would go to meeting its debt obligation to the Barbados National Bank. If funds realised from the sale of such assets are not enough to meet the Board's debt obligation, the shortfall will be financed from other sources to be determined.

(iv) Barbados Tourism Investment Corporation

In relation to the debt owed by the Barbados Tourism Investment Corporation in respect of the Hilton Hotel of \$5.8 million and Heywoods Hotel of \$3.6 million, the Barbados Tourism Investment Corporation will be expected to repay the amount from its own resources.

(v) CARICARGO

CARICARGO's debt obligation to the Barbados National Bank stood at \$69.1 million as at August 21, 1992. The Barbados Government is a 51% shareholder in this organisation, with the Trinidad and Tobago Government holding the remaining 49%. At present discussions are being held between the two Governments regarding CARICARGO's present and future status. The Barbados Government will honour its debt obligation in relation to CARICARGO and it is expected that the Government of Trinidad and Tobago will do likewise.

(vi) National Petroleum Corporation

As at August 31, 1992 this institution's debt obligation to the Barbados National Bank stood at approximately \$3.8 million. This institution has always met its debt obligations to the Bank.

(vii) CARSICOT

CARSICOT's debt to the Barbados National Bank, approximately \$9.4 million as at August 31, 1992, is expected to be settled from the sale of the company's assets.

(viii) Caribbean Cotton Industries Incorporated

The sum of \$1.04 million has been advanced to Caribbean Cotton Industries Incorporated and it is expected that the company's outstanding debt to the Barbados National Bank of \$1.04 million, as at August 31, will be met by the company as the debt becomes due.

(ix) Barbados Sugar Industries Limited

The Barbados Sugar Industries Limited owes the Barbados National Bank approximately \$104 million as at August 31, 1992 in relation to the operation of the sugar industry. The Government has established a trust company which will take over Barbados Sugar Industries Limited's debt obligation to the Barbados National Bank. The debt will be financed by various financial instruments that will be issued by the Government. The Government also holds a financial interest in the Barbados Sugar Industries Limited and has guaranteed sugar bonds for that organisation at issued value of \$78 090 000 redeemable at part and payable by the Government.

Mr. O. S. ARTHUR: Supplementary, Mr. Speaker. To the extent that the Caribbean Cotton Industries Limited is expected to discharge its liabilities to the Bank on its own account, could the Minister please state whether the indebtedness by the company to the Bank has grown since August 1992 when it stood at \$1.04 million?

Hon. D. J. H. THOMPSON: The Minister does not have that information.

Mr. O. S. ARTHUR: Mr. Speaker, to the extent also that CARSICOT is expected to service its debt to the Bank from the proceeds of the sale of its assets, has the Government attached a value to the assets of CARSICOT, and can the Minister give the House the assurance that the value of the assets will be sufficient to clear the liability to the Bank?

Hon. D. J. H. THOMPSON: That matter is being dealt with by the court, but it is hoped that the assets of CARSICOT would cover its indebtedness to the Barbados National Bank.

Mr. SPEAKER: The Honourable Member for St. Michael South East. 7.55 p.m.

ORAL REPLIES TO QUESTIONS

Mr. SPEAKER: Reply to Question No. 50 asked by the Honourable Member for St. Peter.

Mr. O. S. ARTHUR: Mr. Speaker, Question No. 50 reads as follows:

1. Will the Minister please state why, contrary to the provisions of section 111 of the Constitution, and according to the September, 1992 Economic and Financial Statistics published by the Central Bank of Barbados, no provision has been made after September, 1990 for Sinking Funds for Foreign Debt?
2. Will the Minister also state whether the provision in Appendix D of the Barbados Estimates 1990-91 for the redemption of the \$80.4 million debenture issue 1988/93 raised in Japan, remains available in a Sinking Fund for that purpose?
3. If the foregoing provision is not available, will the Minister assure the House that the Japanese debenture issue will be redeemed by the due date, May 27, 1993, and identify the source for funding of that redemption?

Hon. D. J. H. THOMPSON: The reply to Question No. 50 is:

As of September 30, 1990 the foreign debt raised and outstanding under the External Loans Act was as follows:

Japanese Bonds series C 1988 - 5 million yen

Barclays de Zoete Wedd - £30 million sterling.

It had been the intention of Government to retire these 2 loans by way of new borrowing on the international financial market. Consequently no sinking funds were established. However the new borrowing was not undertaken as planned but sinking funds will now be established for both loans.

Appendix D of the Barbados Estimates 1990-91 showed no provision of the redemption of the \$80.4 million 1988 debenture raised in Japan. The 1993 maturity date of the \$80.4 million Japanese debenture issued quoted at Appendix D of the 1990-91 Estimates is an error. The debenture issue will be redeemed in 5 consecutive annual installments starting in May 1994.

Mr. SPEAKER: At the request of the Leader of the House Replies to Parliamentary Questions will be curtailed at this point.

Hon. P. M. GREAVES: I move that further consideration of Question Time be postponed.

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

Mr. SPEAKER: That brings us to the end of question time.

SUSPENSION

Hon. P. M. GREAVES: Mr. Speaker, at this point I move that this sitting be suspended until 10 o'clock, tomorrow morning, Wednesday August 25, 1993.

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

The question was put and agreed in the affirmative without division and MR. SPEAKER suspended the House accordingly. 7.57 p.m.

RESUMPTION Mr.

SPEAKER: This sitting is resumed.

ORDER NO. 9 - SUPPLEMENTARY APPROPRIATION BILL, 1993

Hon. D. J. H. THOMPSON: Mr. Speaker, this is the Supplementary Appropriation Bill, 1993 and it is seeking the approval of Parliament to pay out of the Consolidated Fund the sum of \$56 422 725.

The economic classification of the supplementaries is as follows: Personal Emoluments in respect of National Insurance Contributions \$508 80 i, in respect of goods and services \$2 423 759, in respect of current transfers, grants to public institutions, the sum of \$27 995 465, in respect of capital formation, which includes purchase of vehicles, plant, equipment and furniture, structures and professional services, the sum of \$22 139 513 and capital transfers by way of investment \$1 978 040.

In respect, Sir, of the National Insurance Contributions \$508 801, this relates to the requirement by the Ministry of Education to pay arrears it owes in terms of employers' contributions to the National Insurance Department for the financial year 1990-91. No provision was made in the current financial year for payment of such arrears.

In respect of goods and services, operating expenses, the supplementary amount as set out in the Addendum, \$355 000, is required by the Cabinet Office in respect of the Government Hospitality vote and the Conferences and Delegations vote.

In respect of the maintenance for the Police Department, \$25 000, for carrying out modifications to their building, including internal partitioning and redecorating, and the sum of \$192 197 is required by the Police Department for the rental cost of a building

at the corner of James and Coleridge Streets which was previously occupied by the Barbados National Bank. The building will be used by the Police Department to accommodate personnel who now occupy Police Headquarters.

In respect of the Contingency Vote, the sum of \$1 851 562. The sum of \$2 500 000 had been approved for this vote in the 1993-94 Estimates. Of this sum approximately \$2 million was reserved for honouring the Court Order award to Mr. Robert McAlpine arising out of judicial action brought by that company against the Government of Barbados, but during the course of the current financial year to date the call on the Contingencies has been such as to deplete the vote to an unsustainable level. Therefore, the vote is required to be replenished by the sum of \$1 631 562 to ensure that the payment to McAlpine will be met.

In addition to that, the operation expenses of the Office of Privatisation are also being paid out of the Contingency vote and that will continue until new arrangements are made for an investment fund. Supplementary funds, therefore, in the amount of \$220 000 are required to pay the cost of computerisation of the management information system, as well as to hire professional consultancy services in respect of the unit.

In respect of grants to public institutions, the sum of \$27 995 465 is required by the Ministry of Education to supplement the votes of (a) the University of the West Indies Cave Hill campus, in respect of which Government is in arrears of the contribution to the University of the West Indies for the financial years 1990-91 and 1991-92 in the amount of \$29.3 million. Of the current financial year's provision, \$5.9 million will go towards the clearance of these arrears.

In addition to that, in the 1992-93 financial year, the Ministry of Finance and Economic Affairs had agreed to transfer funds totalling \$27.5 million to the University of the West Indies, but instead of that only \$24.5 million was transferred with the decision that the untransferred \$3 million would be transferred in this financial year, and this forms part of the supplementary which is before the House.

(b) Sixth Form Secondary Schools. In the 1993-94 Estimates the Ministry of Education provided funds to do routine repairs. However, at Harrison College several of the buildings are urgently in need of repair and the sum of \$300 000 is therefore required to meet the cost of such repair.

In respect of the Barbados Community College, the sum of \$1 295 465 is required to supplement the provision to pay salaries, which had been under estimated originally, to pay the cost of programmes which were formerly funded under the Training Levy Scheme and also to implement the

1988 decision to establish an institute for the study of democracy, for which provision was not made in the 1993-94 Estimates.

In respect of capital formation, the amount of \$22 139 513 is required to supplement the following capital works projects: (1) the Hometown Complex, (2) the St. Thomas Secondary School, (3) the Sherbourne Centre and (4) the Customs Department.

In respect of the Hometown Complex, construction commenced in June 1991 but had to be halted in October 1991. The project was restarted in February 1993 with a higher estimated cost because of the interruption in construction. The Government has decided that the project should be completed in this current financial year and the amount of \$4 million is required to finance the cost to complete the Hometown Complex.

In respect of the St. Thomas Secondary School, construction work on this school commenced on 14th May, 1990 and was suspended in September 1991. There have been on-site expenses incurred in respect of this project and supplementary provision in the amount of \$580 385 is required to pay the contractor and subcontractors arising out of work that has already been done. 10.10 a.m.

In respect of the Sherbourne Centre it is agreed that Barbados should host the United Nations Global Conference On Sustainable Development: A Small Island State at the Sherbourne Conference Centre in April 1994. The Sherbourne Centre will be used as a main headquarters for the conference and in order to provide the minimal requirements for this conference it will be necessary to complete the following sections of the Sherbourne Complex. The conference block, the administration block, the mixed block or foyer, the steel structure to the auditorium and the landscaping and external work.

In the 1993-94 Estimates the sum of \$2 million was approved for Sherbourne Centre. However in order to complete the facility required for the conference and so it can begin to earn foreign exchange as a major conference centre in the region a supplementary provision in the amount of \$17 467 428 is required.

In respect of the Customs Department the combined value for the purchase of 3 motor vehicles is \$91 700.

Hon. H. B. St. JOHN: Mr. Speaker, on a point of order. I am not in any way trying to inhibit the Honourable Minister but I am a little confused as to the procedure that we are dealing with.

As I understand it, this is the movement of a second reading of a Bill for a supplementary appropriation.

If the Government wishes to proceed in that manner it is most unusual because as I understand it under the Rules of our procedure when the main Appropriation Bill is passed the procedure is that Supplementary Estimates from time to time are brought before the House, the House approved them and they are then put into a final Appropriation Bill at the end of the financial year. You have a certain period of time subsequent to the financial year to do it

What we have done here today is that we have a Supplementary Appropriation Bill and at this stage we are proceeding to deal in detail on the Second Reading with the Schedule to that Bill. I find that most unusual because it is impossible for us here to remember precisely all of the details which are being explained to us at this stage of a Second Reading Bill instead of being dealt with when the Heads are called when Your Honour is not in the Chair and the House is in Committee.

I would like some guidance on this because my understanding of a Second Reading speech is that you deal with the general principles of the Bill and you do not deal with the details. So I don't know where we are now, Sir.

Hon. P. M. GREAVES: Mr. Speaker, I can be of assistance here. In respect of the Second Reading dealing only with general principles the Honourable Member is quite correct that we then should not deal in any details in the Second Reading.

What is proposed to do as in fact the Constitution recognises, is that one can have Supplementary Appropriation Bills during the course of the year but at the end of the Second Reading which only deals with the general principles and not the details we will then go into Committee of Supply where we will deal with details then of matters on which we are required to vote for various services as provided in the Schedule. The Schedule sets out the various services and we have to deal with them in a Resolution in detail at that particular time. So each one will have to be moved as is normally done at that stage when dealing with the Estimates.

I hope that this assists the Honourable Member. You do not deal with the general details, now only the principles and the details will be dealt with in the Committee of Supply which this House will have to move after the Second Reading.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, you would have noticed that in introducing the Second Reading of this Bill I dealt with the functional classification of the expenditure. I was not dealing with the expenditure in relation to each Head. In explaining the functional classification I set out that I would...

Mr. SPEAKER: I would like you to repeat that again.

Hon. D. J. H. THOMPSON: I was dealing with a functional classification of expenditure, the way in which the expenditure is classified functionally, personal emoluments, goods and services, current transfers, capital formation and capital transfers. I was not seeking to deal Head by Head with the items which appear in the Addendum. I was hoping that that would be of assistance to the Honourable Member and would give him the opportunity to understand the functional classification to assist him in making the fullest possible contribution to the debate. If that is not necessary, I think I have dealt with the largest constituent of the expenditure. I have classified them functionally for his or anybody else's benefit and I will therefore now retire to my seat and move that this Bill be read a second time.

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

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

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

COMMITTEE OF SUPPLY

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

HEAD 15 - CABINET OFFICE

Hon. D. J. H. THOMPSON: Mr. Chairman, in respect to Head 15 Cabinet Office, Government Hospitality vote in the sum of \$30 000 is being supplemented and the Conferences and Delegations in the sum of \$325 000.

Hon. H. B. St. JOHN: Mr. Chairman, Sir, we have not had the benefit of a report on any of the important travels that have taken place in this current financial year from anyone on the Government's side but we note according to the Addendum that something serious has obviously been taking place as already at this period of time which is August - we are now in the 5th month of the financial year - that of the \$1 million voted only \$94 317 is available and the commitments of \$660 757 have already been spent and \$244 000 is the balance.

Now, Sir, I am not saying that Government must not travel. What I am saying is that when we vote money of this magnitude for the purpose of travel and important conferences take place, particularly those that relate to the Caribbean and the Caribbean Integration Movement, it is of interest not only to us in here but to Members generally that we should have some kind of mechanism to ensure that we are kept up-to-date on what is going on. 10.20 a.m.

This last Heads of Government Conference was an important one and as I understand it we had some very unusual choices of delegations much to the annoyance of the Honourable Minister of Foreign Affairs. I understand that he was not given the opportunity, on this occasion, to have his usual advisory team available to him. We know, Sir, that there was a conspicuous absence of what one would call the principal advisor in the Ministry of Foreign Affairs of Barbados at the Heads of Government Conference. I would love to take this opportunity to invite from the Honourable Prime Minister...

Hon. M. A. KING: Sir, on a point of order. The Permanent Secretary in the Ministry of Foreign Affairs was on leave at the time of the Conference. He was in Canada on a course. I do not know what is the point the Honourable Member is making.

Hon. H. B. St. JOHN: I am just following the usual procedure in pointing out to this House that there is a post called "Permanent Secretary" and it is not an individual. People go on leave all the time in the Public Service. You have a Director of Finance and Planning and he goes on leave, sick leave, never mind what it is, any kind of leave. That does not mean that that post is not occupied by another physical body.

The Honourable Minister of Foreign Affairs cannot conceal the fact that it is well known that he was not satisfied with ...

Hon. M. A. KING: The Honourable Member cannot talk about my satisfaction. How can he make a statement in relation to me?

Asides.

Mr. CHAIRMAN: Can we have some order, please.

Asides.

Mr. CHAIRMAN: Order, please.

Hon. H. B. St. JOHN: Mr. Chairman, Sir, I do not understand. A simple statement that I have made has provoked a lot of trouble on the Government side. I do not understand why it should provoke that. I am not in any quarrelsome mood at all. I am making no accusations. I am not quarrelling. I am not doing anything. All I am trying to do is to try and illicit.

Asides.

Hon. H. B. St. JOHN: I am not fishing. I am stating facts.

Aside.

Hon. H. B. St. JOHN: That is a well-known fact.

Mr. CHAIRMAN: Let the Honourable Member proceed with the Head under discussion.

Hon. H. B. St. JOHN: Sir, I would like to get some understanding of the mechanism that we have in here. This is the only opportunity that we are going to have here to find out what is the procedure we are going to use for reporting in this area. It is unusual, Sir. There was no press conference. There were no releases. We did not say anything. It is as though it happened, it was over and it was just another chore.

Aside.

Hon. H. B. St. JOHN: Many times. All the time.

Aside.

Hon. H. B. St. JOHN: Any time, many times. Do not worry about that. It is not a question of what we have done. The question is what should be done now. We are dealing now with a question in which the important areas of activity affecting the future of us in the Caribbean took place in the month of July. I would like to know, the public would like to know and my constituents would like to know what happened. What is the position in relation to the single market? What is the position in relation to a number of these important areas that took place at the conference? That is what I would like to know. We already know the dissatisfaction of the Minister of Foreign Affairs.

Let us deal now, Sir,....

Hon. M. A. KING: The Honourable Member is misleading the House. He cannot talk about the dissatisfaction of the Foreign Minister. It is not true.

Hon. H. B. St. JOHN: He is as persistent in his protest as the Honourable Member for St. Michael West. That is the only point I want to raise under that Head.

Mr. CHAIRMAN: The question is that Head 15...

Mr. L. R. TULL: Mr. Chairman, Sir, I am a little disappointed at the attitude of the Government in relation to this matter. One gets the feeling that the Government or the Prime Minister does not believe that in external matters, matters in relation to foreign Governments and foreign institutions should not involve the Ministry of Foreign Affairs. I would find it very difficult if I were on his side to serve as a Minister of Foreign Affairs if that is the attitude, extremely difficult. Therefore I am disappointed that the Minister of Foreign Affairs protests that he is not dissatisfied because when we were in Government, all the Heads of Government meetings that were held from 1981-86...

Aside.

Mr. L. R. TULL: Why do you not keep quiet. We were not in Government then. I said all the CARICOM Heads of Government meetings that were held when we were in Government I had something to do with all those meetings. I was involved in one way or the other. At the conclusion of each one of those meetings the then Government of Barbados made full statements to the press including a number of press conferences and other releases as to what had transpired at those meetings. There were those who would make light of a suggestion that the conclusions of important meetings like the CARICOM meetings, Heads of Government meetings should be made public. I do not understand how they could be serious about trifling at these things.

There is one other point in relation to this Supplementary, the constraint that you hear from the Government is that things happened one way in the past and therefore they must happen so forever. That is the type of mentality of this Government. What is important is that in respect of this Vote...

Aside.

Mr. L. R. TULL: Sir, are you going to protect me from the Deputy Prime Minister or do I have to raise my voice more and more?

Mr. CHAIRMAN: Can we have some order, please?

Mr. L. R. TULL: In respect of the supplementary itself, this is now the month of August. We have only concluded 5 months into the Financial year and the Government is coming back so early in the Financial year for a supplementary which amounts to roughly a third of the figure that was voted in March of this year.

I cannot but say that it seems to be a great deal of inefficiency on the part of the Government that they cannot even properly forecast what kind of expenditure they will require for something of this nature. The meetings of all the conferences are almost all entirely known a year in advance, the CARICOM Heads of Government meeting or the Foreign Ministers meeting, in fact 90% of these Ministerial conferences are known in advance.

I believe that in introducing this measure the Minister who introduced it should have given the House the benefit of new information that would let us know why so early in the Financial Year there is need to supplement this Vote by almost 30%. What is happening? What is new? What new conferences and delegations that were unanticipated in March this year have now arisen? Instead of making trifle of these important matters, give the information. As we go through this Supplementary on a number of Heads the

same issue will arise *ad nauseam*. Sometimes they are predictable. Some things are predictable. I would make one speech if I had only one point to make but we are not a one point opposition. We have several points to make. But we would be saying this *ad nauseam*. Some things were unpredictable and those we will not quarrel with. But the bulk of it - and I don't want to deal with them I have them all written down - are matters that were well within the knowledge of the Minister of Finance and the Government in March of this year and one must seriously ask why do they fool us and the public with the kind of estimates and expenditure that they present to Parliament in the month of March then to make these requests for supplementary in these very, very large sums - \$56 million, just 4½ months after the passing of the estimates without any explanation in presenting them, as to what caused the Government to either make a wrong forecast or what has happened since then to make this thing justifiable, Sir. 10.30 a.m.

Mr. D. A. C. SIMMONS: Last week during the news conference or press conference by the Minister of Health he indicated that all of the Members on the Front Bench when they go abroad to conferences they live in suites in the hotels. The Minister of Health said all Members of Cabinet do that. I saw it on television and I have it taped and I have the audio tape for the debate in here. I want to know if that is the policy of the Government that Front Bench Members of Cabinet must....

Aside.

Mr. D. A. C. SIMMONS: He spoke about those who are presently existing in the Cabinet, not any who may have stepped off last year. It does not affect the Member for St. Philip South. I want to know if it is the policy of Government that Members of Cabinet must stay in suites when they go abroad irrespective of the nature of the conference. He justified this by saying that if he was meeting with people to talk about coming back to "Barbados, nurses and so on, then he needed space. But he made it clear that every member of Cabinet...

Aside.

Mr. D. A. C. SIMMONS: You would like me to send and get the tape and play it for you? All right I will send and get it. I want to know if it is a policy on the part of Government. I am not commenting on the desirability or otherwise. My first question: Is it a policy of Government? Is it also the policy of Government that irrespective of distance, when Members are going to conferences, all Members of Cabinet travel first class? Because these expenses impact on the quantum of the vote for conferences and delegations and I think the public is entitled to know because the public by its persistent efforts and its comments were able to get the Prime Minister

to reduce his level of travelling because after they had published that he had flown away 27 times this year or some such thing that appeared in the papers he suddenly cancelled one that he was to go to in St. Lucia. I am glad that he is listening to the public in that regard.

I would like to know from the Minister who moved the Bill how many times in this calendar year the Minister of Finance and Prime Minister has travelled outside of Barbados and what has been the cost of that travel.

Aside.

Mr. D. A. C. SIMMONS: Don't tell me how to ask it. If I want to put it on the Order Paper I would send in the usual thing but asking it here you should have that information to hand. Don't answer it. I will make sure it gets in the paper that I asked you and you refused to answer.

Mr. CHAIRMAN: I take it that the Honourable Member is still addressing the Chair.

Mr. D. A. C. SIMMONS: Yes, Sir. I am not threatening you, Sir. If they try to hide from that question then I will know how to get..

Mr. CHAIRMAN: You are not going to threaten him through me. Let us have some order, please.

Mr. D. A. C. SIMMONS: I understand, Sir, that there is to be some big conference on the environment in Barbados next year April. We will get to Sherbourne, but I will deal with Sherbourne in a different context.

I want to know if the Government has costed the expenses connected with the hosting of that conference. I will tell you why. That is set for April next year. Next April is the beginning of a new financial year 1994/95 therefore in this fiscal year there should be some idea as to the amount of money that would be expended on that conference. We can talk ball park figures. Nobody wants an exact figure but I want to know if the Ministry has done its preliminary planning as to the cost of that conference and if so how much will be expended on it?

Mr. DeL. O. BRADSHAW: Mr. Chairman, I shall not be long but I want to deal with this matter on this Head. From time to time this particular Head receives a lot of comment and most of the time some heated exchanges across the Table. It is time that we find some ways and means of reducing the sort of comments that this debate or this Head attracts.

I am not satisfied when I hear people saying, well it was done by so and so and therefore it is right for me to follow. I think that we have to move away from that. It is

time that we move away from that. If we are talking in terms of setting examples and moving away from the old colonial paths and bad policies and bad directions in the past then I think it is time this Honourable Chamber recognises that.

This is a word for the Government, you are the Government and I think that you should pay heed to comments like these. I am not happy even when one refers to a BLP Government doing it. When I hear this time and time again the question as to why the conference vote was busted and why you have to seek additional funds. It is not something that I really want to spend my time or anybody would like to see or hear debate on every time. I am going to suggest that one way in which we could deal with this and reduce the sort of debate on this particular Head is for the Government when it has to come for an additional vote - I expect any Government to come for an additional vote because I am now aware of the fact that no kind of estimates can be accurate. It is an exercise, sometimes I say, in futility. We come in here every year talking about estimates and the public servants come down and we think we are doing the greatest thing and we are making guestimates. 10.40 a.m.

I feel if we change the word from "estimates" to "guestimates" we will reduce the debate. On the other hand, you should when you are introducing this Head say this is what we feel, these are the major things we have planned, but we expect certain things if they come off, because Government has to be negotiating and some things crop up from time to time that require Government's urgent attention and attending presence. It is not sufficient to say it happened. I do not want to hear from anybody on that side that it happened in the past. It was wrong if it happened with the BLP Government and it must not be perpetuated. I want to say stop it here and now and let us get on.

I expect the Minister who introduced this measure to get up and say what is responsible for coming for this increase. All I am saying is that an explanation[^] required. You are increasing the Conferences and Delegations vote. We know that from time to time you will have to come for a supplementary. Nothing can be accurate, but an explanation will do the trick. Do not let us get in here and waste people's time.

I am going to say this to the Government. Whether you believe this or not, John Public does not feel quite comfortable when he hears this vote being debated. Do not let us ignore the people out there and what they feel and think, whether it is justified or not. That is a perception and everybody knows that politics sometimes is a perception too. One former member said that truth does not matter, it is just perception.

Aside.

Mr. DeL. O. BRADSHAW: Impression. I am going to say this to the Minister of Finance and I would like him to take note. It is all right for Honourable Members on that side who enjoy these trips, but every time you ask for a vote in respect of travel, the public, especially in these harsh economic times, is going to find reasons to criticise the Government. Let us understand that. That is why the Government should take particular pain to explain quite clearly to the public why these things are being done and reduce the speculation in this country. It does not augur well for us at all as Parliamentarians.

I am drawn into this net sometimes. They say I am a politician, so whether I am in Government or not they say all of us are the same. I fear that, because some Ministers use their discretion and some Ministries use discretion, but some delegations and some trips are unnecessary, but some people feel they should get a piece of the cake too. I would hope that everything is done to reduce this.

Aside.

Mr. DeL. O. BRADSHAW: What I am saying is not untrue. Everybody knows what I am talking about. It is all right for one Minister to travel and somebody looking to see when a trip will come up. Sometimes Barbados cannot benefit from attending the particular conference, but somebody wants to travel, and I would hope that this is looked at to see that money is spent only on these conferences that we must attend. It is important.

I have heard this thing about the suite. It has not gone down well with the public. Whether it is true or not, it is unfortunate that something like that has gone abroad.

Asides.

Mr. CHAIRMAN: Let us have some order, please.

Mr. DeL. O. BRADSHAW: It is not foolishness. That is the arrogant attitude that has caused us to go out there and people are critical of us as politicians and as supposed leaders in this country. It is time that we wake up and understand that these are genuine criticisms and in these times in which we live it is difficult for some of us as politicians to go into certain areas and walk about freely. You are telling me that I am talking foolishness? There are other people on that side who understand and take note, because there is some substance in it.

I have seen some things happen around this place that do not augur well. I saw it last year. People perceive that the Prime Minister or a Minister just runs around, whether it is right or wrong. You have the GIS at your disposal and you should reply. Treat us as peers. We are not enemies,

despite what people may think. We all can communicate with each other across the Table individually. We can do it outside, downstairs, anywhere, we can come in here and put it here, and we can reason. That is what we want. There is something about that I do not like, GIS saying something when I think I should know. I deserve the right to know. Sometimes we can help in reducing the sort of criticism that is usually heard at this Parliament. Forget the whole idea of saying it happened with you or it happened with us. When are we going to act like grown-ups? Because you threw rocks when you were a little boy, must you continue now you are old? That is foolishness. Let us draw the line. We have been asking time and time again about the new march forward in the new direction and I would hope that we understand what that means. If Government is articulating that sort of approach, then I think we have to make some adjustments and recognise that some of the things we did in the past were wrong. It is not right for us to continue in that direction. The public out there is saying this is not the direction for us. I hope we all take stock and heed of these things and recognise that they will not augur well for this country. That is all I have to say on this particular matter.

Hon. P. M. GREAVES: Mr. Chairman, I should like just to say a few words, because of the way in which the debate on this particular matter has been progressing. In some respects some very good points have been made, but in other respects it is not doing us good as. Parliamentarians, as Ministers or as former Ministers. I am amazed at the level of accusation, although I should not be, because this is the kind of debate one expects whenever one comes to deal with that particular Head with which we are now dealing. This is the kind of debate that goes backward and forward, and Honourable Members know causes and reasons. It is not that they do not know.

Let us take this Conferences and Delegations vote. It is impossible, it is not possible, although one might know the conferences which the Government is expected to attend, to estimate accurately the costs. First of all, let me explain this. This is not a ministerial conference, this is conferences generally, and particularly the travel of public servants take up the most part of this. The Member for Christ Church South said he is not saying that Ministers should not travel, but I am making this point because the way in which the debate has gone gives the impression as though the Conferences and Delegations vote is for the Ministers, and it is not. I do not care how much you flounce around in your seat it will not change the facts. 10.50 a.m.

I want to say this Sir, for the most part as I said just now/it is not possible...

Asides.

Mr. CHAIRMAN: I am not going to tolerate this kind of...

Hon. P. M. GREAVES: It is not possible to know for sure how much it will cost for travel for the first 5 months of the year. Even given the fact that most of the conferences take place in the early part of the financial year, that is, when most of this vote is taken up because there are so many different determinants - where you are going, what the hotel cost will be, what the airline cost will be. These are things that one does not know and all of these things are committed to this particular vote. So it is easy to say you know how many conferences you are going to but how can you know what it is going to cost? You cannot know because if you go and stay at a hotel in London today at one price you can go back next week and stay at the same hotel at a different price. These are all charges on the vote. Let us stop this foolishness. Let us stop this nonsense.

Let us look now at the question of a suite which I think there is absolutely no point at all. When we were in Government between 1973 and 1976 the then Prime Minister Errol Barrow said none of us could travel first class. In came the other Government in 1976 and everybody travelled first class. I do not disagree with them. I am in total agreement with them that they should travel first class and I am in total disagreement with Errol Barrow because a Minister should always be travelling first class. How can you say now that you travel first class and we should not go into a suite. You travel first class yet you are not entitled to a suite? What kind of foolishness is this, Mr. Chairman? I want to make it quiet clear every Minister is entitled to a suite. Whether he takes it or not that is a 'different matter.

I want to make it clear. I don't intend to devalue myself as a Minister. I don't intend to devalue them over there as Ministers. We are doing this to ourselves when we raise these kinds of silly questions. I am entitled to a suite and I do not take it up. If I feel like taking it up I will take it up, but I do not like it. It is a personal thing with me. I like when I am in my room to have everything there with me, television and everything else. I don't like to be in a room in a bed and have to go to a different room when I want to watch television. I am entitled to a suite and anytime I feel like taking a suite I will take up a suite.

It is interesting to hear the Honourable Member for Christ Church South arguing for more people on a delegation, that we should have additional people on it. Can you imagine that, Sir? Whether they come from Foreign Affairs or from Finance or from Transport he is arguing for additional people on the delegation. They are the same people who criticise the expenditure of the vote, that the vote has been exhausted, and yet they argue for more people. I do not understand how to satisfy these people.

Mr. D. A. C. SIMMONS: Mr. Chairman, all that this side is trying to do is to elicit from the Government what is the policy in the light of the protestations made outside of these 4 walls by members of the Democratic Labour Party that they do not take suites; don't put them in that I hear certain persons love a suite for themselves, but it is not the general thing. Now we know that the Government's policy is quite clear. All of them are entitled, but not all of them see the necessity to occupy a suite when they travel.

In respect of the use of the vote, it must not appear in the record that the Opposition was unaware that this Head: Conferences and Delegations also finances travel by the public officers to conferences. We understand that. What perhaps we have not made sufficiently clear is that if Government is complaining of the hard economic times and if those times are in reality, then it behooves the leaders of Government to set examples in restraint by restricting travel under this Head to only necessary conferences. I am hearing the viewpoint expressed on the other side that because we travelled when the BLP was in Government and from time to time the vote was bust they are entitled to do the same thing. You cannot compare the conditions now with the conditions then. As the Honourable Member for Christ Church South has been saying all morning the critical factor out there is 40% unemployment The Honourable Member for St. Philip South said 40 000.

Mr. H. A. BLACKMAN: On a point of order, Mr. Chairman, at no time yesterday did I say anything about 40% unemployment. I said at the end of March it was said that 27% of the people in Barbados was unemployed which makes it about 35 000 people and I said at the end of June another 2 000 or 3 000 would have gone out of school as well which brings it to about 40 000 persons, not percent.

Hon. E. E. GREAVES: Mr. Chairman, on a point of order, I think it is misleading of the Honourable Member to give the impression or to say here as a fact that the unemployment in Barbados is 40% when he knows it is not true and the Honourable Member should not indulge in that kind of behaviour.

Asides.

Hon. E. E. GREAVES: The Honourable Member has made a categorical statement that the unemployment in Barbados is 40% and that should not go into the record because it is not true. He knows it is not true. He does not have any evidence whatsoever to justify that particular statement and he should withdraw it and it should be struck from the record.

Mr. D. A. C. SIMMONS: He said it was categorical. All right. If the workforce is 100 000 and the Honourable Member for St. Philip South said that there were about 40 000 unemployed...

Asides.

Mr. CHAIRMAN: What I would like the Honourable Member to do is to speak in relation to the Head under discussion. If the Honourable Member would listen for a moment, I would like you to return to the Head under discussion.

Mr. D. A. C. SIMMONS: Yes, Sir. I was trying to explain. Was it 40%? About 40 000.

Mr. CHAIRMAN: I don't even want you to go that way. Just let us deal with the Head under discussion.

Mr. D. A. C. SIMMONS: I have to explain to get a basis for my argument. If there is a high level of unemployment and the economy is in recession, all I am submitting is that the conditions are not as favourable for Government travel now as when unemployment may have been at 15% and we were not in recession. Therefore, I think it is important for us to make the point that Government must be more careful in its expenditure on a Head such as this.

The Honourable Member for St Michael South East made the point it is only those conferences and meetings which are really important that Government in these times should travel to. We have seen that Trinidad has been going through a similar period of recession and the Prime Minister of Trinidad has refused to travel to conferences and the Prime Minister of Barbados has gone to conferences where the Prime Minister of Trinidad said he is not going. He is selective about the conferences he goes to.

Asides.

Mr. D. A. C. SIMMONS: We are not trying to politicise. We are representing to the Government the concerns expressed to us by the people in our constituencies and generally. We cannot tell them what the facts are and then we hear from you all. We are now hearing for the first time that you all are saying that every Minister is entitled to a suite. 11.00a.m.

I am asking a question which I want the Minister in whose name the resolution stands to get up and let it be clearly understood. We are not nit-picking. We are not envious because we realize that Government has its responsibilities on behalf of the nation to carry out and some of those responsibilities will take representatives of the Government out of the region and out of Barbados. There is no problem with that. What we are saying, as the Honourable Deputy Prime Minister would say, be selective in what you attend.

Hon. E. E. GREAVES: Mr. Chairman, I indicated that I wanted to speak earlier on when the Deputy Prime Minister intervened. He certainly touched on the point which I wanted to make. However having listened to the Honourable Member for St. Thomas I think it is important for me to make just 2 points. The point has to be made from the Floor of the House lest the impression is left on the record that this Government is not selective in conferences which it attends. The fact is that we do select very carefully those conferences which we attend and, as he knows, almost every day various Ministries receive invitations to attend conferences of all sorts. You just cannot attend all and therefore you have to select the conferences which you would want to go to. I would want to assure this Honourable House that this is done in a very careful manner.

The other point made by the Honourable Member is that now that the economy is in a recession the Government should therefore be very careful about the amount of travelling which is done. The mere fact that in 1986 when we came into office the Vote for Conferences and Delegations was in the region of \$2 million in 1986. In 1993 the Estimates show that we asked this Honourable Chamber for \$1 million, half of what it was in 1986.

Asides.

Hon. E. E. GREAVES: All right. Okay.

Aside.

Hon. E. E. GREAVES: But I am going to come to that.

Asides.

Hon. E. E. GREAVES: My point has been made. I finished. They do not want to hear me.

Mr. H. A. BLACKMAN: Mr. Chairman, I do not want to get into the argument about what is right or what is wrong but on January 12, 1993 the Minister of Finance came to the House for a Supplementary for the Conferences and Delegations Vote. The amount that was put in the Estimates for that year was \$1.003 million. The Minister of Finance came for a Supplementary of \$120 000 on January 12.

The Minister of Finance was then stating how he has been "making a significant effort to reduce, over the past 2 years, the amount expended on travel and Government business and I know that that is true.

But the point I am trying to make, Mr. Speaker is that that supplementary was on January 12 to supplement the \$1.003 million. This Supplementary to supplement about the same amount of money is being sought within 6 months of the Estimates. The point is being missed that whereas last year or early this year in January, when the Minister of Finance said he was making genuine efforts to control the expenditure of this Vote that the Supplementary was sought in January which meant that it was almost at the end of the Financial Year. This one is being sought within 6 months of the Estimates. The reason given for increasing the Vote, at that time, was that it was* due to Government's efforts to identify and explore avenues for enhancing economic activity and to seek to maintain Barbados' trading position *vis-a-vis* other countries.

I have not had any reasons given for the increase of this Vote, at least not yet. The point that one has to understand, Mr. Speaker, and I think I have to make it is that if one travels or if Ministers travel or if Parliamentarians travel and I do not want to say Ministers because other Parliamentarians travel, Backbenchers go to CPA Conferences and Opposition Members go to CPA Conferences. I do not want to give the impression that it is just Ministers travelling. The point is there is a difference between Ministers or Parliamentarians travelling when the economic situation is okay than travelling when the economic situation is this dire. This point has to be made. It does not matter what we feel in here. It is the feeling of the people out there. We may feel a certain way in here. We may feel that a Minister is entitled to a suite but get any person out there to believe that a Minister is entitled to a suite now.

Mr. Speaker, I am saying this now. I have never stayed in any suite. Let me make my position quite clear. I believe that if a Minister has people to interview or things like that it may be necessary for him to stay in a suite. But if a Minister is going on normal business I do not see any reason for any Minister to be staying in any suite and that is my position. I do not want anybody to agree with me.

I want to say that there is a vast difference between travelling First Class when the economy is okay, when people are working and when people have money in their pockets and when people are out of work, not working and have no money in their pockets. There must be a great difference. That is the point I wish to make. I have nothing against increasing the Conferences and Delegations Vote if I am given a valid reason. One has to understand that this is a change of about 6 months of coming to supplement this Vote. Whereas the \$1 million lasted last year right down, almost the entire Financial Year now this year, within 6 months, the \$1 million is gone. I believe the House needs an explanation for that.

Thank you, Mr. Speaker.

Hon. N. K. SIMMONS: Mr. Chairman, I am very concerned about the misinformation which is sent from this Parliament. The point I want to make is this, that when Members of Parliament travel they are not going on vacation. Some people seem to think that when we leave here we leave here and we go on some spree. Invariably when Ministers leave here to go to Conferences, the Conference has already started, when we get there at midnight or first thing in the morning you will have meetings and, invariably, you leave the day after the conference or even the same day. In effect you have little chance to even see the country you are visiting. That is the first point. Secondly, if you are an independent country you cannot benefit from the things which the international scene has to offer if you stay at home. And it is foolish and idiotic to believe that you can remain in Barbados and expect to benefit from what is going on. If you do not attend conferences people do not believe you are interested and some now believe that when you go to a conference you need not even attend the conference. We have got to lay aside this attitude. It is simplistic and petty. Sometimes when you go to conferences you work 12 hours a day, sometimes you work 15 hours a day. No time to shop or to see anything so to believe you are going to a conference to have a spree is a joke and it is about time Parliamentarians themselves educate the people of this country rather than misinform them. 11.10a.m.

Let me say this to you. I am not travelling anywhere second class. You go anywhere in a cramped up aircraft by the time you get there how do you feel? Let us face it. You are working 12 or 14 hours a day. I have been to conferences in Brazil and Nairobi where you start at 9.00 o'clock in the morning and finish at 5.00 o'clock the next morning and you have to catch the plane at 8 .00 o'clock. What do you expect? It is our duty to educate people, not misinform people.

Listen, when the economy is down it is more important that you travel because you have to put your case. You can't put your case in Barbados. If £ person is a Minister and he does not want to work for the Government he has not got to travel. That is the point. Some of us do not believe we have to travel or you have to put your case for the Government so they don't care about that. We have got to get our act together and the problem I find with politicians is that the only thing we try to do is to pull down each other in order to make a cheap point.

We represent Barbados and if this country is going through economic difficulties it is more important that we travel and put our case so that we benefit from it. At the present moment Barbados does not benefit from a lot of grants that other countries get because people

see Barbados as one of the better off countries and if we are not that well off then we have to go to international forums to put our point.

I am not quarrelling because we think we can get in here and fool the public out there in order to get a cheap vote. I am not begging for any votes. I have never done it and I will never do it. I do not beg for votes. Anybody in St. James South will tell you I have never begged anybody for a vote. That is foolish and those are the points I want to make.

The fact that we came last year in January for \$100 000 does not mean we must come this year for \$100 000. If we have estimated it would take \$120 000 at this point in time to carry us to the end of the year, we come now. It is a simple matter and I think it would do better if we get on to some other, issue which might be more important than to dwell on this all the time. It does not make sense to me. Those are the points I want to make.

Hon. H. B. St. JOHN: I would never have imagined, Sir, that a few innocent enquiries at the opening of this debate would have generated such steam, Sir. I would never have imagined it but I want to go back into focus. We have had a lot of talk here about suites and all of that. Do not worry about that, Sir. What we want to know is that when the suite is paid for it is paid for out of the correct vote.

The second point, Sir. We had in here, Sir, prior to these conferences, the Heads of Governments Conference. We had a debate on the Assembly of Parliamentarians. At no time was anybody in here aware of the profound position of the Government of Barbados that it was going to illustrate proposals for a confederation. This is the first opportunity since the Heads of Government Conference that we have had to raise the point. I want to know the proposals that are being put forward for a confederation. I want to know. I am a federalist, Sir, and I want to see whether they accord with my views, whether I can give you the support.

The Prime Minister may not know it but if they are to conform to my views I will unhesitatingly state so but I want to know what they are. They are not to reside only in the head and in the breast of the Prime Minister. It is too important a point that the public of Barbados is not to be taken in their confidence from the very beginning.

The Honourable Member for St. John does not know anything about it. Even if he knew anything about it he would not appreciate it. So I would like to know, Sir.

How come this Parliament, this important institution had a major debate on the Caribbean and at no time was it ever suggested that this initiative would come? So

therefore, Sir, I am appealing at this particular time, under the Head of Conference and Delegation for a report on what took place at that very important conference in which this profound initiative was put forward. That is what I am asking, Sir.

Hon. M. A. KING: Mr. Chairman, I wish to make a very brief comment on the point raised by the Honourable Member for Christ Church South a moment ago. He talks in terms about profound decisions being made at the last Heads of Government Conference on the issue of confederation.

Hon. H. B. St. JOHN: I am not saying that decision was being made because I am aware no decision was made. What I would like to know is what is the profound decision of the party that is in power at the present moment? What is the Government's position in relation to confederation and putting it on the Table? That is what I want to know.

Hon. M. A. KING: Mr. Chairman, let me just say that a lot of mis-information seems to be abroad on this matter. First of all let me just set the record straight that the last Heads of Government Conference did not discuss the issue of confederation. It was not an issue which was on the agenda of the CARICOM Heads of Government Conference.

Honourable Members are aware that some time back the Honourable Prime Minister of Trinidad and Tobago talked in terms of what has been described as an initiative - the Manning Initiative - in which he proposed that there be closer unity between the countries of Barbados, Trinidad and Tobago and Guyana. So that issue had been in the air. A number of persons in Barbados had got together with a view to discussing the proposals and trying to develop in Barbados an interest in the proposals, which is called the Manning Initiative.

At the same time an attempt was made to set up corresponding interest groups in Trinidad and Tobago and in Guyana with a view to those groups in the respective countries interesting the citizens of those countries in the proposals for further union between Barbados, Trinidad and Tobago and Guyana.

Now, after the meeting in the Bahamas - the last Heads of Government meeting - in fact it was after the meeting was over, the leaders of Barbados, Trinidad and Tobago and Guyana met informally and discussions took place about the closer union that was being talked about between Barbados, Trinidad and Tobago and Guyana, and the Prime Ministers, as I understood it, began to explore what the possibilities were. The

fact is, Mr. Chairman, no concrete proposals have yet been identified, so there are no proposals which are in any form. What; the meeting decided was that the Barbados delegation would begin formulating some ideas that the three leaders could sit down and discuss when they meet again. 11.20a.m.

You hear in the public domain talk about the Prime Minister committing Barbados to a confederation and that kind of nonsense, but Barbados has not been committed to anything. What we will propose to do as a Government is that when we begin to formulate ideas we will want to discuss those ideas with the public of Barbados. You have to start somewhere, you just do not go out and talk, you put together some ideas, you put together proposals and then you begin to discuss proposals with the people and with the various constituencies that are important. When we have a position which we can say is a Barbados position, then we will want to discuss that with the leaders of the other countries, so I do not understand what the big song and dance is about. You are talking as if decisions have been reached and the Government of Barbados has committed this country to something. That has not yet happened.

I just wanted to make the position abundantly clear as to what the developments are in that regard.

Mr. D. A. C. SIMMONS: On this side the Labour Party long suspected that that was the position. We are glad we got it firmed up this morning and that is why we were not foolish enough to make any public comment either about the Manning Initiative or the Sandiford Confederation. I am not speaking pejoratively, I am only 'identifying these things.

The truth is, and we now know, that there has been a lot of old talk. Fellows get together and say, "you know, I feel three of us can come together." The newspapers, the wired service, everybody picks it up, a big initiative. Foolishness! Hooie! People in the region have been carried wide believing that there have been some grand plans out there for the upliftment of the region and closer regional co-operation. Now we know, out of the Minister's mouth, they now have to formulate the ideas. I make no more comment on that.

When the Honourable Member for St. Lucy spoke yesterday, he said that in our time the vote for Conferences and Delegations was \$2 million. I suspected that that came straight from a distorted mind connected to a distorted mouth. I went and looked for the Estimates, Sir. I want it to go into the record, because the case of Adam v Ward says if you give a lie a headstart on you at all you have the dickens to catch it. We were in office in the fiscal year 1986-87 for 58 days, from April 1 to May 28. Actual expenditure for that year was \$1 657 348. In 1983-84,

actual expenditure \$1 440 113. We are missing one and we have sent Mr. Best out to get it Actual expenditure for 1986-87, appearing in the Estimates of 1988-89, \$2 186 313. We do not have 1985-86, we have 1983-84, 1984-85. There seems to be some exceptional year, but we do not have it over here. Let us put all in.

Aside.

Mr. D. A. C. SIMMONS: Yes, but those were better days. We went \$1.3 million, 1.4, 1.6. I just wanted to get those figures in, Sir, because the \$2 million was since this Prime Minister became Prime Minister.

Rt. Hon. L. E. SANDIFORD: Mr. Chairman, I merely wish to make a few comments. This Committee has the responsibility of seeking to get through parliamentary business in the most efficient way possible, dealing with issues, seeking to get at the facts, and seeking to put those facts into some kind of framework, and to do it in as efficient a way as possible.

Mr. Chairman, I believe the House is entitled to information. I have no quarrel at all with the questions being asked by the Member for Christ Church South or by any Honourable Member. It is our duty as a Government to give the information, and to give it as accurately as we can within a time frame that is reasonable for getting the information out. There is a form available to Members to obtain the information. They can ask the question. They can also set down a question, if they need information, or if they need debate on a particular issue. They are capable and they are empowered by the Standing Orders to set down Resolutions for debate.

Aside.

Rt. Hon. L. E. SANDIFORD: Well, you need a lecture, the silliness you have been talking all morning.

Mr. CHAIRMAN: Just a minute, Prime Minister. I am not very happy with the kind of interventions we are having while a Member is making his contribution. Let us desist from doing that, otherwise I will have to take the action that is provided for under the Standing Orders. Let us stop it as of now. Proceed.

Rt. Hon. L. E. SANDIFORD: We will seek to provide the information that has been requested. There is nothing to hide, no secrecy or anything in relation to those matters, and the information will be forthcoming. One would assume that this Government has been hiding from discussion or debate. 11.30a.m.

It is far from the truth, Sir. The last debate only grudgingly admitted by the Member for Christ Church

South was on the question of the Caribbean Assembly of Parliamentarians and I know that he is a regionalist, at least I know that he has said it many times; but he can always find ways and means of some subsidiary position not to support what may be positive or active that this Government is doing, however regionalist he may be. I am pretty sure that if it comes to confederation whether the matter is spelled out in details, white paper, green paper, or any kind of document, that he will find means of not supporting it, even though he is a regionalist. That happened with the Caribbean Assembly of Parliamentarians, even though that member for Christ Church South was a principal cook and bottle washer of a meeting of Caribbean Parliamentarians at Heywoods Hotel. I believe the year was 1985 - Caribbean Parliamentarians meeting on one narrow issue of population. But we are setting up something to deal with all CARICOM matters, integration, the single market, all of the issues, and that Party takes a position against an Assembly of Parliamentarians which he opened and said was a very good thing and that the parliamentarians should get together more often! That is it and all of them are out there following blindly without questioning it.

I know that the Member for St. Michael South East did not recall that. So I excuse him out of that, because he is not going to be associated with all that foolishness that emanates simply for the purpose of scoring cheap political points. You should get up and confess that you were wrong on that matter of the Assembly.

Mr. CHAIRMAN: Let the Honourable Member address the Chair, please.

Rt. Hon. L. E. SANDIFORD: Sorry. The Chair is always right, Mr. Chairman. We, Sir, will very quietly and efficiently and very pertinently expose all of these traps and tricks that they are setting, and we will give the information and the people will judge. It is as simple as that.

Let me say, Mr. Chairman, that Ministers of Government in the course of their public duties travel just as persons over there travel in the course of their duties; and all of them have travelled. Government Ministers would be expected, since Government is the biggest employer in this country and the biggest enterprise in the country, to travel far more than anybody over there or any of the private executives in this country. Let us settle that matter. We have to travel.

I am saying further that when we travel, depending on the nature of the business and the conference, appropriate accommodation is provided and made available up to the level of a suite. I have stayed in single rooms, in double rooms and in suites, depending on the nature of the

business I am on and depending on the time I am spending, and any other facts.

Asides.

Rt. Hon. L. E. SANDIFORD: I do not really understand what is the nature... The Member for Christ Church South has travelled as Prime Minister to various conferences in the Caribbean and beyond. I have never felt that I would ask, or I am not even interested in his accommodation of whom he carries with him as advisors. I believe that was within his particular discretion when he was Prime Minister. He would not be again.

It is really trying to drag down the office of Prime Minister which is a predilection of all of them over there. And the latest thing now is that they are seeking to compare me with the Prime Minister of Trinidad & Tobago. I have been a Prime Minister among the MDC's longer than any of the other Prime Ministers. Here is the Member for St. Thomas trying to drag down now his own Prime Minister. I am your Prime Minister, you know, and I protect you.

Each Prime Minister has to decide what conference he will go to and what conference he will not go to. Let us put it to rest once and for all. I am Prime Minister and there are conferences that fall peculiarly under the Office of the Prime Minister. I am Minister of Finance. I am Minister of Defence and Security and also Minister for the Civil Service. Four different areas at least, not to mention Information. So every time they say the Prime Minister is travelling, there are a number of responsibilities wrapped into one, and you would expect that in one of those capacities that I would have to do a fair amount of travelling for the people's business.

Mr. Chairman, you know what the problem is? If I go to an Inter-American Development Bank meeting in Germany, or if I go to the annual meetings of the IMF and the World Bank I am seeking to consolidate the economic programme of Barbados for the benefit of the people of Barbados. We try to maintain our economic relations; and similarly if I visit the United States, as I will be over this weekend at the invitation of the President of the United States, this is seeking to establish the economic and financial and political relations between Barbados and the United States. Am I to go to the Member for St. Thomas and salute and ask, "Sir, please do I have your permission to travel?" I don't understand what is the point that you are making.

Mr. D. A. C. SIMMONS: On a point of order. If he comes, I will give him the permission. I don't give him the permission to go to the Virgin Islands, to some bit of foolishness down there coinciding with a national event in Barbados.

Mr. CHAIRMAN: That is no point of order.
11.40a.m.

Rt. Hon. L. E. SANDIFORD: It is all right. You see the Honourable Member for the City can go down there to speak to Barbadians. But if I have to go down there and cover up all the nonsense that she tries to talk down there, trying to pull down the Democratic Labour Party something is wrong with that. I am talking to Barbadians. It was all right for her to visit and other Members over there. When they go, they try to pull down the Government and talk all kinds of...

Aside.

Mr. CHAIRMAN: The Honourable Member is on a point of order.

Mr. DeL. O. BRADSHAW: Mr. Chairman, Sir, I take objection to the Prime Minister saying all of them over there referring to Members over here. I have been nowhere and dragged down Barbados.

Rt. Hon. L. E. SANDIFORD: I am not including the Honourable Member for St. Michael South East in these matters. Let me make one last point on this question of suites, Sir. I believe the Prime Minister, the Ministers and Members of Parliament are entitled to have accommodation and provision befitting their status. I am not going anywhere where it may be necessary to have meetings or so in my room, to have a single room there and somebody calls and says somebody is coming up to see me and I have to take a brief case or some other brief off the bed or something like that to get it in a proper position with dignity. You talk about my Ministers? My Ministers are eht tied to it as well. They are entitled to it depending on the nature of their business and the meetings. We use that discretion. They use it.

The final point I wish to make on that is....

Mr. CHAIRMAN: Order, please.

Rt. Hon. L. E. SANDIFORD:.. ..that all of them know of these matters and they would expect my Minister to be down in the back and the Member for St. Michael South East travelling on the same plane, he is up front sending back a drink now for one of my Ministers, and he has his Bally shoes right up on the front parading. I am not going to let that happen for my Ministers or for myself, and it would not be right for the people of Barbados.

But, Sir, I want to make it clear. We are very cautious in the spending of money. We seek to be very prudent in the decisions that we take. I would like also to

indicate that - I will get the actual figures because the Honourable Member for St. Thomas is not going to go and pick up any document and then give out some information to try to give the impression that information given out is his. The fact is when that information becomes available it will be given.

Aside.

Mr. CHAIRMAN: You would have to do that in another intervention. Your time is up.

Rt. Hon. L. E. SANDIFORD: Time? The Honourable Member for Christ Church West Central has explained the position in respect of confederation. There was a proposal and the Prime Minister of Trinidad and Tobago put forward an idea that there should be an initiative to bring the 3 countries closer together. What we have proposed is that, in order to give flesh to that particular broad idea, one mechanism whereby the initiative could be implemented within a given framework is that of confederation. What shape that would take, what would be the elements within the confederation, what would be the balance of the distribution of subjects and all of that, the institutions and all of those matters, these have to be put out in detail. That is what the foreign Minister was indicating. That is what we are working on now, draft proposals. There will be discussions on these broadly both in Barbados and with those whom we are talking with. That is the stage. Apparently, even before I can give expression to an idea, I have to go and ask the Honourable Member for Christ Church South, can I do it?

Rt. Hon. L. E. SANDIFORD: Anyhow, Sir, I think I have dealt with the point.

Mr. CHAIRMAN: Time.

Rt. Hon. L. E. SANDIFORD: If you require a debate on the question of CARICOM affairs, when we resume we can have that debate. There is no problem at all in having that debate. I hope on that occasion that we will get a more constructive Opposition on that than we had on the Caribbean Assembly of Parliamentarians.

Mr. CHAIRMAN: The Honourable Member for St. John caught my eye first.

Aside.

Mr. CHAIRMAN: He would not be able to wind up like that. If he wants to make an intervention he can.

Hon. D. J. H. THOMPSON: Mr. Chairman, I think that in this particular debate perhaps it missed the Honourable Member for St. Thomas in his calculations.

It should be pointed out that last year's expenditure under the Conferences and Delegations Vote was the lowest in the decade 1983-1993, even with the Supplementary in January even without applying an inflator. It was the lowest in the decade, Mr. Chairman. That is 1992-93. In 1991-92 that was the second lowest in the decade.

Earlier this year we heard that Ministers were flying all over the world on junkets, having a ball, enjoying themselves, spending taxpayers' money, they were never in Barbados, you could not find them. I heard somebody in this debate talking about what people say about Ministers. There are people who say Ministers should not wear shirt-jac suits. They were Ministers and people used to say so. They say it about me and other people. There are people who feel that Ministers have chauffeur driven cars. There are people who say that you cannot find Ministers that they do not ever visit their constituency even if they live in it. Let us not talk foolishness about what people say about Ministers. I have had to defend people when they were Ministers for things that were untruthfully said about them. Any argument that you have to wait to hear what the people say out there as if that is some principle... People generally have some ignorant views about Ministers of Government.

Aside.

Hon. D. J. H. THOMPSON: You would always say that. I cannot stop you from saying that. I am not guided by what people say about me. I have never stayed in a hotel room anywhere in the world that is bigger than my bedroom. Never.

Aside.

Hon. D. J. H. THOMPSON: You can say what you want. The point is that is my bedroom. You understand what I am saying. That is the point. It is big enough to satisfy me and I am happy with it. In any event I am not going to get into any simplistic, trivial arguments or answer any questions that are asked that defy explanation.

If politicians wish to get in here and feel that what people out there say about them is supposed to be some guiding principle I would never have entered politics. When I entered it I knew what the salary of a Minister was, just as the Honourable Member for Christ Church South knows what the salary of a Minister is and can compare it to his present earnings. If he chooses to take a job as Minister then he has to accept that salary. I do not ask for any concessions. If the Government has a policy on travel then I abide by that policy. If they change it and say that you are not to travel First Class and I find that inconvenient I will not travel. It is not a big issue. I think people should understand that there are not any special arrangements that are being made for individual Ministers.

There is a policy on travel which the Prime Minister has outlined and it is your right to comply with that policy or not to travel. 11.50a.m.

Now I know this particular debate has highlighted some of the trivia that comes out when people talk about politicians and travel. But look at the Government Hospitality vote as well. In 1992/93 again the lowest amount spent...

Let me go to Conference and Delegations and give the facts:

1992/93 - \$ 1106 083 was spent on Conferences and Delegations

1991/92 - \$1 393 972 \$2

1990/91 - 004 483 \$1

1989/90 - 781 103

1988/89 - \$1 618 434

1987/88 - \$1 878 187

1986/87 - \$2 186 312

1985/86 - \$2064521.

That is the figure you wanted. So any missing information I am providing it now. 1985/86 you were in office for all 365 days, not 58, all 365 of which the Honourable Member for Christ Church South was the Prime Minister for a significant part and he said he reported several times. I don't know how many Heads of Government Meetings he went to as Prime Minister but he said he reported many times so he must have been to many meetings.

1984/85 - \$1 657 348, and

1983/84 - \$1440112.

And there are people in this country who write in the newspapers every week, Mr. Chairman, and give the impression that this is the most travelled Government in the history of Barbados. I have never relied on the Honourable Member for Christ Church South for anything accurate yet, and I would not rely on him for accuracy on matters like that. In the hospitality vote, last year's expenditure was the lowest in the decade and 1991/92 was second lowest in the decade. The highest expenditure ever in the decade for the Hospitality vote was in 1985/86, again when the Honourable Member for St. Thomas was a new Minister of Government, as Attorney General, when the Honourable Member for Christ Church South was the Prime Minister for -nearly all 365 days of that fiscal year and the

sum was \$269 474. Last year the Government spent \$39 000, nearly \$250 000 less than what was spent previous to 1985/86.

Now I am saying that the speeches given by Honourable Members contrary to the way in which they phrased them are calculated to give the impression that the Government is spending too much money on Conferences and Delegations and on Hospitality. Added to that was the viewpoint expressed that last year we came for a supplementary in January, why are we coming 6 months after the Estimates. But that is easy, the answer is not difficult. Some things are so simplistic that they defy explanation and you do not address your minds to them because of the simplicity. In January we were near the end of the fiscal year. It was determined exactly what we needed. We did not even use all of the money that was appropriated for the Conferences and Delegations Vote.

We have an opportunity now to look at the major items of expenditure which come under the Conferences and Delegation vote and the earlier that we can bring the supplementary the better. It is up to the Government to determine when it comes for a supplementary. We do not have to be dictated to in the Ministry of Finance by anybody as to how we must bring supplementaries and when.

Mr. H. A. BLACKMAN: On a point of order, Sir. I do not know if the Honourable Member was responding to the question which I asked but the question ...

Mr. CHAIRMAN: Please state your point of order. What is your point of order?

Mr. H. A. BLACKMAN: The point of order is that the Honourable Member is not responding to the question that was asked and therefore I am trying to put the question that I asked on the Order Paper again. The question I asked was the amount of expenditure. The Honourable Member did not answer the question as to expenditure. All my question was: Whereas \$1 million last year lasted until January, what was the reason that the \$1 million was expended this year in 6 months? That is the answer I want. I have no quarrel with the supplementary once I can have the answer to this question.

Aside.

Mr. CHAIRMAN: I have made it abundantly clear that asides are not part of the record of the Committee and when a response is made to what may be heard in an aside it comes straight to the Chair and you must desist from doing that.

Hon. D. J. H. THOMPSON: Thank you, Mr. Chairman, questions have been put in this debate and all of them will be answered. The point is that the full \$1 million

has not yet been spent for this financial year. However when we look at the projection of expenditure for this financial year we recognise that we need an additional \$325 000, so I am saying to you that even that argument does not make sense to me. Because you are asking for a supplementary does not mean you have already spent what was in the provision, it may mean that you have determined that you may need more to carry you to the end of the financial year.

Now some of these figures are not annual figures. The Commonwealth Heads of Government does not come up every year and I also wish to make this point that there are calls on the Conferences and Delegations vote for major promotions which Barbados now has to do in the international business sector. The U.S. RIMS conference, the Foreign Sales Corporation conference. We will try to have a Minister at the Foreign Sales Corporation conference because other countries in the region, particularly our competitors, countries like Bermuda and so on they actually hold receptions and fly in Ministers, the Registrar of the Court and nearly every other major official to attend the reception and at that reception they seek to do business.

Earlier this year a company said it came to Barbados and employed over 100 people because they were able to meet with the Prime Minister at a conference that he had attended - I do not recall where. Maybe it was in Canada - and were given assurances which met with their satisfaction. It does make a difference in those promotions if you can have the highest level of representation possible because the other countries in the region which are our competitors, particularly in international business, take those promotions very, very seriously and therefore we likewise have to ensure that our profile is better.

In respect of the Canadian RIMS conference it is acknowledged that the Barbadian promotion is the best promotion of all that are done at the RIMS conference. We always get a special award. Sometimes you get as many as 40 Barbadians from the private sector together with Government representatives who have to attend that conference and seek to do business. We have already exceeded this year in relation to exempt insurance companies. Already exempt insurance registration has exceeded the annual average in terms of registration and I understand there are another 6 or 7 which would carry us way over the annual average for registration.

Aside.

Hon. D. J. H. THOMPSON: Yes. The Minister does not remain in any suite with his feet lapped and the television on. People constantly call on you to discuss initiatives. We have already exceeded the annual averages in registration of international business companies.

All of that has happened in the past year or so, and that happened because of the seriousness that is paid by this Government to the issue of promotion. In foreign sales corporations, again we did a major promotion last year in Palm Beach and those promotions have borne fruit, and in the informatics sector as well. 12.00 noon

It seems to me, Mr. Chairman, that it is almost impossible to answer some of those trivial arguments. It would be impossible for Government to carry out the work that is necessary to promote Barbados within the million dollars that has been provided, and therefore we are seeking the additional \$325 000 to carry us to the end of the financial year. In any event, at the end of the day it will still be a low figure, it will in fact come in as the second lowest in the decade if the amount is fully spent.

That is all I have in terms of response, unless there are any other speakers. Assuming that we can wind up the debate then, I beg to move that Head 15 stand part.

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

HEAD 19 - MINISTRY OF FINANCE AND ECONOMIC AFFAIRS \$3 921 302

Hon. D. J. H. THOMPSON: Mr. Chairman, in the introduction-I think I fully explained in relation to the Contingencies vote what the additional calls on that vote were, bearing in mind the judgment in relation to the Sir Robert McAlpine & Sons matter arising out of judicial action. Two million dollars was in the allocation for this year and was reserved for that, but there had been other calls on the Contingencies vote. In addition to that, the operations of the Office of Privatisation need to be funded out of the Contingency vote until the Investment Fund is established.

Mr. D. A. C. SIMMONS: I wish to declare an interest, Sir. Part of this was voted last December. I had been Counsel for Sir Robert McAlpine & Sons in this matter. The only point I rise on is that I think an Addendum should be as accurate as possible. I am not nit picking. This Addendum says that 80% of the allocation was reserved for honouring the court ordered award - not true - arising out of a judicial action. I do not know who it is in what Ministry is writing this kind of cat wire, but out of a judicial action? Which Judge brought a case against McAlpine? This is foolishness. It goes the wrong way, Sir. It was not any court order either, it was an arbitration. The point I am making is that these things are untidy and unworthy of coming into Parliament. That can be passed.

Hon. D. J. H. THOMPSON: I beg to move that Head 19 stand part, Sir.

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

HEAD 25 - MINISTRY OF AGRICULTURE, FOOD AND FISHERIES - \$1 377 147

Hon. D. J. H. THOMPSON: I move, Sir, that Head 25 stand part.

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

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

HEAD 28 - MINISTRY OF JUSTICE AND PUBLIC SAFETY - \$4 217 197

Hon. N. K. SIMMONS: Mr. Chairman, we are asking for \$4 217 197 as follows: \$4 million to complete the Hometown Project. I think that Members will remember that this project was started in June 1991 and because of our economic situation had to be stopped. It was started again at the beginning of this financial year and a decision was taken by Government to complete it, because if we did not do that, then you might find it would cost an additional \$1 million if we were to stop and start in the next financial year.

As far as Object 208 - Rental of Property - the supplementary is for \$192 197. In the original estimate there would have been \$50 for rental of property, but since we discussed the Estimates here it was realised that the Barbados National Bank was moving to new offices and there was a dire need for the Command Section of the Barbados Police Force to find accommodation. We were able to obtain the former accommodation of the Barbados National Bank for the Command Headquarters of the Police Force, because that building is in a dilapidated state and needs repairing itself. This \$192 197 is to pay rent for the balance of the financial year - this month until the end of March.

The \$25 000 under Object 211 is to effect some renovations to the BNB building to make it habitable for the police.

I think that is the explanation for those three items under this Head. If Members want to ask any more questions, I am prepared to answer them if I can. 12.10 p.m.

Mr. D. A. C. SIMMONS: I would like the Minister to tell us what plans are envisaged for the old police

headquarters at Coleridge Street Are they going to be rehabilitated? Obviously not in this financial year, but probably in the next financial year. Does the Government have any plans to take that building? I mean it is an important building but it needs a lot of money being spent on it. I believe it can be restored with a gradual programme. Given Government's present financial difficulties, with a 3-year programme of renovation and rehabilitation and made into something because it would have use for the Police. I would like to know if Government has any plans in that area.

Hon. N. K. SIMMONS: Mr. Chairman, the plans for that building include moving the Bridgetown division headquarters from District A there. As you know the Bridgetown division headquarters is now housed at District A. I do not think District A is equipped for that so they are moving down here. One of the problems, however, is that the roof is a concrete roof and it leaks profusely. A lot of work has been done on the roof over the years to no effect so that one of the things we have to do is to have a new roof and in another 2 weeks or so some contractors will look at it and give us a figure as to how best we can do it.

Included in the renovations we will want to move the cells from where they are and bring them closer to the charge office. Those are the plans for the former headquarters. It will be renovated to house the headquarters for the Bridgetown Division.

Mr. CHAIRMAN: The question is that Head 28 stand part. All Honourable Members please say aye.

Mr. D. A. C. SIMMONS: We were only dealing with ' subprogram 1. Head 28 encompasses an expenditure of 7 ... I thought the Chairman was taking a vote on Head 28 but we had not completed a discussion on Head 28. The Hometown Complex. I only spoke on the first subprogram. I do not think the Minister opened on the Hometown Complex. Sir, I want the opportunity to deal with the Hometown Project.

The Addendum to this subprogram is revealing. In 1991 work started in June and I presume the Addendum means up to July 31 this year 1993. 1993 is left out. Okay.

Paragraph 1 of the Addendum says:

"Construction of the Hometown Complex commenced in June 1991 and up to 31st July,..."

it does not give a year.

"... expenditure of \$7.4 million had been incurred."

I presume that means July this year. I cannot find it possible for the Government to spend \$7 million in one month. It could not be July 31, 1991. So it has to be up to

a period of time which we don't know and I would like to know when. Construction started June 1991 and up to July 31 \$7.4 million had been spent. This is now 1993.

Sir, the work stopped in October 1991 that is 4 months after it started. There was no work until February this year. The first question I want to throw up for discussion is that April 1991 began a new financial year for the fiscal year 1991-92. Government ought to have known then in April 1991 when they came to Parliament for us to vote money for this project that it was impossible for the project to continue throughout 1991 and 1992 because in effect the project started 2 months after the fiscal year started and by October of the said year it had to shut down. So Government's forecasting, Government's planning in this case is of the kind that is to be deprecated. That is how I am going to put it, Sir. I am not going to use any pejorative language.

You must have known when you came for the money in Estimates in March that you could not sustain the construction of the project throughout the fiscal year. You have to remember that Government went into an IMF programme and only in the Budget of 1991 were we given a hint for the first time. Now that holding back from the country the truth about Government's fiscal position and economic position has resulted in our having to find another \$2 million. The argument about the Post Office cannot hold. Civil servants made a mess and caused the contract to be determined by McAlpine. They had a right to determine it because they would not pay the money on time and it was nothing to do with the Minister. The evidence was that the lady from St. Andrew - don't distort it. The public officer from St. Andrew, I am not going to call her name - but that was the evidence. I will get it and bring it in here after lunch and show you - did not send the people the cheque when it should have been sent and the contract was very specific. Fourteen days and you don't get paid, you can determine. That is a different matter. It had nothing to do with not forecasting.

All of a sudden now because the project has been suspended for 2 years we find that the cost of completing this project has gone up to \$9.7 million. So poor financial planning - I don't blame the Ministry of Justice and Public Services for this. They were putting up a project. They had contractors. They were assured they would have the money. The person to be blamed is the Prime Minister and the Minister of Finance. In his department there should have been sufficient organisation to have properly not only planned this project but planned the financing of the project. Now that whole planning has cost Barbadians \$2 million. We cannot even surcharge the Prime Minister. Poor planning. The Minister agrees with me that the overrun is \$2 million.

Mr. CHAIRMAN: Will the Honourable Member hold a minute? This is the reason why I am saying that

we must not introduce responses to asides because what you are saying the Minister said will not be found in his speech. 12.20 p.m.

Mr. D. A. C. SIMMONS: All right, Sir. I would like the Minister to tell us when it is estimated this project would be completed. I see the work going on all the time. I am a little concerned about the windows. The windows look very small. These little square white windows.

Aside.

Mr. D. A. C. SIMMONS: Security windows? I do not know. But the windows are too small.

Aside.

Mr. D. A. C. SIMMONS: No. That would be further expense. You would have to cut out the concrete. We, of course, are going to support this because the Police really need enhanced accommodation. We have always supported this project even though in terms of priority, our priority was to go to Boarded Hall first and then to Holetown. You have gone to Holetown first. No problem. I would not have an argument over that, Sir. But I do have a quarrel with the Minister of Finance over his financial planning that has now cost this country \$2 million. Bad financial planning.

Hon. N. K. SIMMONS: Mr. Chairman, Sir, the contractors said that they anticipate that the building should be completed by the end of December. I always say give them a month because you never know. I say the middle of January, the end of January.

As far as the windows are concerned, they look small but I think they will be the normal size of windows but it is just the panes that give that impression that they are small. It is going very well and I expect that by the middle of January, end of January it should be open.

The question that Head 28 stand part was put and resolved in the affirmative without division.

HEAD 34 - MINISTRY OF EDUCATION \$29 084 651

Hon. C. V. WALKER: Mr. Chairman, the Minister of State already detailed the requirements outlined in this Supplementary but I should like to develop them a little further in the process of my introduction.

First, Mr. Chairman, the question of the National Insurance, the first item \$508 800.97. This relates to an amount which was due to be paid in 1991 and which

remained as an outstanding item for that particular year. We are now clearing that to be sure that there is no outstanding item for the National Insurance.

The second item is under Object 316, Subprogramme 02, Sixth Form Secondary Schools the amount of \$300 000. During the last few months, Mr. Chairman, it has been discovered that a couple of the buildings at the Crumpton Street site Harrison College are in need of repair to the point where there was water coming through the roofs and some repair work is necessary. It may be argued and you will hear comments that work will be done on that school and work is not done on another school. Let me say, Mr. Chairman, that they have not been afforded funds for repairs, contrary to comments that we hear from time to time, like other schools have. Indeed there are those who got wind of this from what I am hearing already and are saying that they had to spend some money from savings so they should get back theirs if the Government is going to provide funds for this particular school.

There is much more which will be said and which can be said. But the fact is that this money is required for the repair work of these two buildings and we are supplementing the Vote under the Sixth Form Secondary Schools, Code 340402. We are requesting \$300 000.

The third subhead under Subprogramme 08 the St. Thomas Secondary School. As the Minister of State pointed out in his introduction work commenced on this school May 1990 and work was terminated or suspended in September 1991 when the funds allocated for that particular Financial Year were exhausted. There has been no provision for additional funds since then, Mr. Chairman, and consequently there was no construction going on since September, 1991. The \$580 385 being requested in this Supplementary actually there are 3 components which make up the \$580 385. One has to do with an amount due to the contractor and I would just use a round figure of approximately \$299 000. The exact figures are outlined in the Addendum. The second one is to reimburse the contractor for providing security and for utilities and storage which had to be taken care of by the contractor for materials which were already procured for the construction of the school. The third has to do with expenses of approximately \$120 000 for further securities and we anticipate that we will not restart work on the project prior to March 1994, that is, within this Financial year. Therefore provision has to be made in order to secure that site up to the end of this Financial Year. Thus, Mr. Chairman, we have the total requirement of \$580 385.

Under Subprogramme 01, Object 316 - Grants to Public Institutions. We are now dealing specifically with a request of \$26 400 000. As I stated in this House just 2 weeks ago in reply when I admitted to the Honourable Member for St. George South and to the comments of the

Honourable Member for Christ Church South that indeed we do have outstanding arrears at the University of the West Indies. I am not one who will hide behind the fact that we are now paying ours and that we are not the only one who has arrears. Indeed, Mr. Chairman, we have always been ahead of the flock, if you will. You will find that most of the other countries continue to be in arrears. I have found myself in a position where I had to be a courier on behalf of other Governments to bring cheques from a Ministerial Meeting back to Barbados to be paid into the University in order that the students from these countries can be admitted into the University. It is that bad with some of the other countries. But I am not making excuses. We were in arrears. We have the arrears and we are now attempting to clear these arrears. Twenty three point four million dollars (\$23.4 million) of the total figure is directly related to clearing the arrears. We also have an additional funding required. We agreed to make an additional sum of \$5.5 million available after we have provided the \$22 million in the Estimates of this year. One would recall that in March of this year we paid \$3 million. 12.30 p.m.

This three million really does not form part of that subvention of the \$22 million which was provided. So therefore we are requesting that we acquire this \$26.4 million in a supplementary.

While I am on this, Mr. Chairman, I would like to make a statement and I note that a comment was in part of the Press today saying that Government has just made a decision on the payment of fees for students at the University of the West Indies.

Mr. Chairman, the position of the Government which was enunciated here as far back as the Estimates is that the Government had decided to pay the fees and the economic costs for its students for the full triennium up to 1996.

Mr. Chairman, the Minutes of the Council Meeting of the University held at Mona, copies of these Minutes which would have come from the Council Meeting back to the University here in Barbados and I will read one excerpt from the office of the Administration of Mona dated October 8, 1992. It is stated very clearly:

"Honourable Cyril Walker asks that it should be placed on record and included in any Press release that the Government of Barbados would continue to pay both fees and full economic costs for its students."

I am alarmed to hear, Mr. Chairman, that up to a few days ago there were those around Barbados who were saying that the Government had not given a position on the payment of fees and economic costs for students. I can only say now, Mr. Chairman, I hope that the air is clear on it.

I issued a statement in the media two days ago stating that that was indeed the Government's position and yet there were those who would still say that the Government had not given a position. Mr. Chairman, I made that statement in this Honourable House during the Estimates Debate. If my statement is a policy statement on behalf of the Government of Barbados and it is not accepted then we can all walk out of here. So, Mr. Chairman, we are asking therefore for a supplementary of \$26.4 million for the University of the West Indies and for the record we would have cleared our arrears.

The last item, Mr. Chairman, is under Sub-Programme 2 - Grants to Public Institutions, and this has to do with the grant of \$1 295 465 to the Barbados Community College. This provision, Mr. Chairman, is to address the shortfall we have for the financial year 1993/94 in terms of the salary requirements which were underestimated and also it has to do with an amount to deal with salary requirements and payment of other members of staff and also a third segment has to do with the implementation of the decision taken and enunciated in this Honourable Chamber in 1988 by the Prime Minister about the important role of the institute of democracy and the intention and indeed the commitment and the support which it is now gaining from other international agencies. So therefore we are asking for a total of \$1 295 465 under the Barbados Community College.

I will answer any questions which may be forthcoming from Honourable Members.

Mr. L. R. TULL: Mr. Chairman, Sir, I will deal first with the last point made by the Honourable Member, the Minister of Education and it relates to the Institute for the Study of Democracy. The Minister said that this Institute was established in 1988 and that for the last 5 years it has been We thought it was still-born. Now the Minister is suggesting that the Government is about to breathe new life into what this entity is.

Earlier in these debates, Sir, there was a lot of talk about the Manning initiative and there is talk about the Sandiford initiative in relation to confederation. Just like as I said earlier in debates there was a Sandiford initiative in the Assembly of Parliamentarians. I am interested in this new initiative of the Institute for the Study of Democracy. There are a lot of things that have to be answered. First of all I want to know, Sir, what is the rationale for this institute for the study of democracy. What is it all about? What kind of priority could be accorded to an institute for the study of democracy in Barbados at a time when we are hearing that students will have to be paying the economic cost and their fees at Cave Hill? What kind of priority is this? Tell us what it is all about and why is it important at this time that the Government should come up with money to fund something as nebulous as an institute

for democracy. Why is it being targeted? Is this Institute for Democracy intended for members of the Front Bench of the Government? Are they the ones who are going to be the students at this Institute?

Aside.

Mr. L. R. TOLL: I am not worried about the Back Benchers at this time because it is the Front Bench of the Government that has demonstrated in recent times - I have seen the Reports laid in Parliament and so on - that they themselves are the ones who should be the recipients of any instruction in the practice of democracy. So I would like to know who is being targeted. Are they offering a Certificate course in it? Are they offering an Associate Degree course in it? A Levels? Tell us what it is all about. I notice that it has fallen under the Department of Continuing Studies and I want to know, Sir, what relationship will the work of this institute for the study of democracy have with the Department of Social Sciences which teach political science. 12.40 p.m.

I understand they teach political science at the Community College already. What relationship is there going to be between the department that teaches political science and the Department of Continuing Studies which teaches something which has not been defined by the Minister in his long and rambling introduction to this measure, at no point has he spelt out - I was going to say without any particularity, but he has not spelt out anyway - what is going to be the core of the courses to be taught at this institution. I must say, Sir, that unless we can have some answers to these questions, we are going to have extreme difficulty in supporting this aspect. We are not intending to put up any unnecessary barriers in the way of the Government in carrying out its programme, but I believe they should be more forthcoming with information on something as weak as this one at the moment. That is the way it appears.

I want to go quickly to the University. The Minister of Education made a number of statements that bear a little questioning. The University has been short-changed by the Democratic Labour Party Government over the last few years, and when the Minister is bemoaning the fact that he gets at a Council Meeting in Jamaica or wherever and says he wants it to go on record in the Press Release or whatever.....

Hon. C. V. WALKER: Mr. Chairman, on a point of elucidation. The reason why I wanted to state, and I did state that, is because the other territories are in the process of trying to arrange with the banks to absorb the 15% increase and they had not yet decided whether they will

pay or not. They had left out of the Press Release any reference to Barbados' position.

Mr. L. R. TOLL: Mr. Chairman, I thank the Minister for the clarification which does not clarify anything for me. The Minister says he asked for it to be put in the Press Release. That is all I am saying, I do not need any more clarification. He bemoans the fact that in the last week or two the University at Cave Hill has shown a lack of confidence in the Ministry of Education over the fact that they require the students to have a letter from the University saying that the increase in cost will be met by the Government. The Minister in this context is saying, "but we already told the University that, so why are they asking for it? It is a lack of faith." The lack of faith, in my submission, Mr. Chairman, is understandable in the circumstances in which the Government can owe the University over \$26 million over three years. The arrears to the University is something in the region of \$26 million. How can you expect the University to take the word of the Government on anything, when the Government can so easily deprive the University of these necessary finances? We are not talking small money; we are talking a lot of money, and I do not want to hear the Government saying anything about other Governments not paying their money. When I was in Government and when I was Minister of Education, most of the Eastern Caribbean territories never used to pay their money on time, some never paid at all. It was for that reason that the Government of Barbados in those days felt it had to honour its obligation to pay the University of the West Indies its annual contributions. Otherwise we might have seen a collapse of the University of the West Indies.

You do not argue by reference to the fact that other people do not pay, just like you do not argue by reference to the fact that people were doing things against the law over a number of years, therefore you are justified in doing it. We need a new level of morality when we come to these things. I heard the Prime Minister last year went up to the University of the West Indies and was very fulsome in great benefits to the University, and he reviewed with a tremendous amount of nostalgia the days he had at Mona in some hall or the other - Taylor Hall or Irvine Hall -

Aside.

Mr. L. R. TOLL: I do not know. I have not been to the University at Mona, so I do not know these halls. Do not blame me because I went to Oxford. The Prime Minister went up to Mona last year and he spoke, as I said, fulsomely about the University. I commend him for that, but all that time he was talking at the University at Mona and spying what a great institution it was, and how it has made this tremendous contribution to his own development

Aside.

Mr. L. R. TULL: He did not carry along the cheque. That is right. And the University is becoming a little bit tattered. The physical facilities, the plant at the University, not only at Mona but at Cave Hill, the residences, the limit placed on programmes, all these things are being affected by the fact that the Government has refused to pay the University the money it owes it. I consider it, Mr. Chairman, a scandalous state of affairs that the Government should be coming to Parliament today asking for \$26.4 million to pay money to the University that it has not been paying in the past.

The St. Thomas Secondary School. The Honourable Member for St. Thomas will talk about it from one angle. I will speak from another angle, because I stood on the floor of this Parliament and advised the Government not to build the St. Thomas Secondary School. I pointed out at the time that there had started a fall in the number of children of secondary school age, and with the building of the school at Kingsland there would have been no need for the St. Thomas Secondary School, and that it was a foolish promise - to use the favourite word of the Honourable Member for St. John, everybody is foolish - by the Democratic Labour Party to put a secondary school in St. Thomas for no other reason than that St. Thomas was the only parish in Barbados that did not have a Government secondary school. I warned the Government in here that the figures did not indicate the need for two new secondary schools, and that if you were building one at Kingsland you did not need one in St. Thomas, but the Government in its outstanding folly went ahead and started a school in St. Thomas and is now paying \$281 000 for a Watchman to watch the materials up there to make sure nobody carries them away. This Government is really taking the people of this country for a ride. At a time when the St. Matthew's School, the school I first went to when I was three years old, is leaking and the teachers and the children have to go through mud and rain to go to toilets, the Government could find \$281 000 to spend on people up there watching - I presume, because I do not know the details, because the Minister again does not give the details - to make sure that nobody carries away the toilet bowls.

Aside.

Mr. L. R. TULL: Too much steel in there. This is \$281 000 and the Minister blithely mentions this as if we are to say yes to it, it stands part and we support it. 12.50p.m.

Harrison College got \$300 000.00. Now I have no special brief for Harrison College but it seems to me - I have some for St. George Secondary - remarkable when you can find \$300 000 to patch a roof here and there at Harrison College but you cannot find one single cent to

spend on St. George Secondary even though... Don't mind they got theirs already. They have not got enough. The building has problems and the Minister should be the first person to recognise it since he is the parliamentary representative for the constituency where that school falls.

I really cannot understand how this Ministry is doing its business. When I got in here last week, or the week before, and said that one of the major problems with the Ministry of Education was the fact that it has 2 Ministers, a *de jure* Minister, the one who got the instrument from the Governor General and the *de facto* Minister who is the Prime Minister, is the cause of that conflict between the 2 that the Ministry of Education is being savagely shortchanged.

I want to go back to the business of paying for university education. The Government is not committing itself to paying fees and the economic costs of Barbadian students after 1996.

Mr. CHAIRMAN: The member has 2 minutes to conclude.

Mr. L. R. TULL: That is enough time, Sir. I will come back. The Democratic Labour Party put out a manifesto 2 years ago in which they said they will not cut anything in the areas that will affect the social services like education. They said very specifically that they will maintain a fully taxpayer funded university education at Cave Hill campus of the UWI for all Barbadians who qualify for entry. The Democratic Labour Party got elected on this.

Hon. C. V. WALKER: The Honourable Member for St. George knows only too well because he himself dealt with these things at Council meetings. Sir, we are dealing with the triennium and the triennium is dealt with one triennium at a time. We are dealing with 93-96 therefore all statements have to be related to 93-96.

Mr. L. R. TULL: That is a sleight of hand. If the Minister wants to get up now and tell Barbados that the Barbados Government will continue to pay the economic costs of fees for Barbadian students at Cave Hill after 1996, I am willing to sit down and let him give that assurance.

The Democratic Labour Party says that their education policy is geared to the development of our people, especially the disadvantaged. Mr. Chairman, if the Government imposes on Barbadians the payment of the cost of fees and the economic costs it will cause serious social problems in this country.

Mr. CHAIRMAN: Your time has expired.

Mr. L. R. TULL: All right, Sir. I will just finish the sentence. What will happen is that there will be 2 sets of people, the children of those who are able to afford it will go to university and we will go back to the position of 50 years ago where the children of those who cannot afford it will not be in a position to get tertiary education. I will come back. Thank you.

Mr. D. A. C. SIMMONS: Mr. Chairman, I wish to speak first of all to the St. Thomas Secondary School. What has happened is representative of a very disgraceful conduct in the planning and financing of the St. Thomas Secondary School.

I said in here a year ago and repeated it recently that if this is to be completed it should be in the nature of a polytechnic or trade school for the people from the northern parishes because the new road is coming through from Highway 2A to link up with Warrens and it will be in a focal position to offer a different type of education to the people who need that education and who can use that education with a view to their self employment. We have a habit of telling people that they must be self employed, to go and look for their own employment because the Government cannot provide it. Provide the school structure which will train their minds for moving into their own type of self employment.

Be that as it may, Sir, dealing with this particular Resolution, it is quite disgraceful that this school started on May 14, 1990 and there is nowhere in this Addendum any statement telling us when it is likely to be completed if at all. There is nowhere any statement telling us what is the total expenditure to date on this school. In relation to the Hometown Court we had that from the Ministry of Justice. There is nothing here telling us how much Government has actually spent to date on the construction of this school.

Why this Resolution represents the worst kind of financial planning and I hold the Prime Minister and Minister of Finance responsible in that when this started in May 1990 Government ought to have known whether it had the financial capability to sustain this development in the next fiscal year or not. But in May 1990 we were 7 or 8 months away from an election and Government so wanted to give an impression of public works activity, projects of high visibility, that it went along with this project well knowing that there was going to be spare capacity in the secondary school system. As I said, well knowing that the economy and Government's fiscal position could not sustain this development.

Once again the taxpayers of Barbados are being asked to fund the folly of Government's fiscal planning. You are coming for almost \$600 000. I understand the arrears. The contractor has not been fully paid and the arrears have to be paid, but this school has had no work done on it since

September 1991. All¹ around the school you have mounds of earth and all kinds of bush. There has been some stealing there too.

The people of Barbados are being asked to pay \$161 000 plus \$120 000 for providing security, utilities for a school that is not completed.' Paying water for the watchman to flush the toilet. There is no light in there. I pass there. Every week I go into my constituency. I am not like some of you who cannot go in yours, cannot show your face, have to hide from the people. 1.00 p.m.

But I think it is quite distasteful because people have to pay for keeping on watchmen basically at the school for the 2 years that no work has gone on. Do you know what is going to be worse and of far greater significance? The re-start cost. Whenever, if ever this project gets going again there will be overruns of horrendous amounts. The steel that would be rusting, those parts of the school that have suffered from weather and then, of course, because of inflation, the impact on the cost of materials. The taxpayers at some future date are going to have to find the money to pay for this development. This again is attributable to Government's poor fiscal planning. At an appropriate time the country would have to make up its mind within the next 2 years whether it can continue with a Government which starts a project, stops it knowing that it does not have the money but only doing it to catch some votes. And then, 2, 3 years later come back to rip off the pockets of the taxpayers with additional expense.

Aside.

Mr. D. A. C. SIMMONS: The Labour Party never started a project in housing in my time and never finished it. I can think back.

Asides.

Mr. D. A. C. SIMMONS: As Chairman of National Housing Corporation.

Mr. CHAIRMAN: Let us have some order, please.

Mr. D. A. C. SIMMONS: Do not let us be sidetracked, Sir.

Asides.

Mr. CHAIRMAN: Order, please.

Mr. D. A. C. SIMMONS: Sir, that is on the St. Thomas Secondary School.

In respect of Harrison College I have no quarrel with the \$300 000 being voted for Harrison College but

what I would like to submit is that only yesterday evening when I went home I received a letter from the Lodge School Alumni appealing again for financial contributions for the school. One of the complaints is the poor state of the windows at Lodge School. Apparently a lot of windows are knocked out. That is counter productive if you do not repair them because if you get a blow later on in this month or next month it will go through that school - because the windows are knocked out - and lift it up, rip it up. I would urge the Minister to try and get some urgent work done on repairing the windows at Lodge School. It cannot cost a great fortune. We the Alumni have been contributing. We just had a reunion, a lot of us put money in it and we are trying to help the school through our own efforts and through the Old Scholars Association but the Government also has a 'role to play and an urgent role.

It is not on this Addendum but I take the opportunity also to make a call for some urgent work to be done at St. Thomas Primary School down in the bottom by the church. It is in a dilapidated state. It cannot continue. That school more than any other. I have Holy Innocents as a formal question on the Paper. But St. Thomas Primary School also requires urgent work. I think there was a time when it was on the list of Hurricane Shelters.

Mr. CHAIRMAN: The Honourable Member for St. Michael South East.

Mr. DeL, O. BRADSHAW: Mr. Chairman, I see here a sum of money \$300 000 to be spent on repair work to Harrison College. I want to make an appeal here for 2 schools in my constituency. The Parkinson School to begin with. I am conscious of the fact that some people will look after their old school Harrison College and Queen's College. I am making an appeal for Parkinson School and I want the Minister of Education to hear this. Children living in the immediate area of Parkinson School cannot gain admission because there is not enough room or places for them at Parkinson School.

Aside.

Mr. DeL. O. BRADSHAW: Are you listening to the Representative? I do not want to hear what somebody told you. I am saying to the Minister of Education that over 30 odd students applied for places at Parkinson School and because the school had no room those pupils were unable to gain admission to the school. I am not talking about people coming from out of St. George or St. Philip, I am talking about people who live in Wildey and in the Pine. While at the same time my understanding is that there was adequate room at the St. George Secondary.

I am asking the Minister, as a matter of policy, to look at that and see how best he could make arrangements or the adjustment, use some directive because that is the

only way you could get it done so that people who live in the area in Parkinson Field or in the Pine could get places in Parkinson School. I have had a lot of trouble.

I must compliment some young officers in the Ministry for their assistance. I am indeed grateful to them. It is a matter which you must address. I know that they can do that much and no more. I think that you must do it because it does not make sense having room at one school and one school fall. At the same time you must be aware that the area around Parkinson is building up. You have to look at that as a matter of policy.

The other thing is the Wilkie Cumberbatch School. The school is in need of termite treatment. I made that point already and I am asking the Minister to consider that. The PTA has just done some roofing, they have replaced the roof there but there is still the presence of termites in the school. I hope the Government would understand this. Do not come in here with anything for the University and for Harrison College and not look after the children at the infants school because I would not be supporting you at all. I am going to condemn this policy. There should not be a bias in education. Look after those children there.

While I am on the Wilkie Cumberbatch School, it is a hurricane shelter as well. Actually all the windows to the eastern end of the school are out, louver windows. It is very dangerous. When rain falls the school gets wet. I am hoping that the Minister addresses this. I do not want to come in here time and time again making these points. If you are going to look at Harrison College, you should be looking at those schools because the PTA cannot raise sufficient money to correct the problems.

Let me quickly say this. At the St. Thomas Secondary School the roof is not complete. I am putting this as a suggestion to the Government to complete at least that roof. If you have winds it is most likely to affect the roof as part of it is incomplete. I am asking you to look at that and at the same time you have a provision here for storing of materials. I visited the site, I went in there personally and you see a bundle of steel, V₂ inch and V₄ inch steel all exposed to the elements. That steel is not going to be of any use. If you are talking of protection, what are you paying for? If you are protecting the material on the site obviously that should be protected. I see no reason why all of that steel should be left exposed to corrode when, in fact, you are paying money to protect it. I am only telling you that this is going to cost you additional sums of money. I hope that the Ministry or the building inspector would look at that particular point and get rid of the steel. At the same time you have to do some corrective work like getting the windows - some of the windows are broken out - and have them replace so that as the Honourable Member for St. Thomas has said the wind would not get in there and lift the roof. 1.10 p.m.

Hon. C. V. WALKER: First of all I am sorry the Member for St. George South is not in his seat because he has attempted to belabour the point about the Government of Barbados not giving a guarantee for the payment of fees. I just want to restate that the Government of Barbados has given the commitment for the triennium 1993-96 which we are in and we will pay those fees and economic costs.

Asides.

Hon. C. V. WALKER: You know that very well, that does not fall under education.

Now, Sir, the question again by the Member for St. George South that there are enough places in secondary schools. There are not enough places and his argument is totally in contradiction to yours although you did make an allowance and say that one school does have some places but we do not yet have enough places for all the children in secondary schools and what we have on top of that is that several of the private secondary schools are closing.

Aside.

Hon. C. V. WALKER: I am answering the Member for St. George South. You are saying that you need room.

Mr. CHAIRMAN: Would the Honourable Member address the Chair, please.

Hon. C. V. WALKER: But he is saying that we have more than enough room.

Mr. DeL. O. BRADSHAW: What I did say is, that while Parkinson School is overcrowded, the St. George Secondary School has a lot of room. That is what I am saying so it cannot be the same argument. It is just a matter of allocation.

Mr. CHAIRMAN: I am having an across the Table discussion between 2 Honourable Members and that is not allowed. Would you please address the Chair?

Hon. C. V. WALKER: I was really addressing the Member for St. George South. He said that we have more than enough places. But I am saying that we do not have more than enough places and we have the problem of the private secondary schools closing and we have the problem of some of the present secondary school heads, who on a daily basis are asking that their schools be closed. So we will have to look for these places.

To your particular point, the Honourable Member for St. Michael South East, in relationship to the numbers at Parkinson which are just one thousand or thereabouts, however the problem that you have in that area, that you have in every area across the country, is the problem of

allocation process. Qiiite rightfully if you have X number of children in that area and up the Valley from there, there are places it means those places should be properly utilised so we have to continue to look at the whole allocation process.

The money spent, to answer the Member for St. Thomas, as to the end of the last financial year March 31, 1992, was \$8 182 952.81. The other question of Lodge School: All the schools, let me say right here, all 95 primary and all of the 22 secondary are looking for funds for repairs. Now the problem that we have to manage in this country over the long term is the whole question of maintenance and we will have to address the overall question of maintenance rather than having to deal with each school in a haphazard manner.

Mr. Chairman, I want to assure the representative for St. Thomas that work has been done on the Holy Innocents. Yes I am aware of the problem of the St. Thomas Primary School. We have to look at that. I must congratulate publicly also the one next door to. your Constituency at Welches where the PTA and other Members had a fair a few Saturdays back and that along with other funds they have done a very good job in assisting in the upgrading and the repairs to that school.

I give the Honourable Member the assurance that the termites at the Wilkie Cumberbatch school will be looked . at. Yes, Mr. Chairman, you are telling me the time has expired .

The question that Head 34 stand part was put and resolved in the affirmative without division.

HEAD 37 - MINISTRY OF HOUSING, LANDS, COMMUNITY DEVELOPMENT AND CULTURE - \$17 467 428

Mr. CHAIRMAN: Just before the Honourable ^Minister proceeds, under Standing Order 72 (a) and (b) debate on this Bill must conclude at 1.25 p.m.

Hon. E. E. GREAVES: Mr. Chairman, I beg to move that the Head for the sum of \$17 467 428 stand part.

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

Hon. H. B. St. JOHN: Mr. Chairman, on a point of order, I want to draw to your attention that Order 70, page 86 - Supplementary Appropriation Bills and Supplementary Estimates - and it says: ...

Asides.

*On the motion of Hon. P. M. GREAVES,
seconded by Hon. B. M. TAITT, Mr. CHAIRMAN*

reported progress to His Honour the SPEAKER and asked for leave to sit again and Mr. SPEAKER resumed the Chair and reported accordingly. 1.20p.m.

Hon. P. M. GREAVES: Mr. Speaker, I am about to move the suspension for the luncheon recess. I just want to state that between the Government and the Opposition we have agreed to resume debate on this particular Bill. We will revert to Committee of Supply for not more than half an hour to discuss the matters left to be discussed.'

SUSPENSION OF SITTING

Hon. P. M. GREAVES: At this point, Sir, I move that the sitting be suspended until 2.30 p.m. today.

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

Mr. D. A. C. SIMMONS: Speaking on the motion for the Suspension, Sir, I just wish to draw to Your Honour's attention that there is a need for the relevant committee that deals with Standing Orders to be convened as soon as possible to look at the Standing Orders.

The problem has arisen, Sir, because when these Rules were first drafted, we did not have the type of programme budgeting we now have represented in a special form in the Estimates by Sub-Programs. These Standing Orders speak of Items or Subheads and Heads of Expenditure. Heads of Expenditure are still Heads of Expenditure under the new system, but we do not have Subheads or Heads or Items any longer, and the current implications for timing. We have been here nearly 10 years and we have not really looked at these Rules and perhaps we need to. I think if we can get a meeting going at some time we can look at it and straighten out all the wrinkles.

Mr. SPEAKER: I could not agree with the Member more, because. I myself also believe that there are other areas that need some sort of readjustment here and there. I take the Honourable Member's point.

The question that the sitting be now suspended until 2.30 p.m. was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 1.25 p.m.

RESUMPTION

Mr. SPEAKER: The sitting is resumed. When the suspension was taken, the House was in Committee of Supply. To that it should revert.

COMMITTEE OF SUPPLY

Mr. SPEAKER left the Chair and the House resumed Committee of Supply, Mr. L. L. BRATHWAITE in the Chair.

Mr. CHAIRMAN: The Committee is resumed.

Hon. E. E. GREAVES: Mr. Chairman, in moving Head 37 for the sum of \$17 467 428 in respect of the further development of the Sherbourne Centre, it is important for me to make a few points. Honourable Members will recall that the Sherbourne Centre was started in 1988 and in 1990 work on the Centre ceased. We are in a position to restart the complex because it is the considered view of the Government that all efforts should be made to ensure that the complex becomes operational. This has also been encouraged by the fact that Barbados has agreed to host the 1994 UN Global Conference on Sustainable Development of Small Island States, and this is due to take place around April-May 1994.

Sherbourne will be used as the main headquarters for the conference and in order to provide for the minimum requirements for this purpose, it will be necessary to complete certain sections of the Sherbourne complex. These will be the conference block, the administration block, the link block foyer and the steel structure to the auditorium. Of course, the landscaping and other external works will be necessary to complete that.

Just let me basically attempt to describe what is contained in the conference centre. The centre is going to be fully air-conditioned and will be equipped to handle seminars, meetings, international Government conferences, trade shows and exhibitions. It has integral restaurant and cafeteria facilities to seat 120 to 300 persons respectively, and these are accessed off the foyers which also facilitate exhibition spaces of 10 000 square feet.

The main hall, 800 theatre style, 400 classroom style, is divisible into two separate spaces with acoustic partitions both independently served by six language simultaneous translation. The complex will also have a large secretariat facility to provide the document production and conference staff accommodation. There will also be provided an observer Press Gallery and will be served by a Secretariat facility housing 12 offices and a Chairman's suite to provide the document production capability.

There will be a large exhibition conference hall sized at 720 square metres and three smaller committee rooms sized to provide another 80 and 160 seats respectively, and of course will have the usual facilities which are required for international conferences such as medical, press, banking and post office facilities.

When the centre was being constructed, local contractors were employed, one of whom was Rayside Construction, and of course the electrical work was contracted to Everson R. Elcock & Co., whereas Electric Sales and Services Ltd. were contracted to complete the air-conditioning works on the conference block. Now that the work has resumed at the Sherbourne Centre, the services of Everson R. Elcock & Co. have been retained to complete the electrical work and of course Electric Sales and Services Ltd. will be completing the air-conditioning. The contract for the work on the main building which was done by Rayside Construction has been terminated/ 2.35 p.m.

That company's contract by mutual agreement has been terminated and the Government, in discussion with the Chinese Government on the utilisation of the 3rd Chinese loan which we had negotiated with them, indicated that we would want to see some of the money, approximately \$5 million diverted to the completion of the conference centre. This has been agreed to and as a result the Chinese company has been therefore contracted to complete the work on the conference centre.

In order to satisfy the requirements of the United Nations for the staging of this conference other aspects of the Sherbourne complex have to be brought forward. As a result, the Government has invited tenders for the completion of these areas. As a matter of fact, the tenders closed, I believe, around the 18th or 20th of this month and it is for the completion of the administration block, the conference block and the link block foyer.

The conference block and the administration block are expected to be completed once the tenders have been awarded around January 31, 1994 and we expect shortly to advertise for the link block foyer which I think should be finished around February 28, 1994. I should point out that provision has been made in the Estimates of this year of \$2 million under the various Objects. Object No. 623 - Structures - \$1 638 841, Object No. 626 - Professional Services - \$361 159. The balances remaining under these items at the moment are: Structures - \$1 596 263 and Professional Services - \$252 687 leaving a total of \$1 848 950. The total additional expenditure to be incurred by the Sherbourne Centre up to the end of the 1993-94 financial year is estimated at \$19 316 378. I would seek to give a breakdown of that particular amount and it is as follows.

Outstanding payment to:

Rayside Asphalt Paving Company	\$ 24 378
Everson Elcock & Company Limited	935 000
Electric Sales and Services	400 000
The Conference Block	5 543 000
Administration Block	3 700 000

Link Block Foyer	\$ 3300000
Erection of steel structure to auditorium	300000
Landscaping	210000
External Works	1 500000
A total of	16 202 378
Consultants' fees	960000
Provision of containers to store materials	40000
Provision of security services	104000
Removal of houses for car park space	200000
Insurance	100000
Total:	1404000

The provision of furniture for the administration block is \$1 700 000 and the total sum, as I said, required is \$19 316 378. The balance which we have in the Estimates is \$1 848 950 and that is why we require a supplementary of \$17 467 428. It is important that we get this money so we can complete the conference facilities here at Sherbourne because we all believe that this will provide an additional facility for Barbados where we can host a number of important conferences. Already beyond the UN Global Conference on Sustainable Development we recognise that a number of enquiries are being made about the use of the facilities in 1994. Indeed, Sir, I am sure when it is completed that we will have many requests for the use of these facilities. I think that it is generally accepted that facilities of this quality are very much needed in countries like Barbados and I am satisfied that we are doing all we can to ensure that these facilities are provided.

I sought to give Honourable Members as much information as possible on the Sherbourne Centre because there has been a lot of debate on the centre but one thing which I am sure we cannot dispute is the use which this will have in terms of further putting Barbados on the map as a country which can attract conferences of a quality because we will have facilities of a very high standard here.

As I said, I am sure that we could not start better than to start off with a conference such as the United Nations Global Conference on Sustainable Development of Small Island States which obviously will get worldwide coverage and will have a focus on Barbados and the Conference Centre which we would be very glad to have. So with those remarks I would like to move that this Head for the sum of \$17 467 428 stand part.

Indeed, Sir, I would just want to say that the tenders are now in and it is anticipated that in the not-too-distant future* the award of the contracts for the additional works will be done so that there will be work and the entire project- will be completed.

I think the minds of the public should be disabused of any impression which anyone may seek to convey that only Chinese will be or are working on Sherbourne. This is not the case. The subcontractors are there working now with their men - Everson Elcock and also Electric Sales and Service and the 3 persons doing the landscaping. I don't see any Chinese working on their staff. The fact of the matter is Barbadians are working there and obviously when the other contracts are awarded presumably there will be employing Barbadians to do the work also.

I think that this is a further indication that the Government is stepping up its public works activities and there will be opportunities as other activities come on stream for the provision of work for Barbadians and at the same time to further enhance the capital works programme of the Government. I just want to make those points in commending this Head to the Honourable House.

Hon. W. O. FRANKLIN: I beg to second that.
2.45 p.m.

Mr. L. R. TULL: Mr. Chairman, Sir, in the Budgetary Statement of this year the Honourable Minister of Finance said, in essence, that the Government will be embarking on a capital works programme which would provide employment for Barbadians.

The restart of the rebuilding of the Sherbourne Centre has seen a massive influx of non-Barbadians involved in the construction. Despite the fact that the Minister in his introduction said that sub-contractors may employ Barbadians, the fact is that the bulk of people who are working on the building at Sherbourne are non-Barbadians. The Minister said that the work was put out to tender and I would like to know when the tender for the construction that is currently taking place was put out? How many tenderers there were? How many of those tenderers were Barbadians? And what considerations - apart from the one I just heard about they wanted to get the work finished - give rise to the decision of the Government to give the contract to these non-Barbadians. It is important that we get some answers to those so that we can debate this matter in a sensible and structured manner. I would also like to find out how many Work Permits were given to those persons who are working in the construction of the building at Sherbourne? How soon after the applications were made for the Work Permits that they were granted? I would also like to know the length of the periods for the grant of the Work Permits? There is no point asking me to put in a Parliamentary Question, this should have been anticipated. The very words of the introduction of this measure by the Minister suggested that this was something that had been in the contemplation of the Government for a while and therefore we are not taking them by surprise.

I want the Minister also to clear up this confusion that one can get from his words. Because one believed that when he said that the Government of Barbados is borrowing money from the People's Republic of China and then goes on to talk about the Chinese building, those who are not sufficiently perceptive would believe that they are one and the same.

The Government of China has decided to lend some money to the Government of Barbados for this particular project. I would like to know, as added to the series of questions I am raising - whether there is a condition of the loan that the main construction work be given to Chinese, the nationals of the People's Republic of China, whether it should be given to a company of the People's Republic of China and whether the workers should be citizens of that country? Since I am not likely to get an answer before the end of the debate I would like to ask, if that is in fact one of the conditions of the loan, is it a fact that the Chinese Corporation is not an arm of the Government of the People's Republic of China? If I remember from previous discussions on this matter the Chinese corporation that is doing the work is a Barbadian company. This is why I want to know whether other Barbadian companies were given opportunities to tender for this specific bid for the work.

I sympathise with the Government with the fact that the work must be completed in time for the conference. We on this side have no problem at all with the Government of Barbados seeking to hold global conference on sustainable development or indeed any international or regional conference. We have no quarrel with that. I believe that Barbados can pick up some benefits from the hosting of these Conferences. But we would also like to think that things are done the right way.

I am not making the point in relation to foreign labour for the first time. Two years ago in a debate in this Chamber I believe relating to the same Sherbourne Centre I made the point that it was a little bit difficult for me to have my constituents driving down from South District or that part of St. George down through Two Mile Hill and seeing a number of Chinese nationals working when they themselves cannot find work.

Everybody knows that for many years the main body of skilled artisans have come from the parish of St. George. You name them and they come from St. George in large numbers. It is an insult to the people of St. George at this period of high unemployment when construction is at a very low level and therefore most of them cannot find work to be having to past Two Mile Hill on their way to Bridgetown in hunt for work and find that the Government is about to spend \$17 Y₂ million on the construction of Sherbourne and that there is very little or nothing in terms of jobs for them. These things require some answers.

I am not going to go into any great detail on other aspects of this particular measure. That is the one that I am primarily concerned about and therefore I should not drag it out because we have a time limit on this debate. I would . hope that the Minister can, very early give an answer to the number of questions that I have raised so that the rest of the debate can be conducted in a proper context.

Hon. E. E. GREAVES: Mr. Chairman, the Honourable Member's first concern seems to be the number of Chinese who have been given Work Permits to work on this project. The information which I have here is that 39 applications for Entry Visas have been applied for and have been granted.

I think the Honourable Member is making the point that we are expending \$17 V₂ million on the Sherbourne project and very few if any Barbadians would be employed there. Let me just step back a bit, Sir, and to state that the arrangement with the Chinese is for the completion of the Conference Centre which is, I believe, over 92% completed. The loan agreement which we have which we are using for that particular section is for about \$5 million. The loan from the Chinese, we have diverted \$5 million from the loan from the Agreement on Economic and Technical Co-operation loan between the Government of Barbados and the People's Republic of China which was signed on July 27, 1992. Part of that arrangement relates to and indicates very clearly that a contract for the completion of the Conference Hall would be entered into between the Government of Barbados and the People's Republic of China. Basically it is like the contract for the Gymnasium where the money which was used for the Gymnasium part of the condition was the use of a Chinese company to carry out the works.

Aside.

Hon. E. E. GREAVES: The fact of the matter is, this is the arrangement which we have. I am saying to Honourable Members that:

- (a) there are a number of sub-contractors there and Barbadian sub-contractors; and
- (b) I am making the point that we tendered for the other portions of the work and those tenders are in now.

2.55 p.m.

I am in no position to indicate who will get the tenders or who will not get the tenders but I see from the list of persons who have tendered that a number of Barbadian Companies tendered for the remainder of the work. Let us assume that the work from the Chinese would be \$5 million that would be over \$12 million which is yet to be done and presumably when the contracts are awarded

for these then Barbadians would be employed and the carpenters and masons from St. George, as the Honourable Member talked about, hopefully will get some work there. Again I could not make a promise that that would happen because I really do not know whether the people who would get the contracts already have their workmen. I think that point has to be made and I would assume, Sir, that the sub-contractors along with the other contractors for the other work will be employing more than 39 people on the job at any one time.

The question that Head 37 stand part was put to the House and resolved in the affirmative without division.

Hon. D. J. H. THOMPSON: Mr. Chairman, I beg that you do now report the passing of one Bill in Committee to His Honour the Speaker.

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

Mr. CHAIRMAN: The question is that I do* now report the passing of one Bill in Committee of Supply, Honourable Members in favour please say aye, those against please say no, I think the ayes have it.

Hon. P. M. GREAVES: Mr. Chairman, I believe, Sir, that the question to report is a bit premature and I am asking that it be withdrawn and that you should deal with the Bill in its clauses, clause 1, clause 2, clause 3, Sir.

Clauses 1, 2, 3 and 4 inclusive were called and passed.

Hon. D. J. H. THOMPSON: I beg to move that the Schedule be the Schedule to the Bill.

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

Hon. H. B. St. JOHN: I am sorry the Honourable ^Minister is not in his place because there were a few other matters that we would like to get clear. The question, Sir, of the finalisation of Sherbourne, I think we have already indicated that we do not intend in any way to be obstructive, that we recognise that this building will forever be known as a symbol of how not to do things, Sir.

What I would want to know, Sir, and if I could get the information now, Sir, is when is it contemplated that the total project would be completed, because as I understand it now we are approaching a partial completion and I still am very unclear as to the distribution of the various spacial arrangements there and the uses that would be put to the various spacial arrangement.

As I understood it the area that was nearest to completion was what was to be called the examinations

hall. I am now being corrected that is not so. I thought that the building in which there were windows and things of that kind, that that was the examinations hall. In other words the most westerly building, the building nearest to Ilaro Court. I am told, Sir, that is the Conference Hall. I have never been inside.

Now, the link building I presume is the building that is going to connect that part with the Eastern part and the centre with the exposed steel is going to be the Auditorium.

Now, the Chinese, as I understand it, are working on the one that is nearly completed but my understanding and my experience with Conferences is quite clear. It would be impossible to hold a 'conference at that point unless considerable work is done on the outside for car parking and things of that kind. Unless that is done there would be total chaos from the time the delegates start to arrive and the distribution of the means of transport would be a formidable problem unless that is solved.

Now, we have always been at a loss to follow how the Government intends to solve the great problem of parking in that area. We know that a function at the building next door - the Prime Minister's residence - sometimes involves special police regulations which prohibit the normal use of that road. Now we do not see the demolitions that would clearly be contemplated if proper additional parking for that area takes place. That is an important point, Sir. So those are the two points that I really would like answered at the present moment.

Hon. E. E. GREAVES: Mr. Chairman, I think there are reasonable questions and I would apologise for omitting to deal with them when I spoke on the two previous occasions. The Honourable Member has raised the question about exactly which part of the complex is being completed by the Chinese and which is what was supposed, according to the Honourable Member, to be the so-called examination centre.

The fact of the matter is that the Western part of the building, the building nearest to Ilaro Court which is over 90% completed, that is the Conference Hall with all the translations and whatever and then in the centre there is the auditorium, that is the tall building with the steel which is exposed at the moment and what we propose to do is to make sure that is strengthened, do some external works there and put up a facade on that and then there is the link between that and the building to the east which is the Administrative Block and which could be used for multi-purposes but will be brought into use during this conference. 3.05 p.m.

Having said that, let me make the point. The Honourable Member raised the question about parking and

I did indicate that part of the money we are seeking is for external works, \$1.5 million and it is clear that the Honourable Member has not passed there recently. I am sure the Honourable Member for St. George South who passes there every day would be able to indicate that there is a considerable amount of demolition which is going on. To the east of the centre the Government has acquired a number of buildings and some properties. Demolition has already started and we have cleared off some of the buildings. I think there was a house which was pushed down recently. I think it was Prescod Building and I gather it is the building of the family of one of the advisors for the Opposition. That entire area will be cleared and used as the parking area.

We have to make sure that it is cleared at this point because when the other contractors - quite apart from the fact that it will be used for parking we have to get it clear at this point - move in they need elbow room to operate. So all that work is going on at present. I think it is clear that we have the works properly programmed and I think the problem which the Honourable Member has raised about parking and the problems there will be taken care of when the entire facility is completed.

The question that the Schedule be the Schedule to the Bill was put and resolved in the affirmative without division.

On the motion of Hon. D. J. H. THOMPSON, seconded Hon. P. M. GREAVES, Mr. CHAIRMAN reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. D. J. H. THOMPSON, seconded by Hon. P. M. GREAVES, the Bill was read a third time and passed.

ORDER NO. 7 - RESOLUTION TO APPROVE
PAYMENT INTO THE SINKING FUND
OF \$2 334 000

Hon. D. J. H. THOMPSON: Mr. Speaker, this is a Resolution to seek Parliamentary approval for the establishment of a Sinking Fund under Section 6(1) of the External Loan Act, Cap. 94D for the Japanese Yen Bond Series C loan which was contracted on May 25, 1988 in the amount of 5 billion yen through Nomura Securities Company Ltd. The rate of interest on this loan is 6.8% per annum payable semi-annually and amortisation payments begin May 27, 1994 and end on November 27, 1998; 10% of the face value redeemable at par for the first 4 payments while the remaining 60% is redeemed as the final payment.

Permission in respect of this loan was sought of Parliament and it was approved by Resolution No. 33 of 1988 for the issue and sale of securities on the

Japanese capital market. However, at that time approval was not sought under section 6(1) of the External Loan Act Cap. 94D to establish a sinking fund for the redemption of this loan. It therefore has become necessary to establish a sinking fund for the redemption of this loan. The amount to be paid into the sinking fund will be charged and payable half-yearly out of the Consolidated Fund at the rate of 2.5% per annum of the normal value of the loan.

With those few words I beg to move the passing of this Resolution to approve the payment into the sinking fund of \$2 334 000 for the purpose of maintaining and servicing the sinking fund in relation to the issue and sale of securities on the Japanese capital market arising out of Resolution No. 33 of 1988.

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

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

ORDER NO. 8 - RESOLUTION TO ESTABLISH A SINKING FUND FOR THE REDEMPTION OF THE BARCLAYS de ZOETE WEDD LOAN

Hon. D. J. H. THOMPSON: Mr. Speaker, this is a similar Resolution. Barclays de Zoete Wedd loan was contracted December 6, 1990 in the amount of 30 million pounds sterling. The rate of interest on this loan is 13.5% per annum payable semi-annually and one amortisation payment which is due on December 6, 2015. This loan has a re-purchase fund facility where 25% of the loan stock is to be held in foreign currency for a period of not less than 4 years. 3.15 p.m.

The loan was approved by Parliament by virtue of Resolution No. 73 of 1990 for the issue and sale of securities. This is to request parliamentary approval under section 6 (1) of the External Loans Act for the establishment of a Sinking Fund for the redemption of the Barclays de Zoete Wedd loan.

I beg to move that this Resolution do now pass.

Hon. D. W. BOWEN: I beg to second the Resolution and reserve my right to speak.

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

ORAL REPLIES TO QUESTIONS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, Sir, I beg to move that Question Time be now taken.

Mr. SPEAKER: Question Time. The Reply to Question No. 76 is now ready. The Honourable Member for St. Thomas who is not in his place. The usual practice is to lay it on the Table.

Question No. 76:

"To ask the Prime Minister:

In view of the fact that the Caribbean Broadcasting Corporation is not a corporation limited by shares, will the Minister please state what types of documents will be issued to persons who invest in this Corporation in order to evidence their ownership of equity in the said Corporation?"

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, Sir, the Reply to Parliamentary Question No. 76,1 will lay on the Table of the House in the absence of the Honourable Member for St. Thomas.

Mr. SPEAKER: The same Honourable Member, Question No. 75. • '

Question No. 75:

Hon. P. M. GREAVES: Call Question No. 51, Sir.

Mr. SPEAKER: Do you want to deal with Question No. 51?

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

Mr. SPEAKER: The Honourable Member for St. Michael South East who is not in his place. The usual practice is to lay it on the Table.

Hon. P. M. GREAVES: Sir, I beg to lay on the Table the Reply to Parliamentary Question No. 51 in the absence of the Honourable Member for St. Michael South East.

Mr. SPEAKER: The same thing would go for Questions Nos. 52, 53, 54, 55, 56, 57, 58 and 59.

Hon. P. M. GREAVES: Sir, I beg to lay on the Table the Replies to Parliamentary Questions Nos. 52,53,54,55, 56, 57, 58 and 59 in the absence of the Honourable Member for St. Michael South East.

Mr. SPEAKER: The Honourable Member for St. Thomas who is not also in his place. Question No. 61.

Hon. P. M. GREAVES: Sir, I beg to lay on the Table the Reply to Parliamentary Question No. 61.

Mr. SPEAKER: The same Honourable Member for St. Peter, Parliamentary Question No. 66.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, Parliamentary Question No. 66:

To ask the Minister of Public Works, Communications and Transportation:

Is the Minister aware that Four Wings Bridge at the Risk, St. Peter was demolished three years ago?

2. Is the Minister also aware that the absence of proper signs on the road leading to the former bridge makes that stretch of road extremely hazardous ' to the general public and that the closure of the bridge has created great inconvenience to the travelling public in the district?
3. Will the Minister please state when the Four Wings Bridge will be replaced and so relieve the inconvenience and hazard to the public caused by its present state?

Hon. P. M. GREAVES: The Reply to Parliamentary Question is as follows:

1. Yes.
2. No. Appropriate warning signs have been erected to ensure public safety.
3. The road leading to the bridge is not heavily used and it has been found, after investigation, that the demolition of the bridge has not caused any great inconvenience to the public. This will be replaced when funds are available.

Mr. SPEAKER: Are there any Supplementaries? There do not seem to be any Supplementaries. Parliamentary Question No. 67.

Mr. O. S. ARTHUR: Parliamentary Question No. 67, Sir:

To ask of the Minister of Public Works, Communications and Transportation:

1. Is the Minister aware that the roads at Church Street Gardens, St. Peter are in a state of acute disrepair?
2. Will the Minister please state when the; said roads will be repaired?
3. Will the Minister further state which tenantry roads in St. Peter his Ministry proposes to have constructed as part of its programme in the fiscal year 1993/94?

Hon. P. M. GREAVES: The Reply to Parliamentary Question No. 67, Sir, is as follows:

Inspection by the technical staff at the Ministry revealed that roads at Church Gardens, St. Peter were in need of minor repairs. Remedial work has been carried out. It is not proposed to construct any new tenantry roads in St. Peter during the current Financial Year.

Mr. SPEAKER: There seems to be no Supplementaries. The Honourable Member for St. James North, Parliamentary Question No. 69.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, Parliamentary Question No. 69:

To ask the Minister of Public Works, Communications and Transportation:

1. Is the Minister aware that the following public roads are in urgent need of repair, namely, Store House Gap, Yearwood Road and Husbands Road in Mount Standfast, Halls Road, Rock Dundo and Trents Road on Greenwich Village, all in St. James, and Lower Bakers from Mullins to Upper Bakers, St. Peter?
2. Will the Minister indicate what plans Government has for installing street lights in South Cemetery Lane?

Hon. P. M. GREAVES: Mr. Speaker, Sir, the Reply to Parliamentary Question No. 69 asked by the Honourable Member for St. James North is as follows:

1. Yes.
2. Consideration will be given to the repairs of these and other roads in the areas mentioned, as resources become available.

Mr. SPEAKER: Are there any Supplementaries? None. Parliamentary Question No. 70.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, Parliamentary Question No. 70:

To ask the Minister of Public Works, Communications and Transportation:

1. Is the Minister aware that South Cemetery Lane, St. Peter needs street lights as a matter of urgency?
2. Will the Minister indicate what plans Government has for installing street lights in South Cemetery Lane?

Hon. P. M. GREAVES: Sir, the Reply to Parliamentary Question No. 70 asked by the Honourable Member for St. James North is as follows:

The Minister is aware that there is a need for lights in South Cemetery Lane, St. Peter. The provision

of lights will be considered, along with other areas for which requests for street lights have been made.

Mr. SPEAKER: Parliamentary Question No. 71 asked by the Honourable Member for St. James North.

Mr. R. C. EASTMOND: Mr. Speaker, Sir, Parliamentary Question No. 71:

To ask the Minister of Housing, Lands, Community Development and Culture:

1. Is the Minister aware that there is a problem of a serious shortage of windows to the sea along the West Coast of St James?
2. Will the Minister indicate what plans, if any, Government has for the provision of windows to the sea along the West Coast of Barbados?

Hon. E. E. GREAVES: Mr. Speaker, Sir, the Reply to Parliamentary Question No. 71 asked by the Honourable Member for St. James North is as follows:

Yes. There is no immediate plan for the creation of open windows to the sea along the west coast. Over time, however, Government will seek to improve existing sites along the west coast as visual pedestrian and vehicular accesses and open windows to the sea as proposed in the planning strategies adopted in the Physical Development Plan amended in 1988 and the Greater Bridgetown Physical Development Plan, 1987.

Mr. SPEAKER: Parliamentary Question No. 75 asked by the Honourable Member for St. Thomas who is not in his seat.

Hon. P. M. GREAVES: The Honourable Member for St. Thomas who asked the Parliamentary Question not being in his place I therefore lay the Reply to that Parliamentary Question on the Table.

Mr. SPEAKER: End of Oral Replies to Questions. 3.25 p.m.

SUSPENSION

Hon. P. M. GREAVES: Mr. Speaker, at this point I am seeking a small recess of 20 minutes therefore I move that this sitting be suspended for 20 minutes.

The Question that the House be suspended until 3:50 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

RESUMPTION Mr.

SPEAKER: This sitting is resumed.

ORDER NO. 10 - RESOLUTION TO NOTE AND APPROVE THE PROTOCOL FOR THE IMPLEMENTATION OF A PRICES AND INCOMES POLICY IN BARBADOS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise to move this Resolution in respect of the protocol for the implementation of a prices and incomes policy. The Resolution, Sir, recalls that during the Financial Statement and Budgetary Proposals of March 15, 1993 the Government indicated its intention to implement an incomes policy after consultation and agreement with representatives of employers and representatives of workers.

The Resolution, Sir, also recites that the employers' representatives and the workers' representatives, in modern terminology known as the social partners, have agreed that a prices and incomes policy is part of an overall strategy for the sustained economic development of Barbados. In respect of the social partners we are referring to the tripartite arrangement of Government, employers and workers representatives.

The Resolution, Sir, indicates that the social partners, agree that the major objectives of the prices and incomes policy are to safeguard the existing exchange rate of the Barbados dollar in respect particularly of the parity with the US dollar, around which fixed parity the value of the Barbados dollar is arrived at.

In addition, Sir, the policy aims at the creation and expansion of an economy that is more competitive with the objective of providing greater employment opportunities, and of making the goods and services which are produced in Barbados more acceptable both in the domestic market and in the external market.

The Resolution further indicates, Sir, that the social partners recognise that the reversal in Barbados' competitiveness and sustained development and its outreach for an expanded and more competitive economy would best be promoted by resolute and coordinated action on their part. It goes on to indicate that the social partners have discussed, agreed on, and have signed a protocol for the implementation of a prices and incomes policy, a protocol which was laid in this Honourable House of Assembly during this sitting. Parliament is therefore called upon to approve the protocol for the implementation of the prices and incomes policy for Barbados. Those, Sir, are the terms of the Resolution.

The protocol itself, Sir, relates to a number of factors. First of all, it acknowledges that the success of Barbados as a nation has been in large measure due to harmonious and peaceful labour management relations, and that these relations have been characterised by a measure of maturity in industrial relations by the social partners.

Secondly, Sir, the protocol recognises that that maturity is based upon the acceptance of the principle of tripartism as being the soundest and most effective means through which national cooperation and development may be realised. 4.00 p.m.

Thirdly, the Protocol affirms that sound relations may be maintained, particularly by a commitment to those principles laid down by the International Labour Organisation in respect of the just and equitable development of labour and capital, with particular reference to Convention No. 87 which relates to the principles of freedom of association, and Convention No. 98 relating to the right to bargain collectively.

The Protocol recognises that it is necessary to establish an environment that will bring the goods and services of Barbados into a more competitive position at home and abroad. It seeks to promote devices and mechanisms whereby Barbados can become more competitive and that those mechanisms would achieve restraint in wages and other compensation payments, as well as restraint in prices.

The Protocol indicates, Sir, that a restructured economy on a sustainable basis would provide opportunities for workers and employers alike to be empowered or enabled to make a greater contribution to planning and redevelopment and to sharing in the fruits of the economy. It also indicates that increased productivity and efficiency, including reduction in wastage and enhancement of national performance will assist the country in heightening its attractiveness to investors, and as a result help to further extend opportunities for employment

As a result of all of these factors there is agreement among the social partners that the prices and incomes policy will be advanced if it is based on a climate of mutual respect and on a clearly defined national commitment. The social partners also agree to establish an environment, or that the social partners will work for an environment and a framework that will protect the security of tenure of workers, and also will seek to reduce industrial disputes. In this connection, Sir, the social partners noted that since January 1, 1992 over 450 vacancies in the Public Service have been filled, and that more than 350 promotions have been made by the Government within the context of promoting better working conditions and rights of workers, and that those efforts will continue.

The Protocol goes on to state that the social partners accept and agree that labour shall not be required to vary the benefits and conditions which it currently enjoys, unless such variation is for the immediate general improvement, or that by any such variation, labour would assist in effecting the long term improvement in the conditions of those employed, and that it will help to create jobs for the unemployed. The Protocol, in seeking any such labour market changes, would be based on greater understanding of the relative positions and interests of each social partner, on adequate sharing of labour market information, and on genuine discussion and participation in decision making.

It is within that context, Sir, and against that background that the social partners agree and understand that there will be a general freeze on increases in basic wages and salaries in both the public and private sectors, provided however that this shall not be made to apply in areas where wages are deemed by the social partners to be substandard; that the freeze on increases in wages and salaries will apply to all remuneration under contracts of employment for any kind of work to be performed only or substantially within Barbados, provided that where increases are the result of job evaluation exercises or negotiated job enhancement exercises, they will be valid; that the freeze will include all pay, wages and salaries at all organisational levels, allowances, payments in kind, fringe benefits and lump sums, and will also apply to all types of employment, as well as to both full time and part time work; that employers will not pay remuneration for work at a higher rate than that paid for the same kind of work before the coming into force of the Protocol; that increases in wages and salaries during the life of the Agreement would be made only in terms of profit sharing arrangements or productivity bonuses, based on an assessment of profitability or improvement in productivity. It is however also agreed and understood, Sir, that monopoly pricing will be kept under surveillance by a monitoring committee comprising the social partners so that increases will be limited to legitimate cost increases subject to the terms of existing agreements and regulatory arrangements. 4.10 p.m.

In this context the Government undertakes to require the Productivity Board to devise ways of measuring productivity in the public sector so that public sector workers would not be disadvantaged by any provisions of the Protocol.

The social partners will immediately work together to consider and examine indexing of wage adjustment and tax allowances in the context of increases in the cost of living. They also accept that collective bargaining will continue to be maintained within the period of the Protocol to address the issues of conditions of work and sharing of

productivity gains and that a tax regime will be established by the Government to support the objectives set out in the Protocol.

Sir, the social partners agree, wherever possible, to ensure that prices, employment incomes and other forms of incomes, including professional fees, are subject to the terms and conditions of this agreement. In furtherance of this last point which I made, and subject to a previous one at clause 3(f) the social partners also intend to have continuous discussion to establish a monitoring mechanism to review the movement of prices, employment incomes and other forms of incomes, including professional fees.

The social partners agree, Sir, that in furtherance of the objectives of this Protocol, a National Productivity Board will be established under the terms set out in legislation. Notice has been given of the proposed legislation. The social partners also undertake to work closely with that Board to ensure the efficient and effective carrying out of its functions and work programmes.

And specifically, the social partners undertake to share relevant information required by the Board, to the greatest extent possible, and to assist in developing productivity incentive plans, gain-sharing or profit-sharing schemes for guidance and adoption in securing wages and salaries settlements.

Sir, the social partners further agree that decisions taken to further the objectives of this protocol shall be unanimous. They agree, Sir, to meet four times a year, or when requested by a social partner, to review progress and adopt, where necessary, new operational approaches in furtherance of the implementation of the national prices and incomes policy.

That is an agreement, Sir, which was signed by the Social Partners yesterday morning, August 24, 1993 by representatives of the Government, myself, by the workers' representative, the principal signatory there, Sir, being that of the Member for St. Michael Central, the General Secretary of the Barbados Workers' Union and Leader of the Coalition of Trade Unions. Other representatives of the workers also signed. For the employers' representatives, the Protocol was signed by Mr. John Stanley Goddard representing the Private Sector Organisations. Other representatives of that body also signed.

Those, Sir, are the contents of the Protocol. It is an agreement that has been arrived at through mutual discussion, through the process of give and take, and of seeking to meet the various objectives and the varying points of view. I think, Sir, that it is a tribute to all involved in this process, representing Government, labour, and employers that a decision has been arrived at to go forward on the basis of sitting around a table and

discussing, arguing and then arriving at what is in the best interest, not of any one sector but of the entire country.

I know, Sir, of few countries in the world that have been able to arrive at this kind of concordat, if I may use that word, or accord or agreement representing the various interests that make up the society. I would like to pay a tribute to the leadership on all sides, to the level of maturity, and to the very high level of skills exhibited by the negotiators on all sides. If I may start with the Government side, not only because the Government is the largest employer, but because of the very crucial and focal role of the Government, I would like to pay an especial tribute to the member for St. John, the Minister of State in the Ministry of Finance for the role he has played in these discussions. I am not saying anything about coming events casting their shadows, but I would say that he played a tremendous role in these negotiations.

I have also indicated that I would like to pay a tribute to the workers' representative. I can see him in full view. I don't have to look back because I can see him in full view across there, Sir. I can look him full in the face and say that he has shown courage, and determination, and a willingness to work for a solution to the many involved and complex problems in this process - luckily I don't hear asides and I can always count on my friend the Honourable Member for St. George South to put the right spin on matters. So, Sir, on the part of the employers, let me give special praise to Mr. John Stanley Goddard again for, bringing all of his experience, and expertise, and his skills to bear on the issues. He put forward the viewpoints of the private sector organisations, but again as I have said, not from a point of view of seeking for sectional interests to be dominant but for the national interest to prevail in all cases. 4.20 p.m.

I think this is a tribute to Barbados. There is agreement, and we all must work now in good faith and in the spirit of the discussions to ensure that what we agreed upon is implemented.

There are some people who may believe that this process started only yesterday. The General Secretary of the Barbados Workers' Union, the Leader of the Coalition of Trade Unions, reminded me that at the start of this year there was a discussion in which he said that the interest of the unions which he represented would be promoted if there could be some agreement in these areas. And it was building upon that indication and seeking always to be informed by prevailing conditions, by clear objectives, and by finely honed mechanisms, that we have arrived at this particular juncture.

Let us say that this is not the be all and end all of economic planning and economic management. It is part of a comprehensive approach that must involve, must

continue to involve prudent fiscal management, sensible monetary policies, and an effort on the part of all of us to ensure that there are no unmanageable imbalances in our domestic or external sectors, that we are able to pay our way in the international economy in respect of the goods and services that we wish to import in relation to those goods and services that we are able to export, that our goods and services are competitive with the goods and services of others who participate in the markets for the sale of their goods and services, and that we have a fiscal policy that will point the country in those directions. In terms of fiscal policy I refer both to direct and indirect taxation. Our efforts at privatization must be even-handed, and we must seek to bring about such public and private sector reforms that will lead to the elimination of inefficiencies and waste in whatever forms they occur. I believe we can do it, Sir.

It is now the opportunity of this Honourable Chamber to note the Protocol and to give its approbation to the efforts that have been made so that we can go forward as a united country, with the harmonization of the various elements and interests in the economy and society, to tackle the problems that confront us. For the world in which we live does not owe us a living. As Barbadians we will all have to work to make our living, to enhance our standards of living, and to pass on a good inheritance to our children and our children's children.

With those words, Sir, I beg to move that this resolution do now pass.

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

Mr. O. S. ARTHUR: Mr. Speaker, Sir, on behalf of the Opposition I should like to make a few remarks on the resolution for the purposes of the record. The record will have to show that Members of the Opposition were not formally involved in the negotiations that led to the reaching of the accord and the drawing up of the Protocol for the implementation of a Prices and Incomes Policy. But I do believe that history would be distorted if the records of this Parliament were not to show that the voice of the Opposition was heard on issues surrounding the construct of this incomes policy, that many basic concerns were raised by the Opposition outside of this Parliament concerning questions of equity, concerning the width of the incomes policy and its coverage, concerning the link of incomes policies to other policies designed to deal with the competitive problems of the society, the need for any Protocol or agreement to safeguard the interest of the most disadvantaged in the society, and the need for draconian legal arrangements to be avoided in giving effect to sensitive policies in this area of national concern and, Sir, the need to link incomes policies to other measures that can affect the take home pay of the public at large. Many of

their concerns are implicitly reflected in the way in which this Protocol has been drafted.

To that extent I believe that the records of this House ought properly to show that the legal construct of this document, the manner in which it has been drafted and the content of the protocol itself do not raise matters that the Opposition find offensive. We believe of course and still hold to the view that the question of Barbados' competitiveness has to be addressed more directly by policy measures that fall outside the boundaries of wage incomes. I want again to state for the record that we believe that fundamental to that effort must be revisions of the indirect tax system, to create conditions for inputs in Barbados used by exporters in particular to more adequately reflect international prices. We fundamentally believe as well, Sir, that the problem of adjusting to competitive situations is not a matter that should be carried entirely or even largely by labour. To the extent that those matters are, as I said, reflected in the document and to the extent that there is an agreement in principle to treat those matters as worthy of being incorporated into a Protocol and Incomes Policy, we would not raise fundamental objections in relation to this particular matter. 4.30 p.m.

This is not a matter as I understand it that requires the House to vote, merely to note the document. But I do not think that on this occasion, Mr. Speaker, the Opposition should be silent in the issue since we have a vested interest as well, which was not expressed by the Prime Minister but which we need to express; and that was to make sure that the general national interest was observed.

Mr. Speaker, Sir, I have today in another context urged the point that perhaps the time has come for there to be a national consensus on policies that more directly address the generation of productivity rather than consensus that presumes that productivity would be forthcoming and concern itself with the way in which it should be shared. I have pressed the issue, Mr. Speaker, that that should be dealt with by way of an active technological policy designed to create the basis for the improvement of Barbados technological capability so that the required improvement in productivity can be assured.

Be that as it may, Mr. Speaker, I am not going to tarry the House in this matter. We note, Sir, the introduction of this protocol. It reflects a series of general principles and guidelines. And I would like the records to show that its legal construction and its content are of a nature that are not in and of themselves offensive to the Opposition.

Mr. C. LeR. TROTMAN: Mr. Speaker, Saturday the 28th of August 1993 will mark the Fifty-Second Annual Delegates Conference of the Barbados Workers Union.

I have had the honour and the burden of being responsible for the last two of those years and I recall with some recognition of his prophesy that my predecessor warned me that my task would be much more difficult than his, and that is because he recognised, as I recognise now, the changing labour management environment in which we have to function today.

The task of succession 2 years earlier or 2 years later would not have as difficult as the task today because coming as it did at a point when there could not be the type of trade union activities that one has known in the labour movement generally to engage in, constitutes an occasion for some difficulties for the faint hearted, and occasioned the level of concern which caused pens to go to paper quite frequently even in song... and poetry, somebody reminds me, Sir.

Mr. SPEAKER: I don't think I know the song, Sir.

Mr. C. LeR. TROTMAN: Sir, I left my singing voice at home and I cannot sing it for you. Then I am not sure if it is consistent with the rules of this Honourable Chamber.

I wish to say, Mr. Speaker, that the period has been one which has brought out in many persons the best and the worst that there is. And for those of us in the Trade Union Movement we have been forced to recognise two very important ingredients in the business of the representation of workers. One is the need to realise that initiatives will have to be taken from time to time to vary the agendas and the programmes of trade unions especially in crisis situations if one is to maintain as a vibrant entity the trade union, or those trade unions as a whole. When crises like these have struck other trade unions where many of my international friends are leaders, and the wrong kinds of decisions have been taken - decisions which have not allowed for the level of intellect and planning that is necessary - one has found that the trade unions have been crushed within the onward rush of the events of the times.

We have to be very careful to realise that from time to time it may be required that we take a step back in order that we may be able in the long term advantage of all of our members and, more importantly, our prospective members to be able to advance better in the future.

The second initiative has been our concern as trade unions for the business of jobs and job creation in this country. Criticism has been made very frequently, if not by this Honourable Chamber, certainly by predecessor chambers that trade unions concern themselves only with their immediate constituencies and only with looking after the welfare of those of its members who are currently employed, and not with those members who had employment and those potential members who are yet unemployed. And part of the concern that I know Barbados

has or must have is Ja concern for those large armies of unemployed people who need employment, who are actively seeking employment, or have become so frustrated that they have ceased in recent times to search any more.

We have to concern ourselves with creating employment opportunities for all of those persons. And part of what we have agonised over, and part of the reason why we have entered into this arrangement, is because we see as part of our single most important concern that of creating a climate which allows for a greater number of persons to find employment in this country because we still believe as a people, as I am sure, Mr. Speaker, you believe, that each individual in this country, that in fact all people, should have a right of access to employment.

In our agonising over ways and means by which to arrive at such a position we have been heartened by the kinds of support and advice that we have got from all quarters. The Leader of the Opposition, not then leader, from time to time did express his views and give the benefit of his advice. It is true that he promised to let me have some documents and I am still waiting for them, but that is beside the point and we don't hold that against his good intentions.

Other members within the community at large sometimes have been prepared in their writings to voice their views and, although sometimes the views have been couched in language that has been less than Parliamentary, or less than pleasant, even in the worst of situations there is very often something to gain and whenever we have met as a coalition of trade unions and staff associations, we have been careful to recognise that we do not alone possess the totality of the information and the knowledge required to do the best that is possible for labour, and we took on board many of the ideas and suggestions put forward by several interest groups in the various efforts of individuals across the country to speak to the issue. We also drew from the experience of our brother and sister trade unionists in the twin Republic of Trinidad and Tobago. To all of them, Mr. Speaker, I would wish to extend the gratitude and appreciation of the Coalition of Trade Unions and Staff Associations.

In arriving at this Accord and in supporting the Resolution of the Honourable Prime Minister, Mr. Speaker, I would wish it to be noted that we did not concern ourselves alone with the saving of jobs. We were also very concerned with the relevance and the importance of maintaining the parity of our exchange rate as it now is. That has been a political hot potato in many countries, and in fact from time to time there have been concerns, even in some "quarters within Barbados, about the exchange rate, but I seem to get the distinct impression that everyone in this Honourable Chamber recognises the importance,

especially to the poor, of our maintaining the current relationship of our dollar to the United States dollar. That in fact means that from time to time there is a devaluation across other currencies but in terms of that relationship I think we have concerned ourselves with trying to maintain the situation as it is. 4.40 p.m.

We have also concerned ourselves, Mr. Speaker, with trying to recognise that if we are going to be able to insist that employers should find work for people, then we will have to have a climate within which they begin to perceive that opportunities exist for development. What we have sought to do on our part is to recognise that labour, and that is to say workers generally, if they are going to be called upon to make national sacrifices, should have some benefit in return that is to be derived. We think this is a very beautiful opportunity for the Government as the major employer, for Government as the exemplar employer, and for the private sector generally to be able to, in the words of Michael Manley, deal with the question of democracy at the work place.

We think that if workers are involved more in the planning and decision making at the work place a greater climate conducive to higher productivity, greater efficiency and less wastage might be created to the overall advantage of all of the peoples* in this country and with the possible resulting increase in employment. Of course, as the Leader of the Opposition has said, we concerned ourselves with some of those things which he adverted to and which I will just mention very quickly, since I do not think there is much need to detain you in this matter, Sir. But we have concerned ourselves in section 3(a) of the Protocol with substandard wages; we have not entered into an agreement with our heads buried in the sand believing that because a number of employers, the Government and the Trade Unions have signed a Protocol that it follows that thereafter for ever and for always there will be a climate of equity and justice pervading the labour management environment. We have thought that wherever and whenever we see, or where there now are examples of substandard wages, that either party, but we believe that labour will have to be the party, labour will draw this to the attention of the other social partners and that these examples will have to be taken out and dealt with within the period of the Protocol.

We have also addressed another matter, and I would wish to mention this in passing for the benefit of those persons who may have been raising questions, the question of what happens to outstanding collective agreements which predate 1st April, 1993. We have made it very clear, Mr. Speaker, that the Trade Unions have always operated at a high level of maturity, but that we have been concerned that some collective bargaining processes have been deliberately delayed, perhaps against an understanding that

there would have been retroactivity which would cause people to escape their obligations to enter into good faith collective agreements.

The Trade Unions are of the view, and we have insisted and the social partners have agreed, that all agreements which predate 31st March, 1993 or 1st April, 1993 must be concluded in good faith, using all of the elements at the disposal of the negotiating parties, to bring those negotiations to a satisfactory resolution.

In attempting to deal with issues of this sort, we have not been trying to take advantage of any situations that currently present themselves on the sides of the employers, or on the side of Government, but we have been very concerned to protect the interest of workers in a climate where workers across most other countries in the world have suffered extensively when exercises of this sort have been entered into. We have tried, and we have to accept that there has been support in some quarters, to reduce that element, and I would like to believe that what we have arrived at is a document which could represent a new departure for labour management relations in this country, a departure which can speak to efforts being made by employers and their workers at the work place, not necessarily to come to the level of West Germany, now Germany, where any time you have more than five employees at the work place you have to have works councils, and where you have to consult before major decisions are made, but where some element between that and what we seek to practise in Barbados could become the norm, where consultation and discussion will take place and where people are taken into the confidence of the employers, as we would hope they are taken into the confidence of the Government, as we endeavour to make important and serious decisions for the well being of all of us, persons who are workers in our various different spheres.

The final thing I would wish to take note of at this time, Mr. Speaker, is the fact that we are very conscious of the fact that Barbados is an open community where we might not be in a position to control all elements of pricing. You would be aware, Mr. Speaker, that we have moved a long way from the initial trial ball, or trial over, which was bowled by the original framers of this Protocol, and that we were able to submit an alternative set of proposals which the negotiators were able to use as their working document. But we accept that Barbados is a society which is open and that we are not able to control prices in the same way that a bigger society might be able to control prices. Therefore we have sought to put in the Protocol a safety avenue for the workers of this country, that is to say, an avenue out of which if the prices of goods and services, the retail price index, were to rise beyond an acceptable level, and rise too far beyond any level - and we have not put 2%, 3%, 4% or any percentage - but

if the retail price index begins to get out of hand, we will be able to go back as social partners to reconstitute the framework, either by way of addressing wages or by way of indexing the allowances in income tax. That is supposed to be part of a framework to be dealt with in the not too distant future by the planners in such a way as to cause easement to all of the peoples in this country in the event that we were to have difficulties, and we are addressing that particularly in a climate where the Government has given a commitment to establish a tax regime which supports the objectives set by the Protocol.

We are therefore commending it, Mr. Speaker, to our colleagues on both sides of the House and to the country as a whole. We are doing so, wanting at the same time to express appreciation to all the negotiators and all the people who helped in any way at all in the preparation and the final wording of the document.

The Prime Minister made reference to the Member for St. John. I have already told the Prime Minister publicly, I would imagine it was carried, that if in the reports of certain changes one gets from time to time he no longer finds use for the Member for St. John, though limited by funds we might be able to engage him as a negotiator within the Coalition of Trade Unions and Staff Associations, because we believe that he has great skills as a negotiator. That is not, Mr. Speaker, as some people may think, because the Coalition got too much out of these negotiations. 4.50 p.m.

I think we would want to express appreciation to the employers for their contribution and their understanding during these talks because it was a 3-way set of discussions and therefore their input was very important. And to those members of the Coalition of Trade Unions, many of whom are not full-time trade union officers but persons who took long hours consulting with their membership from time to time and helped to arrive at what is before this Honourable Chamber today. In their efforts to do that, Mr. Speaker, they were able, I am pleased to say, at all levels to get support of their membership and they should be complimented as other persons who assisted us should be complimented for being able to have the broadness of vision and, if you prefer, without any self interest to realise what we have is the best we could get in the given set of circumstances.

I am hopeful, Mr. Speaker, that this beginning may be one which will lead to further evidence of consultation and discussion and, although there will be efforts made and there will be instances when there will be fractures within the protocol, I am hopeful that good sense will prevail way and beyond anything else, and that Barbados will be the total beneficiary and that no one individual might benefit but that we all shall be able at the end of the first period,

2 years, for the protocol and whatever period for the Productivity Board, that we shall be able to see benefits deriving to all of the people in all walks of life in Barbados.

I thank you very kindly, Sir, and I thank those members in all parts of this Chamber for their support during these very difficult times.

Mr. R. L. MORRIS: I would beg to associate myself with the comments made by the principal speakers so far on the issue of the Resolution before us and I wish to make a couple of points in this respect. First of all, I would like to draw the attention of the Honourable Chamber to a recent article in the Caribbean Labour Journal by the late Dr. Carl Stone, a very useful review of the Jamaica experience under an incomes policy. Even though ours goes under the broader headings of a prices and incomes policy, I recommend it for its recommendations and conclusions so that at the start of our own policy we might have some view of what will happen in such undertakings. Even recognising that circumstances are different and policies differ also, we need to take our guard because clearly down the line we have to do some empirical analysis of the actual out-turn from the experience that we are now entering.

One of the things that has been characteristic of such policies is a shift in ground from the workers to the class of owners and the wealthy people in the society. That is the intention to a large extent in a period of restructuring; but it does put a tremendous onus on those who will be recipients in the distribution of that wealth to take up a responsibility to the country and to use that wealth for re-investment in their businesses or to start up other businesses. If we are to deal with the problem of unemployment we have to look at the question of savings and investment.

This is an opportunity at the level of the enterprise that where funds are not going to be distributed in the form of wages and salaries that they should be utilised for the strengthening and improvement of the business places. We would hope that in this period of time that those funds will be used for purchasing materials and intermediate goods to be translated into finished products for sale in the market, for purchasing equipment that might be necessary for improving productivity in the businesses, to put funds into retained earnings in order to plan better for the future development of the businesses.

We have to watch very closely and ensure that the earnings that should have gone to workers are not utilised in ways that are not positive for the development of our country. This is not to cast aspersions on any group of persons. It is not to say that we do not have good faith in the undertaking to which we enjoin ourselves, but

to say that we in Barbados will be under scrutiny. Everybody will be waiting to see what has happened, whether at the end of this period the employment situation will be looking better. I say that not only to the private sector, but also to the Government.

Government has a responsibility to manage very carefully its resources and to ensure that the sacrifices made by the public sector worker goes towards the benefit of the country as a whole. I think you are aware, Sir, of views that have been maintained over time about the Government's role in employment. There are some of us who feel that we cannot expect the private sector to provide all the employment. There are some of us who look to an institution like the National Conservation Commission and who admire the role that it has played and continues to play in making Barbados a beautiful and healthy place. We shudder that that particular parastatal organisation has suffered perhaps more than any other grouping in this country in terms of the period of restructuring.

I think it is public knowledge that at one time they were down to a 3-day week and still getting an 8% cut on that. The 8% has been restored but NCC workers are still on a 3-day week against a prospect where they will not be getting an increase on their basic. I think that is a glaring example of underemployment. I believe that they make a very viable contribution to our Tourism sector by the work that is done there. I think that every member of this Chamber will agree with me that that is an area of concern and that Government should take steps as soon as possible to rectify that situation. There can be no good reason short of the bankruptcy of this Government that these workers should be getting a 3-day week.

I believe that those are our brothers and sisters and they should be given a 5-day week and that Government should try its best to satisfy that particular requirement. We are understanding of Government's predicament at this time in terms of its overall finances and we know that decisions have to be made but in the quest for equity in the labour market where we see such a glaring example of disequilibrium we should be able to make a case for those workers at NCC.

While I do not believe in the old-time crash programme, I believe that the NCC has matured as an organisation that has gone beyond the perception of the crash programme. Those of us who drive through the country know the pleasure that is given by going to the various parks and even the highway. We can see a difference in what used to be because NCC cannot be involved as it has been before. 5.00 p.m.

I will make a case later on to even bring back these numbers to somewhere where they were before. I know that is a difficult task but I am saying at this time that that level of under-employment really cannot be tolerated and I hope that those workers would not have to go into an incomes policy carrying that kind of burden.

Mr. Speaker, I believe that areas such as occupational safety, health and the environment on the whole should be given some impetus at this time and that employers find themselves in a position where their financial position improves during the period that they should not wait to be badgered by a trade union, and we will be badgering them, or by any other institution to try to look at the whole issue of safety and health in the working environment. Spend some funds on good and proper housekeeping. Make sure that the environment is one that is conducive to productivity because there is a clear and direct link between hygiene factors in the work place and the productivity of workers. So that if the money does not go directly into the workers' pocket at this time but some of it can be used to improve that environment in which they work I think that can only be for the good of this entire country and that employers' budgets that put in a certain portion for improving health and safety is a useful development for them.

And secondly, the issue of training. I would hope that employers understand that they have a role in training for this new era of productivity development. They cannot expect that it will be the Government that would be footing the bill for their training. They have a training responsibility. The private sector must spend money on training, on research and development if it wants to go forward. Some funds must be provided and those areas that do not have human resource departments should think seriously of establishing those departments because in the long run a trained worker is going to be a productive worker. When I say training, I do not just mean in the narrow concepts that we have followed before. I have made the point before that a worker on the shop floor must understand the totality of the enterprise in which he is engaged.

I will give you an example from our own experience in the Barbados Workers' Union where, with the assistance of the Government, we have been doing some training over time and we would certainly express our appreciation for Government's making funds available to our training organization at Mangrove to provide training for workers. But recently the General Secretary took a decision that he would help some trainees from the National Training Board to come over to the Barbados Workers' Union and do their apprenticeship training. But even if somebody came to the accounts department because that person wanted to train to be a clerk or to go into a junior accountant position, that person was exposed to the entire organization so

they had to understand what was happening in education, he had to understand what was happening in negotiations so that they went along. They got a perception of the entirety of the organization in which they are working.

But sometimes you will find that in a particular business organization a person would be trained in a very narrow perception of their work. They must not know what is happening with somebody else which is very much unlike the Japanese situation where, on the assembly line, persons are trained up and down the line. Not that your job is only tightening nuts and bolts but you do not know anything about putting on the fender. Each worker must know the stage before and the stage after because they must know in terms of work flow, if they are inefficient, how it will hinder the entire operation.

I am saying that we need to do a lot of cross training and training for productivity improvement and that the onus will be on management to organize and to fund that training. There is still lot of room for development. We have depended a lot on our academic institutions to provide the employees in our country with the know how to move forward. But we must make a critical distinction between that academic education that a young person will bring into a job, 6 or 7 'O' Levels and 2 'A' Levels and the work knowledge and the work experience that is critical if that person is to move forward.

Even now-there is no institution provided for training because when we look at our training boards and so on, they are concerned with a completely different function. With the exception of the Barbados Workers* Union Labour College and to some extent BIMAP, I cannot see an institution that provides for the kind of training that is necessary. I think employers now have to get the ball rolling and provide for their own programmes of training. But productivity, productivity measurement and so on must be done at the micro level.

I wish also to suggest that somebody has to put a stop on any further cuts from the present work force. If we hear tomorrow that anybody has lost a job we should ask why, no matter who it is letting go anybody. We are asking that in this period there should be no perception that workers' security should be under threat. That would be very much in keeping with the spirit of this compact. Posts might change. There might be a turnover in posts in certain institutions but in terms of the loss of jobs, we hope that we will not be hearing reports of these numbers going home from this place and so on. We hope that every attempt will be made to stop any increase in job losses because we have to go in the other direction now. We have to create more jobs. But we want to do that on the basis of maintaining the pool of employed workers that we have at present.

We recognize that job security depends on the marketplace. We understand that very well, a job is only as secure as the market for the goods and services that will maintain that job. We recognize that. While we are trying to secure that market by the measures that we have taken, we hope that the labour market itself will not be put to any further jeopardy. And except for reasons where somebody does something that does not allow them to keep that contract in tact we will not be hoping that either in the Government or in the private sector that we will be hearing about lay-offs leading to under-employment and to job losses. I know that is a challenge, but it is laid down, because we believe it is vitally important. We live in a free society and there are certain fetters that we cannot put on employers. Therefore all we are asking is that they use moral suasion, that they tap their consciences. 5.10 p.m.

Because we know the law will determine these matters. We are hoping that in Barbados for the next 2 years that there will be an abatement of attempts to reduce the labour force.

If I may also join in the challenge that came from the leader of the private sector organisations where he said there are still some things that need to be done, issues like addressing indirect taxation. But I understand that is a policy already in place from the Government. He talks also of addressing issues of hidden costs of inefficiency and waste and again that challenge goes back to the individual work places.

I would wish to enjoin with the Member for St. Michael Central who spoke of the development of worker participation and especially the formation of committees, such as joint productivity committees at the work place where management and workers will come together within the context of collective bargaining to deal with the problems at the work place, problems of waste, inefficiency, whatever, restructuring. We realise that there is a move in Barbados to follow whatever happens outside. That is a popular thing for Barbadians and we notice the issue of quality circles, stated by firms represented - in my recollection - by the Super Centre Group here in Barbados. I believe the Managing Director first saw it in America and he came back from America and he thought he would introduce it. It did not last very long. Quality circles failed.

I notice now people are moving full steam into Total Quality Management and attempts are being made to introduce it outside of collective bargaining. We know that has been used in the United States of America by the big anti-union companies like IBM and Kodak and others. We would wish to state that our environment in Barbados is different, our culture in Barbados is different. We cannot be against Quality Management and we cannot be against Total Quality Management. We are committed to the concept of productivity.

Aside.

Mr. R. L. MORRIS: If I thought seriously that they would benefit. But we are concerned that the attempt to transfer such techniques from the United States of America has a terrible effect of trying to get rid of supervisory groups, because as for the American example of TQM you don't need supervisors anymore, and we are seeing attempts to do that in Barbados without recognising that the Barbadian situation is completely different. There are attempts at trying to bypass the union and deal directly with the workers.

Yes, we need to remove areas of hidden costs that lead to inefficiency and waste but we recommend that can best be done in a forum where the workers and their representatives can sit down with management, share the relevant information and seek together through a problem solving approach to improve the situation.

Finally, I think that we in Barbados have evolved our own model of doing things. Perhaps we are so close to it that we do not recognise it. Remember we used to have an educational model that used to walk the Caribbean, providing all the school teachers for the Caribbean and so on. But we do have a labour management model that is recognised, not only in the Caribbean but as I said before the Labour Management model that Barbados has produced is recognised all over the world.

I want people to understand that Barbados produced Sir Grantley Adams that walked on the international trade union levels, in the foundation days of the ICFTU, and Sir Frank Walcott a Governor of the ILO, a Governor at the ICFTU. There was not an international body in the world trade union movement, labour management system, to which he did not belong. And now the Honourable Member for St. Michael Central, is the President of the ICFTU. This small country has established that kind of model in terms of labour management. It is entirely possible that from the employers' side we have also reached that level in certain areas. I am really not at liberty to call names. I do not know them that well. Our Prime Minister and political leaders have also stood tall in this country and internationally. So let us recognise that we have a model that we can use for export or for people to emulate.

We should not be surprised that we have been able to achieve this historic development but the test is now in the fullness of time, looking back and reviewing and assessing and the Barbadian model to me is one that tends to look down rather than look back. I think we tend, up front, to get those things in place that will make us different from some of our Caribbean colleagues, we seek the correct response to our problems so that we can move forward from strength to strength.

In closing then I would like to again compliment all those who were part of this particular protocol and to throw the challenge to Barbadians to rise to meet the present needs of our country. One last challenge directly to the holder of the purse strings to remember the NCC in your thoughts. I thank you very much, Sir.

Hon. E. E. GREAVES: Mr. Speaker, I shall be very short in joining this debate but I would not want this occasion to pass without offering my profound congratulations to the players in this historic and path breaking event, that is, the fact that in Barbados at this time we have been able to get the private sector, that is, the business community represented by the Employers Confederation and a number of trade unions in Barbados to sit down, and with the Government and be able to come up with a protocol for the implementation of a prices and incomes policy is something which should not pass unnoticed.

One recognises that historically in Barbados it has been very difficult to get trade unions to agree on any one thing and I must confess that when the idea was thrown out the impression might have been conveyed differently. Having experience in this particular area I know that attempts in the past have been tried to get the trade unions together to have a common position on a number of things and there were considerable difficulties in this but the fact that this has happened particularly at a time when obviously the workers and the movement in Barbados have gone through very challenging times to reach a point where individual trade unions through their various representatives could append their signatures to a document which we are discussing here this afternoon is a signal achievement, particularly when this is also done in the presence of representatives of the various employers groupings in this country.

I think it is obviously a model which will, I am sure, be looked at very closely in other parts of the world. The speaker who spoke before me indicated that over the years Barbados has been able to make a significant contribution on the international scene particularly in the area of labour management relations. 5.20 p.m.

I believe, Sir, that this is yet another area which will certainly lead to very close study and scrutiny. We have now a Protocol which will attempt to have some control over rampant rises in prices and incomes in this country and an attempt will be made to bring this in the context of reality. But these are merely words and I believe that the proof of the pudding now will be in the eating and I have reason to believe that the persons who are involved, because of their commitment to this, will ensure that the objectives set out in the Protocol are achieved. I have no doubt that the kind of areas which have been identified will be looked at in a very careful way.

It is clear to me, Sir, that we are in a new era in Barbados in terms of the way in which we from here on in will do things. It is a clear recognition that all of us have to work together to develop this country, and I think this is what this Protocol essentially is about, where the workers' organisations in Barbados, the employers' organisations and the Government recognise that for development and improvements to take place in this country we have to have a "basic philosophy about where this country has to go and the means which we are going to use to achieve this are basically set out in this policy document here.

It is clear that a lot of emphasis will be placed on productivity, and I would not want to go into any long dissertation on that. I am sure that the Honourable Member for Christ Church East Central has done that in a most competent way, but this is something which is at the crux of a lot of the problems which we face in this country. How are we able to ensure that this country enjoys the benefits of increased productivity? One of the things which has always concerned me in Barbados is one of attitudes at all levels, both at the level of the shop floor and generally speaking among the workers and also among management and at the supervisory levels. We have to do a lot of work to change the attitudes of people towards work, towards the country and, generally speaking, towards their jobs, showing the kind of responsibility and concern which are necessary.

One of the things which I am sure the signatories to this document will place high on their agenda will be trying to ensure that this country goes through that fundamental attitudinal change. We can take our various positions, we can hold fast to our political positions, but one of the things which we must always be concerned with is that in the final analysis how what we do can affect positively or negatively the development of this country. I am satisfied that this is going to be one of the very serious challenges facing this country as it has faced this country for some time, but because of the new arrangements, because of the new attitude which is obviously being exhibited by the major players who are signatories to this Protocol, I believe that we are heading in the right direction and that we will go in that particular path.

It is obvious that there is a tremendous amount of confidence which is being exhibited and it can do this country very good if we continue along this path. This is not to say that efforts will not be rewarded. Indeed, I think the Protocol makes very important concessions in that particular regard. Where efforts demonstrate an increase in productivity, then this will be looked at very carefully.

I agree entirely with the Honourable Member for Christ Church East Central that there is a lot which has to be done, which can be done. There are some very simple things which can be done to improve productivity in

Barbados. I am hoping that they will be looked at very carefully and that they will be implemented. We have a very grand opportunity in this country now to introduce a whole new approach to work and to life in Barbados, and I am sincerely hoping that we will not miss this opportunity to do so.

In offering my congratulations to the Chairman of the Trade Union grouping, the representatives of the Employers' Confederation and the employers' representatives, and of course those persons who sat on the Government side in reaching this particular Protocol, I want to say that I am very pleased to be able to sit and watch this matter played out to this point and to say that I believe we have an understanding in this country now which can only redound to the benefit of all of us. Once more, I certainly would like to offer my congratulations to all those concerned.

Thank you.

Mr. D. A. C. SIMMONS: Mr. Speaker, just briefly. I get the impression that we are here to note and approve this Resolution in a spirit of nationalism and that we are therefore restrained and to some extent reflective in what we are saying, but at the same time I think there are certain realities I have to express in a very straightforward manner.

The Leader of the Opposition, in a very restrained way and with his accustomed modesty has mentioned for the record, as he put it, that this final protocol is the result of tremendous pressure that was applied to the original publication by Government, setting out the parameters of a policy on incomes and prices as then conceived about 2 months ago. I think the record would have to show that the Sunday after there was the distribution of the paper by Government, both the Leader of the Opposition and myself were quoted on the front page of the *Sunday Sun* expressing grave concern about and disapproval of what had been put out by Government. 5.30 p.m.

I don't know but Errol Barrow once said that sometimes you have to beat your chest in here to get it on record lest it is distorted. I am going to make sure that I say 1 or 2 things for the record.

The first paper circulated by Government struck at fundamentals as we have come to expect them in this country and the one outstanding fundamental at which that paper struck was the role and function of trade unions. It seemed to us as I said then and was quoted subsequently by Dr. Shorey that that initial document was spelling the demise of trade unionism in Barbados. I also sought at a philosophical level an attempt being made to introduce autocratic notions, even notions which sounded like communism when the Government tried to foist on us a provision that would have made it a criminal offence

to give a worker a deserved increase. It was an attempt by Government to get into the market place and play a role that certainly was not designed for Government.

For those and other reasons the Barbados Labour Party opposed with vigour and vehemence the 1st paper that was circulated. We went so far as to convene a public meeting at the Barbados Labour Party Headquarters to explain to those who attended, members of the general public, what the paper was promoting and what was the response of the Party to that paper.

I am glad that the Minister of State in the Ministry of Finance has indeed taken note of the concerns and criticism expressed by this Party and we have now got before us a very emasculated document and Bill to follow. Speaking directly to the protocol, I just want to say that it is a document of platitudes that is sufficiently vague and wide as to allow for manoeuvring both by Government, by labour and by management.

For all of its language and objectives, the reality is, and one of us in here has to speak to this, that the effect of this protocol will be that for 5 years public workers, public officers, public servants, civil servants, will not have got an increase in salary. That is really what it is about. In the public sector they will not for 5 years get an increase. The last time civil servants got an increase in this country was December 1990 just before elections. Some got handsome increases as a result of a re-classification exercise, those at the top in particular, but those at the bottom will have suffered at the end of this period of freeze no movement in their salary for 5 years at the same time they will have witnessed irrespective of what attempts are made to police prices in this country a movement in prices certainly for 3 years that has made nonsense of their salaries and if the prices are not policed and held down for the next 2 years will virtually put them into tenure.

Now the public workers in particular will once again be called upon to bear the burden and shoulder the sacrifice while we try to get the country right. In the private sector there has been some limited increase during the last few years and therefore I want to join with the Member for Christ Church East Central in respect of his call for those at the bottom and to applaud the framers of this protocol in regard to that paragraph specifically, 3(a), which refers to those at sub-standard level.

Now the Honourable Member for Christ Church East Central made a specific call in relation to the workers of the NCC and I want to reiterate what I said in here first in the Budget of 1992, that is, that at the earliest opportunity - 18 months is almost past since I made that speech - the Minister of Finance must in his negotiations with the IMF even for the \$20 million which he is trying to get now convince that organisation that we have a special situation

in Barbados. I am going to repeat what I said then. The special situation is this that for many years we had an organisation employing substantial numbers of people - and I do not say that we have to go back to the same level of 15 000 workers or whatever - whose function was to assist in keeping Barbados clean, tidy and beautiful for the larger objective of ensuring that if we were selling tourism services in a serious way - and I put it now in my usual way - we could not invite our guests to come to a nasty country. It is therefore counter-productive to the ideal of enhanced tourism receipts to be sending home people who ought to ensure that the environment of which we talk so much nowadays is kept in a certain state of cleanliness.

I want the Prime Minister to be conscious of what we are saying on this side. A special case can be made for some restoration of employment opportunity in the NCC to make sure - and now because the rains are coming in and in another month the country districts are going to be in a state of over growth and so on. We are only being counter productive if we do not appreciate that we need to get that task force out there working on a continuing basis, otherwise you are going to run the tourists. 5.40 p.m.

Aside.

Mr. D. A. C. SIMMONS: The locals too. But we live here and we can probably put up with certain things and we are not shocked sometimes because this is an ongoing every day experience. You see the bush and you may comment on it for a day or two and then you get accustomed to it. But when somebody comes to your country that first impression is important and very often determines whether that person will repeat or not. Our position on this side in relation to the IMF programme has always been that there are certain special cases, there is certain special pleading that ought to be done by the Government with the IMF to ensure not only that we show some independence of spirit and thought in dealing with the IMF but also to ensure that particular economic goals are not destroyed by considerations of a multi institution which is largely impersonal in relation to the operations that they want to introduce in Barbados. That is all we are saying on this side, Sir.

Insofar as the protocol is concerned, Sir, we wish it well. I hope that the Government will be able - perhaps I better make the speech now on the Second Reading so that we can finish early tonight - to achieve the objectives which it has set itself though the Productivity Board that is mentioned in the Protocol appears to me to be an institution that is without any power whatsoever, without any authority whatsoever. It is an institution which can request and collect relevant information including information relating to wages, salaries and other income. But it only has a discretion to request that

information. If it requests that information and that information is not given, full stop. It has no power. It is going to rely on voluntary compliance from the persons who hold the information. I mean a simple example of what happened because I have a built-in social conscience but if the Board wanted to monitor fees and salaries in my Chambers and wrote to me and asked for that information, as the law is presently drafted I could reply and say that I received the letter but I do not think that I will give you that information, full stop. They cannot do anything about it whatsoever.

Aside.

Mr. D. A. C. SIMMONS: I am saying that it is dependant on voluntary compliance and attitudes of people and therefore we have to sell it to the community to say that all the draconian policies that had been in which rub people up the wrong way have now been taken up.

Mr. SPEAKER: The Honourable Member has to be careful that he is not speaking in anticipation of a Bill before the House.

Mr. D. A. C. SIMMONS: No, Sir, I am speaking on that part of the Protocol with reference made to the Productivity Board.

Mr. SPEAKER: I understand.

Mr. D. A. C. SIMMONS: And I am just saying, Sir, that I think there has now to be a public relations job on the part of Government, CIS has the facility, to get across that this is a programme that I think the language used in the Protocol is one of the odd words you see ever so often, voluntaristic.

Aside.

Mr. D. A. C. SIMMONS: But, no. It is tripartite between the Government and the social partners, labour and management. But all 3 of you men, must sell it. All right. Okay. I have no problem. I regret that it was not so expressed in the actual document that the 3 partners will now endeavour to ensure that the country understands the core of the policy and will do all in their power to ensure that people comply and that it is voluntary and so on.

The only point I am concerned to make here at the end is that it will require a public relations exercise. I will explain it at my branch meeting and so on. I will have that responsibility. But I feel that all of us as MPs in our respective branch meetings, those who can hold branch meetings...

Aside.

Mr. D. A. C. SIMMONS: I agree wholeheartedly with the Rt. Hon. Prime Minister. He went into my constituency 2 months ago at Welches School to speak to the Democratic Labour Party branch of St. Thomas. He had 11 persons including his driver. I am glad that he drew it to my attention that there is a danger in doing it through the branch. It depends on which branch it is. He must come to my branch meeting and then he would see people.

I am much obliged, Sir.

Aside.

Mr. D. A. C. SIMMONS: Invite you? Sure. Okay.

Mr. J. O. TUDOR: Mr. Speaker, I too would like to join this debate to place on record that we also on this side and in particular some Members on the back bench also had some concerns about the original document that was set out for discussion but we understood at that time that it was a document for discussion. We acknowledge at this time the Protocol which will be implemented about prices and incomes policy. I too would like to join with some of my other colleagues in congratulating the members of that group for coming to this kind of a consensus arrangement. I must say, quite frankly, that it is the kind of arrangement that I personally accept and appreciate very much.

Government in very difficult times is a very unpleasant experience and when the social partners can come together and let good sense prevail I think that that augurs very well for the future of this country. I myself recognize that to restrict incomes in general is something that I do not personally like. I am an advocate for paying people based on productivity. I am a business person. I understand generating profit, sharing in profit and reaping reward for basically what you produce.

We have got to accept in this country that for a long time the signs were very clear in this country that our productive sectors were slipping and slipping very badly - and at some time we would meet the point where we are unable to sustain the level of income that would ensure that we maintain the standard of living that we have become accustomed to. But I think that the unions have, over the years, > successfully negotiated wage increases that have allowed a large number of Barbadians to reach a level of acceptable standard of living. I am particularly impressed with the unions that at this time they can come to the good sense to join hands with the Government and the management of the employers, et cetera of this country to come to a position where they accept the truth about the economic situation in this country. 5.50 p.m.

I think it is a magnanimous stand on their part to come . to that realisation and I certainly would

like to express my appreciation to them that they join hands at this time. But I would like to impress upon the Government that we have a very serious problem on our hands and keeping wages at a particular level over the next 2 years will be a small part of our responsibility.

I think, Sir, that we have to move very swiftly to sensitise Barbadians in general of the need to trigger our productive sectors to the extent that we are able to realise the kind of income that is necessary for us to get out of this kind of policy.

I think that this policy of prices and income will serve its purpose, but I would prefer a Barbados where we are on a progressive income earning scale having properly reorganised our productive sectors to the extent that they are now earning foreign money and we are not butting our heads against a wall trying to trim this bridge, since the kind of contraction that is going on is impacting severely on the lower income brackets in our society and in particular those members of the society who now find themselves unemployed.

I have been experiencing frustrations daily as a result of people not being able to get a job here or get a job there and people's incomes just not being able to sustain their present standard and we are reaching the stage where people's living standards are at a very critical point and if we experience any more slippage then we could really find ourselves in deep water.

I really am hoping that we would be able to create a good feeling in the community. I am really upset that we have had a lot of unnecessary animosity brought into the political system in Barbados to the extent that people feel turned off by the political directorate.

I think that this particular (document of cooperation) is a step in the right direction, showing that we are able to come together with a realistic approach to assist our citizens in this situation that we are now confronted with. Our productivity has fallen in tourism. Our attitude towards agricultural development is questionable, our general altitude in the work place as to how we react with each other is also questionable, and with this new spirit of cooperation, I wish that it could be embraced and used in the wider community for the benefit of all of us.

Last year I expressed my concern after having returned from the seminar in London where we learnt of the problem with the pending non-protection of the banana industry *etcetera* in the OECS countries, and the difficulties that we will probably be encountering with the GATT treaty, and with our sugar prices that brought home the reality that we, the people of the Caribbean, and particularly Barbados have got to focus on being productive and making sure that we earn our way out of trouble.

I detest that we have to be subjected, as a people, to institutions that we have to depend very heavily on to bail us out. I think that we have the capacity, Sir, in this country where we have a very intelligent population, let us use that intelligence to our benefit. We have to adjust our attitudes to appreciate that the Minister of Finance or the Government is not going to just wipe out people because they wake up one morning and feel like being a vagabond Government or just being difficult with the people.

A Government, Sir, can only operate with the resources at its disposal and it is our responsibility as a Government to make sure that we create the right environment for people to understand the real situation of where we stand and where we have to go. I have to dwell on this because I feel very strongly that if we continue to brow beat these kinds of issues to try to score cheap political points and try to pull down the entire economy we are doing ourselves a disservice.

I must repeat and I sincerely hope that the Honourable Members on the other side take a leaf out of the book of cooperation and understand the responsibility that they also have to this country in terms of being responsible and understanding the real issues and not creating a mind set in the public domain that is totally negative and totally destructive and serves no useful purpose in our total development.

Mr. Speaker, I would like to make the point that this incomes policy is one that I hope would allow for us to make sure that our job creation would be allowed to flourish again. When we had the debate on the 8% I argued at the time that I felt the 8% should be introduced so that we would have been able to keep more people employed. 6.00 p.m.

We have to appreciate that when we keep increasing wages to those persons who are presently employed, we increase the probability that those persons who are not now employed are likely to become employed. I would hope that this policy, the restricting of revenue, would allow us to effect the kind of revenue savings that would allow us to provide jobs for those who are presently unemployed. We have to take a serious approach to it. I know that those persons in the community who will be participating in the wage freeze exercise will appreciate that it is an effort to stimulate the economy and that it is not an exercise against them. I sincerely hope that we can look at this entire programme with this sentiment.

With those few words I would like just to close again by placing on record my appreciation for this document, having been properly articulated among the social partners and producing a document that is palatable and acceptable to us, certainly on this side of the fence.

His Honour T. C. ESTWICK: Mr. Speaker, I just wish to make a very short intervention. I think we realise that the Honourable Member for St. Peter is on a low, without having anybody to explain anything to him, and I do not want to confuse him too much in the early part of the debate.

I share the view of the majority of Members on this side who started out by congratulating the negotiators of the document which we have before us. There are certain aspects of it which still cause me some concern, which I hope to touch on as we go on. I am one who would accept the document as merely the starting point for more detailed and in-depth and long term collaboration between what we call now the social partners. I think there is still a need for some fundamental institutional changes if we are to see the true fruit of the intentions of the parties to the present document. I do not believe that all the institutional frameworks are present in Barbados today to see a document of this type bring the fruit to Barbados that I believe it could reasonably bring in the long run.

In a nutshell, Mr. Speaker, a prices and incomes policy is an instrument that moves towards price stability and towards encouraging or promoting balance of payment equilibrium. The document in essence goes towards, I would suspect, causing the particular sectors, that is, not Government, the Unions as well as the employers' organisations, to respond to the offer of Government. That is why I said I believe that this document, having read it, is only the starting point in more deep-seated institutional changes from which the partners in this present document could benefit in long term collaboration which we so much need in the country.

The Prices and Incomes Protocol, as it is called, cannot stand on its own. We have gone through many institutional changes over the last 18 months or so; there have been a lot of laws passed, there is the indirect taxation regime and there is the issue now of trade liberalisation. All these other aspects of Government's activity must be taken into account when we look at the impact of the Prices and Incomes policy. One of the pluses in it is that over the years we have concentrated on collective bargaining dealing without a productivity basis. We now have to shift to a productivity basis, and if the representatives of the Unions agree with that, I am not going to quarrel with it. I may not necessarily agree with it, but I am not going to quarrel with it. They are the experts. But what we do have is the beginning of a process which in the long term could possibly result in the sort of economic democracy which may be of benefit to Barbados. We are setting up the institutions for collaboration between the parties, and I think that that is the starting point which essentially is for the benefit and the betterment of this country in the long run.

I know that this is a policy for only two years. Productivity is something which depends on so many factors at the work place. One such factor is the very method of production. The management function, the availability of raw materials, the type of work done, the skill of the worker, all impact on productivity. I am not certain that the Prices and Incomes policy goes towards indicating how these things will be improved, because if we are to measure this thing called productivity, and if the worker is to benefit in the long run, all these very important factors which impact on productivity must be looked at. That is why I said at the very outset that I regard this as a starting point to what should redound to the benefit of all parties concerned.

Another aspect, Sir, which once the experts agree with I am not going to quarrel with, because I believe that we cannot operate in the world of all black and white, but I think we have to accept that an incomes policy is in essence, even though it is grounded in the regime of economics, but a political intervention in the industrial relations framework. However; I will accept that at certain times in the development of any country such things are necessary. If the experts believe that it is necessary at this point in time, then I have no quarrel with that. I may have my own view, but if collectively the persons who deal in these issues every day have come to the conclusion that it is necessary for there to be political intervention in the labour market and that is not going to redound to the disadvantage of the majority of workers of this country, but there is an overall benefit to the country then, Mr. Speaker, I have no alternative but to accept it. I will sound a word of warning. I do not know but I would like to see it work in Barbados. But based on what is here before us, how it will impact on employees, I do not know. I would very much like to see it impact positively as is proposed in the document. That is why I have to go back to what I said at the very outset I regard this document as merely a framework a starting point from which the hard work now has to begin. It calls, even though it is a legalistic framework for voluntary compliance in many aspects. The legal sanctions which were in the original document are no longer in this one. It calls for voluntary collaboration between the parties.

I believe that that will impact more severely on the workers' side of the fence than it will impact on the employers' side of the fence. That is why if this voluntary collaboration is to be done in the best interests of all the parties concerned then the union must have access to all books dealing with profits, losses etc. of the company. The very framework of it could benefit that very thing which has been eluding us for so many years in Barbados. 6.10 p.m.

In the long term we could come to grips with the very thing as I said, economic democracy, worker

participation which some of us have been mooting for the last 20 or so years and which has been somewhat elusive over that period of time.

The justice of the situation will demand that at the end of the day those businesses that are making profits over this period of time and I have no doubt that some will, as was indicated by the Honourable Member for Christ Church East Central, not just skim off that profit and put it in some fund or spirit it away but that profit be re-invested for the benefit of the country, the firm and the workers. I don't know what the track record of such behaviour in Barbados is. I cannot see any overriding evidence of it but we can hope that in the interest of all concerned at this point in time that the spirit in which the protocol was introduced will be lived up to by the letter. We can only hope for that.

At the end of the day even though this issue has not been mentioned I believe the Government will still have the sword of taxation to deal with any excessive profits which have not been accounted for either in the short term or in the long term. What we will have to hope for in the long run is that when the protocol is finished that it should not be that recrimination is sought by any union in respect of any company or firm that it believed made excessive profits to the disadvantage of the workers over the 2 or 3 year period that this protocol will be effected. That has happened in countries in which there have been income policies, in which over a period of time when excessive profits were made there was not profit sharing but in respect of productivity the workers were not paid anything. In that regard once the incomes policy was removed then the sword of the unions went after those firms with some viciousness.

I hope, Sir, that good sense will prevail in Barbados and we will avoid those pitfalls in the long term. I have no difficulty in lending my support to the Resolution and I trust that as we are able to come to a satisfactory resolution of this particular issue and it promised at one point to be an extremely thorny issue that we will use this same spirit of cooperation, humanity and interest in nationalism in our country in many other aspects. I am pleased to say that for the first time since I have been in this Honourable Chamber I have seen the Opposition humbled, quiet, reverent and agreeing with the Government in this respect.

Thank you, Sir.

Hon. D. J. H. THOMPSON: Mr. Speaker, just a genuine 10-minute intervention on this matter. I had the great privilege of sitting together with persons like the Honourable Member for St. Michael Central, the Honourable Member for Christ Church East Central and also on occasion the Honourable Member for St. Michael South, the Rt. Honourable Prime Minister in being part of

the negotiation which produced this consensus document. Probably about 5 years ago the word consensus appeared in this country to have been a bad word and any use of the word "consensus" was equated to fragmentism, a lack of principle, vacillation, emptiness, lack of vision and all kinds of other negative viewpoints. The point is that consensus leadership the way this Government has practised it has brought untold benefits so far in terms of the achievement of some policy objectives. Those in particular in which we have sought consensus.

Certainly, the issue of the incomes policy is one of the issues on which consensus has emerged. The Honourable Member for St. Peter was calling for consensus on an incomes policy in 1988 it is true. I acknowledge that. In many estimates debates he called for consensus on incomes policy. Not everybody was then ready. The trade union movement was opposed to the way in which incomes policy was being raised and in this particular exercise have been able to bring on board the issues that they think are relevant to a genuine prices and incomes policy. That is what consensus has produced.

In other words, between 1988 and now when incomes policy was a bad word and the concept of incomes policy, far less consensus government. Can you imagine that in 1993 that the laudable objective of a prices and incomes policy together with the approach of consensus government has produced an outstanding document which has historical significance and I am certain will be another path-breaking initiative for the people of Barbados which other people will view in that way.

Now the Honourable Member for St. Thomas in a traditional legalistic approach to the matter, and nothing is wrong with that, viewed the absence of sanctions as making the impact of the document less efficacious and therefore he feels that it is a capitulation.

Mr. D. A. C. SIMMONS: That is a bit of sleight of mind, not sleight of hand. What I was saying is that first of all we were able by persuasion to remove draconian sanctions from the Bill and what I went on to say is that it will now depend for its effectiveness on voluntaristic attitudes and compliance. I know the policy is not going to succeed but try it. It is not going to succeed. 6.20 p.m.

Hon. D. J. H. THOMPSON: Mr. Speaker I understand precisely what he is saying. I am saying that the absence of sanctions particularly in a society like ours makes a document appear as though it is merely a paper exercise. But that is not always true. This is, in my view, the crux of it. The Constitution outlines about 11 freedoms and rights that the citizens of Barbados have. People do not take them to court every day, issues related to discrimination, protection of property, freedom of movement. It is

the spirit, the issue of good faith, the fact that they know that these ideals are at the bedrock of the society. A fellow will come to you in the most innocuous of situations and tell you that his Constitutional freedoms are being offended and you accept that that is a matter that must be looked at, on the understanding that you know he certainly does not have the money to pursue anything in the law courts. The sanctions that are there are irrelevant because neither he nor you are going to find yourself before the court, but that the spirit in which the society has agreed to govern itself means that these issues must be imported into decision-making and the way in which we interact*

The signatory on behalf of the private sector, Mr. John Stanley Goddard, has indicated that Barbados can be a model for successful structural adjustment. That too is a significant improvement on the perspectives of the private sector about the Government and its ability to turn around the Barbadian economy. Because, once again, 5 years ago the private sector in Barbados had almost become like a snail or a tortoise, had gone into a shell and when it came out of that shell it came out only to produce invective or to produce negatives. But now the private sector has found itself in the very positive and useful role of coming on board with the Government and the trade union movement to produce a document of major significance.

In the discussions that led up to this document there was no mamby pamby union position and capitulation by the private sector. The private sector was represented by one of the most outstanding young, black Barbadian economists that I know of, a brilliant young man along with the leader of the BEC both of whom put the private sector positions with considerable aplomb and forcefulness. The trade union movement was represented by... economist Mr. Darcy Boyce of the private sector organization. Then in respect of the trade union movement all of the unions were there. The Leader of the Coalition ensured that the consensus of the unions was there for each step.

The Government's initial position was to excite the kind of debate and discussion which prompted the Honourable Member for St. Thomas and the Honourable Member for St. Peter to respond in the way they did and we took that into consideration too. We put out a position that we felt would be attainable in the absence of consensus. But if you have consensus, if you have the spirit of good faith none of those things become relevant. Sanctions do not have to be applicable and the whole list of other offensive provisions could be removed and we were able then to move into the position that we have achieved in respect of the 2 documents which are before us. The spirit of good faith therefore has to apply.

The issue of providing information and doing a whole host of other things under this Protocol requires the absolute good faith of all of the parties and we have agreed

that the unanimity rule must apply. I think that in the absence of sanctions then the unanimity rule is the best way to achieve success in relation to an incomes policy and certainly in relation to the matters which come to the Productivity Board for consideration.

One must make the point that the original document that was put out was Government's position. But we agreed we want a national incomes policy which means it had to be a blend of Government's position, the position of the Barbadian private sector and the position of the trade union movement. What you therefore have in this document is a synthesis of those positions and this is a national incomes policy. Not the Government's incomes policy alone.

It is true that we did not solicit formally the viewpoints of the Opposition but I am also of the view that the Opposition was kept abreast of what was happening at each stage of the negotiations either directly or indirectly but, in most cases directly, where that was feasible and would have been aware of the progress or lack thereof that was being made. The Government did not respond publicly to any of the criticisms that the Opposition put forward on the incomes policy. We did not engage you in any cantankerous debate on it. We decided to pull all ideas together, let all ideas contend and build consensus. We could have locked horns with you in the early on it but the spirit of producing consensus in this country requires, certainly in the public domain, an understanding by each of us of our respective position..

The Government led the initiative on this incomes policy and that must not be forgotten. In that respect, this Government is entitled to be congratulated and to the kudos which Honourable Members, implicitly by their acknowledgement of the objectives of the document, have indicated. The trade union movement together with the private sector have been able to follow in that exercise and I am sure that the results of this Protocol will materialize * and will be heard of throughout the world and that Barbados, once again, as in respect to our human development index and per capita income and the whole host of other areas in which we are leaders, as an oasis of stability as the Honourable Member for St. Joseph said yesterday will now emerge as a country that is an oasis of consensus and can put the development of people in the forefront.

With those few words, I give my support to the resolution.

The question that the Resolution do now pass was put and resolved in the affirmative without division.

Mr. SPEAKER: Order No. 11.

NATIONAL PRODUCTIVITY BOARD BILL, 1993

Order No. 11 was called - To move the Second Reading of the National Productivity Board Bill, 1993.

Hon. D. J. H. THOMPSON: Mr. Speaker, I do not intend to deal in any detail with this. The document is before us and Members have had a chance to deal with the issues that have given rise to this.

I beg to move the Second Reading of this Bill for the establishment of a National Productivity Board.

Hon. N. K. SIMMONS: I beg to second that, Sir.

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

On the motion of Hon. D. J. H. THOMPSON, seconded by Hon. B. M. TAITT the Bill was read a third time and passed. 6.30 p.m.

On the separate motions of Hon. D. J. H. THOMPSON seconded by Hon. B. M. TAITT, Mr. Chairman reported the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. J. H. THOMPSON seconded by Hon. B. M. TAITT, the Bill was read a third time and passed, and cited as The National Productivity Board Act.

ORDER NO. 3 - FURTHER CONSIDERATION OF A
BILL TO PROVIDE FOR THE REGULATION,
DISTRIBUTION AND CENSORSHIP OF
FILMS AND MATTERS RELATING
THERETO

Hon. E. E. GREAVES: Mr. Speaker, as you are aware, I think the report from the Joint Select Committee has been laid in this Chamber and that Report incorporates

the amendments which were made to the Films Bill in the Select Committee and those amendments have been incorporated in this Bill. I therefore move that the report of the Joint Select Committee of the Senate and the House of Assembly on the Films Bill 1993 be adopted.

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

The question that the Bill be adopted was put to the House and resolved in the affirmative without division.

On the separate motions of Hon. E. E. GREAVES, seconded by Hon. P. M. GREAVES, the Films Bill 1993 was read a third time and passed and cited as the Films Act, 1993.

ADJOURNMENT

Hon. P. M. GREAVES: Mr. Speaker, that concludes Government Business. We have no other matters to put before this Chamber. I had indicated at the last meeting that we should be able if work progressed sufficiently for the House to go into recess and I did indicate then the time. I am now, Sir, in a position to say, Sir, that we will have a long adjournment rather than the normal recess for the time being and I am going to move, Sir, that the House do adjourn until October 5, 1993. I also want to thank Members - all Members on all sides - for the assistance in the work that has been done over a period of time as well as the staff of Parliament which includes the Reporters, includes the Press, Police and everybody. Sir, with those few words I formally move that this sitting be adjourned until October 5, 1993 at 12.00 noon.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House until Tuesday October 5, 1993 at 12:00 noon. 6.37 p.m.

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