

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Tuesday, April 25, 1995.

Pursuant to the adjournment, the House of Assembly met at 4.30 p.m. on April 25, 1995.

PRESENT

His Honour I. A. ROETT, B.A., Dip. Ed. (Speaker)
His Honour R. D. MARSHALL, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.),
J.P.

Mr. H. deB. FORDE, Q.C., M.A., LL.B.
Mr. B. M. TAITT, B.A. (Hons.), M.P.A., LL.B.
(Hons.)

Mr. L. A. WEEKES
Hon. O. S. ARTHUR, M.Sc. (Econ.), (Prime
Minister, Minister of Finance and Economic Affairs, and
Minister for the Civil Service)

Hon. D. A. C. SIMMONS, Q.C., LL.M. (Attorney
General and Minister of Home Affairs)

Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of
the Opposition)

Hon. Sir Harold St. JOHN, Q.C., LL.B.

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

Hon. Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc.
(Econ.) (Minister of Tourism, International Transport and
the Environment)

Hon. Miss B. A. MILLER (Deputy Prime Minister,
Minister of Foreign Affairs, Foreign Trade and
International Business) (Leader of the House)

Mr. J. O. TUDOR, J.P.

Hon. G. W. PAYNE (Minister of Public Works,
Transport and Housing)

Hon. R. C. EASTMOND, B.A. (Hons.), Dip. Ed.,
LL.B. (Hons.), L.E.C (Minister of Agriculture and Rural
Development)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P. (Edin.)

Mr. D. CARTER

Hon. R. N. GREENIDGE, (Minister of Labour,
Community Development and Sports)

Mr. G. A. CLARKE (Parliamentary Secretary,
Ministry of Public Works, Transport and Housing)

Mr. J. M. EDGHILL

Mr. F. J. STUART

Mr. W. C. C. CALLENDER, J.P., B.A., Dip. Ed.,
B.Sc. (Chairman of Committees)

Mr. H. F. LASHLEY

Mr. R. St. C. TOPPIN, LL.B.

Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON, LL.B. (Minister of
Health)

Hon. Miss M. A. MOTTLEY, LL.B. (Minister of
Education, Youth Affairs and Culture).

Prayers were led by Rev. Ivan Harewood. Mr.

SPEAKER: This House is now in session.

MINUTES Mr. SPEAKER:

Minutes of 18th April, 1995.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg
to move that the Minutes of this Honourable House for
18th April, 1995 which have been circulated be taken as
read.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

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

ANNOUNCEMENTS

Mr. SPEAKER: I am to report that I am in receipt
of the Accounts and Statements prepared by the

Accountant General for the months of December 1994 and January and February 1995. I am also in receipt of the Annual Report of the Ombudsman for the year 1993.

PAPERS

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I am commanded to lay the Barbados Economic Report, 1994.

I am also commanded to lay, Sir, the Annual Report of the Public Utilities Board for the year 1994.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I am commanded to lay the Annual Report of the Commissioner of Police for the year 1992.

Hon. R. N. GREENIDGE: Mr. Speaker, I am commanded to lay the Annual Report of the National Sports Council for the financial year April 1, 1993 to March 31, 1994.

GOVERNMENT NOTICES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to give notice of a Bill to amend the Betting and Gaming Duties Act.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

FIRST READING OF BILLS

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that the Bill entitled the Betting and Gaming Duties (Amendment) Bill, 1995 be now read a first time.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

The question that this Bill be now read a first time was put and resolved in the affirmative without division.

ORDERS OF THE DAY SUSPENSION OF STANDING ORDERS

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

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

The question that those mentioned Standing Orders be suspended for the rest of today's sitting was put and resolved in the affirmative without division.

GOVERNMENT BUSINESS

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

VAGRANCY (AMENDMENT) BILL - resumed

Order No. 3 was called.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, on the last occasion further consideration of the Vagrancy (Amendment) Bill, 1995 was postponed. I have consulted with the Leader of the Opposition and, in the absence of the Chairman of Committees, the Honourable Member for St. Michael North will carry out the function of Chairman of Committees, I therefore move that this House revert to Committee and that Your Honour do now leave the Chair so that we may go back into Committee.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

On the motion of Hon. Miss B. A. MILLER, seconded by Hon. D. A. C. SIMMONS, Mr. SPEAKER left the Chair and the House went into Committee, Mr. R. St. C. TOPPIN in the Chair.

COMMITTEE Mr. CHAIRMAN:

The House is in Committee.

Hon. D. A. C. SIMMONS: Mr. Chairman, Sir, when the House was adjourned on the last occasion we were in Committee dealing with Clause 2 of the Bill, I then gave the House the assurance that I would make two small amendments to Clause 2 paragraph (g) and in the interim I have done so: The Honourable Members should have been circulated with a copy of the amendment and Clause 2(g) now reads as follows:

"In any street, highway or public place including a beach without lawful authority or excuse, the proof whereof shall lie on the person accused; accost, molest, threatens or harasses any person or follows him about."

I have reason to believe that that amendment will find general acceptance and I beg to move that Clause 2 as amended stand part.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

Mr. CHAIRMAN: The question...

Mr. D. J. H. THOMPSON: Mr. Chairman, with respect to this clause, I want to be very short in saying that the restructured amendment responds to one of the issues which was raised by the Honourable Member for Christ Church South principally. It does not respond to any of the concerns which were raised by the Opposition of the nature of the burden of proof, the requirement on the accused, and concerns about the section itself and our very real fears about its impact in the society. Therefore, our position on this matter will not be changing.

I wish, however, to say that we are in Committee and we are restricted to discussing the content of the section. But I still would like to implore and impress upon the Honourable Attorney General that in matters of this sort that contention could be avoided if these matters could be dealt with in a Select Committee of the House which would give members of the public, Members of the Government and the Opposition and even Members of the Government who echoed Opposition concerns the opportunity of putting those views in the Select Committee so that the particular section could be amended to reflect the kind of legislation which this Parliament would support. Since that course is not being taken, we have no choice to not support this particular amendment as it is presently drafted and we will await the repeal of the Vagrancy Act and the new legislation which the Honourable Attorney General has promised within a year.

Thank you.

Dr. R. C. HAYNES: Mr. Chairman, I do not wish to detain the House too long on this matter. I have already indicated and I sought appropriate legal instruction on the matter and I will not be supporting any legislation that comes before this House in any form or fashion which shifts the burden of proof on the accused. Throughout the world today, there are many bits of legislation of this nature being introduced and we have to be very careful where as legislators, while we seek to deal with the problems of law and order, we do not at the same time curtail and infringe the rights of ordinary citizens. It is a principle, Sir, that I hold very dear to. I accept and I understand that there are other bits of legislation in Barbados which shifts that burden on the accused. 4.45 p.m.

I am not happy about it and I think that in the long run we do not want to find ourselves in a situation where we are afraid to go on the streets and on the beaches because of lawless people, and we are also afraid to go on the streets and the beaches because we fear the law. It is a principle, it is a concern of mine and I believe that I have the right.

The second point I want to make is this, that I think Members of this Parliament must render themselves immune to vulgar abuse appearing in editorials of this country of Members of Parliament when they address matters of conscience and who may have a much wider perspective of legislation, who not only see it as written on a piece of paper but who may have an understanding of how the system of law and order operates in this country, and quite rightly they have a duty in this Parliament to get up and express themselves and not to be concerned about the vulgar abuse coming from editorial writers in Barbados. It says very little for the newspaper and none of us should

be afraid to get up and expound our views in this House. I have never seen anything like it before. The third point I wish to make is that I note with some gratification that some of the more offensive words have been removed from this particular clause and I think the words which relate to the sale of goods and services - if my memory is correct, I do not have the particular Bill in front of me - have been removed and I think that improves the situation somewhat

I still rest my voting position on the commitment made by the Attorney General to have the entire Act removed from the Statute Book of Barbados within a year. I will be happy if that is done, and certainly within two years, otherwise there will be some parliamentary action to have it removed, but I accept the word of the Honourable Attorney General. Therefore, I will continue my personal stance in abstaining in relation to the vote on this particular clause.

Rt. Hon. L. E. SANDEFORD: Mr. Chairman, my point is an entirely different one. I rise on a point of order. It appears to me, Sir, that this House is in breach of Rule 5(5). Rule 5(5) indicates that in the absence of the Chairman the House may elect any Member then present to act as Chairman of Committees. According to my information, Sir, there was consultation between the Leader of the House and the Leader of the Opposition, but no motion was put to the House for the election of a Chairman and I do not think that consultation would constitute election in accordance with Rule 5(5). It appears to me, therefore, that you have no authority to have been presiding over the proceedings of this Chamber and that the technical breach should be corrected so that the records of the House may be appropriate.

I raise that matter, but it appears to me that the Speaker of the House should be recalled and the matter should be corrected. That is my point of order and I make that submission, Sir.

Mr. CHAIRMAN: No point of order.

Hon. D. A. C. SIMMONS: Mr. Chairman, I applaud your decisiveness in debunking foolishness.

I have heard the concerns of the Leaders of the Democratic Labour Party and the NDP. I wish to give both the assurance that I will not guarantee ever not to bring legislation to this Honourable House that cast a burden of adducing evidence on a defendant, when the Constitution at Section 18(11) and Section 97 of the Magistrates Jurisdiction and Procedure Act allow this procedure.

I therefore beg to move that Clause 2 as amended do now stand part.

Hon. Miss B. A. MILLER: I beg to second that, Sir,

The question was put and resolved in the affirmative, the Committee dividing as follows:

Ayes: Hon. O. S. ARTHUR, Hon. Miss B. A. MILLER, Hon. D. A. C. SIMMONS, Hon. Dr. R. L. CHELTENHAM, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, His Honour R. D. MARSHALL, Mr. W. C. C. CALLENDER, Mr. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. G. A. CLARKE and Mr. J. M. EDGHILL - 16

Noes: Mr. D. J. H. THOMPSON, Mr. B. M. TAITT, Mr. F. J. STUART, Mr. L. A. WEEKES, Mr. H. F. LASHLEY and Mr. D. St. E. KELLMAN - 6

Abstentions: Rt. Hon. L. E. SANDIFORD and Dr. R. C. HAYNES - 2. 4.55 p.m.

Rt. Hon. L. E. SANDIFORD: I wish to indicate that I did not participate in the vote and I did so because I believe that these proceedings are *ultra vires*:

Clauses 3 to 7 were called and passed.

On the motion of Hon. D. A. C. SIMMONS seconded by Hon. Dr. R. L. CHELTENHAM, Mr. CHAIRMAN reported the passing of one Bill with amendments in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise on a point of order. I draw your attention to Order No. 5, Rule 5 and No. 5(5) says:

"In the absence of the Chairman, the House may elect any Member then present to act as Chairman of Committees."

Mr. SPEAKER: What is your point of order?

Rt. Hon. L. E. SANDIFORD: My point of order is that the House did not take any vote, nor did it elect any member then present to act as Chairman of Committees. In those circumstances, I believe that the proceedings are therefore *ultra vires* and the House should seek to correct that technical error or breach of its own Rules in the most appropriate way.

Mr. SPEAKER: Honourable Member for St. Michael South, just let me make an observation. First of all, as far as I can recall there was adequate consultation on the floor of this House between the two opposite sides. There was no objection whatsoever and I took it that that meant

consent. As far as I can recall, the Honourable Member for St. Michael South was not in his seat at that time. I therefore rule that you are out of order. Let us proceed.

Mr. D. J. H. THOMPSON: On a point of order. I must rise on a point of order because an inference has been drawn which is not correct. My consent was to the person who was being selected as the alternate to the Chairman of Committees. I did not consent to any adjustment of the procedure or any other change in the Standing Orders in relation to the election of the person. My consultation was on the basis that the substantive Chairman of Committees was not in his seat and that the Honourable Member for St. Michael North was going to be proposed as the alternate. That is all.

I did not consent. Nobody raised the issue of adjusting the procedure, suspending the Standing Order relating to that procedure or any other thing. I am only saying that the inference should not be drawn, and I wish my colleagues to be clear on this, that I agreed to a change in the procedure for the selection of a Chairman of Committee. I merely agreed to the person.

Mr. SPEAKER: Honourable Member for St. John, I believe you are trying to make this Honourable House believe that you sat there, agreed with the member, the Leader of the House - we all heard this - and now you are saying that you agreed to the person but you did not agree to the procedure.

Aside.

Mr. SPEAKER: There was no question about procedure on the floor of the House. Let us proceed, please.

Dr. R. C. HAYNES: On a point of order. The Bill cannot be lawfully passed if the House was not properly constituted. However we may feel about it, it would be necessary for the Government to propose a Resolution to be passed in the House to ratify what took place.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I rise on a point of order. I have listened to a number of points made here this afternoon by people who have no point of substance to make. The time honoured custom in this House dictated exactly the procedure which we followed. I consulted with the Leader of the Opposition - he agreed to it - about the person who should take the Chair, and we proceeded without objection from anyone. What this House passes and agrees to do, Sir, is that...

Aside.

Hon. Miss B. A. MILLER: You did not complain that the matter was not done. This has been done in the past,

time and time again. I have been in this House long enough and I have never seen, in the absence of a Speaker or a Deputy Speaker or a Chairman of Committees, it put to an election. Consultation between the two sides. In fact, in the past I have seen when the people sitting on that side were sitting on this side that there was no consultation at all.

Mr. SPEAKER: Honourable Members, I believe that we need to have this matter resolved. Let us proceed. My ruling is that there is no point of order and we will proceed. There was nothing illegal, there was nothing contravening any of the Standing Orders of the House. 5.05 p.m.

When the proposal was made I sat here and I heard the consultation. I heard the Honourable Member for St. John agreeing, so let us proceed, please.

Hon. D. A. C. SIMMONS: I move, Sir, that this Bill be now read a third time.

Hon. Dr. R. L. CHELTENHAM: I beg to second that, Sir.

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

Ayes: Hon. O. S. ARTHUR, Hon. Miss B. A. MILLER, Hon. D. A. C. SIMMONS, Hon. Dr. B. L. CHELTENHAM, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Mr. W. C. C. CALLENDER, His Honour R. D. MARSHALL, Mr. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE and Mr. R. St. C. TOPPIN - 17

Abstentions: Mr. D. J. H. THOMPSON, Mr. B. M. TAITT, Mr. F. J. STUART, Mr. J. O. TUDOR, Mr. L. A. WEEKES, Mr. H. F. LASHLEY, Mr. D. St. E. KELLMAN and Dr. R. C. HAYNES - 8 •

Declension: Rt. Hon. L. E. SANDIFORD - 1

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that this Bill be now passed and be cited as the Vagrancy (Amendment) Act, 1995.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

The question that the Bill do now pass and be so cited was put and resolved in the affirmative the House dividing as follows:-

Ayes: Hon. O. S. ARTHUR, Hon. Miss B. A. MILLER, Hon. D. A. C. SIMMONS, Hon. Dr. R. L.

CHELTENHAM, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Mr. W. C. C. CALLENDER, His Honour R. D. MARSHALL, Mr. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE and Mr. R. St. C. TOPPIN - 17

Abstentions: Mr. D. J. H. THOMPSON, Mr. B. M. TAITT, Mr. F. J. STUART, Mr. J. O. TUDOR, Mr. L. A. WEEKES, Mr. H. F. LASHLEY, Mr. D. St. E. KELLMAN and Dr. R. C. HAYNES - 8

Declension: Rt. Hon. L. E. SANDIFORD - 1

Mr. SPEAKER: Order No. 1. The Hon. Prime Minister please.

ORDER NO. 1 - FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR 1995

Hon. O. S. ARTHUR: Mr. Speaker, Sir, today I have the honour to present to Parliament the first Financial Statement and Budgetary Proposals of the Barbados Labour Party Administration which assumed office on 6th September, 1994.

If great expectations have been excited at the prospects of the articulation of my Government's economic and financial policies - and apparently they have been - those expectations are securely rooted in the clear understanding by one and all that we simply cannot afford to stand where we are.

Barbados has much to be thankful for. The dint of effort of many, exhibited over several generations, our national commitment to practise sound and creative policies in all areas of national endeavour, and the resolve of the people of Barbados to do everything in their power to see that Barbados succeeds have contributed to the creation of a quality of life in this nation which is far superior to that of most developing states, and is akin to that of the industrialised and developed world.

Our national accomplishments however, should not cause us to wish to rest on our laurels nor from directly confronting the very many challenges with which we have yet to grapple.

And they are many.

The economic, financial and social policies of this administration will work themselves out in an environment which is remarkably different from that which faced any previous generation.

Everywhere, the march of technology is expanding the boundaries of production and creating new and exciting

economic opportunities, but equally reordering social relations, the way people live, work and even relate to each other. In its wake, the globalisation of production is rapidly drawing countries, great and small, into increased reliance on the workings of the international free market, and into intense competition to secure their place in that market.

For us as a nation, these developments will herald major, far-reaching and irreversible changes in the way in which we conduct business domestically and in the way in which we relate to the wider international economic community.

Indeed, Sir, for generations, a very large proportion of our economic progress was founded on our being able to have access to guaranteed and protected international markets for our goods at guaranteed prices. We benefited, too, from the access we enjoyed to financial resources from donor countries and lending institutions at concessional rates. There was also the expectation that, equipped with such resources, activist Governments could forever expand the boundaries of social and economic opportunities in our nation.

Mr. Speaker, all of this has changed. The age of market preferences and concessional financing is coming to an end for Barbados. In addition, the limits of possible state expansion have been reached and perhaps even exceeded. 5.15 p.m.

As a small country, our economic prospects now and for the foreseeable future will therefore depend heavily upon the manner in which we gear ourselves to compete in the new, competitive, international economy and, more especially so, Mr. Speaker, to take advantage of the very many opportunities which are even now being created as a result of the changing international demand and technology.

I am confident that we can make it. And this budget will therefore address itself to the concerns of a new Barbados, functioning in a new competitive international economy.

At home, despite considerable social and economic progress on many fronts, there are yet a number of problems to be addressed. The burden of unemployment bears grievously on the best educated and trained generation of young Barbadians in our history. The growth and expansion of the national economy has benefitted many, particularly large established enterprises; but it has not been as beneficial to smaller, newer economic entities and, indeed, the recent process of adjustment has left many floundering. Breadwinners and households have also been made to carry the brunt of the national structural adjustment efforts, but their contribution to increasing

productivity is critical if national economic progress is to be secured. They await, Sir, signals that their contribution to national development is understood, welcome and will be stimulated.

In addition, although recent efforts have been made to reform direct taxation in Barbados, this country continues to have one of the highest ratios of direct tax to national output in our region. And the present system of indirect taxation is so punitive that it serves largely to drive much of our business underground or abroad. Added to this, the development of our money and capital markets has neither kept pace with our economic and financial requirements nor with developments in neighbouring Caribbean countries, where potential savers and investors are now profiting from the availability of a wider and more exciting range of financial instruments.

On the fiscal side, the appearance of stability has camouflaged the growth in arrears by Central Government's departments and the widespread recourse to slipshod and illegal practices which threaten to undermine the integrity of our system of public finances. In addition, Sir, public sector projects have been badly planned and even more poorly executed. And there is still very much the threat that unless concerted action is taken now to curb the financial appetites of some state institutions or to restructure those which have been bankrupt for some time, they will come to constitute a major drain on the public purse.

Above all, Mr. Speaker, despite the superficial evidence of recent economic growth, the economy continues to be at its weakest where it matters most. Economic growth cannot be indefinitely sustained, nor existing jobs maintained nor new ones created by enterprises which are insolvent, under-capitalized and cash strapped, or earning rates of returns that are too low to maintain investor interest.

Yet, regrettably, this happens to the unhappy lot of a large proportion of the enterprises operating in all of the main productive sectors of this Barbados economy.

Mr. Speaker, it is my Administration's intention to work assiduously towards building a strong, modern and competitive economy in Barbados, an economy in which the principal thrust in the generation of incomes and jobs comes from the expansion of activity in those sectors which compete in the international business arena; an economy so structured and so managed as to enable Barbados, with its wonderful endowment of human resources, to grasp the opportunities daily being created in a world of skill-intensive, knowledge-based industries, an economy in which there is a broad range of thriving, prosperous and well managed small businesses, filling

important niches in our domestic and regional economy, an economy in which investor confidence is securely anchored in our pursuit of sound and stable policies which allow enterprises to realise reasonable rates of returns and to plan their corporate affairs within the context of well-defined macro-economic policies. We look to build an economy which can pay its way in the world, maintain a sound foreign exchange reserve position and maintain the existing value of the Barbados dollar relative to the U.S. dollar. We will build an economy in which the burdens of any adjustment are fairly distributed, in which increases in productivity are at the centre of our considerations, and in which productivity gains are fairly shared between capital, labour and technology.

We will build an economy in which the longstanding Barbadian penchant for fiscal prudence will govern the administration of our affairs and save Barbadians from the spectacle of economic and financial disorder which regrettably has done so much harm to our society recently.

Above all, Mr. Speaker, we accept that it is feasible, in the climate of our times, to conceive of and to execute economic and financial policies which will over time reduce unemployment in this country to negligible proportions.

Barbados has recently been subjected to a stabilisation programme and a series of structural adjustment policies carried out in collaboration between the then Democratic Labour Party Administration and international lending institutions.

Mr. Speaker, there are two critical options facing Barbados today, and both are predicated on the assumption that we see ourselves as having a responsibility to influence future events.

One option is to recognize that we have reached a point in our history where we can construct a sound economic foundation for ourselves in the new century that is already beckoning us.

The other choice is to procrastinate, or to refuse to consult a wider cross-section of expertise, as we have done over the last eight years and continue thereby to be helpless victims of our changing times.

I firmly believe that this country has suffered needlessly from excessive reliance on the second option over the last eight years, but it is not my intention to dwell unnecessarily on the circumstances that placed Barbados in its worst economic experience since Independence.

Those facts are still very fresh in memory, and need no embellishment by me. On the other hand, where

reference is made to them by this Government during discussion of the Budget for 1995-96, it is principally to set the context for the reasons why, and the means whereby, we must chart a different course.

I am persuaded, Sir, that undue dependence on external judgements has undermined national initiative. It has also robbed our people of the inspiration to achieve. This country can gain nothing from such subservience, and we must reverse this trend without further delay.

Under the new Barbados Labour Party Administration, there will therefore be renewed opportunity for our people, whether as individuals, as families, as corporate citizens within the private sector, or as agencies of Government, to apply their considerable aptitude, knowledge and skills in constructing a just society.

We will not follow the example of the unwise steward and hide our talents under a bushel. The task that lies before us, indeed, the task on which we must embark immediately is one that puts a premium on national integrity and loyalty. It will recapture the pride that once prompted and rewarded our productive efforts. It will renew in us the spirit of brotherhood and community that, for many a decade, has made Barbados a model widely admired within the Commonwealth and far beyond. 5.25 p.m.

As is well known, Mr. Speaker, much of what we do in the real world depends on what we afford. In seeking to rebuild the desired society, we must face certain fundamental facts. Beset, as other countries are, by economic complications that are both domestic and external in origin, Barbados has still not emerged from serious financial difficulty. Prudence dictates that we exercise utmost confidence in clawing out of this situation lest we lose control and plunge to a condition possibly worse than that of our recent experience.

It is therefore, Sir, out of a need to be circumspect, but equally with a responsibility to be creative, that the Budget for 1995-96 has been designed.

I would wish at this point, Sir, to make a brief acknowledgement. In shaping and refining this Budget instrument I am indebted to my colleagues at Cabinet and in Parliament, to the Civil Service, to the Boards of Statutory Corporations, to the leaders in the Private Sector, Trade Unions and Staff Associations. The proposals that I am presenting today owe a great deal to the information, suggestions, recommendations and cooperation of persons in all of these groups.

I am pleased to let you know that I have also had the benefit of views expressed by persons in other areas including the Church, social and charitable organisations

and other individuals who have no known affiliation to any group including political parties.

In canvassing or otherwise lending an ear to such an extensive cross section, effect was being given to a policy set out in our 1994 General Election Manifesto. Our emphasis on developing a participatory democracy must be seen to extend beyond strictly political issues. The Budget is no exception, even though, if we are to be realistic, it is perhaps least likely to reflect the fond desires of every taxpayer.

I am nevertheless gratified, Mr. Speaker, that as a result of sifting and refining the aggregates of the various contributions, Government has produced a formula that is best able to purge impurities from a financial system, revitalise our productive sectors and restore Barbados to robust economic health. The darkness at the end of the tunnel we recently inherited must be illuminated. The Government, which I have the honour to lead, will bring a brightness that the people crave and desire. They cannot function and thrive in the encircling gloom. In the words of the poet John Milton: "... Doth God exact day labour, light denied?" But, like Milton, encompassed with deep shadow brought on by his blindness, we are not so heavily shrouded that we cannot think. Like him, too, we must with fortitude assail our affliction to produce an inspirational and enduring work. Such I trust, Mr. Speaker, is the nature of this Budget.

THE BARBADOS ECONOMY

It is against this background that I wish to present a perspective of the performance of the Barbados economy in 1994, the performance so far and the outlook for 1995 and an appraisal of our economic prospects for the short and the medium term.

Mr. Speaker, it is estimated that the value of goods and services produced in Barbados in 1994, adjusted for price increases, was just over 4% more than the value of outputs in 1993. This growth in 1994 followed a 0.6% increase in a real GDP in 1993 coming after declines in national production in the order of 3%, 3.9% and 5.7% in 1990, 1991 and 1992 respectively.

In the circumstances, Sir, it would be therefore fair and appropriate to say that a turn around has started to gain momentum in the Barbados economy.

For the first time in 5 years, the expansion of economic activity was driven by the expansion of the export sectors. The performance of the tourism sector was particularly striking, with growth of approximately 10% being realised on the strength of a surge in long stay visitors in the first half of the year. Sugar production registered an increase for the first time since 1990, with

51 000 tonnes being produced falling marginally short of the amount needed to meet Barbados' EEC quota. Non-sugar agriculture, however, declined by 5.3%, continuing a trend which had set in since 1991.

Manufacturing output is estimated to have increased by 7.3% in 1994, in contrast to the decline recorded in the previous 4 years. Economic growth was also recorded in the domestically oriented sectors such as construction, wholesale and retail trades and the general Business and Other Services Sectors.

Overall, Sir, it was estimated that the value of goods and services produced, as measured by GDP at factor cost amounted to \$2.9218 billion in 1994, up from \$2.788 billion in 1993. Significantly, however, the GDP in 1994 at factor cost was lower than the GDP at factor cost of \$2.9653 billion in 1990, although prices have risen and the population has grown in the interval.

Nineteen-ninety four was also characterised by significant investment in the tourism sector, involving hotel construction, general upgrading, golf course construction, general refurbishment and investment and ancillary services such as water sports, duty free outlets and restaurants. It is estimated that these investments amounted to \$86 million, of which about 30% was met from borrowing capital inflows.

In keeping with recent trends, and influenced by low prices abroad, consumer prices abated in 1994 and it is estimated that the average rate of inflation for the year amounted to 0.1% compared to 1.1% for 1993 and 6.1% for 1992.

The growth of the economy also allows for modest job creation and the rate of unemployment which stood at 22.1% at the end of 1993, is reported to have declined to 21.2% at the end of 1994. At the end of the year it is estimated that some 27 000 Barbadians, who have actively been seeking work, were unemployed in this country.

The financial sector exhibited a contrasting performance in the two halves of the year. In the first half of 1994, the commercial banks recorded excess liquidity ratios as high as 13%, as a result of the growth of deposits accompanied by private sector demands for credit.

In the second half of 1994, however the liquidity position tightened considerably with the ratio falling to 5.7%, as a result largely of a major surge in credit to the private sector.

Indeed, Sir, 80% of the \$142.4 million in the growth of commercial bank credit to the private sector of Barbados occurred from the second half of 1994.

In December 1994, the Central Bank tightened credit policy in a belated response to a rapid increase in bank credit to the private sector in the preceding months that had been financed by a reduction in the banks' holding of Government securities, which have resulted, since August, in a larger than programmed decline in our country's international reserves. 5.35 p.m.

It raised the minimum deposit rate from 4% to 5% and its own discount rate from 8% to 9 1/2%. Banks responded by increasing the prime lending rate by a percentage point and the Treasury Bill rate which had declined in the middle of the year was pushed up to 7.4% by year end.

Deposits at non-banking institutions fell by \$55 million during the year. In relation to the capital market, the significant developments were the placing of a \$45 million cross border issue by the CIBC, the issue of \$98 million in bonds by the Government and a \$45 million bond placement on behalf of the sugar industry.

Mr. Speaker, during 1994, there was an improvement in the balance of payments as was reflected in \$117 million increase in the country's net international reserves. The favourable current account balance, a feature of the preceding two years, was supplemented in 1994 by favourable capital account transactions. Principal among these were increases in foreign capital inflows to finance private sector projects and, in addition, Sir, the Central Bank in 1994 borrowed enough funds on foreign capital markets to exceed its foreign amortisation payments.

As a result of the improved balance of payments performance by the end of the year, the country's liquid foreign exchange reserves were estimated to have been equivalent to 11 weeks of imports compared with 7 weeks at the end of 1993.

Outflows for foreign debt totalled \$243.7 million, some \$25 million more than in 1993. Total debt service payments represented 17.5 per cent of the value of goods and services, somewhat below the 22.9 per cent for the four year period ending in 1993.

Overall, Mr. Speaker, and certainly by comparison of the recent record, the performance of the economy in 1994 can be described as having been encouraging. There were, however, a number of features in the functioning of the economy of sufficient gravity to cause us to temper optimism with caution. To begin with, and as previously observed, the value of goods and services produced in Barbados in 1994 was less than the value of output in 1990 despite the fact of price increases our population growth in the intervening period. The implication is that the growth

over the past two years, though welcome, has simply not been large enough to compensate for the far more substantial decline in the preceding years. In the circumstances, it would be an elusion for us to believe that the growth realized can support a return of the national quality of life to early levels without a substantial recourse to foreign resources.

This feature at the macro-level was represented in a similar pattern at the sectoral. For instance, tourism arrivals grew in 1994 over 1993, but again the arrivals for 1994 were below 1989 and 1990 levels. More to the point, Sir, the Central Bank's Annual Report for 1994 indicates that the upturn in the United Kingdom market alone contributed 79 per cent of the overall growth in tourism arrivals and that this was in itself explained by an influx of cricket fans during the second quarter of the year, cheaper fares, more charters and intensified marketing.

It is, therefore, clear that unless those same pre-disposing factors were to exist in subsequent years, and this has not been the case, tourism would not be able to sustain its contribution to national growth. Of equal concern is the fact that in 1994, Barbados continued to lose ground in our main market the U.S. Market with arrivals which stood at 154.3 thousand in 1989 falling to 109 000 in 1994. These things point to the need to have our tourism affairs put in such a solitary state as to have strong growth driven by market forces rather than arrive from infrequent special events.

It must also be observed that although Barbados continues to do well in the development of its offshore business and financial sector, major windows of opportunities that can lead to the generation of many millions of dollars in new areas such as trusts and mutual funds management which have been missed out because there was tardiness in having the relevant legislation put in place. Of equal concern, Sir, is the fact that many of the enterprises operating in tourism, manufacturing and agricultural sectors continue to experience financial distress as reflected in low or negative rate of returns and a build-up of arrears to leading institutions and Government Revenue Departments.

The policy implication therefore must be, Sir, that structural adjustment at the macro-level taking the form of trade liberalization tax reform, financial liberalization and the like designed to improve the macro economic indices such as the growth rate, reserves and the level of inflation now have to be supplemented by adjustments to underpin and improve the solvency and the viability of enterprises in much of the productive economy of Barbados.

Mr. Speaker, there has been a slow down in the rate of growth in the Barbados economy in the first quarter-of

1995 and the Central Bank, which initially estimated growth for the year of over 2 per cent, has now revised its preliminary estimate to approximately 1 per cent. Sugar production which amounted to 51 000 tonnes in 1994 is expected to decline 30.6 per cent as a result of the drought last year and tourism has not reproduce its performance of last year and is expected to grow only marginally in 1995. These are the chief factors in explaining the slow down in the rate of growth of this economy. The non-trading sectors and the other sectors of the economy are, however, expected to expand.

More than considerable interest continues to be shown in Barbados' information and offshore business sector and we expect that these sectors will be continued.

We are also looking for the prospects of manufacturing in the light of the concession given and the policies and concessions to come.

Despite the fact, Sir, that 2 1/2 times as much foreign debt had to be repaid in the first quarter of 1995 as in 1994, the net international reserves of the Central Bank increased at \$29 million in the first quarter and the gross holding of foreign reserves by the Central Bank and Central Government amounted to approximately \$450 million at the latest count.

It is anticipated, Sir, that the repayment of IMF and the Yen denominated loan repayment that will be made this year will require a larger Barbados dollar equivalent to service it, we will nonetheless end the financial year to govern. 5.45 p.m.

It is expected however, Mr. Speaker, that the liquidity position of the banking system will remain tight, and this has already been reflected in the proposed structure of Government financing set out in the Estimates of Expenditure for the fiscal year 1995*96.

Sir, we anticipate that the output of the sugar industry which will be depressed in 1995 will reach over 60 000 tonnes in 1996 and that the performance of the tourism industry will gather renewed momentum by the winter of 1995.

The slow down in the growth rate in the Barbados economy in 1995 is therefore likely to be a temporary and a passing phenomenon and it is therefore envisaged that over the short and the medium term the economy will operate on a sustainable growth path, realising an annual average rate of growth of between 3% and 4%.

At this juncture, Sir, I need to spell out the nature of Barbados' relationship with the International Financial

Institutions, since these relationships will have a bearing on the course of economic events in this country.

In 1994, in presenting his budgetary proposals to this Parliament, the then Minister of Finance indicated the intention of the administration, on whose behalf he spoke, to enter an Enhanced Surveillance Facility programme with the International Monetary Fund to meet the preconditions of accessing an Investment Sector Loan from the Inter-American Development Bank.

I said then, and my party pledged in its Manifesto, not to entertain an Enhanced Surveillance Programme or any financial programme with the International Monetary Fund. The IMF is free to send teams to Barbados as set out in its various Articles to consult with our authorities and our advisers on economic matters, and to render such advice through such consultations as it sees fit. And this it has recently done.

I must, however, say for the record, Mr. Speaker, that I was powerless in Opposition to enter any deal, secret or otherwise, with the IMF for any purpose, least of all to bring about the devaluation of the Barbados dollar. And this administration has not entered any deal, secret or otherwise, with the IMF since 6th September, 1994. There is also, Sir, no longer an IMF representative stationed in the Ministry of Finance and Economic Affairs. This Government, however, proposes to maintain a constructive relationship with the institution without entering any financial programme.

In relation to the World Bank, Sir, Barbados is due to graduate from having access to its loans. During this fiscal year outlays will be made on three projects which have been agreed to before the expiry of the phase-out period. One of these is a Human Resource Project for U.S. \$18 million designed to strengthen the human capital-base of Barbados by providing resources to train our people.

The Democratic Labour Party administration had agreed that, as a precondition for the receipt of those loans, the Government of Barbados should charge students at the Samuel Jackman Prescod Polytechnic and the Barbados Community College fees.

This arrangement was entirely unacceptable to this administration and we so advised the World Bank.

I wish to thank the World Bank for having agreed to revise the terms and conditions of this loan and I am pleased to be able to announce that this project, which can mean so much in our fight to reduce unemployment, will now go forward without the conditions earlier entered into.

The Inter-American Development Bank has evolved and will continue to function as the main source of project and other development finance for Barbados.

For the past three years, the Government of Barbados has been discussing with the Bank an Investment Sector Loan which is intended to provide quick disbursing balance of payment support to assist in cushioning the effects of structural adjustment in the economy.

Again, the condition for the loan was the stipulation that Barbados should enter an Enhanced Surveillance Facility Programme with the International Monetary Fund.

Since September 1994 the Government of Barbados has been conducting extensive negotiations with the IADB to clear obstacles in the way of accessing this loan. An IADB team visited Barbados in March, one is at present in the island and another is expected in May to deal with matters pertaining to this loan facility.

It is anticipated that arising out of these efforts, the necessary documents pertaining to the Investment Sector Loans with the Inter-American Development Bank should be ready for presentation to the IDB's Board of Executive Directors for approval in September of 1995.

Barbados is also in line to have access to the IDB's Multi-lateral Investment Fund. This is a U.S. \$1.3 billion Fund, financed by 30 member countries, including Barbados, and administered by the IADB through which investment funds are provided for the following purposes:

First, to help Governments modernise their judicial systems, particularly in matters related to private investment such as business and corporate law and arbitration mechanisms.

Second, to finance schemes geared towards the development of human resources. And eligible recipients of funds will be drawn in this instance principally from the non-governmental sector and other entities such as training centres, private training firms and vocational schools; and

Thirdly, to provide funds for micro-enterprises and small businesses to meet credit needs, to fund business advice, technical know-how and market information, equity financing to Small Enterprise Investment Funds and the creation of partnerships and sub-contracting.

The Government wishes to urge all non-governmental and private sector organisations to make the fullest use of the opportunities presented by this Multi-lateral Facility, and once the way is clear, the resources of the Ministry of

Economic Affairs will be pressed into service to work with the non-governmental organisations of Barbados and the private sector to ensure that Barbados benefits to the fullest from this facility.

I turn, Sir, to the question of an Incomes Protocol, Mr. Speaker, in considering the short and medium term prospects of the Barbados economy. I should also wish to spell out our position on an Incomes Policy. The Incomes and Prices Protocol which had at its core a freeze on basic wages, together with productivity and profit-sharing arrangements, expired on 31st March, 1995.

The Government and Social Partners have held a series of meetings since September 1994 to discuss the workings and impact of the original Protocol and to examine the feasibility of devising a successor to take with us into the future.

Arising out of these meetings, a Committee drawn from representatives of the public and private sector, trade unions and other worker institutions, has been established to, among other things, develop a successor Protocol on the understanding, Mr. Speaker, that the collective bargaining process will operate in the future as the framework within which wages and incomes packages are arrived at, in both the public and private sectors, and that productivity gains be the benchmark used in arriving at settlement at the enterprise, departmental and sectoral levels. 5.55 p.m.

The Committee will also keep under purview industrial relations, practices in this society and will through its investigations and recommendations make its best endeavours to ensure that Barbados continues to benefit from a climate of stable industrial relations.

Mr. Speaker, Barbados is not yet out of the woods. Formidable matters pertaining to our international competitiveness await national resolution.

Our national accounts show that in 1994 the value of goods and services produced in this country was less than in 1990. This dramatic piece of information requires that for the future we must continue to pay ourselves increases out of productivity gains.

I must therefore grasp this opportunity, Sir, to impress the need for restraint and moderation in the size of wage settlements arrived at now and for the immediate future, and I trust that all concerned will continue to see the national purpose with the same clarity that was evident over the past few years.

MONETARY POLICY

I turn now to monetary policy.

The objectives of monetary policy in this fiscal year will be:

1. to maintain adequate foreign exchange reserves stocks so as to guarantee a stable value of the Barbados dollar;
2. to ensure continued health of the financial system; and
3. to support initiatives for financial investment in export and the tradeable sector.

Government recognises that a small fiscal deficit, designed to prevent increased levels of Central Bank financing or an excessively high interest rate regime, is integral to its objectives of sustainable economic growth and a strong balance of payments. By accompanying restrained fiscal operations with a sober monetary stance, we can ensure a strong balance of payments and a maintenance of adequate foreign exchange reserves.

Government believes that a low interest rate regime will be conducive to enhanced competitiveness and strengthening export potential. However, the interest rate regime must be consistent with the country's short and medium term reserves objectives.

In this regard, the monetary policy framework has changed significantly over the course of the past three years. The liberalisation of the financial system by the Central Bank and particularly, the dismantling of selective credit controls has placed additional emphasis on the use of interest rates as the main instrument of monetary policy.

To this end, in 1993 and more recently last December, the Central Bank raised the minimum deposit rate as a result of strong credit growth and a tightening of the domestic liquidity position. While there has been a moderate improvement in banking liquidity during the early months of 1995, some deterioration is expected later in the year. Moreover, despite the foreign reserve gains in recent years, the foreign exchange situation remains fragile when viewed in terms of the medium term objective of building reserves equivalent to three months of imports.

Accordingly, the current monetary stand will be maintained for the time being and no increases in interest rates is envisioned at this time or in the immediate future.

Mr. Speaker, Sir, to indicate its commitment to fiscal discipline, this Government will restore the statutory limits

on the overdraft by Government from the Central Bank to 10% of Government estimated revenues, where it stood prior to 1990 rather than 17% where it is today. Government will borrow through the issue of securities at market rates so as to encourage financial savings. Towards this end, Government will review its cash flow management practices with a view to providing timely forecasts in order to avoid breaches of the new overdraft limit of 10% of Government's revenues.

Financial regulations are under continuous review in the light of changing conditions at home and abroad. In 1994, a regional study of bank regulation was completed. Recommendations which are pertinent to Barbados include amendments to the Financial Intermediaries Regulatory Act, particularly with respect to strengthening the legal framework. New guidelines are also proposed for loan classification and capital adequacy criteria and financial statements as well as to deal with money laundering. Institutional strengthening will focus on greater training and supervision, especially enhanced and off-site surveillance.

Strengthening of the foreign exchange reserve levels depend in part on the development of our export industries. In this regard, the financing of new investments by firms engaged in the export of goods and services is crucial. The Central Bank of Barbados already provides support for the exports of goods and services through its export credit and guarantees scheme. Financing for the export sector is also provided through the Industrial Credit Fund and the Barbados Investment Fund administered by the Caribbean Financial Services Corporation.

The Bank has increased its contribution by the injection of a further \$1 million to assist in the capitalisation of small business projects. While progress has been made with the financial aspect of economic stabilisation, the Barbados economy remains fragile and it is necessary to ensure that financial resources flow in the first instance towards exports and trading sectors. Government particularly welcomes any such initiatives that may come from the private sector.

External Debt Management

Mr. Speaker, Sir, declining levels of external debt, improved foreign exchange earnings and falling debt service requirements have enhanced Barbados' external debt profile. This has contributed to a favourable Ba2 rating obtained in December 1994 by Moody's Investor Service on Barbados' US\$50 million global medium term note programme. I am pleased, Sir, to report to this Parliament that despite falling bond prices due to the Mexican crisis, the price of the Barbadian bonds put in the market has been rising, which suggests that contrary to

expectation raised elsewhere investors still have confidence in Barbados' economic prospects.

Government accepts the need to exercise prudence in new external borrowings and will continue to manage its borrowing requirements judiciously by engaging in selective commercial borrowing designed to refinance maturing debt. In addition, Sir, Government will strive, wherever possible, to lengthen maturities on commercial loans and thus avoid the bunching of repayments.

POLICIES RELATING TO CARICOM

Mr. Speaker, Sir, I now turn to policies related to our trade in CARICOM. In 1989 at Grand Anse, Grenada, the Conference of CARICOM Heads of Government decided to establish a Caribbean Single Market and Economy. One of the basic elements of this programme is the establishment of free trade within the region. This was to have been accomplished by September 1990.

To date, despite the repeated urgings of the Common Market Council, three member states have not yet given effect to the decision by removing licences on CARICOM goods, which are inconsistent with their Treaty obligations. Barbados is one of these countries. And I must emphasise that Barbados took part in all of the decisions relating to the creation of regional free trade, both at the level of Council and at the level of Heads of Government Conference.

Currently, Mr. Speaker, there are 58 tariff headings for CARICOM products which require an import licence in Barbados. Twenty-one of these are primary agricultural products, 23 are agro-processed products and the remaining 15 are manufactured goods. Of the 23 agro-processed products, 9 must remain under Schedule by virtue of the Oils and Fats Protocol of Schedule IX of the Annex to the Treaty establishing CARICOM. Within the 15 manufactured products category, 6 products are kept* under licence for safety reasons. 6.05 p.m.

At the Intercessional Meeting of the Conference of Heads of Government held in Belize in February this year, I gave the undertaking that Barbados would endeavour to remove licences on CARICOM goods as soon as possible.

In pursuit of that undertaking, I met with the private sector to assess the implications to them of the removal of the licences. One of the results of our initial meeting was the decision to establish a Public/Private Sector body to identify non-tariff barriers which confront our exporters in CARICOM, assess the implications of the removal of licences for domestic manufacturing and agricultural

industries, and to evaluate the effectiveness of the relevant safeguard mechanisms of the CARICOM Treaty.

The Committee has identified barriers to the Food, Beverages, Agriculture, Garments, Furniture, Plastics, Packaging, and Chemical exports from Barbados. These barriers range from the implementation of discriminatory standards, to the use of subsidised inputs in the manufacturing process by other Caribbean member countries. In addition to the above, other factors have been identified as impacting negatively on the manufacturing sector. These include the high cost of energy and the high port charges in Barbados which are among the highest in the world.

I have decided, Mr. Speaker, that generally, licences which are inconsistent with our Treaty obligations will be abolished with effect from June 1, 1995. However, it is recognised that even within the context of a free trade regime, there are, at times, certain sectors or sub-sectors which, given their sensitivity and, indeed, their vulnerability, cannot be fully exposed to free trade. This is so, Sir, in the Canada/US Free Trade Arrangement, and in the North American Free Trade Agreement which embraces the United States of America, Canada and Mexico. And it is also reflected, Mr. Speaker, in the Agreements of the recently established World Trade Organisation.

For instance, the poultry and egg industries of Canada are insulated from free trade under NAFTA. The agricultural sector is also protected in all three countries that participated in that free trade arrangement as well.

Mr. Speaker, in Barbados there are certain aspects of our industrial and agricultural sectors which we cannot as yet commit to free trade, without exposing them to serious adverse consequences. I refer, Sir, to the Poultry, Egg, Ham and Bacon sub-sectors as well as certain agricultural produce. In addition, our soft drinks industry could suffer untold harm if it were now to be opened up to free trade in the region.

There is a strong case indeed, Sir, for retention of licences in respect of the soft drink industry in particular. The CARICOM Council has recognised the difficulties inherent in free trade in the soft drinks industry in the region. That is why they have requested an in-depth study of the regional industry and before any decision is taken to remove licences from soft drinks in Barbados we prefer to await the results of the study as well as the pronouncement of the CARICOM Council on that matter.

Similarly, Sir, my Government will not remove licences from agricultural products until adequate safeguard protection is provided under the Treaty for this sector. This position has already been clearly conveyed to the

CARICOM Council. In addition, Sir, even with the safeguard provision contemplated by the Council, Barbados will have to retain licences, at least for the medium term, on poultry, eggs, ham and bacon production. We are prepared, Sir, to make this submission to the next meeting of the CARICOM market later in the year.

My Government, Sir, recognises that trade liberalisation is the centre-piece of the results of the GATT Uruguay Round, and is the major objective of the World Trade Organisation. This means that Barbados, like any other country that is participating in multilateral trade, will have also to respond to the process of trade liberalisation. Indeed, we have already begun to do so, as evidenced by our tariff reductions, as well as the abolition of a number of licences on certain imports into Barbados.

However, Mr. Speaker, I wish to make it abundantly clear that Barbados is prepared to engage in free trade to the extent that it is capable of so doing. And we expect that trade will not only be free but will also be fair. We expect this to be so in the extra-regional arena and we also expect this to be so in the CARICOM market.

Mr. Speaker, it is my Government's intention to deal firmly with any unfair trading practices against Barbados' exports to CARICOM, once we have removed licences on regional goods. In this context, I have institutionalised a public/private sector body, under the Chairmanship of the Minister responsible for Industry, to monitor any unfair trading practices perpetrated against Barbados and to bring them to the attention of the Government for necessary action.

In summary, Sir, my Government will pursue the following policies in respect of our trade with CARICOM partners:-

1. All licences inconsistent with Barbados' obligations under the CARICOM Treaty will be removed as of June 1, 1995.
2. We will identify to CARICOM those products which, because of their sensitive nature, Barbados is unable to fully expose to free trade.
3. We will seek, wherever it becomes necessary, to invoke the relevant safeguard provisions under the Treaty to protect any industry or sector from threat or actual injury due to an increase in imports for member states.
4. Licences on soft drinks will be reviewed after submission of the CARICOM intra-regional trade in brewery products and soft drinks study.

5. Licences on ham and bacon will also be reviewed when more detailed information can be made available and decisions made regarding the sourcing of raw materials.
6. Licences on primary agricultural products are to remain until the new Article 29A is ratified by all member states and therefore comes into force. This article will provide for restrictions to be imposed on competing imports in cases where agricultural enterprises experience serious difficulties as a result of the opening of the market to regional imports.
7. Investigations are being carried out to determine if applications should be submitted for relief under Article 29 of the CARICOM Treaty in respect of beer, past products, Tee shirts, wooden furniture and other sensitive industries which may qualify for such treatment.
8. Barbados will, if we consider it necessary, invoke the relevant provision of Article 56 which confers on us the same right as the LDC countries of the region to impose quotas and tariffs on regional imports.
9. To deal with subsidized and dumped goods entering Barbados, the Government will invoke the relevant provisions of the Customs Duties (Dumping and Subsidies) Act, Cap. 67. This Act will also be revised to bring it into line with the recently concluded GATT World Trade Organization Agreements on dumping and subsidies.

6.15 p.m.

Mr. Speaker, in leaving this aspect of trade, I wish to emphasize the Government's commitment to free but fair trade within our region. In this context, we will continue to play our part in moving the region towards the establishment of a single market and a single economy. But we will not do this at any price.

REFORM OF FINANCIAL INSTITUTIONS

I turn next, Sir, to the reform of our financial institutions. Mr. Speaker, two financial institutions owned by Government, the Barbados Development Bank and the Barbados National Bank have been performing poorly for some time now and, if allowed to continue in their present form, will create problems for the Treasury and undermine the integrity of our financial system.

Many studies have been undertaken to inform the restructuring of these institutions but no action has yet been taken to deal with the problems identified.

The hour of decision, has come,

RESTRUCTURING OF THE BARBADOS DEVELOPMENT BANK

The Barbados Development Bank, has accumulated losses of approximately \$65.0 million over the 25 years of its operations, and is at present technically insolvent. My Government sees a continuing need for a financially sound development finance institution to assist in the growth and diversification of our productive sectors.

To be effective, the Barbados Development Bank will have to be fundamentally restructured. The case for restructuring the Bank is rooted in our belief that a well functioning development finance institution can make a difference in the development of the financial and capital markets in Barbados by mobilising domestic financial resources for investment purposes and, with appropriate policies in place, contribute to the creation of employment opportunities and the earning of net foreign exchange. In this context, Sir, a restructured Barbados Development Bank can assist in promoting indigenous development in Barbados, thereby making growth more buoyant and robust.

The main elements of a restructuring plan for the Barbados Development Bank will involve the abolition of the Barbados Development Bank in its present form and to replace it by two (2) new companies to be established under the Companies Act of Barbados, a new Development Finance Institution and a Recoveries Company.

NEW DEVELOPMENT FINANCE INSTITUTION

The new Development Finance Institution will assume responsibility for the performing loans on the existing Barbados Development Bank, it is proposed that this institution should be jointly owned by Government and non-Governmental entities and Government's shareholding in this institution will be achieved, in part, by the conversion of \$19.0 million of the Barbados Development Bank's debt to equity in the institution.

The new Development Finance Institution will also mobilise funds from the Industrial Credit Fund, the Caribbean Development Bank and through issues of National Development Bonds. Initially its main activity will be the provision of loan financing. But we believe, Sir, that a new Development Finance Institution should also be in the business of providing financing in enterprises by holding equity. Therefore, Sir, the new institution will seek to diversify its functions by offering a range of financial services including:

- (i) Equity and Venture Capital Financing;

- (ii) Corporate and Management Services and Consulting Services.

RECOVERIES COMPANY

The non-performing loans of the existing Barbados Development Bank will be assigned to the new Recoveries Company. Those projects consist of loans that can be rehabilitated and also those that are deemed non-salvageable. The new entity will be 100% owned by the Government and will seek to rehabilitate those loans that have good prospects for restructuring and will sell them back to the new Development Finance Institution. It will, however, seek to liquidate as quickly as possible those projects deemed unsalvageable.

The company will seek to develop a capacity to undertake receiverships, liquidations and restructurings. This capability will be used not only to rehabilitate and liquidate the loans on its own portfolio but also to offer services to other businesses in Barbados in competition with existing operators in the field.

This entity will specifically address the needs of the troubled small to medium size hotel enterprises in Barbados. While there has been significant refurbishment and expansion on the West Coast, the South Coast properties have lagged significantly behind in this regard.

My Government has therefore formulated a package of assistance aimed at restoring these properties to viability in addition to creating an environment for sustained growth and increase foreign exchange earnings.

The main element of this package would include:

- (i) The provision of a \$10 million facility for the upgrading and refurbishment of hotel plants which are in debt to the Barbados Development Bank.
- (ii) Debt relief by conversion to equity in the region of between 20 - 30% of debt liabilities of the enterprises concerned amounting to between \$4 - \$5 million of the sum concerned.
- (iii) Arrangements for Group Management and the marketing of properties, involving the employment of a Canadian Management company with considerable experience in this area.

The success of this programme will require the co-operation and collaboration of the existing owners who must appreciate the fundamental differences between the ownership and management of business enterprises, and I

look forward to the co-operation of all concerned in this endeavour.

THE BARBADOS NATIONAL BANK

The new Board of Directors of the Barbados National Bank have instituted measures to structure and operate the institution as a genuine Commercial Bank.

These measures have included the establishment of a centralised credit administration and corporate lending department and the recruitment of professional management to fill key posts in the Bank.

Despite the foregoing initiatives there are a number of structural problems which will continue to impede or adversely affect the Bank's performance unless remedial action is taken.

Impaired or Non-performing Loan Portfolio

As at December 31, 1994, the Bank's impaired or non-performing loan portfolio consisted of approximately 1 284 accounts aggregating to an estimated \$60 million. Every effort will be made to restructure a number of these accounts and, where this is not possible, to minimise the loss to the Bank.

The Board believes, Mr. Speaker, that inadequate loan loss provisions had been made in previous years. The Bank's management and the Auditors have conducted a review of the Bank's loan portfolio and have made a loan loss provision of approximately \$13 million for the year ended December 31, 1994.

The Bank is therefore, expected to show a loss in the vicinity of \$10 million for the year 1994, and a further loss of \$3 million is estimated for 1995 as the effort is made to restructure the Bank's portfolio. Thereafter, it is expected that the Bank will return to profitability in 1996 and show sustained growth thereafter.

THE LOW YIELD ON GOVERNMENT SECURITIES

In addition, Mr. Speaker, arising out of the restructuring of the Sugar Industry Portfolio, the Barbados National Bank was required to accept a bundle of Government Securities with yields as low as 4%, in circumstances where the Barbados National Bank has to pay upwards of 7.25% to attract sizeable deposits. This yield disparity will continue to undermine the performance of the Barbados National Bank and will in due course become a fiscal problem unless timely remedial action is taken to address the problem.

Presently, the Bank holds almost \$350 million in Government securities of which in excess of \$200 million relates to the settlement of the Sugar Industry debt. Each percentage point below market prices on the latter results in a loss to the Barbados National Bank in excess of \$2 million a year. 6.25 p.m.

The bank will, therefore, need to have these securities carry a coupon rate as near to the market rate as possible and discussions between the bank and the Ministry of Finance are in train to have this matter resolved as soon as possible.

NATIONAL INSURANCE SCHEME

Mr. Speaker, Sir, I turn to matters pertaining to the National Insurance Scheme dealing first with the issue of pensions. National Insurance pensions were last increased in 1990 when in fact there were two increases - a \$3.00 increase on May 21 and by a further sum of \$6.00 per week in December. The current minimum old age contributory pension is \$76.00 per week and the non-contributory pension is \$63 per week.

In 1984, Sir, it was established by the then Barbados Labour Party Government that a non-contributory pension would be pitched at 80% of the value of the minimum contributory National Insurance pension. It was determined also that consideration would be given to increasing the value of all pensions payable under the National Insurance Scheme, not annually, but every two years.

In our Manifesto of 1994 we recognised that the need for increased pensions was urgent and we also pledged to provide and protect the entitlement of all workers to their retirement benefits. Government is committed to increasing the current levels of National Insurance pensions, but it is deeply aware of the fact that this has to be accomplished without doing damage to the Fund.

The pension costs of the fund are high, with a pension roll at December 31, 1994 of some 31 383 persons. As recently as 1993 payments in respect of old age contributory and non-contributory pensions, reached a total of \$122 million, representing some 96% of the contribution income of the Fund. Though expenditure in respect of these pensions increased to \$136 million in 1994, their share of the contribution income was reduced to approximately 80.4% consequent upon the increase in contribution rates with effect from January 1994.

Barbadians must share the burden of being responsible for our elderly. But in so doing, we must reward thrift and hard work. I therefore propose, Sir, to re-establish the 20% differential between the

non-contributory and the contributory pension payable out of the National Insurance Funds but in two phases. At the moment, Sir, the difference is 17.1% and I propose to increase it to 18.8% on this occasion by increasing the minimum contributory pension from \$76 to \$82.50 per week and the non-contributory pension from \$63 to \$67 per week.

Mr. Speaker, those who have contributed to our National Insurance Scheme and are now retired, will from the next pension period of 15th May 1995, receive an increase of approximately 8.4% in their pensions, whereas the non-contributory increase is approximately 6.3%.

Mr. Speaker, these proposals on pensions are estimated to cost the National Insurance Scheme \$10.5 million in a full year. This increase, in my opinion, will not damage the finances of the scheme, but the structure of the contributions to the several branches of the Scheme will have to be changed.

In this respect, Sir, members of the last administration in their collective wisdom, saw it fit and necessary to increase contributions to the unemployment branch of the scheme by some 450% in 1991 while at the same time decreasing the rates of benefits. Consequently and notwithstanding the belated reduction in the contribution rate to 3% of insurable earnings in January 1994 the Unemployment fund has continued to accumulate the reserves at a scandalously high rate. When it is considered that a contingency reserve of one year's expenditure is the actuarial recommended reserve for such a fund and the greatest level of expenditure for any one year has been the \$27 million that was paid in 1992, reserves, Sir, of \$94.4 million at the end of 1994 are gross to say the least.

This has to change, Mr. Speaker! However, I have been advised that I should await the actuarial report for the triennium ended December 1993 which is expected by Mid May this year before effecting the change. But you can be assured, Sir, that the change in the structure of the contribution rate to the Unemployment Benefit Scheme will be made once we are in receipt of the actuarial review in Mid-May 1995.

Mr. Speaker, before I turn my attention to the other issues related to the Social Security Scheme there are three further matters involving pensions which I must simply address. When we assumed responsibility for the Government of this country in September 1994, we found a recommendation from the National Insurance Board relating to persons living in Barbados who were in receipt of a pension from another Government or Social Security Scheme of a lesser amount than Barbados non-contributory pension. The legislation existing then disqualified such

persons from receiving the non-contributory pension and the Board was firm in its resolve that the more fair way to deal with the matter was to top up the pension to the level of the non-contributory pension. But, Mr. Speaker, what was the response of the then DLP administration? They dilly-dallied with this matter for years and demitted office without bringing to a conclusion a simple issue which would have brought joy and relief to a number of poor Barbadians in the evening of their days.

This Government, however, Mr. Speaker, has taken action on the recommendation of the National Insurance Board and I have signed the statutory instrument to give effect to the topping up of all such pensions. Never again, Mr. Speaker, should the elderly in our community, who meet the age and the residency criteria of the National Insurance Regulations, be in receipt of a pension income of a sum less than that established for non-contributory pensions under the National Insurance Scheme.

I also adverted earlier in this presentation, Sir, to our Manifesto commitment to protect the entitlement of all workers to their retirement benefits. It is within this context, Sir, that I am pleased to announce that favourable consideration will be given to the approval of the CARICOM Social Security Agreement. This Agreement seeks to protect the migrant or travelling worker's entitlement to pension benefits and to ensure him equality of treatment in his movement from one country to another within the region. The Agreement, therefore, provides for the pooling of the contributions paid in the various countries, and for the payment of the pension by one or more of the Social Security Schemes once you have satisfied the contribution criteria.

Mr. Speaker, the last pension related matter I wish to deal with is more of a compliance matter. I have stated already in this presentation that we all have to carry the cost of what is generally recognized to be the most comprehensive Social Security Scheme in the English speaking Caribbean. But, Mr. Speaker, a particular category of insured persons, the self employed, have always sought to renege on their legal obligation to contribute to the Scheme. I, therefore, propose to instruct the Honourable Attorney General to draft the necessary legislation to exclude from the receipt of non-contributory pension all those persons who during their working life were meaningfully engaged in economic activities as self employed persons but neither paid their contributions nor were exempted from doing so by the National Insurance Board. 6.35 p.m.

Compliance

All tax systems in democratic countries rely heavily on voluntary compliance for its success in collecting

revenue, Over time, Sir, and particularly in recent years citizens have proven to be quite adept at circumventing the legislative provision and Governments have found themselves having to amend and upgrade the law on a continuing basis to keep abreast of the legal manoeuvrings being employed to avoid the payment of taxes.

Notwithstanding, the generous *quid pro quo* of the contributions paid the National Insurance and Severance Payment Scheme have been plagued with problems of non-payment of contributions and non-compliance generally. Some of the practices employers have resorted to, Mr. Speaker, are in the language of the Chairman of the Board, "highly questionable". Indeed, he has informed me, Mr. Speaker, that:

"ordinary workers including maids, store clerks and persons employed in factories are being deemed independent contractors by their employers.

Some employers are very prompt in making the statutory deductions from their employees pay, but then they forget to pay the monies over to the National Insurance Scheme. Others accumulate large liabilities to the Scheme and then they shift their indebted company's assets into other companies and continue on in the same line of business as though nothing has happened."

Mr. Speaker, these abuses must stop! As Minister responsible for National Insurance, I have accepted the recommendation of the Chairman and the Board on the measures needed to tighten the legislation to bring an end to these objectionable practices. I can inform Members of this House that the focus of the amendments shall be on making directors of companies personally liable for the non-remittance of statutory deductions such as National Insurance Contributions to the relevant statutory institutions. At the same time active consideration will be given to define all those companies guilty of the practice and adumbrated from qualifying for the award of Government contracts.

Financial Review

Mr. Speaker, Sir, I now turn to the Financial Statement and the Financial Review.

Revenue

The current revenue for the fiscal year 1994/95 was originally estimated at \$ 1022.2m. Provisional data suggests that actual collection up to March 31, 1995 was \$1 billion 72.9 million, some \$63 million higher than for the fiscal 1993/94. This outturn was due primarily to a very strong revenue performance during the quarter January to March led by extraordinary performances in the Corporation Tax.

The amounts collected during February and March were higher than anticipated and the data to date suggests that the overall yield from the Corporation Tax was \$116.3 million compared to \$86.5 million in 1993.

Expenditure

On the expenditure side, current expenditure for the fiscal year 1994/95 was originally set at \$1 billion 99.5 million. During the year, supplementary provisions of \$69.6 million were approved, making total current expenditure approved by Parliament some \$1 billion 169.1 million. The approved estimates of capital expenditure for the year amounted to \$172.1 million. During the course of the year, supplementary provisions totalled \$13 million approved by Parliament, making approved capital expenditure \$185.1 million.

The expenditure outturn for the year is provisionally estimated at \$1301.9 m of which \$1177.6m is current expenditure and \$ 124.3m capital expenditure. As a result, the overall deficit is estimated at \$229 million or 7.8 per cent of the gross domestic product. When this is converted, Sir, to the basis used by the international institutions, the deficit is \$13.6 million or 0.5 per cent of the gross domestic product.

Mr. Speaker, this was achieved in spite of the fact that we decided to pay off a large number of debt and arrears which the previous administration left outstanding, converted two loans - one of \$7 million and another \$6.7 million into grants for the Severance Fund and the Caribbean Broadcasting Corporation respectively, and gave significant contributions by way of incentives to manufacturing, agriculture including fishing, hotel sector, handicapped and other individuals.

Throughout the year and particularly since September, deliberate efforts were made to restrict the growth of expenditure and to create a climate which would allow businesses to flourish after years of hardship resulting from the misguided policies pursued by our predecessors.

It is obvious from the fiscal outturn, Sir, that there has been a great measure of success with these endeavours. In fact, Sir, the outturn clearly shows what can be achieved if prudent financial management is pursued and if there is a determination on the part of those responsible for the management of the system to maintain its integrity.

Of the \$82.6 million in supplementary appropriations approved by Parliament during the last fiscal year, the staggering sum of \$44.3 million had to be used to settle the unpaid bills and other arrears left by the former Minister

of Finance and his colleagues of the Democratic Labour Party, The breakdown, Sir, of these sums is as follows:

\$4 607 726 - Welfare Department to pay arrears to the Transport Board for the travelling of old people on the buses of the Transport Board,

\$6.4 million - To the Transport Board to pay arrears to the Inland Revenue and the National Insurance Department.

\$23.8 million - To the University of the West Indies to pay arrears to the University particularly, Sir, the fees of the students from Barbados attending the University of the West Indies.

\$3.8 million - To pay outstanding bills on the Sherbourne Complex.

\$2 million - To pay for land acquired in the past.

\$2.5 million, Mr. Speaker, to pay the arrears and the debts of the Barbados Tourism Authority.

\$158 000 - To settle the unpaid bills of the Holetown Complex and \$1.1 million to settle the debt of the other institutions on behalf of the agricultural sector.

Mr. Speaker, I must repeat that in spite of the fact that we settled all of these debts and did all other things, we were still able to keep 0.5 per cent of GDP. It has to be understood that the diversion of financial resources to clear the arrears means that this new administration was constrained from making a much greater impact on the social and economic life of the country in our short tenure of office. 6.45 p.m.

National Debt

The National Debt at March 31 is provisionally estimated at \$2 329.8 million, 0.5% higher than at March 31, 1994. The domestic debt rose by 1.2% while the foreign debt fell by 2.7%. At March 31, 1995 the domestic component of the debt was estimated at \$1 683.2 million or 58.4% of the Gross Domestic Product, while the foreign component was estimated at \$646.6 million, or some 22.4% of GDP.

Public Finances - 1995/96

I turn, Sir, to Public Finances for 1995/96. The Estimates of Revenue and Expenditure recently approved by Parliament provide for revenues of \$1 106.7 million and expenditure of \$1 362.7 million leaving an overall deficit of \$256 million. In spite of the fact that the revenue out-

turn for the fiscal year just ended was higher than the base we used in projecting revenue for this fiscal year, I propose to retain the proposed estimate of revenue for 1995/96 which reflects only a modest growth.

As I explained to Parliament a few weeks ago, Sir, the Estimates for 1995/96 have been prepared with one of the major objectives being to keep the deficit around 1% of GDP while at the same time to increase spending on Capital Formation and to make provision for spending in special areas to help create a climate which is conducive to new investment by the private sector.

The Government has developed a medium term strategy and the various measures which are being proposed this year must be taken in conjunction with those adopted since October, as well as those planned for the coming years.

Among the special contributions in the Estimates or the budgets of Statutory Corporations are the following:

- (i) Provision for studies relating to the Carlisle Bay Redevelopment Project
- (ii) Provision for studies relating to Speightstown Re-development
- (iii) Provision for Rural Development and Urban Renewal Programme
- (iv) Water Resources Development (v) Housing Development (vi) A new Youth Programme
- (vii) Provision for the Rehabilitation of the Sugar Industry and (viii) Assistance and Incentives to encourage people to plant sugar cane on lands now lying idle.

I wish, however, Mr. Speaker, to sound a word of warning to all those persons who are responsible for spending public funds. Our aim is always to get value for money and to see that Accounting Officers remain accountable for the funds entrusted to their care.

Therefore, I wish to state that the sums of money approved by Parliament constitute the limits within which everyone must operate. That is so for the Central Government Agencies as well as those Statutory Corporations which receive subventions from Government.

In other words, Sir, if Parliament has approved, for example, a provision of \$1 million for a particular programme, a programme which costs \$1 million should be

developed for implementation by the Department and not one which costs \$3 million on the assumption that this Parliament will come back and grant a supplementary appropriation later in the year. This practice must stop as we seek to restore soundness to the management of our public affairs.

Furthermore, in no circumstances should anyone undertake expenditure in excess of the warrants released by the Ministry of Finance and Economic Affairs or in excess of the amounts approved by Parliament or, worse yet, Sir, incur expenditure when there is no provision for such expenditure in the Estimates approved by this Parliament

The recent Report by the Auditor General highlighted a number of instances where such things were done and I trust I will see no such things occurring in future reports.

A review of the Financial Rules is therefore now being undertaken by a Committee under the Chairmanship of the Permanent Secretary in the Ministry of Finance and, without pre-empting the recommendations which that Committee will make, I think that there is need for additional penalties to be provided to deal with the disregard for proper financial management which the Auditor General has highlighted in his Reports.

During the year the staff of the Management Accounting Section and the Budget Section of the Ministry of Finance and Economic Affairs will be visiting Statutory Boards and Ministries and Departments on a regular basis to monitor their expenditure and to ensure that they are operating within the agreed fiscal framework.

The Statutory Corporations will be required to submit regular and timely financial information to the Ministry of Finance and Economic Affairs so that we will have a good understanding on how the consolidated public sector is performing.

During 1990, as one of the many instances of financial recklessness practised by the last administration, the Financial Administration and Audit Act was amended to increase the amount which the Government can borrow in any financial year from the Central Bank by way of overdraft from 10% to 17.5% of estimated revenue for that year.

At the time, I did not agree with the decision of the Government because I was aware of the implication for the foreign reserves of excessive borrowing from the Central Bank.

Therefore, as part of my effort to restore financial integrity to Public Finances and to ensure that Government's expenditure does not in any way create

foreign reserve problems for the Central Bank, I have decided to reduce the Ways and Means limit from 17.5% to 10%, and that will take effect from tomorrow*

Debt Management Strategy

In relation to our Debt Management Strategy, during this fiscal year the Central Government has to repay foreign loans totalling \$80.9 million in principal and \$52.9 million in interest.

Our debt management strategy for this year will be to borrow on the foreign market loans equivalent to the amount of principal which we have to repay.

We will pay maximum attention to the implementation of foreign funded projects and the early submission of claims for reimbursement so as to minimise the net outflow of foreign exchange.

In addition, Mr. Speaker, discussions have been initiated with a number of interested parties with a view to working out a refinancing package for the major commercial loans which are very costly to service. The objective here is to reduce the interest costs and to lengthen the maturity structure of those loans.

During this year, Sir, the Central Bank has to make four repayments to the IMF towards the loan which was raised from the Fund in 1991. These will amount to some \$54.5 million by the end of the fiscal year.

Divestment and Commercialisation of Statutory Corporations

In relation to our divestment and commercialisation of Statutory Boards policy, Sir, during this year the Government proposes to divest interest in a number of enterprises. These are as follows:

- (1) The shares which the Government now owns in the Barbados Light and Power Company will be sold to the National Insurance Department at the prevailing market price. It is expected that some \$2 million will be realised from this sale.
- (2) The shares which the Government owns in the Pine Hill Dairy will also be sold.
- (3) Contrary to popular belief, the present arrangement with the Hilton Hotel is not one which the Barbados Tourism Investment Corporation has benefited from significantly. In fact, the Corporation is now experiencing great difficulty in servicing its loans and is now faced with the possibility of a huge refurbishment bill. Therefore, it is clear to me that the time has

come for the Government to re-evaluate its involvement in the Hilton Hotel and consideration is being given to selling that entity.

- (4) Government will also reactivate plans to restructure and to privatise the Caribbean Broadcasting Corporation. Cabinet has had to take the decision to convert a loan of \$6.5 million to that institution into a grant because it is at present technically insolvent.
- (5) The Government is also committed to fully commercialising the airport and we will shortly be establishing an Airport Authority.

6.55 p.m.

At that time, it is expected that the institutions such as the National Insurance Department will take the opportunity to invest some of their funds in the re-development of the airport in an effort to diversify its investments and to improve its returns.

Government also, as you know, Mr. Speaker, owns a significant number of under- or un-utilised properties and parcels of land scattered all over Barbados, most of which could be used effectively in the private sector.

It is proposed, therefore, that efforts be stepped up to dispose of these properties and the sums realised from such sales will be earmarked to support the new housing thrust of the National Housing Corporation, which is attracting \$11 million this financial year.

OUTLINE OF BUDGETARY PROPOSALS

Statement of Policies

Mr. Speaker, I now turn to the outline of the budgetary proposals. As I turn to the budgetary proposals, Sir, I wish to outline the kinds of policy concerns that have inspired the composition of the package of measures before this House, and the ends being sought by Government's fiscal and other economic and financial policies.

Mr. Speaker, the structural adjustment of the Barbados economy will not be complete, nor will we meet our employment objectives unless we are able to restore the viability of that broad cross section of the productive sector which is now facing grave financial stress. This part of the budgetary exercise seeks to address this as our main priority this year. It also accepts the need for us, in the interest of employment and foreign exchange generation to put in place concessions which can lead to an expansion in profitable business activities, particularly in areas that expand tourism and international business activity. The

budgetary process also acknowledges that we have to use fiscal and other economic policies to assist in reducing the cost of doing business in Barbados and to remove many of the encumbrances which prevent the expansion of existing enterprises and the creation of new ones.

Our policies are also based on the recognition that there are some matters, particularly the development of our water resources and the protection of our environment, which are so crucial to improving the quality of life in this country that immediate policy initiatives need to be taken in order to deal with longstanding problems.

Our policies also acknowledge the need to treat the households of Barbados as social partners and to give such reasonable and affordable relief as our present financial circumstances will allow. At the end of the day, we wish to put Barbados on a sustainable growth path in which the growth and development of this society will be underwritten by the expansion of our foreign exchange earning capacity and the improvement in our way of doing business in every sphere. We also wish to ensure that the cost of adjustments will be fairly distributed and not borne most heavily by those who are least able to contribute.

We seek, Sir, to accomplish all this, without increasing the size of the deficit beyond 1.5% of GDP nor putting our foreign exchange reserves in any jeopardy.

THE INTERNATIONAL BUSINESS SECTOR

Mr. Speaker, it is beyond doubt that one of the most important ways in which the performance of this econorr^ can be improved in the short term is by taking ad van tag of the opportunities existing in the international busine sector. We have already made moves in this direction b> computerising the Corporate Registry and by arranging for a decrease in international telephone rates.

We need, however, to put in place new legislation that will enhance the range of business opportunities Barbados offers, and we need also, Sir, to vigorously promote this legislation in the market place.

While we have made provision in this year's Estimates to more than double the allocation to the International Business Division, I fear, Sir, that the provision of \$900 000 will not be enough to get the job done.

Accordingly, I propose to allocate an addition of \$1 million to the International Business Division of the Ministry of Foreign Affairs, Foreign Trade and International Business.

I am confident that this expenditure will generate increased foreign exchange earnings over the short and the medium term.

Other Productive Sectors

Sir, I turn now to the other productive sectors. During the month of October, 1994 the first part of the plan to rehabilitate the productive sectors of the economy saw the Government removing all taxes and duties on inputs, including machinery and spare parts for the manufacturing and agricultural sectors, including the horticulture and fishing industries.

The full impact of this decision, which is expected to result in a revenue loss of \$10 million, will be felt this fiscal year.

Indeed, Sir, the estimates of revenue recently approved by Parliament were prepared on that basis. Therefore, in order to fully appreciate the impact of the measures which will be announced this evening, we must keep foremost in our minds that only 7 months ago the first set of measures involving \$10 million in relief aimed at reviving those sectors were implemented.

My view is that there is much that has to be done for those sectors but as you will appreciate, Mr. Speaker, we cannot do it all in one year. Instead, I intend to bring relief to those sectors over a period of time, addressing the most critical first.

In this regard, our objective is to reduce the costs of carrying on business and to increase the returns so that investors will have an incentive to get involved.

Only in such a context can one conceive of sustainable growth and the creation of jobs on a scale required adequately to address our massive unemployment problem.

In my recent meetings, Mr. Speaker, with persons in the manufacturing, agricultural and hotel sectors, certain matters kept cropping up. Among these is the problem of heavy indebtedness to the Barbados Development Bank, the Inland Revenue Department, the Customs Department, the Land Tax Department, the National Insurance Office and the Barbados Water Authority.

All of the persons involved accept that the debts have to be repaid but they are asking for time to do so and relief from excessive interest and penalty costs.

I am sympathetic to those requests and have decided to deal with the problem in relation to all of the agencies involved except the Barbados Water Authority as follows:

- (i) At April 30, 1995 the institutions cited will stop incurring interest and penalties on all amounts outstanding to sectors cited;

- (ii) Manufacturers or Agriculturalists will be given a two-year grace period on their arrears and then will have 7 years to repay the amounts outstanding at April 30, 1995;

- (iii) they must keep current the payments from May 1, 1995 in order to continue to enjoy this facility.

I have singled out the Barbados Water Authority because although the Authority will make arrangements with the entities concerned, the nature of the operation is such that it cannot get involved in such long term arrangements and still maintain itself.

Therefore, the individuals will have to enter separate arrangements with the Water Authority which will be as sympathetic as possible in view of the declared policy of Government.

Next, Sir, there is the question of energy costs. On this occasion, I am not able to deal with the question of electricity but will leave that for the next stage. However, I will deal* with the cost of fuel to the manufacturers and agriculturalists on this occasion.

Effective May 1, 1995, the consumption tax on fuel oil, industrial diesel and natural gas used by manufacturers or persons engaged in agriculture on a full time basis will be waived. 7.05 p.m.

The revenue loss estimated from this decision is \$3.6m in a full year.

There is a provision in the Estimates for 1995/96 to support the establishment of a Secretariat for small businesses. The prompt creation of this Secretariat is crucial for the advancement of the Small Business Sector since it will be among the Non-governmental Organisations which will be able to access funds from the Multilateral Investment Funds of the IADB with the assistance of the Ministry of Economic Affairs.

In addition, Mr. Speaker, the Government has decided to use \$2.0m from the Public Investment Fund to establish a Venture Capital Fund for the small business sector of this society.

In addition to support for the Small Business Secretariat and the establishment of a Venture Capital Fund, the Government is currently working on additional incentives for small businesses, Sir. The regime will be one mainly in the area of income tax relief for individual investors in such businesses and corporation tax relief for small business enterprises in Barbados.

Mr. Speaker, we have to do everything possible to boost our exports and to this end, the Board of the Barbados Port Authority has decided to reduce the Port Charges on containers with exports by 50% from June 1, 1995.

The charge on a 20ft container will now be \$45 and that on a 40ft container will be \$90. Hopefully, Sir, we will be able to eliminate these charges in the next phase of adjustment

In 1994, when the Surtax was imposed by the last administration as part of its trade liberalisation programme, it was agreed, according to the records, that it would be phased out by April 1, 1998 as follows:

It was to be reduced to 50% effective April 1, 1995

To be reduced to 25% by April 1, 1996 Then

reduced to 12% by April 1, 1997 And abolished

entirely by April 1, 1998.

The 1995/96 Estimates of Revenue were prepared on this basis and the revenue lost this year was estimated at \$6.2m. However, Sir, during my recent discussions with the manufacturers, I have discovered that they were not prepared to accommodate such a reduction by April 1. Therefore, I have decided to vary the arrangements and to phase out the surtax as follows:

The 100% Surtax will remain in force until March 31, 1996

Then it will be reduced to 75% from April 1, 1996

It will be reduced to 35% by April 1, 1997 And it

will be reduced to 0 by April 1, 1998.

While this means, Sir, that the Surtax will still be reduced to 0 on April 1, 1998, the manufacturers will be in a better position to deal with that situation when it comes, in view of the various initiatives which the Government is to put in place this year and will put in place in subsequent years.

Mr. Speaker, it also means that the estimated revenue of \$6.2m. can now be increased as explained earlier.

Duty Free Sector

In relation to the Duty Free Sector, the present regime for duty-free shopping is being reviewed with the intention of expanding the list of items which can be sold at such

centres and making the present entry arrangements less burdensome on new entrants.

Operators of duty-free shops presently enjoy a 50% reduction on duty and taxes on items used in the refurbishment of existing facilities or the construction of new buildings.

No duties or taxes are paid on the sale of items to visitors. However, there is evidence that the present system is abused by sales to local persons and the result is severe revenue loss for the Government without the earning of any foreign exchange.

As a result I think that it is time that something be done to stop such revenue loss and I have decided that a charge of 5% will be levied at the point of entry on articles destined for duty-free shops to help pay the administrative costs of monitoring the system and make up for any revenue lost through sales to local persons.

This charge is expected to yield revenue, Sir, of \$3.0m. in a year.

It has been drawn to my attention that there are instances where locally produced goods which are sold in the duty-free sector have to pay consumption tax. I have decided that effective May 1, 1995 such locally produced goods sold to the duty-free sector will no longer bear the consumption tax.

Hotel Sector

A In relation to the hotel sector, I am concerned that while the luxury hotels are doing well, those smaller properties on the South and West Coast for a variety of reasons are experiencing major difficulties in making ends meet

Part of the problem, Sir, especially the problem facing the small ones, is coping with their outstanding debts and attracting financing for refurbishment. As was done in the case of the manufacturing sector, the Government has decided to put in place a regime to allow those small hoteliers to deal with their arrears to various Government agencies.

In addition, Mr. Speaker, funds will be earmarked from the Public Enterprise Investment Fund to establish a \$10.0m facility to make soft loans available to small hotels in this country to enable them to carry on refurbishment programmes.

I have also indicated the approach intended to be applied by the new recoveries agencies of the Barbados Development Bank to otherwise assist small hoteliers.

The Hotel Association has submitted a new list of items which they think should be allowed in free of duties and taxes for use in the hotel sector.

After examining the list, I have decided that in addition to those items which are already being provided, I will allow in free security equipment, safes, safety deposit boxes, commercial pressers and sewage plants. The revenue loss is expected to be \$1.0m.

The Hotel Aids Act is being revised but meanwhile, I have decided that for new hotels or substantial renovations or refurbishment, in addition to those items on the above list, all duties and taxes will be waived on the items shown in the schedules to the Hotel Aids Act. Similar treatment will be given to all-inclusive hotels where substantial sums are being spent.

INCOME TAX

Tax on Interest Income

Mr. Speaker, I turn to the matter of Income Tax. The 1992 tax reforms were predicated on the basis that it was creating a "level playing field". Yet interest income to individuals who would, under the old system have had such income taxed at the appropriate tax rate, were given the privilege of being taxed at the reduced rate of 12.5%. Pensioners whose total income, including interest was less than the basic allowance, were forced to pay tax on interest of 12.5%.

Mr. Speaker, I consider that some adjustment in the present system is therefore necessary. Therefore, effective from January 1, 1996, interest income to all persons other than pensioners will be treated in the manner prior to the change in 1992 and it will be added to other income and subject to the appropriate income tax rate at the time of filing.

Secondly, effective from May 1, 1995, pensioners 60 years and over, on presentation of appropriate identification and through a simple declaration to the commercial banks, will not be charged any withholding tax on interest. However, if they earn other income in excess of the basic allowance of \$20 000 they will be subject to income tax on that income but will not be required to declare any interest income. In other words, Mr. Speaker, from May 1, pensioners will no longer pay any tax on interest income. 7.15 p.m.

Dividends

In relation to dividends, as is being done in the case of interest income, effective January 1, 1996, income from

dividends will be treated in the same way as it was treated prior to the changes made in 1992 and will no longer be liable to a 12.5% final tax.

Group Relief

Mr. Speaker, there is some need to remove encumbrances to the manner in which the corporate system of Barbados works with a view to expanding business activity in this country. One such area relates to the need for group relief. Under existing legislation, tax losses incurred by a company which is a member of a group of companies cannot be relieved against the taxable income of other members of the group.

As a result, Sir, companies in Barbados have been forced to go through the lengthy process of amalgamating companies or end up charging additional management fees.

Therefore, to avoid such situations, I have decided that from income year 1996, group relief will be permitted.

CARICOM DOUBLE TAXATION

Double Taxation

I deal next with the question of CARICOM Double Taxation Treaty. The previous administration for some reason had decided not to sign the Caricom Double Taxation Treaty and the Reciprocal National Insurance Agreement. In relation to the first matter, Sir, this presents a significant barrier for any Barbadian incorporated enterprise to expand into Caricom where the natural flow of dividends back to the Barbados parent is envisaged. I can therefore see no good reason why the previous position was adopted. Consequently, Mr. Speaker, to facilitate the expansion of our enterprises in CARICOM, the Government has decided to sign both the Caricom Double Taxation Treaty and the Reciprocal National Insurance Agreement without further delay.

Net Foreign Exchange Earnings

Mr. Speaker, Sir, I turn next to a matter that affects the functioning of the offshore business sector in particular. In 1986 a net foreign exchange earnings allowance was introduced as a means of inducing persons particularly in the offshore financial sector to generate foreign exchange earnings for the benefit of the country. From all available information, Sir, members of the accounting and legal fraternities have made a commendable effort in obtaining business but because of a number of difficulties, no assessments have been allowed up to now to enable them to take advantage of this allowance. In the meantime, the offshore business sector is generating almost \$100 million a year for Barbados. The time has come, Mr. Speaker, to put this right.

I have examined the submissions from the Commissioner of Inland Revenue as well as from the affected persons and have decided that the matter should be resolved as follows:

- (i) I will retain the concept of the definition of "net foreign exchange currency earnings" as the base for the application of an open percentage rate;
- (ii) I will remove the tax credit restriction clause completely and introduce an open rate of 30%.

While this will not exactly meet what all the affected persons have been requesting, I am sure that even they will agree that their interpretation is too liberal and would in some instances completely wipe out their tax liability*

The proposed changes will take effect from 1996 and will apply to members of the legal profession as well as the accounting fraternity. Enterprises which will qualify for a refund for that extended period will be encouraged to take those refunds in the form of tax reserve certificates. A successor proposal is now being studied and will be discussed with all interested parties for implementation when the present one expires at the end of this income year.

Accrued Interest

In relation to accrued interest, effective from Income Year 1995, associated or related companies or persons will be allowed to claim interest payable in accounts for one year only. Thereafter, the amount will be brought into charge to tax if not paid in the following income year.

Other persons will be allowed to claim interest payable in accounts for each of two successive income years only. Therefore if not paid in the third income year, it should be brought back into charge to tax.

Capital Allowances

Sir, I turn next to capital allowances. It is acknowledged that computer equipment becomes obsolete very quickly and as an incentive to business to keep up-to-date with the latest technology and to make Barbados more competitive, Sir, I have decided that effective January 1, 1996 the capital allowance for such equipment will be increased from 12.5% to 33 1/3% annually. The other rates and categories of capital allowances applicable to other items will be reviewed in due course.

Mr. Speaker, I spoke earlier of the need to expand business activity in this country in the fight against unemployment.

Special Development Areas

As you are aware, Mr. Speaker, there are provisions in the Estimates of Expenditure for this fiscal year to finance the cost of dealing with the development of Speightstown and Carlisle Bay.

It is my view that Government's involvement in these projects should be that of an enabler providing the money to pay for the studies and that it should arrange a package of tax incentives for the private sector to make investments in new businesses in these areas.

Therefore, I have decided to declare four areas as special development areas and to grant duty and tax relief as well as investment allowances to new approved areas which are established.

The areas are as follows:

- (i) Speightstown
- (ii) Carlisle Bay
- (iii) Scotland District
- (iv) St. Lawrence Gap.

In relation to the Carlisle Bay Development and the City area concessions will be provided for city hotels, conference facilities and residential accommodation as well as the restoration of dry dock facilities.

The Florida Cruise Ship Association has already decided to designate Speightstown as a port of call and plans are in train by the private sector to make the necessary investments to take the fullest advantage of that opportunity.

Also, Sir, plans are being made to optimise Speightstown's potential in the area of heritage tourism and this and other similar investments which broaden the scope for business activity will qualify for favourable duty and tax relief and the appropriate investment incentives.

The legislation will be brought to Parliament shortly and further details will be made available at that time.

Establishment of Jetties and Marinas.

In relation to jetties and marinas, a number of private individuals have expressed an interest in establishing jetties and marinas at their expense for public use.

I feel that these individuals should be encouraged to make such investments and I propose to grant duty and corporation tax incentives for these projects.

Watersports Equipment, Yachts and Vessels - Tariff Heading 89.03

Mr, Speaker, Sir, it is futile to speak in terms of having marinas without having yachts. As a result I often refer to the tourism sector as the hospitality sector because I recognize that the hotel sector is only pan of the tourism industry and that activities such as watersports are as much a part of the industry as the hotel sector itself.

The present duties and taxes which are levied on these activities are indeed quite onerous and I consider that some relief is merited. Therefore, I have decided that with effect from May 1, 1995 the consumption tax of 25% and the surcharge of 20% will be removed from yachts and sporting vessels imported under Tariff Heading 89.03. This would cover not only watersports equipment referred to as vessels but would include sporting vessels as well as yachts. The revenue loss is estimated at only \$0.6 million because the rates are presently so burdensome that they have inhibited any significant imports. However, as we seek to develop attraction for visitors and the establishment of marinas, it is imperative that we provide some incentives in this particular area. 7.25 p.m.

HERITAGE FOUNDATION

Government, Sir, has also decided to establish a Heritage Foundation and to transfer the \$1.5 million in funds which are now held in the Barbados National Fund for the repair of "listed properties" to that foundation.

In addition, Sir, a package of incentives under the Income Tax Act is being discussed with the National Trust and will be implemented when the legislation for the establishment of the Heritage Foundation is submitted to Parliament shortly.

WATER DEVELOPMENT

I deal next, Sir, with measures to promote water development in Barbados. The total water developable water resources amounting to 249 000 cubic metres per day, Barbados affords only 350 cubic metres of renewable water resources per person per year and falls squarely in the group of "water stressed" countries alongside such countries as Jordan, Libya, Somalia, and Djibouti.

Recently, the demand for water (which was already high) has been growing at about 4% annually and by 1994, Sir, the ground-water resources were almost 90% used up or committed. Therefore, if water is not to become a constraint on our future development, action must be taken

now to maximise the use of existing resources while preparing a long-term plan for economical alternatives,

In this regard, it is felt that consumers should be encouraged to use water saving devices and between the 1st October and the 31st December, 1995 the Barbados Water Authority will distribute free of cost to domestic consumers whose accounts are not in arrears, a kit containing a Barbados National Standards Institute approved water saving shower head or kitchen sink aerator,

The Barbados Water Authority has about 61 000 domestic consumers of whom about 44 000 have accounts free of arrears. Therefore, it is estimated that the additional expenditure to the Authority will be \$1.3 million but the amount of water saved will be about 1.7 million gallons daily and justifies the expenditure.

Effective from January 1, 1996 all new commercial buildings as well as new Government buildings will be required to install water saving taps, and where applicable shower heads.

This requirement will be enforced through an amendment to the Town and Country Planning Regulations and it is already in place in several Caribbean countries.

Retro-fitting of existing commercial buildings will be encouraged by allowing claims for corporation tax purposes for the cost of these water saving devices.

All regular taps and shower heads should be phased out over a 5-year period starting from the 1st January, 1996 and as an incentive, individuals will be allowed to make a claim for Income Tax purposes for such devices as pan of the new Home Allowance Package which will shortly be announced.

As a further measure to save water, from January 1, 1996 all new residences will be required to construct water storage facilities in cases where there is a roof area or living area of 3 000 square feet or more.

Also it will be mandatory for all new commercial buildings with a roof plan of 1 000 square feet or more to construct water storage facilities. These water storage facilities are to be constructed on the basis that they will store rain water and not water from the public supply.

As an incentive, Mr. Speaker, the Barbados Water Authority will give a rebate of \$1.00 per gallon of installed tank capacity up to the equivalent of one quarter of the total roof plan area for residences as well as for commercial buildings.

Owners of existing residences or commercial buildings who construct such storage facilities will also qualify for the rebate. At present individuals are granted permission to extract water. However, there is no system in place for monitoring their activities. In view of the seriousness of our water problem, it has been decided that the Water Authority should monitor such activity and effective the 1st January 1996 such persons will be required to pay an annual fee to the Authority to help defray the administrative costs involved.

Finally, Sir, Government has approved an \$f8 million programme of capital works for the Water Authority this year to improve its operation and to identify new sources of water.

SOLID WASTE MANAGEMENT

I turn next, Sir, to the matter of solid waste management. Mr. Speaker, it is estimated that it will cost the Government approximately \$5.0 million to establish and operate a new landfill at Greenland.

You are aware of the problems which were allowed to develop at the Mangrove Landfill. It is our determination that such problems should not be allowed to exist in the future.

Therefore, our intention is to make sure that the new Landfill is properly managed and that the cost of constructing and maintaining that facility should be met from a stream of income through a levy imposed on those items which create the need for a facility in the first place as well as recourse to tipping fees.

As a result, I now make the following proposals to deal with the management of our solid waste and to encourage people to get involved in recycling activities:

- (i) a tipping fee of \$40.00 per tonne will be charged at the new landfill.
- (ii) a levy will be imposed on all plastics, glass-bottles, fridges, stoves, paper board boxes and cartons, tyres, washing machines, motor vehicles, car batteries, TV sets and mattresses; as follows:

Motor vehicles	\$150.00 per vehicle
Tyres	\$10.00 per tyre
Fridges	\$15.00
Stoves	\$15.00
Washing Machines	\$15.00 per machine
T.V. Sets	\$10.00 per set

Mattresses	\$10.00 per mattress
Plastic sacks and bags	\$1.00 per kg 10
Plastic bottles	cents per bottle
Plastic Sheets	\$1.00 per kg. 10
Glass bottles	cents per bottle
Car batteries	\$10.00 per battery
Boxes of paper board	\$1.00 per kg,

In addition, Sir, businesses engaged in recycling activities will receive the same concessions as those presently granted to manufacturers on machinery, spare parts and equipment

In the case of the imports, Sir, the Environmental Levy will be collected by the Comptroller of Customs at the point of entry. In the case of locally manufactured items, the levy will be paid to the Comptroller of Customs where the consumption tax is paid.

It is estimated, Sir, that levies amounting to \$2 million a year will be collected from this new source.

CONCESSIONS TO HOUSEHOLDS AND INDIVIDUALS

I turn next to concessions to households and to individuals.

Mr. Speaker, by decision of the previous administration we are committed to increasing the Chi¹ Allowance this year to \$1 000 and to providing an allowance for a spouse without income from \$2 000 to \$3 000 from this income year. Therefore, I have decided that any further relief to the individual shall take effect from January 1st, 1996. In keeping with our Manifesto to restore the allowance for mortgage interest and repairs, I have decided from the 1st January, 1996, a Home Allowance of up to \$3 500 will be granted annually to cover mortgage interest, repairs, renovation, energy or water saving devices, solar water heaters or water storing tanks. This allowance will be periodically reviewed in the light of changing cost conditions. This allowance will be in addition to the basic allowance of \$1300 and can be made up entirely of one of the above or any combination of the above. In the case of the water storage tank, a certificate from the Barbados Water Authority must be presented to show that rain water and not the public supply is being used. The expected loss from this proposal is \$6.0 million in a revenue year, 7.35 p.m.

Motor Cars

Mr. Speaker, representation has been made to me by the various car dealers and a number of private individuals

about the extremely high rates of duties and taxes which now apply to motor cars. In the present circumstances, I am unable to grant the kind of relief that persons may be expecting immediately but some relief, Sir, will be granted nevertheless.

With effect from tomorrow, the luxury tax of 20 per cent and the stamp duty of 20 per cent will be removed on cars of 1 600 cc or less on the basis of the view, Sir, that cars above 1 600 cc are regarded as being in the luxury class.

If I may illustrate, Sir, what this will mean, it will mean that on a 1 600 cc Starlet there will be a saving of \$6 184 to the consumer. On a 1 300 cc Tercel, Sir, a saving of \$7 300 and on a 1 600 cc Corolla, a saving should come to \$11 000. The revenue loss, Sir, is estimated at \$11 million but it is estimated that most of this will be recovered from the appreciation of the Yen and any increase in sales. In addition, the present policy of granting 100 per cent waivers to a large number of individuals and organisations is being changed and in future, Sir, very low rates of taxes will be applied. Based on information which we now have, any short-falls from the reduction of duties and taxes on motor cars as proposed which is not compensated for through increased sales and the appreciation of the Yen will be made up, Sir, from these savings.

Taxes on Sporting Goods

I turn, Sir, next to taxes on sporting goods. In keeping with our manifesto promise and as a gesture to the youth and the sporting community of Barbados, I have decided that effective May 1, 1995 the Consumption Tax* on sporting goods under Tariff Head 95.06-01 to 95.06-07 will be removed. The revenue loss is estimated at \$0.3m per year.

**(On Wednesday, April 26, 1995, the words "Consumption Tax" were amended to read "Stamp Duty and Import Duty".)*

Liquified Petroleum Gas

I deal next with liquified petroleum gas. Based on the steady decline of the world market price of LPG between August 1994 and March 1995, there is a clear case for a reduction in the price. Therefore, with effect from tomorrow, the price of liquified petroleum gas will be as follows:

100 lb cylinder - \$89.30 instead of \$54.25

25 lb cylinder - \$24.58 instead of \$25.35

20 lb cylinder - \$19.66 instead of \$20.25.

The margin to the dealers will be increased by 2 cents from 7 cents to 9 cents per pound.

Duty-free Cycles to Postmen/Postwomen

In keeping with our manifesto pledge, I have also decided that effective May 1, 1995, postmen and postwomen will be allowed to purchase motor cycles free of duties.

Fees

The next is the question of fees. The Gaming and Betting Committee has made a number of recommendations to me which I have accepted.

It has been drawn to my attention that even though 396 licences to operate gaming machines have been issued only 260 machines are being operated.

As a result, the Government is losing as much as \$0.3m annually even though there are persons who are willing to operate those machines but cannot have access to them because the owners of the licences keep close control over the industry.

Therefore, I have decided to implement the recommendation of the Gaming and Betting Committee to increase the number of licences to operate gaming machines from 396 to 500 from July 1, 1995. At present, Sir, there is an anomaly between the fees paid by persons operating gaming rooms in hotels and those operating arcades. Therefore, in order to create a more level playing field, I have decided that from 1st July, 1995 hotels will be allowed to operate a maximum of two machines without paying an annual fee.

However, if operators at hotels wish to have more than two machines, the facility will be termed a gaming and betting room and they will be permitted to do so on the following basis:

Hotels with 1 - 25 rooms having 3 to 5 machines an annual fee of \$50 000-1/2 yearly fee of \$30 000. Those between 26 and 50 rooms, Sir, with machines between 6 and 10 an annual fee of \$100 000 and 1/2 yearly fee of \$55 000. Hotels with rooms between 51 and 100 with machines between 11 and 15 an annual fee of \$150 000 or 1/2 yearly fee of \$80 000. Hotels of over 100 rooms that have between 16 and 20 machines an annual fee, Sir, of \$200 000 or 1/2 yearly fee of \$105 000.

The above game room annual fees are payable in addition to the current machine fees.

Arcades will be allowed to increase the number of machines from 15 to 20 by using some of the licences which are not being used at the moment.

Additional revenues from this source is estimated at \$2,5 million in a full year.

Lotteries and Sweepstakes

Continuing with taxes on gambling. There is every indication that lotteries and sweepstakes are doing well enough to be able to make a greater contribution to the exchequer. Therefore, effective from 1st May, 1995 the tax per ticket on lotteries and sweepstakes will be increased from 10 cents to 25 cents per ticket. Bingo games are apparently becoming popular again and the tax on this form of entertainment, Sir, will be doubled.

It is estimated that additional revenues of \$0.6 million will be obtained from these changes.

Pool Betting

Continuing taxes, Sir, on gambling. Presently, pool betting agencies pay an annual licence fee of \$150 and it is felt that the fee should be increased. Therefore, with effect from 1st July, 1995, the annual licence fee will be increased to \$300. 7.45 p.m.

Continuing taxes. Still on gambling.

Racing Services

There are 4 registered racing services which now pay an annual licence fee of \$60 000 each and I propose to increase that to \$75 000 from July 1, 1995. This change is expected to yield additional revenue of \$60 000 in a year.

Miscellaneous Fees Charged by Customs Department

Warehouse Licensing Fees

Warehouse licensing fees have not been increased since the mid 80s. Meanwhile, the cost of administering the system has increased significantly, and it is now necessary to increase the fees as follows:

- (i) Where the duty liability coverage does not exceed \$200 000 the fee will be \$3 000 per annum instead of the present fee of \$2 400 per annum.
- (ii) Where the duty liability coverage exceeds \$200 000, the fee will be \$6 000 per annum instead of the present fee of \$2 400 per annum.

It is expected, Sir, that these changes which will take effect from July 1, 1995 will yield additional revenue of \$300 000.

I also wish to deal with fees for the unlawful removal of goods from warehouses.

Unlawful Removal of Warehoused Goods

At present there is a penalty of \$25 per container in respect of every container removed unlawfully from a warehouse. The practice of removing goods unlawfully has been so serious that even at that small fine the Customs Department collected some \$300 000 in fines during 1993/94.

In an effort to reduce this problem, I have decided that with immediate effect, the fine in such cases should be increased from \$25 per container to \$500. I have not included an estimate for any revenue from this source because I expect that the practice of removing goods unlawfully from warehouses will cease in view of the increase in the fine. But if for some unknown reason the practice continues at the present level, additional revenue of \$5.7 million will go into the Exchequer. A more realistic estimate of the contribution to the Treasury from this source will be some \$3 million per year.

Charges for Officers' Part-time Services

The Customs Regulations 1963, No. 117, imposes a charge per hour for the part-time services of officers deployed at private warehouses. The amount is unrealistic given today's salaries.

Therefore, I have decided that effective from July 1, 1995, the fee charged will be not less than the proportionate cost of the salary of the grade officer whose services are engaged.

Customs Brokers/Clearing Agents Fees

In keeping with the Customs Regulations 1963, No. 183, Clearing Agents or Customs Brokers pay an annual fee of \$500 and I propose that effective from July 1, 1995 that fee should be increased to \$750.

The additional revenue from this measure will be only \$13 000 which is small but it will help to defray the administrative costs of policing the system.

I turn finally to fees, Sir, for public service vehicles.

Public Service Vehicles

Mr. Speaker, some of the drivers of Public Service Vehicles continue to create chaos in the bus stands and confusion on the roads. In my view, the situation has gotten out of hand and the time has come for strong and decisive action to restore law and order on our roads.

The existing members of the Police Force and the Inspectors of the Ministry of Transport as well as the

present staff of the courts have enough problems on their hands already.

Therefore, I have decided that an additional 45 special constables will be recruited and trained to police the bus terminals and to monitor the operations of these Public Service Vehicles among other duties. In addition, magisterial and clerical personnel will be recruited for the Courts to deal with the traffic cases. I am sure, Sir, that everyone will agree with me that the persons whose behaviour has caused us to undertake this expenditure and their employers should be the ones to bear the costs.

Therefore, effective May 1, 1995 the fees paid by Public Service Vehicles and personnel will be as follows:

PROPOSED FEES FOR PUBLIC SERVICE VEHICLES

Description	Existing Fee	Proposed Fee
Licence to drive a Public Service Vehicle:		
(a) Taxi	10.00	20.00
(b) Maxi-taxi Tour Bus Omnibus Mini-	10.00	40.00
(c) bus Route Taxi		100.00
(d) Conductor Licence or duplicate Duplicate		20.00
(e) Licence		300.00
(f)	20.00	300.00
	0	100.00
		Half the
Drivers Badge or duplicate	10.00	cost of new
Conductor Badge or duplicate	10.00	licence
Special Permits/Licences	2.00	
Mini-buses - permits	10 000.00	100.00
Mini-buses - Annual Tax	5 000.00	100.00
Mini-buses - Renewal Fee	1 000.00	10.00
Route Taxi Permit	3 000.00	12000.00
Route Taxi Annual Tax	2 000.00	7000.00
Route Taxi Renewal Fee	1 000.00	1 500.00
Transfer Fee	1/3 permit fee	8000.00
		4000.00
		2000.00
Weight Certificate	2.00	\$12.00; permit fee

The additional revenue from these increases is estimated at \$2.9 million.

SUMMARY OF PROPOSALS

The proposals which I have announced this evening are expected to yield additional revenue of \$25.3 million as follows:

	\$
1. Retention of 100% Surtax	6.2m
2. Levy on items for duty free shops	3.0m

3. Environmental Levy	2.0m
4. Recovery of duties and taxes on motor cars through increased sales, appreciation of Yen and change in policy on waivers	5.0m
Increase in Gaming and Betting Fees	2.9m
Increase in Miscellaneous Customs Fees	0.3m
Increase in Public Service Vehicles and related fees	2.9m
Warehouse Fines	3.0m
TOTAL	25.3m

The revenue losses and additional expenditure amount to \$21.0m as follows:

	\$
1. Supplementary appropriation for International Business Division	1.0m
2. Reduction of Consumption Tax on fuel oil, industrial diesel and natural gas	3.6m
3. Removal of Surcharge and Consumption Tax on Yachts and Luxury Vessels	0.6m
4. Removal of Stamp Duty and Luxury Tax on motor cars 1600cc and under	11.0m
5. Removal of Consumption Tax* on sporting goods	0.3m
6. Cost of employment of Special Constables and other Legal Officers	1.0m
7. Revenue loss from Net Foreign Exchange Earnings Credit	3.0m
8. Removal of Duties and Taxes for hotels	1.0m
9. Concessions to Re-cycling Industries	0.5m
	21.0m

(*On Wednesday, April 26, 1995, the words "Consumption Tax" were amended to read "Stamp Duty and Import Duty".)

Therefore, Mr. Speaker, the net gain in revenue will be \$4.3 million which will contribute towards meeting the cost of any salary increase which will be completed later this year with the Trade Unions.

Mr. Speaker also, the other proposals will either be funded off-budget or as indicated earlier will take place in subsequent financial years since they are related to future income. Therefore, they will not result in any revenue loss this fiscal year.

Mr. Speaker, when economic historians come to consider the economic policies set out in today's presentation, I should wish them to say that they

represented a resounding statement of confidence in the future of Barbados.

They will come to recognise that this was, as intended, the first in a series of similar such efforts which I intend to make in the years ahead, which combine humanity, creativity and pragmatism in the search to make Barbados the just and prosperous society we all wish it to become.

In the months ahead, Sir, there are additional initiatives which I will make to make Barbados a-better place for all of us. I think immediately of the exciting initiatives that must be made to build our financial system and our capital markets. I think also of the initiatives of which I will be a part soon with my colleagues in other Caribbean countries to create a foreign exchange market in the Caribbean, revolving around the holding of foreign exchange by Caribbean citizens and enterprises in the Caribbean and in the wider world. I think of the work which will be undertaken to reform our indirect taxation system to make it an instrument of enduring value to this society. 7.55 p.m.

And I look to be part of that great effort to make Barbados ready to go into the 21st Century as a computer literate society.

Mr. Speaker, you will note that I have broadly identified problems and opportunities relating to our country's economic health. I have identified, as well, the means whereby those problems may be minimized or eliminated, provided we recognise and grasp the available opportunities.

I have also indicated, Sir, that Barbadians possess the talent to create opportunities where none seem-to exist; that, in keeping with our long history of self-sufficiency, we must rediscover the will to capitalise on those opportunities.

In seeking creative solutions to our economic welfare, I have ventured upon territory that conventionalists may regard as taboo. I admit that it is a departure from some of the orthodoxy to which we have become accustomed, but we must not be afraid to be pioneers. We must not be fearful, Sir, of challenging well-rooted customs, if such customs prove inappropriate for dealing with new realities.

The challenge, Mr. Speaker, confronting us on the verge of the 21st Century is to lay the foundations for a well-crafted economic model that will sustain generations of Barbadians.

We cannot resile from that challenge.

We are mandated to face it.

Our proud tradition of industry and thrift says we can do it.

Our future demands that we do it.

Our people expect us to do it

And we WILL do it, because it is our will so to aspire and so to achieve.

Mr. Speaker, the people of this country have endured much of late; but they nonetheless look to the future with confidence and resolution, and with the determination to make Barbados succeed.

So does this Administration.

We will make it.

For as I said, Sir, in my first address to this nation:

"They who wait on the Lord shall renew their strength;
They shall mount up with wings like eagles;
They shall run and not be weary;
They shall walk and not faint".

It is in this spirit, Sir, that I commend the following Resolution to this Parliament:

WHEREAS the Government during its short eight months in office has demonstrated that it has the capacity will and foresight to deal effectively and efficiently with the several social and economic problems facing this country;

AND WHEREAS the fiscal and economic measures implemented so far have had a positive impact on the productive sectors of the economy, and restored confidence;

AND WHEREAS the additional measures which were introduced during the presentation of the 1995 Budgetary Proposals are designed to further stimulate economic activity, reduce unemployment, bring relief to households, guarantee better quality of life for all our people and provide a sound basis for the total development of this country;

BE IT RESOLVED that this Honourable House of Assembly:-

1. Take note of the 1995 Financial Statement and Budgetary Proposals; and

2. Congratulate the Government for its skilful and astute management of the economy and for the timely and outstanding leadership provided in laying the foundation for sustainable development in our country.

I am obliged to you, Sir.

Asides.

Mr. SPEAKER: Order please. Order.

SUSPENSION OF SITTING

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move, that the sitting be suspended until 5.00 o'clock tomorrow, Wednesday April 26, 1995.

Hon. Dr. R. L. CHELTENHAM: I beg to second that.

The question that the sitting be suspended until tomorrow, Wednesday 26, 1995 at 5.00 o'clock in the evening was put and resolved in the affirmative without division.

Mr. SPEAKER suspended the sitting accordingly.
8.05 p.m.

RESUMPTION Mr.

SPEAKER: The sitting is resumed.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, with the leave of the House, yesterday in making my presentation of the budgetary proposals I referred to the removal of consumption tax on sporting goods. It was intended that that should be stamp duty and import duty.

Thank you.

Mr. SPEAKER: The Honourable Member for St. John. Before you begin, I would just like to remind this Honourable House that the Honourable Member for St. John has unlimited time, that is according to the Standing Orders of this House. He has equal television time as the Prime Minister.

Mr. D. J. H. THOMPSON: Mr. Speaker, last year as Minister of Finance in the Democratic Labour Party administration I was accorded the great privilege and honour of presenting the 1994 Budget to this Honourable House. Today as Leader of the Opposition I have, been entrusted with a different but equally important and responsible role by the people of Barbados. I am required to protect the interest and welfare of all Barbadians and to

point out excesses and misguided policies of the Government in its 1995 Budget. I am proud to perform that role, Sir, and I intend to carry out my responsibilities with pride, enthusiasm and a sense of humility.

Mr. Speaker, Sir, I have been presented with wonderful opportunities, both at the professional and political levels, at a relatively young age and I am deeply indebted to the people of Barbados for that privilege.

I assumed constitutional responsibility for the Ministry of Finance on 1st September, 1993 and served in that capacity until 6th September, 1994, and I wish to thank Barbadians, and especially my constituents, for giving me the opportunity to serve. I did what I thought was necessary for our country and I set about that task with all the tenacity that I could summon. I should also like to thank Barbadians for the new task which they have given me to serve in yet another capacity. I welcome it, Sir.

When I considered the challenges facing me as Minister of Finance in September, 1993, I set for myself a few critical and challenging goals. I spelt them out from time to time in a series of speeches at public functions and I enumerated the measures which would help me to achieve those goals in my Budget statement last March. I am extremely proud to say that most of those measures were successfully implemented during my tenure. I set for myself the following goals, Mr. Speaker:

1. To maintain the value of the Barbados dollar
2. To avoid the escalation of public debt
3. To create conditions for economic growth
4. To increase the performance of the tourism sector by the end of 1994
5. To increase output in the manufacturing sector
6. To restructure the sugar sector
7. To reduce unemployment
8. To increase the net international reserves
9. To produce a Current Account surplus
10. To increase net capital inflows in the public and private sectors
11. To bring the fiscal deficit under control
12. To achieve balanced financing of the fiscal deficit

13. To enhance performance of the domestic sector
14. To increase productivity.

Mr. Speaker, those goals were set and all of those goals were achieved, all 14 of them.

Mr. Speaker, Sir, if the House were to turn to the Economic Review published by the Central Bank of Barbados, or the Central Bank Report for 1994, it would notice that the major indicators in the performance of the Barbados economy - permit me to just list a few areas from this document to support my point. During the first full year of recovery of the Barbados economy, real economic growth was at 4%, a rate which exceeded all predictions and expectations and which compared favourably with 0.6% in 1993. The rapid recovery was predicated on a number of factors. The principal among these were the continued prudent management of the economy, the public finances, the national debt and the balance of payments.

Additionally, during the last financial year Barbados was able to record the highest levels of foreign reserves in the economic history of this country up to that time. This improved position was due to the concerted effort of the Government to improve the performance of the productive sectors, and it worked. It worked to the extent where the export sectors grew at twice the rate of the rest of the national economy. Tourism expanded by 9.2%; sugar grew by 6.4%; manufacturing output grew by 7.3%.

At the same time, Mr. Speaker, we were able to hold down the rate of inflation to a negligible 0.1%, but most importantly, Sir, it gave me great pleasure and a sense of satisfaction to learn that as projected in our 5-4-3 employment programme we were able to produce 6 000 net new jobs in Barbados last year as the unemployment rate declined from 24% in 1993 to 21%. The Central Bank Report sets that out clearly I believe on page 6 or 7.

Mr. Speaker, these are not any statistics that I invented, these are the official statistics taken from the official publications of the Central Bank and the Minister of Finance's own Ministry. They are published by his administration for the public record and one assumes that they would not be doctored in my favour or in the favour of the Democratic Labour Party.

Aside.

Mr. D. J. H. THOMPSON: Or doctored at all. Mr. Speaker, I know that the Honourable Minister of Finance would now like to take credit for those significant achievements in 1994. He would now like to take credit for those significant achievements in 1994, but in all honesty

he cannot do it, for it is widely acknowledged that the only two financial measures of any significance which the Honourable Member implemented last year were the increase in interest rates and secondly, to grant concessions to the manufacturing and agricultural sectors. Those were the two measures of any significance which were introduced last year.

Mr. Speaker, while the jury is still out on the impact of the concessions on the manufacturing sector, and as I said in the Estimates debate, the Honourable Minister cannot categorically say that those concessions have had the desired impact and will produce the kinds of growth which we need in the manufacturing sector, it is clear that his decision to increase interest rates has impacted sharply on households, families, homes and the small business community in Barbados. 5.10 p.m.

Mr. Speaker, there is a more compelling reason why the Honourable Minister of Finance cannot take credit for those economic successes. He voted against all of those proposals in the last Estimates and Budget Debate. He opposed them because he said he was fundamentally against such policies and went as far as to tell the people of Barbados that those policies would not work. He forecasted a lower growth rate and suggested that my policies would throw the country back into recession. He said he was fundamentally opposed to a budget based on a programme which prescribed a deficit of zero or 1 per cent.

Mr. Speaker, once again the Minister of Finance was wrong in his forecast because far from going into recession, the economy grew by 4% - the Central Bank Economic Report. Once again those figures are available for the public to judge.

Mr. Speaker, let me remind the House of some of the remarks the Honourable Member repeatedly made about our economic policies. Many will clearly remember that when our programme was brought before this House and the people of Barbados that the Honourable Member for St Peter, the then shadow Minister of Finance, uttered these words on page 997, the Supplementary Budget Reply on September 17, 1991 and I quote, Sir.

"I am of the view that Barbados can look for no help whatsoever from the present International Monetary Fund programme."

[which the Minister of Finance has outlined to this House].

"I accept that, Sir, as a given. That programme has been badly designed and, in my view, it will not help Barbados."

In other words, Mr. Speaker, the Honourable Member for St. Peter, Shadow spokesman for Finance was totally and utterly convinced that the Democratic Labour Party's economic programme was ill conceived, badly designed and would not bear fruit and he repeated these assertions in Budget after Budget, Estimates after Estimates and every other economic debate during the course of that period.

No one in Barbados, Mr. Speaker, can forget the vehement opposition visited upon this programme by the Honourable Member for St. Peter. His contention was that the programme would have been a total and complete failure and far from making things better the programme would, in his own words, fast destroy what was left of the Barbados economy. Those were the words of the Honourable Member for St. Peter.

However, Mr. Speaker, Sir, we are confident and were confident that in time, in due season, the Honourable Minister of Finance would be forced to alter his position and admit his error. That he did, Sir, like a Daniel coming to judgment. Mr. Speaker, merely months after the General Election less than 100 days the Honourable Prime Minister and Minister of Finance in his new role had this to say on one of his visits outside Barbados and I quote:

"The economic picture is very encouraging. It is being characterised by the attainment of real growth, the restoration of a delicate but manageable fiscal position and the presence of a sound external, financial situation as seen in the growth of the foreign reserves from \$20 million to \$166 million enough to meet the cost of 2V₂ months of imports."

He then went on to say this, Mr. Speaker:

"Within the context of the recent attempt at stabilisation of the Barbados economy there have been efforts made to reform the financial system of Barbados and liberalise it."

Listen now very carefully, Mr. Speaker, to what this Honourable Member for St. Peter, Prime Minister and Minister of Finance and Economic Affairs, Leader of the Barbados Labour Party, former Shadow Minister of Finance, Economic Affairs and Trade, former University lecturer, former senior public servant and qualified economist said less than 100 days after the 1994 General Election. These are the words, Sir:

"These measures have borne fruit."

Those are the words of the Honourable Member for St. Peter, the former Shadow Minister of Finance.

Mr. Speaker, Sir, previously...

Mr. SPEAKER: Honourable Member *for* St. John, I reluctantly interrupt. According to the Rules of this Honourable House, you are supposed to state the source of your...

Mr. D. J. H. THOMPSON: Thank you, Sir. That presentation was made at a function held in Miami at the Miami Intercontinental Hotel and I am quoting from the speech, Sir. I do not have it in my possession but it can be produced. It is a public document. It is a speech delivered from the Minister of Finance. I was in Miami at the time, Sir. I believe it was in December of 1994 at Hotel Intercontinental in Miami.

It was quoted, I believe, in an article by a Mr. Best and carried in the Nation newspaper subsequently. If necessary, I can produce the documentation to substantiate the statement.

Mr. SPEAKER: I was just reminding you of the Rules of the House.

Mr. D. J. H. THOMPSON: I am very grateful to you, Your Honour.

Mr. SPEAKER: I will rely on the honour and truthfulness of the Honourable Member.

Mr. D. J. H. THOMPSON: I am willing to sit down if anybody wishes to contradict me on these matters.

Previously, Mr. Speaker, Sir, several major components of that programme the Honourable Member for St. Peter and the Barbados Labour Party opposed. As recently as the 1994 Estimates Debate, the Minister of Finance predicated his remarks by extolling his virtues as an accurate forecaster and then said that my policies together with lack of confidence would create a recession in the Barbadian economy. But Mr. Speaker, there are three features of the performance of this economy last year which bear revelation in this presentation. They form part of the legacy which I bequeathed to the Minister of Finance. It was not a legacy of recession. He has been led with a very good wicket on which to bat Mr. Speaker, it was not a Port of Spain test wicket.

The first of these features relate to the facility afforded the Honourable Minister of Finance to access substantial capital internationally. When the Honourable Minister of Finance assumed office in 1994, Mr. Speaker, Sir, he found that the Democratic Labour Party Government had negotiated a US\$50 million foreign loan, otherwise known as a global medium term note programme from which we had up until then in 1993-94 drawn down US\$20 million.

Mr. Speaker, we had proposed to draw down the other \$30 million over time but not in the last fiscal year. During August 1994, in the midst of a general election campaign, I received a letter from the arrangers of that loan, Bankers' Trust in the United States, with whom we had developed a warm relationship. In the letter, Mr. Speaker, Sir, they offered Barbados US\$10 million immediately based on the original prospectus which I had had drawn up as Minister of Finance for the issue.

Mr. Speaker, Sir, we said thank you very much but it was not necessary; Barbados did not need any further financing at that time as our foreign reserves were at record levels; we had a programme of balanced financing for the year; we were not a bit interested in burdening Barbadians with more debt. 5.20 p.m.

Mr. Speaker, one month later, there was a change of Government and a few months after that the Prime Minister jetted off in grand style to the capitals of North America, cap in hand, and drew down the remaining U.S. \$30 million. Mr. Speaker, it was a clear sign of inexperience, incompetence and mismanagement by the new Government within a few short months of taking up office.

The negotiation of that global medium-term note programme was a major highlight of my short tenure as Minister of Finance. I say that, Mr. Speaker, because that negotiation came at a critical time when we had just come out of very difficult economic circumstances in Barbados. It was a re-entry into the capital markets of the world and we had to promote the achievements of the Barbadian people to the major private financial institutions, pension funds and economic gurus.

I wish to repeat, as I have often done before/that the private banking institutions have tremendous admiration for Barbadians because they believe, as I do, that in difficult times Barbadians become very resilient. We know how to pull together and fight back when it is necessary to do so and I think they appreciated that point, Mr. Speaker. As a result of our economic performance, we received a BA 2 investment rating by December 1994 from Moody's Investor Service. Barbados was a success story. No two ways about that, Mr. Speaker. We were viewed internationally as a success story.

The second facility offered the Honourable Minister of Finance, Mr. Speaker, was that by the end of 1994 the Democratic Labour Party had, as promised, created 6 000 net new jobs. That is a fantastic achievement, Mr. Speaker, 6 000 net new jobs for one year.

I should like to draw your attention, Sir, to page 12 of our Manifesto which is already a document of the

House, and page 6 of the Central Bank Report where that matter is set out very clearly. Mr. Speaker, the Minister of Finance now knows how it is possible to create 6 000 jobs in one year. Should he therefore follow the Democratic Labour Party's strategy, he can and must create 30 000 over the five year period as he promised. The strategy is there before him and, as I have indicated before, Mr. Speaker, the Central Bank Report makes the achievements of Barbados very clear for 1994.

Mr. Speaker, the third advantage the Minister of Finance enjoyed was the return of investor confidence in Barbados. If the economic landscape is surveyed, it would be noticed that major shifts in emphasis by the Government before September 1994, saw initiatives in the duty-free sector which has grown at a phenomenal rate and has created new jobs. Investment was undertaken in the tourism sector at a scale hitherto unknown, and in the distributive sector the largest investment ever was undertaken at Haggatt Hall, St. Michael. That project, as I understand it, is halfway through its construction stage.

Mr. Speaker, the Central Bank Report for 1994 on page 17 makes it pellucid, and I quote:-

"Nineteen ninety-four was characterised by significant investment in tourism, especially in the hotel sector. This activity included hotel construction, general upgrading, golf course construction and ancillary services such as duty-free outlets, restaurants and water sports. The investment was concentrated on properties on the south and west coasts of the island. Total investment in tourism-related activities in 1994 is estimated at about \$86 million, of which about 30% was financed by foreign inflows.

On the south coast, a new four-star hotel, carrying % rooms, was constructed at a cost of \$13 million. Renovations were also made at three hotels on the south coast and four on the west coast. South coast properties added 27 rooms at a cost of \$2 million, while a total of \$4.25 million was spent on other improvements. One hotel on the west coast, in addition to upgrading all rooms and property, constructed 22 new rooms at an overall cost of \$14 million. Seven other hotels along the same west coast spent amounts ranging from \$1.5 million to \$20 million on remodelling their facilities. In one case study only \$4 million of a projected \$38 million in expenditure was incurred during 1994; it is the intention of the new owners to construct a total of 130 additional rooms."

That is from the Central Bank Report, Mr. Speaker, the official document of the Central Bank of Barbados.

During that same period, Mr. Speaker, efforts were started to restructure the sugar sector to the extent that the Honourable Minister can now report that the reforms are going smoothly and, drought excepting, hopefully we will soon see sugar production on the rise again in Barbados.

In the area of international business and financial services the number of registrations of financial investment vehicles was by and large maintained in 1994-1995 fiscal year.

Mr. Speaker, I want to remind this Honourable House, and the people of Barbados, that when the Honourable Minister of Finance assumed office, there was an excess - I have not yet seen the accounts though they were laid here last week, Sir, and I am making an educated guess at this - of \$30 million in the Public Enterprise Investment Fund. At least \$26 million has been allocated, as I understand it, arising out of the Estimates for financing in this fiscal year.

Mr. Speaker, those funds were available for the disposal of the Minister in accordance with the Act. The Democratic Labour Party had not spent one single cent of the money realised from the sale of any of the assets since 1993. Mr. Speaker, we had not drawn down or utilised a cent of the money raised from the sale of Arawak. We had not drawn down and utilised a cent from the money realised from the sale of Heywoods Hotel. We had not drawn down or utilised a cent from the sale of the Pine Hill Dairy shares. Instead, we had the money put aside in an uncontaminated fund for the people of Barbados, and I will get to that point again later.

Mr. Speaker, let us look at 1995.
5.30 p.m.

Regrettably, Mr. Speaker, the Barbados economy will not repeat the major successes of 1994. It is now clear that neither the achievements of the 1994-95 fiscal year nor the 1994 calendar year will be achieved and that, in fact, 1994 represented a high point in Barbados' economic progress. I do not want to alarm the people of Barbados, Mr. Speaker, Sir, but we need to be frank. In the coming months, there will be a slowdown in growth resulting in mediocre performance. The evidence in our possession is that real growth will not reach 1% but is officially estimated at 0.6%. A decline of 2.1% is expected in the trading sector. That is factored as follows:

Tourism will grow in 1995 by about 0.5%. That is the information we have available to us. Manufacturing by 0.5%. And sugar will decline by 30.6%.

Mr. Speaker, Sir, the Minister did give some of those details but I am giving them to the House now in a fuller

package and I would be willing to sit down if he wishes to contradict any of them.

Asides.

Mr. SPEAKER: Please, let us have some order. Please, let us proceed.

Mr. D. J. H. THOMPSON: If anybody wishes to contradict the information which I have made available to the House. Nor will I ask the Minister, how he could have Revenue Estimates remain constant, while the projected growth, as he informed the House yesterday is expected to decline? I am only asking, Mr. Speaker, because the Honourable Member stakes his professional integrity on being a forecaster. I am willing to go along with him. He made one forecast in the Estimates and now that we have come to the House for the Budget, a couple of weeks later, that estimate has been substantially revised, in my view.

I am willing to go along with the Honourable Member for St. Peter and his forecast Had I attempted the same strategy, Mr. Speaker, Sir, of coming to this House having revised the projections for real growth, but using the same Estimates of Revenue, the Honourable Member for St. Peter would have accused me of all kinds of financial confusion. He would suggest that I do not know what I am doing and we would have heard economic madness heaped upon the Honourable Member for St John. Mr. Speaker, Sir, you can shift around and move around statistics as much as you like. At the end of the day, Sir,... No, Sir. I know you would never do that I know you well enough. I think you know who the people are that shift around statistics.

Had I attempted that strategy, he would have attacked my understanding of financial policy and economics. The Honourable Member for St. Peter made that quantum leap after revising growth. He covered how he factored it in, in one sentence. I have to say to him that if he accused me of obfuscation or not understanding, I think it is a brilliant achievement that he was able to reduce that phenomenon into one sentence, in the course of his Budget presentation, and did not feel it incumbent on him to give a fuller explanation to the people of Barbados about the change of his base or any other features which had been factored in to these new assumptions that he was making. That was not necessary for the Honourable Member who believes in participatory democracy, accountability and all of this high flown theories about making the facts available to the public. We have to extrapolate. In a few minutes, Mr. Speaker, I will let you know the projections for 1995-98 because on that hangs another tale.

The renewed confidence which was demonstrably evident by the level of private sector investment in 1994, has now been curtailed by a number of circumstances

which have not been fully appreciated or diagnosed by the Honourable Minister of Finance. I make this claim confidently because of the inappropriateness of his policy responses which have led to a reduction in investor confidence, a fall in expectations in 8 short months and a pause in our economic performance. This also explains why this economy is going to record a substantially reduced rate of growth in 1995. We are going from 4% in 1994 to less than 1% real GDP growth, less than 1%, Mr. Speaker, Sir, in 1995. Those are the stark facts which must be presented to the people of Barbados that in 1994, real GDP growth was 4% and the Honourable Member for St. Peter, in typical fashion, has been able to reverse that trend, has successfully been able to reverse a trend of admirable growth from 4% to less than 1%.

In the past few weeks, one cannot help but notice and hear the refrain of street vendors, hairdressers, shopkeepers, tailors and other small business persons that business is slow and almost dead, all throughout Barbados.

Asides.

Mr. D. J. H. THOMPSON: That is the refrain that is presently being heard in Barbados. Mr. Speaker, Sir, this wait and see attitude has created justifiable doubts, caution, and confusion in the country. This new Government must get its programme in place immediately because I cannot believe that what was presented to this House yesterday could be the sum total of the Honourable Minister's programme. I am calling on the Government to get that programme in place immediately. To reverse this erosion of confidence.

The Government should have capitalized on all of the goodwill it said had existed in Barbados after September, 1994, push the charter for change and all of these other initiatives which we heard so much about All the wonderful theoretical positions on the political platform. All of the talk about feeling like people in the early days of the Christian church carrying a crusade forward for Barbados, finding 30 000 jobs, helping all of those young people who are endowed with talents and ability. Lifting poor black people up. Carrying forward a message of economic democracy. All of that fancy talk, in reality, has been reduced to what we heard yesterday.

The Government failed to capitalize on its own goodwill coming out of the elections. It failed to mobilize the Barbadian community to take part in this process of change. They were confident that they had decimated all of their opposition and they had months, Mr. Speaker, Sir, to demonstrate that decimation by putting the policies in place. They alleged that the Democratic Labour Party was led by some immature Leader who did not know what was happening in Barbados. All of that was time for them to

put their policies in place. There was no effective opposition, according to their understanding of events.

But one can sense that that enthusiasm and momentum, generated by the election result, has dissipated, as a result of this early vacillation and the mismanagement of simple matters. Let us lode at the medium-term, Mr. Speaker, Sir. I have some projections for 1995-98 and they are not encouraging. I have a duty to let this Honourable House know that, notwithstanding all the concessions which the Honourable Member for St. Peter is going to be making to the manufacturing sector and has made, that the projected decline in the manufacturing sector for 19% is of the order of 0.6% and that the projected decline for 1997 is 1%. For that matter, Mr. Speaker, Sir, the real GDP growth rate for 1996, 1997 and 1998 are 3%, 2.3% and 3% respectively so all the fancy talk we had yesterday, Sir, about growth rate ranging between 3% and 4% over the medium term is not borne out even by those official statistics which have been made available to us. 5.40 p.m.

Mr. Speaker, Sir, I am surprised at this because as I say, the Honourable Member for St. Peter made it clear that one of his strong points is forecasting so I am willing to accept those forecasts as is. He said he made a living doing forecasting in Jamaica and he used to forecast the price of bauxite within the very minutest relation to actual price per pound or whatever.

Mr. Speaker, Sir, I have put these Estimates to the House. Can you imagine that after all we heard in 1994 September about the Barbados economy that, Mr. Speaker, Sir, change would have brought investor confidence to Barbados. People were waiting at the door to come back once you did certain things and made certain political decisions and now the forecast which we have before us, demonstrates that the economy is not going to grow and reach the levels of 4% growth over the medium term by this documentation. I could support, Sir, the contentions I have made in each sector, the real GDP growth rate for each year, each of the sectors and others.

No, I am not going to make this a document of the House. This is information for me. If the Honourable Minister wishes to make it a document of the House as something which is in his possession he can make it because, Sir, I quoted 1995 and my figures are the same as his. Real GDP growth rates the Honourable Member never said it was 0.6% but what he did say and I heard him on the radio today because I must say I was not paying a 100% attention to his presentation but he did say that sugar would decline by 30.6% and he went on to say the rate of growth of tourism, manufacturing ...

Aside.

Mr. D. J. H. THOMPSON: I am not saying he hid anything. I am agreeing with his forecast but I am saying he should have gone further and told us what was projected for 1996 because if he uses those figures in 1995, Sir, and he is standing by those figures in 1995 I believe that I could stand by them for 1996, 1997 and 1998. This shows tourism growing by an average over 4% over the next three years. The whole list is here, Mr. Speaker, I am willing to make it available but I am not going to make it a document of the House, the Honourable Member will, in due season, I believe, based on his philosophy of participatory democracy transparency, accountability, he will make those documents available.

So, Mr. Speaker, Sir, these are hardly great prospects and they certainly do not fully bear out any of the Minister's misplaced confidence. But I have to ask another question, Sir, because we have constantly been pilloried as a Government for allegations of not producing critical documents for examination by Parliament, whether it was the documents we signed in relation to World Bank loans, whether it was the documents we signed in relation to IADB loans, whether it was the documentation we signed in relation to the IMF, the Honourable Member for St. Peter constantly accused the Democratic Labour Party of concealing information from the public.

The Honourable Member made reference yesterday to a medium term strategy but has not had the political maturity to lay that document in this House so that this House can have a fuller picture at the earliest possible time because that document has been the basis. I am challenging the Minister to make that document a document of the House at the earliest possible time because if it was referred to in a Budget then it should be available to the House to assess the implications of it.

Mr. Speaker, Sir, I am not interested in technical arguments about who wrote it or where it is or whether it went to Cabinet or anything like that, Sir. I am saying that it was referred to in a Budget and the Minister should have the political maturity to lay that document to buttress the position that he is making about the Barbadian economy over the medium term but that is a secret document apparently. It has not been made available to the House.

Mr. Speaker, Sir, what are the implications of that document, which has not yet been laid but referred to in the Budget, for Barbados? What are the implications of the decisions taken by the Minister of Finance? The total package of decisions related to the IADB loan and I will get to that as well, Sir, but I want to know. The Minister has a responsibility to tell the public the terms of the agreement which he is entering into with international financial institutions and that information in relation to the IADB loan to Barbados and the conditionalities in relation

to that loan should be made available to the people of Barbados so that we know what commitments the Minister of Finance is making on behalf of the citizens of this country. We are saying that we are entitled to no less treatment than the treatment that he required of us towards Members of the Opposition in the period between 1991 and 1994. If not the public would think that we are clowns in here. I do not wish to quote from that book - *Cannibals and Christians* by Norman Mailer and what he said about politicians doing tricks one night. That quotation sticks in my head when these things appear before me,

Aside.

Mr. D. J. H. THOMPSON: We are all honourable but all the politicians are not in here, Sir. There are some outside.

Mr. SPEAKER: You are referring to those?

Mr. D. J. H. THOMPSON: Well I am applying a broad brush to politicians. However it wishes to be interpreted it can be.

Mr. Speaker, Sir, I want to deal with the outturn for 1994-95. The Honourable Minister of Finance has very clearly set out the fiscal outturn figures for 1994-95 and they show that the policy which I enunciated last year in here both during the Estimates and the Budget of prudence and restraint in the 1994 Budget was justified. That approach provided a solid basis on which the new Minister could proceed without major discomfort. It even afforded the Minister of Finance the opportunity during 1994-95 fiscal year to implement some of his so-called creative policies. I mean the Honourable Member for St. Peter. I apologise.

The Honourable Member for St. Peter had the opportunity to implement those so-called creative policies. Let me tell you what some of them were - computerisation of the police department and the corporate registry, refurbishment of some Government offices, police stations, the employment of NCC workers, the launching of the rural development programme, the employment of special constables. As I said before, Mr. Speaker, Sir, we left a good wicket on which the Honourable Member could bat. In fact, Sir, it is amazing, every single telephone call that I received to date was from a supporter of the Democratic Labour Party who said ...

Aside.

Mr. D. J. H. THOMPSON: I am always very happy to talk to them, always.

They are of the view, Mr. Speaker, Sir, that we would have to be madmen to give up a Government at a time

when the economy was performing so well, with so many opportunities presenting themselves to the people of Barbados, that events were such in 1994 that we could not complete our mandate. 5.50 p.m.

Mr. Speaker, Sir, they feel hurt because they had to go out there and defend difficult policies like us and, in the face of all of that commentary by them in defence of our policies, the Honourable Member for St. Peter was predicting gloom and doom, destruction, and I quote steadfastly from all of the quotations for speeches made of a public document. So, Mr. Speaker, Sir, that approach provided this solid basis for the Honourable Member for St. Peter. He had a good wicket on which to bat.

Mr. Speaker, our policies afforded the Minister of Finance the opportunity of opening the new Almond Beach Resort in St Peter, to totally privatize Arawak Cement Plant and praise the investors, to continue the policy or reinstitute it of selling the Pine Hill Dairy shares, to capitalize on the initial work done by the Ministry of Finance in meeting some of the criteria for the investment sector loan, to benefit from the initial analysis and preparation for the introduction of the Value Added Tax and to reap rewards from the Tax Administration Programme.

Mr. Speaker, Sir, it is difficult to find the words to describe the Budget which he presented here yesterday. But even with respect to mundane matters, the Honourable Member for St. Peter concealed more than he said. The outturn figures are pleasing to me and should be pleasing in my view to all Barbadians. Revenue was \$63 million higher than was projected. The economy grew by 4 per cent as opposed to the original projection of 2 per cent. Mr. Speaker, Sir, those are the facts. The overall deficit for 1994/95 was 0.5 per cent of GDP on an IMF basis.

Mr. Speaker, Sir, I was once decried and the Honourable Member for St. Michael South and other Ministers of Finance have been consistently decried by the Honourable Member for St. Peter for setting out the deficit on an IMF basis. Lo and behold yesterday we heard it with our own ears when he set out the deficit on an international institution basis in the middle of his Budget. The Honourable Minister of Finance said that he, as a Barbadian citizen, when I was Minister of Finance, Sir, found it offensive for the Minister of Finance to quote the deficit on an IMF basis, that there is an Accountant General basis and we have to deal with the Accountant General basis because the laws of Barbados provide for the Accountant General basis. Yet, in his own Budget yesterday, this was the hilarity of the exercise which we are

speaking about. In his own Budget yesterday, Sir, he sets it out on an IMF basis.

Mr. Speaker, Sir, look there are some searching questions that we need to ask of the Minister of Finance. Why did the Minister of Finance not run an overall deficit? He should answer that question. He has to tell the public of Barbados and I am going to explain why, Sir, the Honourable Member has to tell the public and speak to that issue. I want to know why the Honourable Member did not grant those critical concessions which he said were so necessary to boost the productive sectors particularly tourism. He said that tourism cannot wait, Mr. Speaker, Sir. Why did the Minister of Finance neglect to develop an urgent employment strategy? Why was job No. 1 forgotten so quickly after the election? Because, Mr. Speaker, Sir, one must not have any doubt about what the Honourable Member for St. Peter was saying time and time again in here and outside. Listen to the end of his Resolution last year. Mr. Speaker, I want you to understand he put before the House in the last Budget debate and asked us to vote on:

"Be it resolved that this House regrets the poor performance of the Government during 1993 to 1994 and regrets the absence of positive and creative proposals to stimulate the economy, provide jobs, drastically reduce unemployment and bring much needed relief to the poor and disadvantaged."

That was the nature of the Resolution, Sir, moved last year by the Honourable Member for St. Peter. He delivered a lengthy presentation in here, Mr. Speaker, Sir, last year in which he set out...I am not going to bother with that, Sir. I am going to project. I am not going to get sidetracked.

Mr. Speaker, it was within the power of the Minister of Finance after September 1994 to follow his own advice to me in last year's Budget debate and this is what advice he gave the House in last year's Budget debate and I quote, Sir, from last year's Budget debate. This is the Honourable Member for St. Peter speaking:

"We depart from the Government on the question of the size of the fiscal deficit that the Government should be allowed to have from year to year. The fiscal deficit is just simply the difference between Government's revenues and its spending. When you hear the Government speak of a deficit of 1 per cent of GDP, all it means is that the Government is allowed to spend \$30 million more than it earns in revenue."

He went on, Mr. Speaker

"Every one per cent of GDP as a deficit gives the Government \$30 million more elbow room to do in

Barbados at this juncture what the advanced countries were doing when they were 20 years into their own independent creation of their social and economic destinies."

He did not stop there, Mr. Speaker. He offered this advice as well. In fact, he attributed to himself certain consistency, Mr. Speaker, not buttressed by the facts but he attributed that to himself.

"I stated a position to which I have remained committed to in public."

I want to repeat that statement, Mr. Speaker, Sir. This is the Honourable Member for St Peter speaking to this House.

"I stated a position to which I have remained committed to in public. This position is contained in a paper that I presented when I was a Research Fellow at the University of the West Indies, a paper that looked at Barbados' programme with the IMF in 1981 and I said, Sir, that the fiscal content of the programme with the IMF in 1981 was to reduce the overall fiscal deficit from 9 per cent of GDP to 2.5 per cent of GDP for 1985. This is very much in equilibrium size deficit for it represents that level and which public spending can be sustained without a disruption either in the internal or external balances of the economy."

That is the Honourable Member quoting himself in this House and then he ended by saying:

"From as far back as 1983, I was of the view that this country should not accept any programme from the IMF that says that there should be zero deficit or one per cent deficit, but that the prescription of a reasonable deficit of this country should be a deficit which allows the Government some elbow room in order to do creative things in this economy."

Mr. Speaker, that is the end of the quotation.

The fiscal outturn shows an overall deficit of 0.5 per cent. Mr. Speaker, Sir, that is less than one percent of GDP which means that the Honourable Member for St. Peter could have done all of those creative things which he said should be done by running a higher deficit, which was his advice to me in the last Budget debate, but he decided to forego all of that and adopt exactly the same strategy the Democratic Labour Party adopted except for increasing interest rates and giving some concessions to the manufacturing sector. Mr. Speaker, as a caveat, the Honourable Member for St Peter always adds on that he gives a few concessions here and there to the handicapped and to a number of other interest groups. I think we need

to ask a Parliamentary Question on that to get the quantum, because that is nothing new. All Ministers of Finance have done it and do it 6.00 p.m.

Mr. Speaker, contrary to the impression given by the Honourable Minister last night, that he had to clear public sector arrears and pay outstanding bills, which meant that he was constrained from making a greater impact on the social and economic life of the country, I am saying that based on the Honourable Member's own philosophy of deficits that he had opportunity to do more. He had elbow room of 2%, which is by his calculation about Bds. \$60 million. He said an appropriate size deficit is around 2.5%. The outturn was 0.5%, so he had about 2%, \$60 million more which could have been made available, if he followed his own policies, to do all these creative things which should be done.

This is a brilliant situation, for even after the Honourable Member cleared up the mess, after he paid off the \$40 million or so in arrears, all these things that he set out - money owed to the University, the Welfare Department - even after he paid all of that he still came in with a deficit of 0.5%, which means by his own calculations he should have another \$60 million or so to play with. So he still had elbow room to do all these creative things set out in the Manifesto. The problem is that the Minister did not know what to do or how to do it and he spent too much time outside of Barbados and not concentrating on the things that should be done in this country to get this economy going. That is the failing No. 1 that has created this scenario. Too much time was spent outside instead of attending to the people's business, and you say you have a people's mandate and you believe in participatory democracy. Get on the ground with the people and start to respond to their real needs in this economy. That is what leadership is about, not distracting yourself by going into the rarefied atmosphere other parts of the world and feeling, Sir, that you are a maguffin when you come back here, because when you come back here there are people with major problems that need to be dealt with.

Let us move on, Sir, to interest rate policy, because that is no different from his inconsistency on the matter of the deficit. If you check the House Debate 1991, September 17, page 996, the Honourable Member for St. Peter uttered these words to this House:

"I am also satisfied, Mr. Speaker, that Government should look again at its interest rate policy. I came to this House in the Estimates debate of 1988 and said then that if we had to relive our experience with the International Monetary Fund, one of the things we would never do is to allow interest rates in this country to increase ..."

I am quoting the Honourable Member for St Peter and that is where the quotation ends. In case anybody is confused about what I am saying, as distinct from what he is saying, I will repeat it, Sir. These are the words of the Honourable Member for St Peter

"I am also satisfied, Mr. Speaker, that Government should look again at its interest rate policy. I came to this House in the Estimates debate of 1988 and said then that if we had to relive our experience with the International Monetary Fund, one of the things we would never do is to allow interest rates in this country to increase ..."

The Honourable Member for St. Peter argued that this theory that you have to increase interest rates to dampen demand and prevent an outflow of capital can only hold if your currency is convertible. That was the Honourable Member's theory. He further hinted that it would be economic madness to think that increasing interest rates would work in Barbados and then he has always argued, apparently, for a low tax, low interest rate, low energy cost policy. This was one of the points of convergence in the last election. The Honourable Member for St. Michael South Central makes it clear that he borrowed his perspectives in this. Low tax, low interest rate, low energy cost policy.

In relation to interest rate policy, Mr. Speaker, the Honourable Member concluded his speech by saying: "That policy has been discredited by experience." That is the policy of increasing interest rates. That has also gone through the window since September 6, 1994. The Honourable Member for St. Peter sees that as yet another one of the policy tools in his armoury and he will use it, he will look in the mirror every morning and still use it and there is nothing that I can do about that or anybody else on this side can do about it.

Mr. Speaker, let us get to the Central Bank, because this is at the heart of the credibility question in this debate. It is at the heart of leadership and it is at the heart of politics in Barbados since September 6, 1994, and it demonstrates the kind of facade which some politicians will put up, playing to the Gallery, but when they are ready and you could look behind that facade their approach is completely different.

Mr. Speaker, the Minister of Finance must explain as a matter of urgency the new role that he envisages for the Central Bank of Barbados. I want to say this very clearly. The Honourable Member for St. Peter has all the files at his disposal. He will not find a single occasion - I have not checked with the Honourable Member for St Michael South, but he will be speaking tonight and he can speak for

himself, all other Ministers of Finance can speak for themselves - when I sought to interfere with the internal operations or the public duties of the Central Bank or its officers. Never, Sir! In fact, I regret very much that I was unable to accept the Governor's invitation to meet with the Board. They had their job to do and I had my job to do, and that is how we functioned. The Governor came and consulted me on matters, correspondence passed between us, the relationship was transparent and clear, and as Minister of Finance I never set foot in the Central Bank building. I received the information that I needed and I gave my consideration to that information when I received it

Mr. Speaker, it is very instructive that when I differed to the Bank's judgment in December 1993 on the question of increasing the minimum savings rate the Honourable Member, the shadow Minister of Finance, was critical of me for a hands-off policy, because I said I believe the Central Bank's advice is sound and I am not interfering. As long as they still have control over the setting of that rate, I will accept their advice on it. The Honourable Member for St. Peter said he does not like those kinds of approaches and he made it clear his view of the Central Bank, and I am going to quote from that, but the people of Barbados need to know the level of intervention in the functioning of the Central Bank. We want to know what level of intervention is going to be contemplated by this new Minister of Finance.

Mr. Speaker, we are not yet calling for full autonomy for the Central Bank, but the integrity of the Central Bank must never be compromised to the whim or self-serving fancy of anyone. 6.10 p.m.

A Governor of the Central Bank should not be required to surrender his regular and wise counsel on a quarterly basis with the public, to whom he is accountable though not in the same way as members of Parliament, to the theatrics of an "untheatrical" financial statement and budgetary proposals. Why should he surrender to that? Clear lines of communication should be established between the Governor of the Central Bank and the people of Barbados and no one should take it as their responsibility to thwart the independence of the Central Bank and its right to communicate with the public of Barbados and make accurate and reliable information available so that we can assess correctly the economic situation. No Minister of Finance should mix up the level of his credibility with the level of credibility of a Governor of the Central Bank. That it would be pretentious of any Minister of Finance to assume that his credibility stands at the same level as the Governor of the Central Bank. Those are two different kinds of credibility.

Aside.

Mr. D. J. H. THOMPSON: That is not my fault. That is the kind of political situation we have in Barbados. The Honourable Member for St Peter is not overnight going to restore the credibility of politicians by telling the Central Bank Governor not to speak. It cannot be done like that. We have to restore that credibility in here, on the streets of Barbados. That is the way we have to function as politicians. Restore our own credibility.

Mr. Speaker, Sir, I also want to say this. Contemporary economic thought, some of which I agree with, places a Central Bank in a developing country in a very important role. To quote from a recent publication on the evolving role of central banks:

"The desirable degree of a central bank autonomy has to be assessed with due regard to the level of development of the country and its institutional and political structures. Indeed it is probably more salutary to talk about conditions for successful central banking rather than the ideal attributes of an independent central banker.

An independent central bank is unlikely to be anymore effective than a dependent one if the legal and institutional structures are inadequate, political institutions unstable, the financial system repressed, fiscal policy out of line and the household saving rate insufficient.

Moreover, in practice the effective degree of independence and public acceptance of a central bank will depend crucially on how well it defines and performs its role over time."

An early blow has unwittingly been struck against the integrity of the Central Bank of Barbados. It reminds us so much in the Democratic Labour Party of that supine cringing remark - I don't know who made it - that the Central Bank Governor is "a creators of the Minister of Finance". It is disconcerting because these perspectives of the Central Bank only seem to occur when the Barbados Labour Party is in office.

On that remark made a decade ago, hangs a tale. Mr. Speaker, the people of Barbados would be interested to hear the views of the Honourable Member for St. Peter and Minister of Finance on the integrity of the Central Bank. I hear people talking about 1990. I want to quote what the Honourable Member said about that, Sir. Apparently, the Barbados Labour Party was alleging that some document was put into a vault and locked up and they did not have access to it but, in the face of that, the Honourable Member did not praise the then Minister of Finance for locking it up because, by an analogy, if you stop the Central Bank from having their Report published there cannot be anything

wrong with locking up the Economic Report. By parity of reasoning, whoever the Minister of Finance was, if it is true that it happened, the Honourable Member for St. Peter should have praised the then Minister for all the policies which he has even extended beyond that because people's constitutional rights may be infringed in 1994.

Let me tell you what he said, Mr. Speaker, Sir:

"We know of a situation..."

This is the Honourable Member for St Peter speaking in the debate.

"where last year the weakness of the Central Bank was exposed in this country, when a person, not the Governor, nor the Head of the Research Department, but a person made sure that for whatsoever reason and I say, political, Sir, a document that could have been adduced to guide public opinion about the true state of the economy had to be put in a vault and hid from public consumption."

Mr. Speaker, this is how the Honourable Member characterised that behaviour - hiding information from the public. Look at how he characterised it.

"We do not want that kind of behaviour in our Central Bank, Sir."

That was the Honourable Member *for* St. Peter. He said we want strong and independent central bankers, and the first opportunity the Honourable Minister of Finance has, he admits to telling the Central Bank not to go to the public of Barbados to explain the state of the Barbados economy because they would "steal his thunder".

How could you steal the thunder of a Minister of Finance who is delivering his first Budget? We have all been waiting so long for this Budget The date has been changed so many times. How could a Central Bank Governor's Report compete with the thunder of the Minister of Finance, the Honourable Member for St Peter? It might be a lack of confidence. That is the only thing I can say.

We were all waiting with bated breath. I suppose some people's thirst has been quenched by his presentation, but Mr. Speaker, Sir - "Oh, what a tangled web we weave..."

I want to go on to this point, Mr. Speaker. What would the Central Bank have told Barbadians if that review had taken place? The Bank would have told Barbadians what the Prime Minister obviously did not want us to know and what he has not up to now admitted in this Budget

For example, I heard him on the radio today saying that the growth would approximate 1 *per* cent I believe the Central Bank Governor would have been more exact He would have said it would approximate more than 0.5 percent. Six is closer to five than ten, according to my mathematics. So what the Governor would have said, I assume, based on the figures available to me which have not been contradicted, the real GDP growth rate the Governor would have told the public of Barbados would be 0.6%. The Honourable Member for St. Peter still would approximate 1 per cent. Mr. Speaker, Sir, that's the callous way in which our affairs are being managed.

Mr. Speaker, the Bank might also have said that the performance in the tourism, manufacturing and sugar sector would be mediocre in 1995. The Bank might have told us, for all I know, about this in relation to the creation of jobs, but the Minister did not tell us anything about how his growth rate would produce jobs or the relationship between a growth rate of 0.6% and his ability to create any 10 of the 30 000 jobs he promised. We were not even treated to the slightest analysis of the unemployment situation in Barbados in the Honourable Member's Budget yesterday so the Bank probably would have seen it as its duty to do that. The public then would have understood that the Honourable Member for St Peter cannot grapple with unemployment He just does not know how to deal with the problem of unemployment in Barbados. The Governor, I assume - I can't put words in his mouth and I don't know what he would say - but based on the statistics that are available, the Bank might have explained why the interest rate has to remain at the level set by the Central Bank on the last occasion when it increased the minimum savings rate. Why do interest rates have to remain at that level? The Bank might have explained that the economic situation is still precarious. Those words did not fall from the mouth of the Honourable Member for St. Peter.

We have a weak, I don't want to put it as high as weak, but a testy external position and the Honourable Member for St. Peter knows that If not, one of the first things he would have done in this Budget is to announce an adjustment in the rate. 6.20 p.m.

But the Honourable Member for St. Peter is following other people's prescriptions, because he said it is not his prescription to keep interest rates high, will not reverse things that he thinks should be reversed, and instead of dealing with the substance of issues, the substance of the problem of high interest rates in Barbados, the Honourable Member for St Peter is worrying about who is going to steal his thunder. That is his principal concern as Minister of Finance in 1995 in Barbados.

I have to have problems with that, Mr. Speaker, because we are interested in substance and we are always

being accused of avoiding substance and not coming into contact with the issues. That is an issue. Explain to the public of Barbados, since you did not let the Central Bank explain it, why interest rates are not going to be adjusted downwards in this Budget contrary to your own policy prescriptions, contrary to your advice to me, contrary to your advice to the Honourable Member for St Michael South and contrary to your attacks on the 1981 IMF Programme with the Barbados Labour Party? Why is it, Mr. Speaker? The Honourable Member for St. Peter is not going to answer that question and does not seem to want the Central Bank Governor to answer it either so we have to walk around in this mine-field of misinformation which the Honourable Member has perpetrated. That is what it is about.

The Governor of the Central Bank might also have told Barbadians the price we will have to pay and the conditions attached to the IADB funds. After all, Mr. Speaker, the Central Bank is a shareholder in the Barbados Development Bank. I do not know if the Honourable Member for St. Peter knows that yet If he stayed in Barbados long enough instead of flirting with the IADB he would have gotten to the bottom of it. The Central Bank, and I hope that information was transmitted when you were in Israel a few weeks ago, is a shareholder in the Barbados Development Bank which the Honourable Member for St. Peter is going to close and split into two different institutions. So maybe the Governor, as the Governor of the Central Bank and the Chairman of its Board of Governors, would feel it as his duty to explain why the Central Bank would go along with this arrangement

I manifestly hope some reporter would ask the Governor, whenever the Minister permits him to have another Press Conference, to answer that question.

Mr. Speaker, the Bank might have been told about the dismal performance in the first quarter for 1995. The Honourable Member is a forecaster, Sir. He says he is a forecaster. The facts of this dismal performance are not being made available to us so we do not know where we are going. The Honourable Member for St. Peter does not know if not he would have told the public of Barbados what that performance was. But I am saying that the Honourable Member does not want the public of Barbados to know how dismal it is.

If we take as given the sugar sector is in decline, that manufacturing is not in a state of any substantial growth, and that as he has said the real GDP growth for the first quarter in tourism is minus 5%, well if tourism is in decline by 5% in the first quarter of 1995, that must tell us the level of overall decline in the Barbados economy. Sugar is expected to decline by 30.6%, tourism overall is declining in the first quarter by 5%. There is no major

growth in manufacturing. On that must hang a tale about the extent of the decline of real GDP in the first quarter of 1995. I am saying the Minister of Finance has a duty to tell the public what is the size of that decline.

Mr. Speaker, what the Honourable Member for St. Peter has us doing is like playing a cricket match. We are out there at Kensington in the middle of the pitch and the Scoreboard is not working so nobody knows what is happening. That is what is happening. The Honourable Member for St. Peter is not telling us what progress, if any, we are making in relation to the Barbados economy.

This level of decline in the first quarter of 1995 is something that baffles me. Mr. Speaker, I am saying that we, the public of Barbados, must know because we are constantly told that there is light at the end of the tunnel and all these other wonderful...

Aside.

Mr. D. J. H. THOMPSON: What is it he said at the end. Sir? Not illuminating the light? He used some expression. He is illuminating the darkness, sorry, at the end of the tunnel.

Aside.

Mr. D. J. H. THOMPSON: I am not getting sidetracked by any intervention, Mr. Speaker. I am making my point very clear that the level of decline is not as small as the body language and the misinformation and the concealment of information which the Honourable Member has perpetrated on this House. One could only assume, Mr. Speaker, that it is these matters which concern the Minister of Finance. The Honourable Member's fear that the Governor might steal his thunder is misplaced for instead of thundering yesterday, the Honourable Member for St. Peter squeaked like a mouse. Mr. Speaker, had the Governor of the Central Bank and the Central Bank had that Press Conference, a whole new light would have been shed on this economic debate here today.

I want to go, Sir, to the issue of the international developments because this is also important. There are events taking place internationally at breakneck pace but the Minister of Finance said precious little about them. For example, what will be the impact of an increase in interest rates in the United States, particularly the Treasury rate, on our foreign commercial borrowing in that market during this year? The kind of bond issue that we have, the interest rate is based on the US Treasury rate. I would like to know what the Minister has to say about the impact of a potential increase in US interest rates on that. What are the implications of a declining US dollar?

Mr. Speaker, the most likely response in the United States of the declining dollar would be to increase their interest rates which would put pressure on our own domestic interest rates thereby rendering the Minister's temporary increase permanent. In other words, there is the potential that the interest rate as set in December last year will remain that way for some considerable time. But I am certain that it will remain that way if US interest rates increase.

So, Mr. Speaker, though I agree with the Minister that his Budget should have less theatrics and I agree there is no need for a theatrical Budget. In fact, I do not know how you would have presented that Budget theatrically, impossible. There was nothing to be theatrical about, Mr. Speaker. But that does not mean that critical information from the Minister explaining important events should be avoided. The Honourable Member for St. Peter has a duty to this country and he has a duty to this House. I am saying in this respect he has evaded that duty and there is a blotch on the integrity and independence of the Central Bank which needs to be corrected early and very soon.

But, Mr. Speaker, where the Central Bank is so emasculated one can only reflect on the impact of the Minister's approach on the technocrats in the Ministry of Finance. I can only speculate. Any Minister who adopts that stance with the Central Bank, you can imagine what kind of reign is occurring in the Ministry of Finance. It is therefore not alarming that this long-awaited Budget has been prepared and brought to this House in such contention.

But I wish to express gratitude to those public officers who assisted me in the reforms, who assisted the Democratic Labour Party throughout its tenure in its reforms and who contributed so selflessly in my tenure such that our country can boast of those 1994 achievements. I should wish to say that I do not wish to name them because especially in these days of rampant victimization, it would be invidious of me to do so. I would just say that I thank the public officers who gave selflessly during my tenure. I would leave it there. 6.30 p.m.

Mr. Speaker, Sir, I want to go into the issue of debt management. I would say that their own skills - that is the public officers - and dexterity together with an alert and sharp and well-grounded Minister of Finance would normally have avoided the kind of pitfalls in the kind of economic imprecision which was found in this Budget. I do not want to deal with the National Insurance issue. I will get to that in due course.

Let us go to debt management. The Prime Minister referred to his debt management strategy on 3 occasions in this Budget. And though the input can be g.ained broadly from his utterances, the differences are apparent and discerning to the analysts. On page 40 he says:

"Government accepts the need to exercise prudence in new external borrowings and will continue to manage its borrowing requirements judiciously by engaging in selective commercial borrowing designed to refinance maturing debt."

Then on page 79:

"Our debt management strategy for the year will be to borrow on the foreign market loans equivalent to the amount of principal which we have to repay."

Mr. Speaker, Sir, the Prime Minister does not seem to me to be entirely clear on exactly what the policy is in relation to this matter.

Are our borrowings going to be restricted to meeting foreign amortization only? Or will we be borrowing more than the foreign amortization? Are we going to be refinancing non-maturing debt on better terms? Because the Honourable Member for St. Peter has come to this House, apart from this, on several occasions and said that he needs a creative debt management strategy.

He needs to sit down, look at all of the debts and when they are retiring; look at the interest rates and if you can get a better deal to refinance a non-maturing debt and if you need to raise enough to finance your maturing debt. He came up with a whole, wonderful, rosy picture. And now he reduces his strategy to these 3 confusing statements. In one case we will be borrowing equivalent to or greater than. In the other case, we will be borrowing only equivalent to. Three different statements. Is it only maturing debt we are going to be borrowing to replace? These are the kinds of questions which somebody like the Honourable Member for St. Peter who has these economic skills and who has spent the last 7 years dealing with these issues should respond to, because he is the one who made them issues.

Mr. Speaker, Sir, I always seek to make the point that I am neither a technician nor an economist. I have no desire to pursue that profession, at this time. When, therefore, I respond to these proposals, I seek to bring to the analysis of wider perspective than the usual narrow technical arguments about deficit as a percentage of GDP, the appropriateness and the comfort level of the reserves on my ability to be a forecaster or a soothsayer. That is the territory which the Honourable Member for St. Peter wishes to battle with me on but he can confine that to the rarefied atmosphere of the seminar room at the UWI or the Central Bank where it belongs.

My interest is in people. This Party's interest is in people. Our interest is in engineering results which help them to grow, to develop and to meet their aspirations in life. That is the territory on which we are willing to do battle with the Barbados Labour Party. Nobody is going to confine the role of anybody on this side to his own perceptions of their intellect or their ability.

My role as Leader of the Opposition and Shadow Minister of Finance is not to prove that I am a competent technician. My major task is to paint a broad and holistic picture of our economy and, to bring to bear on my analysis or on the analysis of the economy, the concerns of a wide variety of people and interests, political, economic and social. I do not intend to fall into that category created by the Keynesian aphorism of which I quote:

"Practical men who believed themselves to be quite exempt from any intellectual influences who are usually the slaves of some defunct economist"

End of quote.

But, Mr. Speaker, Sir, what I am concerned about, in the world as a whole, is, and I quote:

"Madmen in authority who hear voices in the air who are redistilling their frenzy from some academic scribbler of a few years back."

End of quote.

Mr. Speaker, Sir, I do not wish to be pejorative at all in this debate. But I cannot fathom the inverted equation which propels the Minister of Finance's stances. Most good technicians aspire to be policy-makers. But the Minister of Finance is a policy-maker who aspires to be a technician. It is a peculiar philosophy to contend with, Mr. Speaker. But it explains why there is such a phenomenal preoccupation with the precepts of economic analysis rather than the substance of the policies.

When I read the Honourable Member's personal criticisms of Honourable Members in here making their intellect in Sunday's newspapers -1 cannot quote from the newspapers -1 was reminded... and then I went on to read his supplications to the people of Barbados to be patient, to understand he does not have much room to manoeuvre, I was reminded of the story in rhyme of the centipede and the toad. A centipede was happy and quiet until a toad in fun asked:

"Pray which leg comes after which,
This set his mind in such a pitch, He
laid distracted in the ditch, Thinking
how to run."

Here is a classic example, Mr. Speaker, Sir, of paralysis by analysis, a stance which the Honourable Member for St. Peter is fast adopting. It is that paralysis which explains why, so far, we have not been able, despite my prompting, despite questions on this side, to have a substantial debate on the ends to which the millions of dollars in the Public Enterprise Investment Fund ought to be put. These funds, as the Barbadian public must be aware, arose from the sale of Arawak Cement Plant, Pine Hill Dairy shares and Heywoods Hotel. We had a debate on this in the Estimates. The philosophical response of the Honourable Member for St. Peter to questions on this matter was to tell us that he feels it should be a revolving fund. That was a philosophical answer. My questions were about the Fund. What it should be spent on. The Honourable Member for St. Peter responds. Whether it is a revolving fund or not is a mere technical detail to be worked out by technocrats. Not engaged in any debate of any substance.

We want to know the philosophy behind the expenditure of those funds. This issue is much more fundamental than this. It is not a question as to whether it is a revolving fund. It is about who should benefit from the proceeds of the sale of public assets and whose ends should this fund serve. That is what the debate should be about. Because the fund was established to defray the sale of an enterprise, to finance specific investment projects and to finance the repayment of any public debt. Those were the three purposes set out in the legislation. 6.40 p.m.

Mr. Speaker, in the Budget last year I stated very strongly, my view, that those funds should be used to refurbish hotel plant and support small scale enterprises. That is in the text of the Budget speech last year. I am glad that the Minister of Finance has had access to those funds which the Democratic Labour Party left behind and I am also glad that he has taken my policy, to some extent to its logical conclusion. So we credit him for accepting that policy and we expect him to execute it well. That is why, Mr. Speaker, Sir, I cannot quarrel with the way in which he has allocated the funds in this budget because so far he has allocated them to hotel refurbishment and \$2 million to support small scale enterprises. I am not quarrelling about that.

Mr. Speaker, Sir, one must have a philosophy about how the fund should be applied in a general way to increase investment and development in Barbados. Sir, in that regard I would like to know how the other \$14 million will be spent. He has only accounted for \$12 million, \$10 million for the hotel sector and \$2 million for small scale enterprises.

The Honourable Member for St. Peter must tell this House whether he does it tomorrow or whether the

Accountant General files the report hopefully in time; the House must know how that \$14 million will be spent. Mr. Speaker, I am saying that because when this Fund was established the Honourable Member for Christ Church South said it had the potential to be a slush fund and an entire debate circulated in this House about the possibility of that Fund being a slush fund for politicians to dip into with regularity. Since I confess to knowing nothing about slush funds, this House of Assembly needs to know that the Fund is not being used for other than lawful purposes but it was not lawfully established as a slush fund so I want to know how the \$14 million is being spent.

I regret that the Honourable Member for Christ Church South is not here to prompt that response because I am sure he will be as equally concerned as me. I hope those answers will be given in this debate.

The people need to know the Government's full policy on this. It is wrong and politically immoral for Parliament to be told about the disposition of these funds after they have been committed. In any process of participatory democracy such issues need to be discussed before hand and that was the *raison d'être* for the public enterprise investment fund being established and the legislation which I piloted through Parliament over a year ago.

I need to deal with the Social Justice Commission too, Sir, because this impinges on all of these issues of participatory democracy and accountability. Mr. Speaker, this weakness in our participatory democracy is why we need a Social Justice Commission and the Honourable Member has set up one consisting by and large of those prominent Barbadians who were in the vanguard for greater accountability from politicians, writing every day in the papers, Sir, about accountability and these fellows in Parliament not serving the ends they are put there for. We are paying them a lot of money and they are not accounting. I accepted that Fair enough. We had no quarrel with the concept of a Social Justice Commission comprised of those people. We had our doubts about its composition but we let it go ahead. We did not stop it.

But, Mr. Speaker, Sir, our concern is for the invidious position in which the Prime Minister has placed those Honourable Commissioners because this Commission has not yet been officially launched; yet these Honourable Commissioners who are no doubt still very concerned about accountability are drawing stipends from the Consolidated Fund and have not yet accounted or been permitted to account, according to newspaper reports, for their deliberations in over 6 months. In other words, Sir, you have a group of Barbadians, concerned about accountability, concerned about social justice in Barbados, meeting for nearly 6 months, drawing money from the

Consolidated Fund and not accounting to the Public of Barbados. Not even this Parliament, which is responsible for determining how public funds should be spent, knows a single thing about how that money has been utilised.

Mr. Speaker, Sir, I cannot abide that kind of approach, unbelievable. Before the Commission even met, the public should have been told. It should have been launched and full and proper procedures for its accounting to the public of Barbados should have been put in place. For all we know that Commission can meet *for* another three years, may not be launched, they will still be drawing the stipends and the Honourable Member for St. Peter who believes in participatory democracy, accountability and all the other platitudes and hyperbole of the era of 1991 to 1994 does not seem to want to intervene and I am very concerned that the Commissioners themselves have not responded. I think the Honourable Member for St Peter is stretching the social conscience of those Honourable Commissioners to breaking point.

Let us get to the tender system, Mr. Speaker. A lot of talk has been going on about that and I would not identify the perpetrators of the misinformation and the lies which are being spread outside of this Parliament about the tender system but my duty is to tell the public what is happening now in Barbados under a new administration. It is this gap between rhetoric and reality which presently allows for contracts to be entered into by statutory corporations *for* work without a tendering system being put in place, or for that matter contracts being awarded to other than the lowest bidder in recent times, for no apparent reasons, in spite of the Minister of Finance issuing one of his famous edicts during the Estimates debate on this matter. And I made the point very clearly then.

I asked the Minister of Finance to investigate the situation regarding the printing of bus tickets. I asked the Minister of Finance to investigate the Allocation of contracts with respect to housing at Cane Garden, St. Thomas and Parliamentary questions have been answered about expenditure at the Tourism Authority. I believe the Honourable Member for St. Michael South will deal with them in due course. But on that point, Mr. Speaker, based on the Minister, and I am dealing now with the houses at Cane Garden, St. Thomas, because based on what the Honourable Prime Minister said yesterday about his proposals regarding the National Insurance Service and compliance and the question of directors being defaulters, the Government must put a halt immediately to the award of any contracts by the National Housing Corporation to those 6 named companies to complete houses at Cane Garden, St. Thomas.

The Government must have a close look and an investigation at the names of the Directors of some of those

6 companies to see if the record of the National Insurance Office highlights their approach to matters of paying employees' contributions into the National Insurance Scheme. Check it. I know the Honourable Prime Minister, according to his public stances, he does not like these kinds of things.

I want the Honourable Prime Minister to check carefully because we do not need any hypocrisy in politics, Mr. Speaker, Sir, let us come out frank. If people are going to get up in here and cast aspersions on us and we detect that approaches which are equally odious are being foisted on the public of this country by a new administration, well I will point out one and I am going to see what happens with the award of those contracts at the National Housing Corporation. 6.50 p.m.

I am going to check that matter very carefully and I will be asking a Parliamentary Question, because I want to know when the tender went out, who tendered, what is the basis of the contract they entered into, what they will be paid, whether the directors of any of those companies are or were directors of previous companies which have National Insurance judgments against them or other kinds of judgments and let the House of Assembly get the facts. If not, put it out to tender. Honour your pledges in relation to integrity. If you made allegations of corruption against the Democratic Labour Party constantly over the past 3 years, how can a situation be allowed to develop in this country in the past few months, in 8 short months according to the Resolution? During the Government's short 8 months and in that short 8 months, there have been breaches of the Financial Administration and Audit Act and statutory corporations are engaging in practices which are contrary to the policies which the Barbados Labour Party said it would put in place to ensure accountability. This is a serious matter, Mr. Speaker, Sir. So I want those names and the relevant information.

Let us go to the Gambling Commission, because there is an expenditure allocated to them. This is the wide gap between talk and action by this administration led by the Honourable Member for St. Peter who believes in public accountability and participatory democracy.

What could explain a Minister of Finance who has no vested interest in casino gambling, according to him, setting up a commission at a cost to tax payers of \$200 000 in one fiscal year? The estimated cost of that commission is one-third of the revenue which the Prime Minister has estimated that he is going to get from lotteries during this fiscal year - \$600 000. So \$200 000 of that has gone already. That is blown already. Two hundred thousand dollars of that is blown already on a commission to investigate casino gambling. There was no commission to

determine whether to increase one-arm bandits. That is what the commission should be looking at; the broader issues of gambling in Barbados. I will not permit a single cent for the operation or investigation of any commission on casino gambling in Barbados, least of all the sum of \$200 000 when the estimated revenue increased from \$600 000. Blown already.

Mr. Speaker, I want to say to the Honourable Member for St. Peter that there is an association that does good work. It is the Olympic Association. It is now linked with a local lottery in Barbados but it is also scheduled to receive a subvention. I am saying that the Honourable Minister of Finance must put a halt to that subvention. If the Association is making a percentage of the sales of lottery tickets, then it can survive and that subvention needs to be used to assist sporting and cultural organisations in Barbados. As I understand it, there is a subvention of about \$80000.

Aside.

Mr. D. J. H. THOMPSON: Pardon. You could give it to Pinelands Creative Workshop to assist in their development strategies for the people in the Pine. You could give it to any group even in your constituency. My community in St. John will benefit indirectly through Pinelands. That community group will do work throughout Barbados on behalf of the people. That is where that money should be going now. Misplaced priorities, Mr. Speaker, Sir, of the Minister of Finance and he should check those things much more carefully. We need to be sure.

Now, Mr. Speaker, I want to go to the question of the Budget Who benefits? Who hurts? These questions can only be answered by examining the proposals. I wish to stan with the \$1 million with the International Business Division. Mr. Speaker, Sir, during the Estimates debate, I commented on the paucity of the allocation to the International Business Division. The Minister of Finance engaged me in a debate on it and justified the allegation he had made. This came against a background that a year before the Minister of Finance said that of the \$8.8 million allocated to Tax Administration that I should take more than half of that and should be directed to promotion in the International Business and Financial Services Sector. So I kept some noise in the Estimates and I said that the allocation was insufficient and the Minister of Finance adhered to my advice and has made a further million dollars available to the International Business Division. But I need to talk about that because, if I were not here today, I would have been in San Francisco at the RIMS Conference seeking to assist in promoting Barbados in a private capacity and not at the expense of the taxpayers.

Aside.

Mr. D. J. H. THOMPSON: You can put it how you want I would be assisting in promoting Barbados as a member of the delegation, but a private sector member.

The International Business sector is critical to Barbados' development, Mr. Speaker, Sir, and it can create the kind of high quality jobs which our well qualified university graduates and specialists will require.

Mr. Speaker, Sir, do you know that we were promised new International Trust legislation and a whole range of other legislation for new investment vehicles since November 1994? I received a letter from the Ministry of Foreign Affairs rushing me to comment on the legislation as Leader of the Opposition, telling me that they were going to pass the legislation by December 1994. This is now April 26th and a major conference is taking place in San Francisco and to date that important legislation is not yet on the statute books of Barbados. We were told that it was a priority to get that legislation pushed through. But, Mr. Speaker, Sir, we are still waiting and I know that before I left the Ministry of Finance that drafts were being prepared and were in circulation for both pieces of legislation. I replied in time. They asked for a reply by a certain time and we set down and drafted our reply and since then I have heard nothing about it. So you have money being put into a sector where legislation is critical. The Honourable Member for St. Peter in last year's Budget debate dealt with the Langa Report and he went into all kinds of things about international business and financial services and we would commit so much resources and we needed the legislation right away. Would you believe that 8 months later, Mr. Speaker, Sir, that legislation is not yet on the statute books? And the Honourable Member for St. Peter is making a million dollars available to the Unit to promote the existing products which essentially need to be complemented by new investment vehicles. This is the problem. What the Minister of Finance needs to do as Prime Minister is to ground the Minister of State in the Ministry of Foreign Affairs. Ground him in Barbados. Clip his wings then.

Aside.

Mr. D. J. H. THOMPSON: Well, he is entitled to go to anything he wants to go to unless you tell him otherwise. I am saying that the Prime Minister needs to clip his wings and let the Minister of State concentrate on using his acute business skills on what needs to be done in Barbados to make us an even more competitive and attractive domicile. Mr. Speaker, Sir, I can only assume that that is why he was chosen for the Cabinet over so many other young brilliant people, brought out of the private sector, surrendered his directorship and so on. What he needs to do now is to apply some of those skills, which the Honourable Prime Minister believes he has and obviously other people do not, since he has favoured

to do some hard work to get that legislation done and stop being fanciful flying all over the world, when the products which we need to be promoting are not yet in place because the legislation has not been passed. He has not brought in a glorified salesman, he brought in a Minister of State who spent years in the private sector, who was a mogul in the business sector. I cannot understand this at all, Mr. Speaker. He was preferred over all of the Honourable Members on the back bench there, he was preferred over the experienced and wise Honourable Member for St. George South, who has experience in foreign trade and international business, who served as a senior Minister and is a senior member of the Barbados Labour Party. He is not any come-yuh, he has been around for a long time. His picture was on the wall at the Headquarters until they took it down. The Honourable Member for Christ Church East Central is a man in the private sector. What is the skill differential between the Honourable Member for Christ Church East Central and the glorified salesman? I am only asking, I do not know. You must justify these things. 7.00 p.m.

Let us get serious about this sector. If you bring in people to do these things, they must justify their monthly pay and ensure that the commitments they make to people in the investing world are met. This is a serious country. We have a proud record in the international business and financial services sector, but we are going nowhere with the same products. All of the talk about computerisation of the Corporate Registry, and the registration of IBC's is declining.

Aside.

Mr. D. J. H. THOMPSON: Mr. Speaker, I read the Economic Report this morning, I hope I have not made an error. Let us get to IBC's. Three hundred and fifteen international business companies received their licences compared with 372 in the previous year, a decline of 18%. There were 372 in 1993, there were 315 last year, last fiscal year. The report says a decline. I do not know what you are trying to contradict me for. I know there are many grammatical and syntactical and other errors in this report, but I am not dealing with them, I assume this is correct. Somebody who can work out percentages, work out whether 315 over 372 is an 18% decline, or if the Honourable Member for the City - I will sit down if she wants to say that is an increase, because she is saying that is a positive lie.

Aside.

Mr. D. J. H. THOMPSON: Mr. Speaker, a decline and it is as a result of what is happening in Canada in relation to the financial situation there and it is something that needs attention and needs it urgently. She is sitting

back and rocking back in a chair as if this is nothing big. A decline of 18% is a serious matter for a domicile which does not have high registrations, and it needs some attention.

Let us go to the productive sectors, Mr. Speaker. The Minister of Finance has in the past made heavy weather on the point that the tourism sector needs immediate relief and that such relief cannot wait until the implementation of a Value Added Tax. This point was made so often by the Honourable Member for St. Peter. Regrettably, Mr. Speaker, Barbadian business leaders suffer from a concession culture and I think we need to be more unmoved as politicians when they jump up and down after every Budget, even mine last year, praising the Minister of Finance for some small pittance, as happened yesterday. It is unbelievable, Mr. Speaker, but we have a concession culture.

What is needed in some of these sectors, particularly tourism, is major fundamental reform of that fiscal environment. We need to get the kinds of changes which the Honourable Member for St. Peter said should take place before the introduction of the VAT. How can the tourism sector wait for the VAT? I have to put the question back to the Honourable Member, because he kept putting it to me. How can the tourism sector wait until the introduction of the VAT? I did not answer it then because I knew the VAT was going to be introduced, but the Minister has not said a single thing about the VAT in this Budget, so I do not even know if the VAT is coming, nor do the hoteliers know, but the same burdens less a few concessions are facing them.

All that has been granted in this Budget by way of indirect tax relief are a few additional items on the list of approved items, so where is this urgent relief from indirect tax? Furthermore, Mr. Speaker, this proposed debt restructuring for the hotel sector is not going to put hotels on a sound footing. This will not help them secure new finance to restructure and refurbish their operations? All that the Honourable Minister is doing is transferring short-term obligations, payable under whatever Act, stamp duty, consumption tax, whatever, to long-term obligations. That is all he is doing, but they still have to carry those obligations on their books, so it does not place them in a long-term position of any better viability, and yet people can be jumping up and down praising people for saying do not pay us penalties, interest and taxes now, pay us seven years down the road. Keep your payments current and pay us over a seven year period. They still have to carry those items on their books, and those longer term obligations, particularly in the tourism sector, are going to impact on their ability to get financing particularly from the private sector.

Mr. Speaker, what we need is a process which would clean up their finances such that they will no longer be a burden to the taxpaying public but can seek independent sources of private sector finance and investment for their operations. This is very important.

The Public Enterprise Investment Fund was to be a mere jumping board in collaboration with the private sector finance in the process of helping to restructure these indebted properties. In other words, we were going to use the Public Enterprise Investment Fund as a jumping board, not a substitute for public sector finance. So with that combination of financing you put the hotels in a solid financial position by removing some of those items from their balance sheet and that in addition to that you provide the soft loans for some kinds of development but help them to access private sector finance. This is very important.

Hon. O. S. ARTHUR: Mr. Speaker, I do not ordinarily. . .

Mr. SPEAKER: On what do you rise?

Hon. O. S. ARTHUR: A point of order, Sir. I would not ordinarily interrupt a response were not the matter serious. The statement about what has happened in the international business sector is extremely serious. The Economic Report shows the total offshore companies licensed at the end of 1994. 7.10 p.m.

It shows that International Business Companies were at 1171 at the end of 1993. That is Table 12(2). It rose to 1486 so that 315 more were licensed and this is page 29 of the Economic Report. I would not want the record to go out or the impression to be cast that the number of international business companies registered in Barbados have declined. This is the centre of the economy and it is serious and I want it corrected immediately.

Mr. D. J. H. THOMPSON: Mr. Speaker, obviously the Honourable Member did not understand the point I am making. I do not wish to make a statement to impute improper motives. He has not corrected me. I said new registrations, new licences, and I quoted the sections. The section says:

"... while 315 International Business Companies received their licences compared with 372 in the previous year. A decline of 18 per cent"

I quoted it. I did not make up anything.

Mr. Speaker, this is the Economic Report 1994 presented to the Legislature by the Prime Minister and Minister of Finance. This Report says there was * > > r¹?ne.

I am speaking on page 28 of that Report I would never talk about the number of IBCs licensed because many of them may not even be in use. People may register IBCs and not use them and they fall into disuse. But what story is this? The number of IBCs licensed in Barbados is not a statistic to quote either, because all of them are not active IBCs. If the Honourable Member understands how international business companies function to quote the gross number of IBCs does not make sense. It is unbelievable.

Mr. Speaker, I believe that I will have to speak to the Honourable Member who is in San Francisco and help him to give the Honourable Member for St. Peter some tutelage in this subject because it is important that he understands this. I now know why that person is out in San Francisco promoting Barbados instead of some other Honourable Members. I have now worked it out, Mr. Speaker. I will deal with the hotel sector.

I also want to make another statement that is very important This Opposition and I want to know the details of the properties which will benefit from this debt relief. We are not against debt relief, Mr. Speaker, but we are conscious of the fact that the Barbados Labour Party has invested this country or developed a psychological scenario in this country where people think that politicians are inherently dishonest.

There are politicians who have shares and major shares in companies which are indebted to the BOB. There are politicians in this House, not on this side. I am talking about hotel properties. Let us make the position clear. I am not criticising them. What I am saying, however, is that rather than 5 years from now somebody brings a piece of paper to me, expose the situation up front Let the public know who the defaulters are so they can check the Corporate Registry and be satisfied that it is a transparent arrangement

I own no shares in any hotel anywhere in Barbados and I want the sector to be assisted, but I do not want it to be said that this Parliament approved an arrangement which was favourable to certain politicians. I make that very clear because we are walking around with a stigma out there created by the actions of the Honourable Member for St. Peter and some of his words in the past which casts a doubt on the integrity of some of us. I am talking about this side.

Mr. SPEAKER: You seem to be imputing something very serious.

Mr. D. J. H. THOMPSON: No. I am saying he has imputed improper motives to me outside of Parliament. The Honourable Member for St. Peter.

Mr. SPEAKER: Let's keep the level a little higher than that

Mr. D. J. H. THOMPSON: Mr. Speaker, my integrity is at the highest level. Anybody whether in this House or outside says anything which by implication or directly casts aspersions on me or my colleagues with whom I am associated, it affects me, and all I am saying so that we restore that level of public morality, since we don't have legislation for disclosure, we don't have integrity legislation, when these kinds of things are done, leUis have it transparent and clear. I am in favour of that.

I am saying that I support the debt relief. Let me make my position clear. I am saying that the Barbados Labour Party has created such a frenzy out there about politicians and corruption that let us make sure we know who is benefiting from that relief. I only want to know because I don't think anybody can say that I went along with any self-serving exercise for politicians. So make it clear. The Corporate Registry is open. The Honourable Member for St. Thomas knows that You can go down there and pay \$5 and you can look at any company name and see who the directors are. Public business! I am not asking for anything more than what the public is entitled to know.

I want to move on. The failings of this Minister go deeper, Mr. Speaker, Sir, because while on the one hand he extols the virtue of creating an environment for the growth of new private sector investment, he goes and resurrects the old basis for taxing dividend income. Unbelievable! This is now a disincentive to investment in Barbados and hurts existing investment on the other hand. Why would somebody want to resurrect a policy which penalises the development of equity financing in the economy? The Honourable Member says that the economy is undercapitalised but then he penalises the returns from investment which investors will make in companies by way of equity. He has made it more advantageous in terms of investments for banks and other kinds of institutions to finance the operation of companies.

I don't understand it. I am trying to work it out. It is a serious matter and it is clear that the Honourable Member for St. Peter does not understand the impact of his policies. That is the problem. Let us go on, Mr. Speaker.

The final withholding tax is easy to collect and a transparent and fair tax in our view. It reduces the impact of double taxation on dividend income and our regime of taxation introduced in 1992 sought to ensure that the firms' access to equity financing would be enhanced by the reduction in the effective rate of tax on dividend income and the Honourable Minister for Finance has reversed that.

There is no apparent reason to me. Why? If you are hoping to encourage people to invest in companies, to start companies, why is this approach being adopted? You have new companies listed on the stock exchange. I assume some may come about during the course of this year. Why are you penalising the incomes people earn from that form of investment?

Let's go to the duty free sector. The concept of a duty free sector as we once knew it in Barbados has been abolished by the Minister of Finance yesterday. It should forever hereafter be called "a duty free levy sector". That is what we should call our duty free sector in Barbados. Anybody who leaves Barbados going out promoting a duty free sector should be charged with the economic tort of misrepresentation. It is now a "duty free levy sector".

I have never heard - how will I explain it to people who understand tax policy investment in the Caribbean that the Honourable Member has imposed a levy at point of entry on goods being sold in the duty free sector? I really cannot work it out This sector has already created several new jobs and has revolutionised the appearance of Bridgetown. There are a number of storefront properties on Broad Street which have been refurbished and which look really good. The presentation of duty free goods. The Honourable Member knows that it has earned significant foreign exchange but he chooses to put a levy on it.

Apart from that, Mr. Speaker, we are in terrific competition with other Caribbean destinations which already have thriving duty free sectors or which have already sought to put in place the kind of regime which we introduced through the Foreign Exchange Committee in Barbados. The costs of that levy are going to be passed on to the purchaser at the end of the day and this will reduce our competitiveness. I always thought competitiveness was at the heart and start of the effort of the Barbados Labour Party.

I want to go on to relief from tax on bank interest for pensioners. It is not a proposal that we can attack, if the Honourable Member wishes to give such relief I congratulate him. The Minister is free to offer concessions to those whom he feels are most marginalised. 7.20 p.m.

It will be very easy for somebody if they are holding major bank deposits to put them in the name of a relative who is a pensioner and make themselves a beneficiary under a will or whatever and reap the benefits while that person is alive so it is something that needs to be looked at. This is why I think we were concerned to have a system of taxation which was fair and transparent but...

Aside.

Mr. D. J. H. THOMPSON: The reversal of withholding tax on interest income for non-pensioners. There is nothing I can do about it. I am saying he needs to police it. The Honourable Member has to put the mechanisms in place. I am not telling anybody to evade taxation. It would not be legal to do that.

Asides.

Mr. SPEAKER: Please, please. Order please.

Mr. D. J. H. THOMPSON: Mr. Speaker, some Barbadians who are not pensioners will now pay more tax on interest income because they will now pay the relevant marginal tax rate on that interest income. If that is what the Honourable Member wants he has increased the tax burden but I do not think that he has given in his Budget an estimate of the increased revenue as a result of this measure and there will be increased revenue from the measure.

I want to remind Barbadians, however, that in respect of the final withholding tax that last year in the course of the Budget presentation we adopted the \$20 000 threshold with respect to interest income for pensioners but they would have to claim it at the end of the tax year. This method, the Honourable Member is free to adopt it

The net foreign exchange earnings tax is at the rate of 30%. Mr. Speaker, if the Minister of Finance had nothing new to say on this matter, he should have left it alone. Tax experts must now query how a subsequent Government can apply an open tax rate which may in most cases be higher than the rate which would have been applicable at the time when the policy was made. So at the time when the Honourable Member made the policy, the persons who would have benefited, it would not have amounted to an open tax rate of 30%. There was a formula for working it out with some kind of rebate of 50% so he is applying a higher tax rate *ex post facto* on those earnings. What *people* expected they would get and what they are going to get now because of this policy retroactively is different. In addition, to that, Mr. Speaker, what the Honourable Member said yesterday does not solve the problem and he conceded it so why has he added further confusion to a situation which does not appear to have any end or solution?

I want to deal now with the Heritage Foundation. Mr. Speaker, there is a BNB Fund for listed properties established by the late Prime Minister Adams. That Fund the Honourable Member is transferring to Heritage Foundation. Before we can give support to such a measure I need to know, and the Opposition needs to know, what are the responsibilities and what is the role of the Heritage Foundation. We need to have the details of legislation and

the policy decisions before we agree to the transfer of funds which were established for a particular purpose to another.

Our policy on this matter, and we were moving to that point, is that we would have given those funds to the National Trust I believe that a process as a result of letters written to me by the President of the National Trust when I was Minister of State and with the concurrence of the Honourable Member for St Michael South, we agreed to lode at the situation because the Fund was dormant for several years. Mr. Speaker, proposals were made, some of which I agreed to.

On the Solid Waste Management Levy, the impact of this Levy will be passed on to consumers, rich and poor, and therefore it will affect the cost of living. Mr. Speaker, you are talking about a levy coming from a Minister who said Barbados was already overtaxed, and who when last year I gave \$4.5 million by way of energy cost reduction the Honourable Member said that was a mere pittance. That is a reduction that he is now going to increase taxation by \$4.2 million. I suppose I would have to call that a mere pittance increase too.

The tipping fee at Greenland, Mr. Speaker. This tipping fee is going to be imposed and it is something one has to be very careful about I have a lot of gullies in my constituency and people are still dumping in gullies. Barbadians are still dumping in gullies down Bath, going towards Broadleigh, all over St John. I cannot even give you the list of places where people are dumping.

Now, Mr. Speaker, if you impose a fee, I am not sure what impact it would have in relation to Barbadians carrying refuse and garbage to the dump at Greenland so this measure could have the effect of increasing the incidence of dumping in gullies and elsewhere. Notwithstanding the folly of the measure, we want to make it clear that we will support strong measures to protect our environment.

I want to go to the issue of the home allowance of \$3 500. Before I move on, I want to make the point very clear that we notice in the Honourable Minister's proposals that the tipping fee is for Greenland. We are not supporting the folly of any Government or the environmental madness of any Government putting a dump or a landfill in Greenland, St. Andrew. I want to say that we support the Honourable Member for St. Andrew, if he is still of that view - I do not know what view he has on anything because he says things and then withdraws them with such speed. He said of the BCA he would withdraw it He said of bus fares going up and he withdrew it He said he was taking away minibus permits. He withdrew it. He said that the dump should not be in Greenland. They had a Cabinet

meeting and he has not said a word since then. So, Mr. Speaker, Sir, we agree that the dump should not be put in Greenland and we are not supporting any measure to put a dump at Greenland in St. Andrew.

Let us go to the home allowance. Mr. Speaker, this automatically places a Barbadian who has a mortgage into a tax threshold category of about \$16 500, if they have no children or other allowances. Just by virtue of having a mortgage and by virtue of that they are entitled, once they make a mortgage payment, to that income threshold; but there is no guarantee that mortgage interest rates will come down in the foreseeable future. So that means that the Minister has taken in one hand, because mortgage interest rates have gone up, and is giving back in another.

I thought it would have made more sense for the Minister to have adopted that interest rate policy which would have had a positive impact on mortgage interest rates by reducing them. There are some people whose increase in mortgage interest exceeds the \$3 500, plus there are people in old board houses who do not have mortgages but their income threshold is going to remain at \$13 000 so this category of persons one has to understand, is being singled out for special treatment.

Asides.

Mr. SPEAKER: Order, please.

Mr. D. J. H. THOMPSON: Mr. Speaker, furthermore, by not segregating the mortgage interest from the repairs and renovations, the Minister of Finance will make little impact on employment. Most mortgage interest payments in the initial stages of a mortgage will exceed \$3 500 per annum. There is therefore no incentive to undertake the repairs and renovations. 7.30 p.m.

I thought that the whole object of restoring these concessions was to provide an incentive for house repairs and renovations to create employment for people living in St. George. All that, we have heard in that long debate in here. But if you do not segregate the allowance for house repairs from mortgage interest. A person whose mortgage interest reaches \$3 500 is not going to undertake any refurbishment and repairs. I think you will need to segregate it so that the person is encouraged to claim on the mortgage interest and also to undertake the repairs, if that is what you say your policy is.

Aside.

Mr. SPEAKER: Please. Order please.

Mr. D. J. H. THOMPSON: No. That is what the Honourable Member said. If you read the Barbados Labour Party's Manifesto, Mr. Speaker, Sir, you would see where they have indicated what the policy is.

Then we have the reduction in duties on cars and sports goods and again this is in the Minister's discretion. We have no quarrel. Absolutely no quarrel whatsoever. I congratulate you on that measure, if it would bring relief to a category of persons who hitherto did not have access to those things then I am in support of it I am not going to fight on that

Gaming Machine Licence Fees. Mr. Speaker, Sir, on this the Democratic Labour Party is opposed to increasing Gaming Machine Licences without improved regulation of the machines. Mr. Speaker, Sir, the present pay-outs, as I understand it, are not properly regulated. People tell you all the time that the machines are "thieving" from them. Something has to be done about that Before you add more machines to "thief" from more people, what you need to do is regulate the one-armed bandit regime. That is another reason why the Task Force on gambling was established. To make recommendations to the then Government on the question of increased gaming machines. The whole gambling regime was going to be looked at. The question of arcades in hotels. There were proposals in the Ministry of Finance before I left, Mr. Speaker, Sir, from 2 establishments, one in the Port and a hotel in relation to gaming machines, arcades, fees chargeable. An attorney-at-law had written to me, on the matter on behalf of his client and we put it before the Task Force on gambling for them to consider that entire regime. We are not supporting any increase in the number of one-armed bandits licences in Barbados, at this time. As simple as that.

Mr. Speaker, Sir, with respect to the lottery tax, the Honourable Member for St Peter, as Shadow Minister of Finance said these words last year:

"I give this House the commitment, Mr. Speaker, Sir, that a Barbados Labour Party Administration will be looking to use all of the proceeds of taxes realized from gaming, the Turf Club, LOTTO, whatever, that all of the proceeds that are realized from those gaming and gambling activities will be committed towards the development of sporting and cultural based employment type activities in the country."

That is a commitment given by the Honourable Member for St. Peter. I am assuming that the Honourable Member will honour this one promise and will therefore tell the House which sporting and cultural based employment type activities in the country will benefit.

The slow phasing out of the surtax. Mr. Speaker, Sir, this is going to be a continuing burden on the consumer, in the sense that the surtax is exigible on goods which compete with domestic goods. I am very surprised to hear that the manufacturers were not ready for it. If the Honourable Member wishes to raise more taxation over a period of time, he should say so, if he does not want to pass on the benefits of the reduction of the surtax. But we had an orderly process for the reduction of the surtax. It is well nigh foolishness for anybody in the manufacturing or any other sector to say they were not prepared for it. We sat down with those sectors and we indicated the orderly process by which that surtax would be removed. We had several meetings with them.

The public service vehicles issue. Yesterday, the Prime Minister declared economic warfare and it was a serious offensive on the sector. It is tantamount to economic warfare. You cannot describe it as anything else. This is the policy akin to an economic lone ranger who rides into town, guns blazing. Mr. Speaker, Sir, I never went and saw any minibus drivers at election time and promised them anything. So nobody could ever say that I went down in a bus stand and promised all kinds of things or had any meetings and made any promises. I am not surprised that the operators of public service vehicles are shocked into disbelief by what the Honourable Member for St. Peter did yesterday.

It is amazing that, in Barbados in 1995, when the 3 political parties in this country have committed themselves to a process of economic democracy, publicly in here, that the Barbados Labour Party would pick on an indigenous class, essentially of emerging black businessmen while giving tax relief, debt relief, all kinds of other relief to other sectors, some of which have ridden on the backs of taxpayers for a long time. He is inverting the equation again. The good society means nothing to the Honourable Member for St. Peter. He is singling out that class of individuals and has declared economic warfare on them. Whereas, people who will not pay National Insurance contributions for their employees are being told, in this Budget, we will pave the way. We will restructure debts you owe. We will restructure NIS contributions. We will restructure debts owed to Government. Mr. Speaker, Sir, this is unbelievable. He has targeted a group for this assault.

The Prime Minister is penalizing the owners of public service vehicles out of business. They are right. They are being penalized out of business. We are all concerned about the problem of lawlessness on the road. I drive on Britton's Hill, Forde's Road every morning so I know. But there are ways to deal with that. The Government must find ways. It is their job to do that. We need the strong action from the courts and Government. The courts are making an

effort. But operators of public service vehicles are making a contribution to Barbados.

What pretext can the Honourable Member for St. Peter have for singling out this class of people to run them out of business in this country? Because he cannot take back the licences and the Minister cannot take them back. Because it is difficult, under the Act, to take back the licences because they become property, the Honourable Members now are using other mechanisms to declare warfare on a sector which is employing Barbadians but, which it is true, needs to be regulated. But there are many other sectors in this country where people are robbing Barbadians and doing all kinds of things unregulated and, nothing is being done.

Imagine you have one-armed bandits in Barbados, unregulated, and the Minister of Finance increases the number of licences available for one-armed bandits to 500. But public service vehicle operators who are dropping citizens to work every morning, some people in Barbados who have now only found a job, because that sector in Barbados grew, are being penalized by the Barbados Labour Party. This is the kind of economic madness, Mr. Speaker, which I spoke about, at the beginning.

We do not support this kind of economic policy-making made in a frenzy. This is a deadly assault on the sector, since the Barbados Labour Party came to office, and it continues. I want to say that I have no sinister implications and I have to deal now with the Honourable Member for St. Andrew and his policies in the Ministry of Transport and Works.

I can declare an interest because I represent some employees of MTW and public officers who own permits. But I am going to go on now to make this point, that we, on this side, have grave reservations about this attempt to create 2 societies in Barbados. That is what is happening.

Mr. Speaker, Sir, this is a property owning democracy. We know that there are public officers who have private business interests. Some of them are highly successful businessmen, while they pursue their businesses after hours. They are required, under the General Orders, to declare those interests. If the General Orders are validly passed and applied we believe that the Government should grant a moratorium to public officers to require them to declare their interests in any private investments, if it is relevant to the provisions of the General Orders.

How can it be fair, Mr. Speaker, Sir, for the Honourable Minister of Public Works to require of public officers, persons working in MTW who had permits in excess of 10 years, in excess of 20 years and policemen, that they must surrender any public service permits that

they possess and that they cannot transfer them to a member of their family? They have to transfer them outside of their family or surrender them.

He alleges that, for them, it is a conflict of interest and is set on requiring public officers to surrender or transfer their permits. We need to be frank about this, Mr. Speaker, and I wish to speak on their behalf because, on this matter, they have not put their side fully. Let us be clear. There are Ministers of Government, there have been Ministers on this side and there are many on that side who make major decisions on a daily basis regarding matters for which there is a potential conflict of interest. Every day a matter may come up in which a Minister may have a potential conflict of interest and there are procedures for dealing with those matters. We are making the assumption that Ministers understand the nature of conflict of interest and declare their interest and withdraw from consideration of the particular matter.

Aside.

Mr. SPEAKER: Order, please.
7.40 p.m.

Mr. D. J. H. THOMPSON: Mr. Speaker, you have an interest in an enterprise and a matter comes to Cabinet which affects it, whether it be school meals contract, whether it is tender, whether it is any other kind of award you expect the Minister to declare his interest and withdraw from consideration. Nobody asked the Minister to surrender his shares. We take the point that we assume that they understand what a conflict of interest is and that they will do what is right so nobody asked the Senator and Minister of State who owned shares in one of the big companies listed, family company, to surrender or transfer his shares in any thing. We assume and I make the assumption that when a matter comes up that he validly says, "Well look, this may affect a company in which I have shares" and he withdraws from consideration.

Nobody has asked the Honourable Attorney General, who has private sector interests to surrender his shares in anything. He has already indicated clearly that he resigned as a Director of the company and I assume that if any matter comes up in Cabinet that he will get up and say, "This could have a potential benefit to me as a shareholder" and he withdraws from consideration. That is a normal procedure. Nobody made the assumption that he must surrender all of those shares simply because he sits in the Cabinet.

These are very important points, Mr. Speaker, because we have created two kinds of Barbadians, one about whom there is a natural assumption that they are dishonest and do

not understand conflict of interest - fellows who own mini-bus licences, fellows who are dealing with small investments, rent-a-car and so on but Ministers and other major public functionaries, ambassadors ... Yes ambassadors, the Ambassador for Washington, Mr. Speaker, Sir, owns shares in public corporations, nobody asked him to surrender them. The High Commissioner to London owns shares in a business, nobody asked him to surrender them. Nobody asked the Honourable Member for St. Peter, nobody asked you to surrender your life insurance policy when you became Minister of Finance because you deal with insurance matters.

But the Honourable Member for St Andrew, very unfortunately, and I think he is under pressure from the wrong quarters but I know that is not inherently his position. I know him much better than that. The Honourable Member is being forced to ask small people in this community to surrender licences and is summoning them into his office and giving them instructions - employees of the public works Ministry surrender your licences. The Honourable Member for St. Peter never asked the Honourable Member for Christ Church South to surrender any shares he may have in a fishing boat because he is going to negotiate a fishing agreement. We assume, I make the assumption, that he knows better.

You do not ask the Chairman of the Barbados Agricultural Management Company, who is a big merchant in Eckstein Village, St. Michael, who owns a number of companies to surrender his shares and resign simply because he is the Chairman of the BAMC, but there are times when there is going to be a potential conflict of interest and I make the assumption that he knows better. I make that assumption for the time being but with respect to the Honourable Member for St. Andrew I am saying that you cannot create two kinds of Barbadians - a public officer whom you believe is inherently dishonest, a policeman who is inherently dishonest, and other persons who make those kinds of decisions, who are not dishonest.

There are judges, I do not know about Barbados, around the world who have shares in Corporations and when they come to determine a matter like that they withdraw. You understand what I am saying? I want to make the point that this must stop, Mr. Speaker, Sir. We assume that these matters are understood and I am not seeking to call into question anybody's integrity here in this Chamber but if we had integrity legislation ...

Aside.

Mr. D. J. H. THOMPSON: Well you might be more sanguine or conservative in your estimation of what would happen. Anyway, Mr. Speaker, Sir, this matter I think has hit at the core of the process of economic democracy in

Barbados. People at the bottom are being singled out and penalised, when there are other ways that they could be dealt with. Their economic assets are being taken from them. They are being raped economically by a Government. This is wrong and Mr. Speaker, Sir, I am hearing voices out there which are trying to tell me that most of the mini-buses are not owned by black people. When you make an argument that is affecting people at the bottom, people tell me that this body leases mini-buses. But I know who travels on the mini-buses. I know who works on the mini-buses, and I know they do not have any conductor licences going to any big businessmen in Barbados. I know they do not have any licences to drive maxi taxis and route taxis. I have never seen any of big business moguls on anybody near to them driving a taxi anywhere in Barbados. So this does not affect people at that level. It is foolishness to apply a generic attitude that Peter must pay for Paul and Paul pay for all. This is not Paul paying for all. This is a small subsector some of whom are well regulated, others who are playing the fool and should be dealt with but the Minister of Finance has declared warfare on all of them. We cannot subscribe to those policies.

Mr. Speaker, Sir, that is basically the substance on the commentary of those proposals but I have some other things to say.

This Minister of Finance must not be forgiven by Barbadians for his omissions in this Budget. It is inconceivable that he could have come to this House, Mr. Speaker...

Aside.

Mr. D. J. H. THOMPSON: The Mobil Agreement, nothing about it. Telling us about job number one is jobs and then nothing has happened since then. Not a word about jobs. Telling us about National Insurance defaulters, telling us about the IADB. What are the facts on this?

The Honourable Member said Barbados is overtaxed but the net effect of his proposal is to increase taxation in Barbados. And imagine, Sir, on the IADB, the Honourable Member for St Peter said to this House that to incur any more tax IADB type policies in return for only \$35 million over the next 2 years, Mr. Speaker, there is nothing in it financially for this country that could warrant the Government of Barbados committing the public of Barbados, the private sector, or households to endure any more pressure from the IMF, the World Bank, or the IADB over the course of the next two years.

It cannot be worth it, Mr. Speaker, and yet the Honourable Member is doing nearly everything that the

IADB wants, including the closure of the BDB which the files will show the Democratic Labour Party had never agreed to. He has agreed to close the BDB and had the temerity in the Estimates debate to accuse me, Mr. Speaker, Sir, of agreeing to close the BDB. And imagine months later he comes in here with a proposal to close it and establish two other corporations. He has accepted terms and conditions which are worse than the terms and conditions which the Democratic Labour Party was discussing with the IADB. And can you imagine the Barbados Labour Party having a privatisation programme, selling the Hilton Hotel, CBC, National Housing Corporation lands after their vicious criticism of our privatisation programme. 7.50 p.m.

It is unbelievable and then, Mr. Speaker, Sir, to cap it off we talk about the two societies. You now have a situation in which the Minister of Finance is saying to Barbadians that a person who does not pay contributions to the NIS is not going to get a non-contributory pension. We need to protect people from themselves not further marginalize them. Somebody who is not paying their contributions to NIS should be made to pay them and you need to find ways to make them comply. If not, twenty years from now your children and mine will have a large number of persons to take care of, a drain on their resources, a drain on the society as a whole who are not receiving pensions because an edict was made in 1995 by a Prime Minister who did not understand the import of it. So you will have a large class of Barbadians walking around who will not be entitled to a pension of any type.

Mr. Speaker, Sir, National Insurance compliance. We had some measures in the Democratic Labour Party Manifesto on this including tax clearance certificates and the Barbados Labour Party splashed that all over the newspaper and said that we were interfering with people's fundamental freedom by trying to stop them from leaving the island. Now I can hear a few months later the Honourable Member for St. Peter coming in here as the economic Lone Ranger, guns blazing, seeking to penalize people and putting legislation in place when we had made the kind of proposal in our manifesto on page 29 which would have solved that problem.

Mr. Speaker, Sir, this is not a people's Budget designed to deal with the major problems of unemployment, development of human resources, integrating the poor and disadvantaged back into the economic system, protection of the small indigenous business community, developing a sense of pride and industry in our people. It was an exercise in technocratic talk about concessions here and enforcement there. It was a dry pragmatic exercise from a young bright graduate of the University of the West Indies who has spent the last 7 years waiting for his moment in the sun. But as he

drifted along, he concealed information, issued edicts and dropped crumbs from his high table, I found myself reading a book called "The Death of Economics" by Paul Omerod.

This Budget did more than confirm the lack of confidence in the Honourable Member for St. Peter than all of his opposition replies. The Prime Minister has nothing to be proud of. He has refused to put his hands on the wheel and steer this ship, Mr. Speaker, and Barbadians are currently expressing deep concern about who is in charge of this country and who in fact is the real Prime Minister of Barbados. Normally, this matter would be of no concern to me, Sir, but I found it ironic that during the last election campaign the Honourable Member for St Peter told the people of Barbados that I would be Prime Minister in name only if the Democratic Labour Party was re-elected to office.

Mr. SPEAKER: The Honourable Member, that is the end of your television time.

Mr. D. J. H. THOMPSON: Fine. He claimed that as Prime Minister I would be under the control of the Honourable Member for St Michael South whose political ghost he said was waiting in the wings ready to reclaim a lost mandate. But who would have believed that the Honourable Prime Minister was forecasting his own fate? It is time for the elected Prime Minister of Barbados to step forward, shed himself of the disruptive, manipulative influences inside and outside of his party, take control of his very important position and start to do the job for which he was chosen. This charade must stop. The Honourable Prime Minister has killed the hopes of thousands of young Barbadians and not one of them can say that life after April 25, 1995 will be better. Not one of them can say that they understand where their first job will come from. He was silent on the point and there is a strange coincidence, Sir. There were a few young men and women who 40 years ago gathered at Lands End and formed the Democratic Labour Party. Tomorrow will be the fortieth anniversary of that event. Their mission was to change Barbados and, Mr. Speaker, they changed it under the able leadership of Errol Walton Barrow. They charted new waters for our country and someone recently wrote an editorial that the Honourable Prime Minister had inherited the Barrow legacy. I would have been proud had he done so, Mr. Speaker. But whatever he has inherited, he has squandered already in 8 short months and that is very, very unfortunate.

Mr. Speaker, what this Budget is about is business as usual.

We have that on the shop door out front. Business as usual! There must be real change, Mr. Speaker, Sir, not in fanciful platitudes and catch phrases. We need an identifiable programme of economic democracy in

Barbados. That programme must see our people not as labourers but as owners and workers. They must be allowed to make decisions. They must own and control more than a house and a car. We need to have a distinct programme of financial engineering which would see employee ownership programmes in place in Barbados where workers can have a stake in the establishment in which they work. We need to assist in whatever way we can in helping solve the problems in the Credit Union Movement and we need to help mobilize and strengthen the movement and make more opportunities available to it to invest its resources in relatively secure investments.

Mr. Speaker, I said that I have two more points to make. We need a privatization programme which makes assets available to workers and their savings institutions. We need a Unit Trust for public enterprises to give our citizens an opportunity to invest more in our economy. We need more democracy in the working environment, we need less unfair dismissals, and we need other important pieces of labour legislation without delay.

Mr. Speaker, as we move towards the 21st century, we must ask ourselves this question. How can we make our people the architects of their own development? That is the question which the Honourable Member for St. Peter should have been asking. We need to replace that old notion of placing people around development. Development of all our people ought to be placed at the top of our most important priorities. Development of the people, Mr. Speaker, Sir, we believe is a three-sided approach. Development of the people - that is their potential skills and knowledge. Development for the people - including the creation of economic freedom, economic opportunity and economic empowerment. Development by the people - that is giving all the people of Barbados the opportunity to participate fully in the process. It is amazing to see what we can achieve, Sir, when we are given the opportunity to make a contribution to our own development.

Mr. Speaker, Sir, in my view, this Budget is symptomatic of that phrase, that a man who stands for nothing, will fall for anything.

Thank you, Sir.

Mr. Speaker, Sir, before we break, I wanted to move an amendment to the Resolution which is as follows:

"WHEREAS successive Governments have demonstrated that they had the capacity, will and foresight to deal effectively and efficiently with the several social and economic problems facing the country;

AND WHEREAS the fiscal and economic measures implemented so far have had little positive impact on the productive sectors of the economy;

AND WHEREAS the additional measures which were introduced during the presentation of the 1995 Budgetary Proposal are unlikely to further stimulate economic activity, reduce unemployment, bring relief to households, guarantee a better quality of life for all our people and provide a sound basis for the total development of Barbados;

BE IT RESOLVED that this Honourable House of Assembly:-

1. Take note of the 1995 Financial and Budgetary Proposals;
2. Regrets that the opportunity was not taken to further empower and uplift the broad masses of the people of Barbados."

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

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 9.00 p.m.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

The question that the sitting be suspended until 9:00 p.m. was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 8.00 p.m.

RESUMPTION Mr.

SPEAKER: This sitting is resumed.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, Sir, as I begin my contribution to the debate on the Financial Statement of Expenditure and Budgetary Proposals for 1995, there seems to me to be only one proper and legitimate starting point and that is to compliment the Honourable Minister of Finance and Prime Minister for the very creative, solid and enlightened leadership which he has given to the economy of Barbados ever since he assumed office on September last.

His skilful leadership has been especially demonstrated yesterday in his presentation. As a result of that leadership, and contrary to all that has been said by my friend, the Honourable Leader of the Opposition, confidence has been restored both at home and abroad. In particular, in relation to abroad it ought to be said that Barbados has been able to repair the damage which was done in recent years in relation to the international lending

institutions. When in the last 3 years there was deadlock in the relationship between Barbados and the IADB and the World Bank that relationship of deadlock has now given way to a relationship in which the IADB is enthusiastically committed to ensuring that Barbados can now access major loans which Barbados has been denied in recent years.

You will recall, Sir, that when the Honourable Member for St. Michael South was Minister of Finance in his last 3 Estimates, he proceeded on the premise that Barbados would have had access to structural adjustment loans and other loans from the IADB which were never forthcoming. That is just one illustration of the price that we paid for the deadlock in the relationship that existed between Barbados and the international lending institutions.

Further to that Sir, we had a situation where the international institutions were dictating to Barbadians what policy options they should exercise and they were interfering very seriously in our domestic affairs, telling us, for example, when we should increase the rents in our housing estates, what should be the level of increase, whether bus fares should be increased or not and at what percentage increase. Now there is a willing acceptance of the fact that we are a sovereign people and that we had the right to run our own affairs, and that at most they advise but in the end the policies are ours.

That is a reflection, Sir, of the extent to which there has been restoration of confidence abroad and the extent to which the international financial community is prepared and the international lending institutions, in particular, are prepared to deal with us in a way that we have had a relationship for many years past

I just want to say, Sir, that a Budget must always be seen in context and against the backdrop of economic and financial circumstances existing in a country. It cannot be seen in a vacuum.

That leads us immediately to reflect on our inheritance, what is it that the Democratic Labour Party after 8 years in office passed us. My friend, the Leader of the Opposition, either deliberately or otherwise appeared to be suffering from a sudden loss of memory, a form of political amnesia. He forgot that we inherited an unemployment situation of some 30 000 fellow Barbadians and that was part of the inheritance of the Barbados Labour Party. He forgot that it was the Democratic Labour Party in office that deprived persons who were paid out of the Consolidated Fund of 8% of their salaries and wages for 18 months and that it was the Democratic Labour Party that froze increments in this country, that laid off over 7 000 workers from the public sector, that forced workers to finance their own severance contrary to the ILO conventions.

He forgot that it was the Democratic Labour Party that caused incomparable grief and suffering in almost every household in this country. With all of that, I think he was trying to distance himself from his former Leader and that is why in his first half an hour he was talking so much about himself in a self-congratulatory manner as though he was not part of the Government certainly since 1991 and for sure it was the government of the Democratic Labour Party since 1986.

He went on, in the course of a long speech, disjointed in nature if I may say so, to talk about many things, integrity, the social commission, the ~ Gambling Commission, the national housing and the need for integrity in Government and in particular he dealt with the Cane Garden Housing Development. In his imprudence, Sir, he forgot that Cane Garden was just one of several unfinished projects by the Democratic Labour Party Government. He forgot that when we took office the old Queen's College was an unfinished project, that Sherbourne was an unfinished project and still is unfinished and likely to cost the taxpayers of this country in excess of \$30 million. He forgot the polyclinic in his own constituency of St. John which had been unfinished for many years. He forgot the secondary school in St. Thomas which should never have been started. There was no necessity for it and which remains unfinished. But he seized on Cane Garden and he cast certain aspersions and made certain allegations which certainly lacked the impression that there is some form of impropriety there in the sense that the National Housing Corporation has not gone out to tender in relation to work going on there.

I think the public ought to know the facts and certainly the House, Mr. Speaker. As I understand it, the lots that were not bought at Cane Garden have been sold. The unfinished houses, the owners have been introduced to contractors and they have made their own arrangements with the contractors. The National Housing Corporation is not doing any building work at Cane Garden and, to that extent, there was never any need for any form of tendering. That is an allegation totally without foundation but it says something about the style of my friend, the Honourable Member for St. John, which we need to reflect on for a moment.

We in this House are familiar with his style and we have grown accustomed to it but I think that the wider Barbadian public needs to know something about his style and we need to share some features with them.

The first thing, Mr. Speaker, that needs to be said is that the further away he gets from the civil servants' briefs which he used to enjoy until the time he demitted office, the less comfortable he is both with himself and his subject. That is the first thing.

The second thing that we need to say, Mr. Speaker, about his style is that he is very much at home playing the man and not the boy. 9.10 p.m.

In short, he delights in *ad hominem* comments and that is why the Prime Minister and Honourable Minister of Finance is described as a lone ranger, coming into town with gun swinging, declaring economic war on a certain class in Barbados. It is that sort of style that he delighted in, *ad hominem* comments, that has led him to describe one of my Cabinet colleagues and the Minister of State in the Ministry of Foreign Affairs and International Business as a form of salesman. I forget the adjective right now...

Aside.

Hon. Dr. R. L. CHELTENHAM: ...a glorified salesman. It is in that tone and in that style that he is most at home.

The third thing we need to observe and record, Mr. Speaker, is this that he makes no claim to be any economist or even to understanding the issues. But the point has to be made that in relation to the Honourable Minister of Finance and Prime Minister he really has little or no appreciation of the subject. That explains why is it that in the course of his presentation he was not concerned to address in any systematic way the issues raised yesterday but rather to jump about in a form of hopscotching, touching 25 or 30 subjects and in the course of his three hours without any theme or coherence to his presentation.

As far as I am concerned, Mr. Speaker, the most serious inheritance bequeathed to us by the Democratic Labour Party after 8 years of Government has to do with the fact that we are tending again to be a mono-cultural economy. There was a time, Mr. Speaker, and I need not remind you of this, 20 years and more ago, when Barbados' economy was structured mainly on sugar and its by-products, rum and molasses.

The Barbados Labour Party, and to some extent the Democratic Labour Party too, worked very hard in the 1970s and up to the mid 1980s in making sure that it was not only sugar and its by-products, rum and molasses, that constituted one of the props of this Barbadian economy but also manufacturing, plastics, garments, chemicals, and goods processing, and a whole range of things, in printing and computer aspects of computer operations. All of those areas we were hard at work in. There was a time when Barbados up to the mid 1980s, certainly when the Barbados Labour Party left office in 1986, we were exporting in excess of half a billion dollars of manufactured goods.

Equally, there was the importance of tourism and the Barbados Labour Party did something for which we are not

given enough credit in this country. We actually added a new sector to the Barbados economy in the offshore financial and business sector. The tragedy is that when we left office in 1986 the Democratic Labour Party did not vigorously or sufficiently promote that sector. They gave it up to the private sector after a while to run it. They added not a single new investment vehicle to the entire sector after 8 years and yet in a brazen speech the Leader of the Opposition could be attacking the Barbados Labour Party for not bringing new legislation to the House which we have promised and which will come shortly adding trusts and partnership among others to the new investment vehicles that will be added in that sector.

The point that I am making, Mr. Speaker, is that they have no authority, no basis at all, on which they ought to be attacking the Barbados Labour Party when they had 8 years in office. They did little to promote and market the sector which we in the Barbados Labour Party created in 1976-86 and which today is earning in excess of \$100 million. It is a good thing that we have it because it has come to replace the contribution that sugar used to make.

Mr. Speaker, the reason why I have emphasized that aspect of our inheritance is because it leads immediately to one of the central themes of the Budget which is the emphasis which is given there to reviving manufacturing, to reviving sugar whether in conjunction with the Estimates, and to making sure that the tourism product is further developed and also ensuring by the provision of an additional \$1 million to the offshore business and financial sector that that sector too is vigorously marketed and promoted so that that can make its rightful contribution to the Barbados economy.

One of the first themes which we must understand in relation to this Budget is the emphasis that it is giving to and the support that it is lending to the re-stimulation of those sectors of the Barbados economy which will ensure that the economy is once again resting on three or four props, not on sugar and agriculture, not on manufacturing, not on tourism but on all three of them and international business and financial services so that when we come to an appreciation of the Budget we have to understand that that is one of the underlying themes which has been seriously addressed in this 199S Budget. That makes sense, Mr. Speaker, because you are addressing a very fundamental issue. It is dangerous, unwise and unsafe to have your economy structured on one prop or on one crop. So the rundown that has taken place in the other sectors under the watch of the Democratic Labour Party has got to be corrected. That is one of the first responsibilities of a Barbados Labour Party Administration.

On the very first occasion that we have had to present a Budget we have done a great deal to make sure that those sectors, manufacturing and agriculture, because the Budget

must be seen along with the Estimates. There are incentives there for bringing the idle lands back into production and making sure that in another two years or so that we can get back up, assuming there is reasonable rainfall, to an excess of 60 000 tonnes of sugar. Only an irresponsible person would blame the Barbados Labour Party for addressing that very fundamental issue of ensuring that we have a diversified basis of our economy depending not on tourism alone. We know it has been doing well. It remains subject to a lot of external forces sometimes over which we have no control but that we rely hereafter on manufacturing once again and on offshore financial services, tourism and agriculture.

There is another theme, Sir, in the Budget which I think we need to identify and address too. It is the explicit recognition by Government in the Budget that the private sector is an equal partner in the development of this country in the creation of economic activity and in the creation of jobs too.

When, for example, the Honourable Minister of Finance identified several development areas and introduced an incentive regime in relation to each one, when he identified marinas and jetties as areas that need to be stimulated and so incentives need to be provided, what he is saying, in effect is that he recognises as we do on this side that even though there is a role for Government to play, an activist role in many respects, we as Government alone cannot create all the jobs that are needed in Barbados and so we must look to the private sector through a series of incentive measures to help create the economic activity in the country and help to build the infrastructure in many areas where that is needed. That is a very important point because the Barbados Labour Party never held out that the Government by itself could create the 30 000 jobs which we said we would set as our target in the next five years. We never said that We recognise that the private sector too had a role to play and this Budget is giving expression to that realisation on our part that the private sector too must play their role.

Now, as far as those areas are concerned which have been identified, these are the areas that in many respects cry out for further physical development, the Carlisle Bay area where several components of activity are still needed. We need, for example, a hotel in that area, a downtown hotel. We need further shopping areas, maybe through reclaimed land. We need the restoration of the dry dock facilities. There are several activities needed in that area which ideally the private sector, stimulated by Government, can provide. 9.20 p.m.

I am happy to see, Sir, that the Scotland District has been identified as a special area for development I look

forward to Bathsheba being developed, with the assistance of the private sector as a resort township. I look forward to the Scotland District being integrated into our tourism product. I look forward to that whole area covering some 1/6 of the land mass of Barbados being developed, particularly in areas that are suitable for recreation, for camping, outdoor activities and so on.

As far as the marinas are concerned, Mr. Speaker, both parties have talked about the need for the development of marinas in Barbados for many, many years, in excess of 20 years. It is an area of activity for which Barbados is ideally suited, the attraction of yachts in Barbados. For the most part, those who own the yachts, particularly the super yachts belong to a money class.

We have our natural days, good sand, sea, the first stop coming from the Atlantic, one of several stops coming from the Americas. Because of the other strengths that are in our infrastructure, our communication, telecommunications, in particular, the development of our accommodation sector, our health facilities, our educational system and all the rest, Barbados is, in many respects, a natural for the development of marinas.

I think that the Honourable Minister of Finance is wise to have taken the initiative at this stage to stimulate the development of the marinas and that will add to Barbados' tourism product. It will further diversify our tourism product and add to the appeal of our country, as a tourism destination.

I want to turn, Mr. Speaker, if I may and say something about Barbados' tourism. In the last year, it grew by 9% and was the lead sector in the growth of 4% which we experienced in Barbados. With respect to that growth, Sir, you ought to be reminded that the Central Bank - we have heard a lot about the forecasting of growth over the next 3 or 4 years - in which there has been so much reliance in 1990 forecast growth, 1991 forecast growth, and in both years, there was negative growth. Last year forecast a growth of 2.7% and we had a growth of 4%. The real truth is that it is very difficult to forecast, with any accuracy at all, but particularly in a small, open economy and, particularly too, in an economy where the data base is so deficient

We ought not to put too much store on these forecasts by the Central Bank or, indeed, by any person else, with respect to the performance of this Barbados economy into the future. What is a fact, at this point, is that the Barbados economy is growing. If, however, there has been any decline, as is claimed by the Honourable Leader of the Opposition in the first 3 months, it is, in large measure, due to the fact that we inherited a situation where sugar is only producing 36 000 to 38 000 tonnes this year and that is part of our inheritance. That explains, in large measure,

that decline of 30% in the sugar sector, why is it that we are not likely to be suffering a decline in our economic performance in this first quarter.

There has been, on the figures thus far, a marginal decline in the number of tourists visiting. But that is not the decisive test. There has been an appreciable increase in the earnings of the sector in the last 3 months. That is why, the Minister of Finance has been able to pay off significant debts and yet, our foreign reserves, are at the level of US\$440 million and, perhaps, beyond. He could not have done that, pay off significant debts and still have his foreign reserves at the level of US\$440 million or beyond, had it not been a reflection of the fact that even though there has been a marginal decline in the numbers visiting in the first 3 months that there has been a significant increase in the yield, per bed night, from those who have visited.

Mr. Speaker, if tourism did well last year and it did do fairly well, it had very little to do with the Democratic Labour Party. It grew last year against the year before in spite of ourselves. We did everything to destroy the images of Barbados' tourism abroad. We changed 3 Boards in about 6 months. We changed 3 Ministers. We destroyed the morale of the staff at home and abroad. We failed to do our marketing. We did almost everything, Mr. Speaker, to damage the image of Barbados's tourism and, notwithstanding that, we benefitted significantly from the West Indies, English tour particularly the match here in Barbados. We benefitted too from the misfortunes of our competitors, particularly Florida and Jamaica, the bad press which they were having, in some countries in North Africa and we did particularly well out of the United Kingdom. But it had very little to do with the exertions of the Barbados Tourism Authority.

We are hard at work correcting the omissions of the past in relation to our tourism sector. In particular, we are trying to recover the loss ground in the United States market when in 7 years we have lost over 60 000 visitors from the United States of America. We are adding energy to our sales effort in that market. We are trying to get new airlift out of new gateways, not New York and Miami alone...

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

Hon. Dr. R. L. CHELTENHAM: Thank you very much, Mr. Speaker. ...but many other gateways. We are making sure that we refashion our advertising image, all in an attempt to make sure, Mr. Speaker, that, by next winter, Barbados will show appreciable increases out of the United States of America market and out of several other markets from which we draw the bulk of our visitors. 9.30 p.m.

Mr. Speaker, I would have been happy to have had time to talk about the increase in old age pension. I know how much that is appreciated by the old folk in St. Joseph and across Barbados. I would have been happy, Sir, to be talking about what we have done for home owners, for those who are likely to be going in the car market shortly and so on but unfortunately I have to leave that to others.

There is no reason, and I would conclude on this note, for the people of Barbados to be misled by the alarmism from my friend the Honourable Member for St. John. The Barbados' economy, Sir, is in sound and sensible hands. There has been a serious restoration of confidence in this country and abroad and it only remains for the people of Barbados to continue to have their faith in a party that they deliberately put in power. The Leader of the Opposition seems to have thought that they gave away the Government. They deliberately put us in power and it only remains for them to continue to have faith in us as we do our utmost to ensure that the standard of living of all Barbadians is improved.

Dr. R. C. HAYNES: Mr. Speaker, in the limited time available to me, half an hour, which I trust will change in the not too distant future as the Standing Orders of this Parliament reflect the democratic will of this country in sending 3 political parties to represent them in this Parliament.

I will try my best, Sir, to deal with the core of some of the matters raised by this Budget, however inadequately within the time frame available.

Before I do so, Sir, I do not propose to be distracted by the typical Barbados Labour Party self congratulatory propaganda speech just served up to this Parliament by the Honourable Member for St. Joseph, except to correct him on one or two matters of fact.

First of all, the Barbados Labour Party keeps up this propaganda that they created the* offshore sector of Barbados. That is not true. The offshore sector of Barbados was created by the International Business Companies Act which was passed by this Parliament in 1965 or thereabouts.

The second point I wish to make is that a 30% reduction in sugar which forms such a small pan of the economy cannot result in a 3% reduction in growth in the overall economy.

The third point I wish to make is that the payoff of debts in the first quarter was largely from the draw down of the loan in December of last year in order to prop up the foreign reserves of the country.

The final point is this, that tourism is always a special event type of industry and will fluctuate... so there is no significant point being made.

But, Sir, I wish to get on with my main presentation having brushed those points aside and make the point that the Honourable Member for St. Peter, when he became Minister of Finance and Prime Minister of this country, enjoyed the goodwill of a large number of people in Barbados, including me. I have said so publicly. I wish him all the best I must say that yesterday some seven months and 19 days later I was particularly saddened and distressed to see that Honourable Member struggling, in a long drawn out presentation, for his credibility, his relevance and indeed his identification.

I say this from the point of view of his identification because I am particularly disturbed that here we have a situation where there is clearly no constancy in his philosophical approach to the management of the economy of Barbados. We have seen positions taken in relation to taxation. He believes in high levels of taxation, he believes in low levels of taxation, the latest position being that the Barbados economy is over taxed, and lo and behold yesterday he found it possible to increase the taxes despite the fact that there is clear evidence of impending reduction in economic output this year.

He has taken a position on property taxes where from a philosophical point of view he has stated again and again and it was incorporated in the Barbados Labour Party Manifesto of 1991 that in a developing country property taxes should be abolished, and they should not be pan of the tax system at all. Lo and behold he is relying on extracting another \$20 million from that source in the Estimates as indicated in the Appropriation Bill this year in order to boost his revenue situation.

He has waxed warm and cold over an incomes policy. No one knows what his position is on casino gambling. He remains inscrutable, only releasing some \$200 000 that could have employed 20 people in St. Michael South Central, wasting it on a Commission on Casino gambling. His position on interest rates, I recall in 1980, when he was a proponent of a high interest rates regime in Barbados for the protection of the balance of payments. I thought I had converted him in the late eighties and lo and behold he comes back here now and I am hearing him pronouncing on high interest rates in order to protect the balance of payments of Barbados.

His attitude towards public sector investments, Sir, has shifted to and fro and I was virtually shocked to hear that he is contemplating selling the Hilton, the main flag-ship of the tourism industry in this country and an

expression of public confidence in the tourism industry of Barbados. I do not care if he sells CBC, close it down, does what he likes, that does not bother me too much but for God's sake please leave the Hilton alone.

On the issue of job creation, how can he go to the public of Barbados and commit himself to providing 30 000 jobs and then in his first budget provide for only 45 jobs to be paid for by taxes on the owners and operators of the mini-buses in this country. I will have more to say about that later on. It is basically, Sir, a question of "nor fish, nor fowl" in these matters.

The second area I want to deal with is the area of credibility and this tremendous gap, a wide yawning gap between promises and performance and more importantly the arousing of the expectations of the people and failure to deliver. The gap between words and deeds. Indeed, Sir, the posturings in relation to international financial institutions because it is my considered view that whereas there may have been some improved relations between this Government and the international financial institutions, as far as I can see from the Estimates, from this Budget, from the position taken in relation to the National Bank and the Barbados Development Bank, that they are in a sense preconditions for an investment sector loan from the IDB in Barbados. So let us get the record straight. I like to be honest about these things. I have some hard things to say and I have got some good things to say because I will be absolutely truthful in dealing with these matters with the public of Barbados.

The question of relevance bothers me and I believe that much of what we saw yesterday was quite uncharacteristic; the major errors in assessment I cannot deal with in half an hour, because it requires time to explain, largely because I think there is a question of relevance of the Honourable Member for St. Peter in relation to his own party as leader, to this country as leader, and to the wider CARICOM and international community. I think it arises because he is departing from himself and I can only remind him and urge on him the old greek dictum, *gnothi seaton* - know thyself, and he will do a lot better. 9.40 p.m.

The whole question, Sir, of the Central Bank's failure or intervening and stopping the Governor of the Central Bank in this country from disseminating information to Barbados is a precedent that needs to be severely deplored. If that was done in the United States, the President would be impeached and I will tell you why. Because if the President of the United States had contacted the head of the Federal Reserve and stopped him from making a statement, you could be quite sure that the markets throughout the world, within a matter of an hour or two, would be in total chaos and there would be no President in the United States

that could have survived an action like that. It is a serious matter and I sincerely hope that it does not happen again.

Now, Sir, prior to yesterday for 7 long months and 19 days, the present Government did 3 things in the economic sense in Barbados: The concessions to manufacturing and agriculture which I supported, the increase in interest rate which is having a negative impact on the economy all like now, which I opposed, and the Supplementaries passed in this House on the assumption that they would have been generating a widening of the projected deficit, which I expressed my concern about at that time. But at this point now when we know in fact that those Supplementaries were covered by enhanced revenue, it would be dishonest of me to continue to be critical of that in a situation where, in fact, the deficit for 1994/95 was less than what was projected. I have to be honest about these things.

Sir, in a nutshell, what we have seen here is that the Barbados Labour Party was basically in labour for 7 months and 19 days. It has produced a mountain of words, a mountain of promises, a mountain of stated intentions. It has been moaning and groaning all along and yesterday, Sir, it finally delivered what I will call and demonstrate was a "Mickey Mouse" Budget to this Parliament.

Mr. Speaker, Sir, there can be no question whatsoever and I am not going to challenge the statistics of 1994; contrary to the expectation of many, the expectations I believe of the Democratic Labour Party from their projections, the expectations of the Barbados Labour Party and the National Democratic Party, the fact is, Sir, that there was an expansion of gross domestic product of some 4 per cent with increased output in tourism, manufacturing, sugar, wholesale and retail, construction, business and other services, some reduction in unemployment, an improvement in the current account of the balance of payments, increased foreign capital flows both private and official, a reduction in the deficit and a significant reduction in the inflation rate. You cannot quarrel with that and, when you have opposed the measures, you cannot come in here and try to suggest that it is your management that contributed to it. It is just not true.

So that I am saying that we have to accept these things as given, nor should we hide from the fact that the reality tonight is that there is significant reduction in the rate of growth in output in the economy of Barbados so far this year. The challenge of this Budget basically was to bring in measures to make sure that you sustain that growth this year and in the years to come at somewhere about 3 per cent.

But, Sir, I am not here to give a biased picture in one side or the other. We are an independent political party. On the other side, there is no question that there was an

unacceptably high level of unemployment, that there was a tremendous need for rehabilitation of social sectors, particularly in the areas of health, education and youth, to deal with issues of law and order and crime, the need to control Government's expenditure, and a whole range of things. That is where the focus of this Budget should have been in order to rehabilitate those things which in themselves would have helped to sustain and propel the economy into continuing growth.

But instead, Sir, over the past 7 Y_2 months we have seen the ugly head of victimization raising itself in this country again and I am calling tonight for a stop to it. Let us stop what has been going on at NCC, Transport Board, in the wider Public Service, the Sanitation Department and elsewhere. Let us as a Parliament resolve that we are all Barbadians and that victimization will no longer be part of the political landscape of this country. Let us resolve that joblessness is unacceptable in this country. Let us reject a Budget that can produce only 45 identifiable jobs to be paid by levies on poor people in this country.

We have seen a whole lot of time wasted with casino gambling. We have seen a lot of energy wasted over the quite inappropriate effort to place a dump in Greenland in the middle of a park which is now being designated as a special area of development according to the Honourable Member for St. Joseph.

Regarding many of our old age pensioners, I feel very badly about this, Sir. This is an off budget expenditure. There was no need to keep the old age pensioners waiting all of this time for an increase. Several of them would have died and gone to the great beyond without getting their increase. Now, Sir, we have the shameful increase...

Aside.

Mr. SPEAKER: Order.

Dr. R. C. HAYNES: ...of \$4.00 a week, Mr. Speaker, for an old age pensioner of this country and in many instances this cannot even buy a tin of corned beef.

Aside.

Dr. R. C. HAYNES: Mr. Speaker, my veracity is being challenged by the Honourable Member for St. James South. I have said that \$4.00 in many instances cannot buy a tin of corned beef in Barbados and I am told that that is untrue. Mr. Speaker, I am a very honest person. I am going to produce the facts. I am going to make this tin of corned beef a document of this House.

Aside.

Dr. R. C. HAYNES: Libby's corned beef, a select quality and the price tag is \$4.20. Will you please pass this to the Clerk please and I will make this a document of the House.

Aside.

Dr. R. C. HAYNES: Mr. Speaker, time is very precious and I have lost 4 V_2 minutes already. A lot of time has been wasted on the St. Joseph Hospital when it presents a wonderful opportunity to add a new dimension of care to the elderly in this country. A lot of problems at the Queen Elizabeth Hospital but nonetheless a whole lot of things are not being done. 9.50 p.m.

I wish to say to you, Mr. Speaker, that an appropriate budget for Barbados at this time would have dealt with the whole question of continuing growth in the context of an export oriented economy; that there would have been instruments available for enhanced investment in Barbados by Barbadians. The problems with a lot of the concessions that are being given in this country is that there are very few Barbadians that can take advantage of those concessions.

I am saying, Sir, that the Budget should give a clear indication of what would be given to enhance manufacturing, agriculture, fisheries, tourism, the offshore sector, construction, wholesale and retail. When you get to the Budget you will see that there is very little in the Budget as a budget. The Mickey-Mouse Budget that I am referring to does not deal with any of those particular matters. This is a Budget that should have been geared towards social engineering, rehabilitation of education, health and other critical areas of the social structure.

Above all, Sir, since you made it your political agenda and the people accepted what you said and made 30 000 jobs the agenda of the Barbados Labour Party Government you cannot escape and you will not escape because every single thing that you do over the next 5 years will be measured against 30 000 jobs. If you do not accept that then you will be suggesting to me that it was a fraudulent promise. Either it is an honest promise in which case we accept the measurement and titration of their performance against it and if you don't do that then we have to consider it to be a fraudulent promise.

Sir, we have to move on and I sincerely hope that this Budget would have been given more room, more

opportunity for householders in Barbados to contribute more significantly to the national effort to this country and towards job creation. After this Budget, Barbados will not change in any way. Life will be hard and believe me it is hard out there. I know the calls I get every day. I know the number of young women with children who come to me asking for help and what sometimes makes your heart hurt is when they tell you that they are dodging the bailiff for this and that

We cannot come in here and support a Budget that does not take into consideration any of these matters. We have not even looked at the whole question of social security, the whole question of enhanced welfare provisions for these people, no effort in this Budget to enhance the protective net. Nothing like that was done in this Budget, and we are supposed to accept this sterile instrument.

This speech that was presented yesterday was supposed to be a budget but if you take the budgetary measures they would occupy a few pages in the entire presentation, which is the Mickey-mouse Budget I am talking about. The actual budgetary measures: a few pages. As a matter of fact, the Budget was condensed by me on this piece of paper - a few lines. One piece of paper. That is the Budget.

All that preamble, all that talk, all those things had absolutely nothing to do with the Budget. You could put that in your manifesto. You could publish it in a newspaper. You can do what you like with it

If I were to come to the core of the Budget and the financial statement produced by the Minister indicates that the overall deficit for 1994-95 was in fact 0.5%, 50% less than what it was anticipated to be. Therefore, Sir, I think that if there is going to be any charge, any legitimate or honest charge levied against the former Minister of Finance, the Honourable Member for St John in relation to the expenditures that you all published when you came in as a government you can charge him with underestimating revenue and expenditure, but you cannot continue to make the false charge and say that that expenditure in any way compromised the fiscal position of the Government

If the fiscal deficit is less than what it was projected then that is total and complete evidence that the charge cannot be sustained and therefore the charge is foolishness and is quite unworthy of members of this Parliament in dealing with serious economic matters.

I now turn, sir, to a few of the off-budgetary items. I have already dealt with the question of old age pensions.

Four dollars cannot buy some brands of corned beef. What else was in there for poor people? Let me tell you what else was in there for poor people and after that it is virtually full stop. Fifty-nine cents for a 20 pound cylinder of bottled gas; 75 cents for a 25 pound cylinder of bottled gas. That is what was in that Budget for poor people and nothing more.

On the other hand, the concessions that were mentioned, if there are investment flows in Barbados that anyway match the expectations of the Government of Barbados to generate 30 000 jobs, those concessions would run into hundreds of millions of dollars for non-Barbadians predominately.

The net foreign exchange earnings credit relief of \$3 million goes to a privileged few. The old people get \$4 a week.

Capital allowances, group relief for companies. We don't know what that will cost Barbados but I can assure you it is going to be a substantial amount and it is not even costed in the Budget here. The special tax concessions in the defined areas, Heavens knows what those concessions would amount to in the long run. In terms of monetary policies I have already spoken on the issue of interest rates.

Now, Sir, in terms of the Budget what did you get? \$25 million in increased revenue, losses - \$19 million, not \$21 million as he said, because he is including increased expenditure along with the tax losses. This is not a correct thing to do. The surtax of \$6.2 million represents a 100% increase in the tax that would have been payable by consumers because it would have been 50% and he has put it back to 100% or rather maintained it at 100%.

Duty free shopping - \$3 million payable by consumers. Environmental levy. Is this .not a Mickey-Mouse Budget, both in size and when you reach the stage that you will be charging people 10 cents for glass bottles, plastic sheets, cardboard boxes, do you expect Bajans are going to pay a truck to go from St Philip to Greenland and on top of that pay you money to get rid of glass bottles? You have to be joking. This would be a perfect case for making sure that there is more and more litter around Barbados.

Other taxes - \$5 million for motor cars, \$2.99 million in gambling. I could not care whether it was \$29 million. Customs fees and public service vehicles - I have never heard and I am sure a Minister of Finance has no constitutional authority to levy a tax as a law and order instrument and in the words that I heard yesterday, that

they are responsible for the lawlessness and the problems and therefore they should pay the tax. That is not a recognised approach to law and order in this country and I want all those public service employees and owners out there to know that I am available and there are others that will be available if they wish to test that matter in the courts of Barbados. I think it is utterly disgraceful at a time when we are giving millions of dollars in concessions to other people in the hope that they would create jobs and you are going to slap a tax on poor people for them to create 45 jobs.

There is a problem of indiscipline and an element of lawlessness related to those operations and the way to deal with that is to bring them before the courts and fine them or do whatever the law prescribes. You cannot, and this is why I had serious reservations about the Vagrancy Act. You cannot apply penalties to people, the innocent and the guilty, as you feel like, because there will be many of those people who do not commit any offence and nevertheless they are going to find themselves now paying the same increase in taxes. It is wrong and I sincerely hope that no legislation would come before this House to try to implement that budgetary measure. 10.00 p.m.

As a matter of fact, I hope that the mini-buses and other people, owning and working in that area would bring the matter before the courts. Indeed, Sir, any time they are prepared to take industrial action against it, they have my support and I will be there with them. It is wicked and it is fundamentally wrong that that kind of tax should be levied.

Mr. Speaker, do you realise that over the past 100 years the only sector in which poor black people have managed to maintain a continued presence in this country is in the transport sector? The Baibados' Labour Party last time around robbed the bus concessionaires of a whole lot of money, took away their buses, would not pay them, did all kinds of things to those poor people. Now they are going for another group of people in the area of public transport.

If you look at the revenue losses, Sir, look where they are going? Another \$3.6 million for manufacturers on top of \$10 million last year.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Dr. R. C. HAYNES: Six hundred thousand dollars, Sir, for the owners of yachts and sporting vessels,

\$11 million for motor cars, \$3 million, as I said earlier, for a small group of accountants and clients who would get that \$3 million in relation to the net foreign exchange earnings credit concession and a mere \$1 million for the hotels. So we end up with a Budget by a Minister of Finance who has said, and I agree with him, that the economy is seriously overtaxed now putting more taxes on the economy.

Mr. Speaker, this "Mickey Mouse" Budget, as I have said, is ill-conceived, non-targeted, wild in many ways, and seems to me to be a concoction that is responding to a number of special interests to the disadvantage of specific groups of small people of Barbados and totally ignoring the social and economic conditions under which the majority of our people are living today.

Sir, I expected better of the Honourable Member for St. Peter. I honestly did. I believed that he could have constructed a Budget showing a deficit somewhere around 2% - 2.5%. I believe, Sir, that he could have spent some time reorganising Government expenditure in such a way that it addresses the kind of problems which I indicated I thought that a Budget should address at this time in our history.

Mr. Speaker, yesterday was a lost day. A great opportunity was lost to lift the burdens off the poor in this country, to reduce taxation, energy costs, interest rates and to create tangible opportunities for large numbers of small people.

Mr. SPEAKER: The Honourable Member please conclude.

Dr. R. C. HAYNES: But, Mr. Speaker, I will obey your request to wind up.

I sincerely hope, Sir, that by this time next year the Honourable Minister of Finance would come to this House with a much more sensible, better articulated and more relevant Budget as far as the broad masses of Barbadians are concerned.

I thank you very much, Sir.

Hon. R. C. EASTMOND: Mr. Speaker, Sir, in 1991 on the Floor of this House whilst I lamented the misguided policies of the Democratic Labour Party Administration as enunciated in their Budget of 1991 and subsequent Budgets, I indicated in no uncertain terms that in my view a budgetary instrument should be seen as an instrument for social and economic development. Mr. Speaker, I still hold that view. In the context of that view, Sir, I consider the presentation by the Honourable Member for St Peter to be a presentation clearly attempting to achieve a measure of

economic development while maintaining some social development. That fact has not been caught by the two principal spokesmen for the Opposition on the other side.

But permit me, Mr. Speaker, to give the background to economic occurrences in this country prior to our assuming office in September of 1994. We had a situation, particularly in the years 1990 to 1993, when all the major economic sectors in this economy were not functioning properly. We had a situation where between 1990 and 1993 manufacturers were complaining about being battered by harsh fiscal and monetary policies. 10.10 p.m.

We had agriculturalists and farmers complaining, basically too, for the same thing. Towards 1994, we saw such instability affecting tourism that, by 1994, personnel involved in investment in tourism, concerned about the instability facing the sector and the country had lost confidence in their activities.

Mr. Speaker, having considered that background, I am sure that the Honourable Member for St. Peter and Minister of Finance would have carefully looked to see what room he had, on this occasion, that would permit him an opportunity to stimulate economic activity and get the economy going again, Sir.

I should like to look at the objectives of this particular Budget while answering the charges made by the Honourable Member for St. John and the Honourable Member for St. Michael South Central. I would what to say that this Budget, as its main thrust seeks to maintain a high degree of discipline in financial management. This Budget also sets about to provide incentives for the productive sectors. This Budget also sets about to restructure and equip those institutions in Barbados which have a chance to impact positively on economic activity, in this country. At the same time, mindful of his responsibility to the population of this country, this Budget has a measure of relief to people, especially old age pensioners, purchasers of cars and purchasers of particular petroleum products.

I would want to say too, that, very often when assessing a Budget, one should consider to what extent it imposes oppressive taxes or to what extent the Budget is inflationary. This particular Budget nowhere imposes harsh taxes and, at the end of this Budget, when the effect of it is fully felt this Budget will be, by no means, inflationary.

I paid careful attention to the Honourable Member for St. Michael South Central who is never unmindful of particular occasions in this House, and clearly, in a situation where he recognized that this is a Budgetary debate where he could get some exposure, he engaged in

the normal historyonics and, while doing so, did not even reflect on the extent to which he contradicted himself. For, at one point, in his disjointed presentation he said that nowhere was there evidence of stimulation of the economy. And then was blasting us, or attempting to blast us for our so-called treatment of people involved in public transport. He said these words, that we were giving millions of dollars in concession to business people to get the economy going. At one point he says that the Budget is not designed to stimulate economic activity and bring jobs. And then, whilst saying that we were supposedly crushing poor people who owned public service vehicles, he yielded that we were giving concessions to the economic sectors, in the hope of removing joblessness and getting economic activity going. I believe that, at the end of the day, the public would have seen the Honourable Member for St. Michael South Central make that contradiction and would have also judged the Honourable Member by the manner in which he sought to achieve maximum political mileage without closely analyzing the Budget, as he should have.

When I consider the scope and the thrust of this Budget I am impressed, first of all, not only with the reductions in gas products for ordinary consumers but the reduction in the duty on energy where manufacturers are going to benefit from a reduction in energy cost and, where farmers should also benefit from a reduction in the cost of diesel.

This Barbados Labour Party Administration treats the cost of energy as being one of the components that can have a serious effect on the total cost of production and can, eventually, if not properly controlled lead to a situation of high production cost for business people.

What we in the Barbados Labour Party are doing, Mr. Speaker, is seeking to examine the position with energy carefully. We are aware that energy costs are very high and mindful of how our energy is imported, which agency imports it, what special concessions have been given to that agency, and mindful of our responsibility to allow a regime of proper production cost to the people, we in the Barbados Labour Party are closely examining the whole question of energy, with the view to making the cost of energy both for electricity usage and also for usage in business much cheaper. At the same time, aware of the fact that our exporters can be prejudiced by having to pay too heavy an amount of Port charges, the Prime Minister, in his wisdom, has reduced Port charges which reduction should benefit exporters, permit exporters to be more competitive as they export and, in instances where the high Port charges represented too high a situation for the cost of production, exporters can now breathe a sigh of relief, as a result of the enlightened policy, on the Port charges by the Honourable Member for St. Peter.

Nowhere in the contributions made by the Honourable Member for St John or the Honourable Member for St. Michael South Central did they treat this as something that was significant enough to benefit the economy and to benefit persons who would have been adversely affected by higher rates before.

There is also, as one of the attractive features of this Budget, from a purely administrative point of view, Mr. Speaker, the Prime Minister's determination to manage our public finances discreetly and responsibly. His charge to accounting officers to avoid wastage and to comply with rules is a charge that is serious but, at the same time, a charge reflecting the Prime Minister's determination to make sure that the integrity of our public finances is not undermined.

At the same time, the Prime Minister suggested that he is going to propose a situation where the practice of exceeding Government's overdraft, at the Central Bank, will be stopped and will be arrested.

Mr. Speaker, in the past, we have had situations where the irresponsible Democratic Labour Party Administration exceeded its overdraft at the Central Bank, printing money with devastating consequences on the economy. When money emerges by way of being printed and is not backed by *proper* economic activity, not only does it increase the money supply in an irresponsible way, it can put tremendous pressure on the foreign reserves and on the balance of payments.

The Prime Minister's determination to keep the overdraft held by Government, at the Central Bank within proper limits and according to proper financial prudence, is an indication that he is determined to be so careful in his administration of our public finances, as not to have to turn to the printing of money to get himself out of tight situations. In any event, the Prime Minister indicated that in times of the need for additional finance, the issue of securities, bonds and Government paper would be the instrument by which additional money can be raised in a better situation than the situation of exceeding Government's overdraft

I was attracted to that because it shows a particular responsibility, at an early stage, in the Prime Minister's experience, as Minister of Finance, in this country. It reminds me a lot too of the occasion on which the Prime Minister was so confident of his own ability to administer the finances of this country that he had no hesitation in permitting legislation which would prevent civil servants' salaries from being cut again to avoid Government an embarrassing situation.

When a Prime Minister can do that and lower the Government's overdraft, at the Central Bank, it means that

he is aware that even though the options are now narrow, his duty is to be so prudent a Manager as to be able to exercise alternative options so as to avoid unnecessary stress on the economy.

Mr. Speaker, I have no difficulty in lending my support to this Budget because when I consider Government's programmes for the next financial year, I must tell you, Mr. Speaker, that, as a member of the Government, I am not unaware of the fact that the outgoing Democratic Labour Party Administration did not have a proper policy on housing, except for the housing development, somewhere in Church Village in St. Philip. I do not recall any sustained housing development programme by the outgoing Democratic Labour Party Administration.

What is more, Mr. Speaker, in rural Barbados, even in St John there were clamours for 8 years for house spots and neither the Democratic Labour Party nor its the so-called brilliant new find the outgoing Minister of Finance and now Opposition Leader could provide the will to supply the house spots in rural Barbados. The Government of which I am a pan is determined, Mr. Speaker, to provide house spots, particularly in rural Barbados to fill a social need and at the same time to allow persons who own chattel houses to have somewhere to put them. 10.20 p.m.

I was heartened, Mr. Speaker, when the manufacturers with whom I spoke in between last evening and today were saying that not only the concessions granted to them in September assisted them but that the style of this Government is such that they have a new confidence and they are breathing a new breath of fresh air since our administration has come into being and they believe that over time this Barbados Labour Party administration will systematically grant them things in addition to the lowering of pot duties and the lowering of energy costs so as to get manufacturing going. One manufacturer who has led manufacturers in Barbados for some time insists that our policies have saved no fewer than 2 500 jobs.

Mr. Speaker, when the Honourable Member for St. John delivered his unnecessarily lengthy and boring peroration, he asked particular questions of the Minister of Finance. He asked a question like this. Why did the Minister of Finance not run a higher overall deficit? And he even asked this question, Mr. Speaker. Why no concessions for tourism? He had earlier also in his speech, Mr. Speaker, indicated that he did not listen so closely to the Prime Minister yesterday.

Now, how can you be a responsible Opposition Leader and shadow spokesman of Finance and even though a mere shadow, why should you be so irresponsible as

not to listen carefully to what was being said? He asked the question, why no concessions for tourism and he may have admitted to have been reading a novel or being distracted otherwise.

For the benefit of the Honourable Member for St. John these are some of the incentives being granted by an enlightened Prime Minister and Minister of Finance for tourism. There is going to be assistance for the heritage foundation so as to do something more for heritage tourism. There is going to be a rationalisation on duty free shopping. There is going to be direct assistance for hoteliers in the form of \$10 million, Mr. Speaker.

Mr. D. J. H. THOMPSON: Mr. Speaker, I regret interrupting the Honourable Member but when I asked those questions of the Minister of Finance I was referring to those concessions being granted in the last fiscal year. I was not referring to this Budget I was referring to the first few months of the Barbados Labour Party administration.

Hon. R. C. EASTMOND: Mr. Speaker, we are accustomed to the Honourable Member sitting here. I recall yesterday in this Parliament the Honourable Member agreeing to a particular person occupying the Chair and then saying that he should not agree to the procedure.

Mr. Speaker, I am not sure that the attempt to make the direction just now was exercised properly. He got up and said words to the effect that these things were not introduced early. I do not quite understand what he is saying. I do not think he has really answered the question. He, according to my interpretation, Mr. Speaker, of what he was saying, indicated that he was disappointed by insufficient concessions for tourism and he also indicated that he was disappointed by this Government not running a higher deficit.

Now, Mr. Speaker, the Honourable Member for St. John should know that even though he is on this occasion joined by the Honourable Member for St Michael South Central who also says that we should run a higher deficit, neither the Honourable Member for St. John, Mr. Speaker, nor the Honourable Member for St. Michael South Central who strangely seems to have rejoined his old friends and is now fashioning a new alliance, neither of them said what this higher deficit should do *for* Barbados. They both said, Mr. Speaker, that we should run a higher deficit They never indicated for what purpose.

In a situation, Mr. Speaker, where there is an internal component of the national debt and when you already have existing debt to service, anybody who is running an economy who is prudent has to be clear precisely what the existing level of debt is, what likely debt can be incurred in the future and then realistically decide a figure for a deficit. I was particularly disappointed in the Honourable

Member for St John and the Honourable Member for St Michael South Central who both suggested that we could have run a higher deficit but did not say for what purpose.

Mr. Speaker, this budget, in my view, offers to tourism the chance of more incentives being given under a revised Hotel Aids Act, an opportunity for hoteliers to be given more Government assistance and an opportunity for hoteliers badly hit by debt to be able to get a measure of comfort

Mr. Speaker, apart from that you would have heard reference by the Honourable Prime Minister and Minister of Finance that this Government is about to embark on a human resources project in the amount of US\$18 million and the purpose of this, Mr. Speaker, is to provide training for young people. I would like to encourage all the young people of Barbados to seize the opportunity to be trained.

The reason why I am saying this, Mr. Speaker, first of all we have a situation where experience has shown that too many people who are unemployed are unemployed precisely because they lack training and that they do not have a skill. I am also saying, while the Government is determined to meet this human resources project and to provide training for young people the opportunity has come for young people not only to use the training available at the National Training Board, the Polytechnic, the Community College and such like but the time has come in Barbados, Mr. Speaker, where young people and other Barbadians should realise that in a situation where market forces have been striking economic activity all over the world the more skills people have now the better it is for them. So a person who is a specialist lawyer at age 32 would be encouraged to learn another skill or a person who is a specialist plumber at age 22 could be encouraged to learn another skill so as to make himself or herself more marketable out there. There are people who are over 60 who would have thrived on specialisation and being specialists but the time has come when in a very competitive market place I would encourage young people to grasp every opportunity to be trained and to develop more than one skill.

In relation to the Government's determination to assist agriculture you are no doubt aware of the fact that last year's sugar crop was hard hit by a severe drought It means that for this particular crop year we are not going to produce as much sugar as we hoped. This Government will be providing support for farmers in the form of relief against the drought whilst at the same time encouraging the industry further by a direct subsidy for a replanting scheme.

In addition the Government, mindful of the role that sugar can play in earning foreign exchange and promoting

employment will do everything in its power to keep the sugar industry growing. The sugar industry has in the last 5 or 6 years seen bad days but the time has come when there is every possibility of recovery in the industry to such an extent, Mr. Speaker, that I will be disappointed if next year's crop yields less than 60 000 tonnes of sugar.

So far as fishing is concerned, Mr. Speaker, this year the European Union will be assisting fisheries and the Honourable Member for St. John will be happy to know that Consett Bay, which I believe is in his constituency, will benefit from assistance from the European Union and the facilities at Consett Bay in St John and Skeete's Bay in St. Philip North will be improved.

At the same time my Ministry, Mr. Speaker, is looking at a draft fisheries plan so as to update and modernise fishing. I believe that within a few months we will be able to refine that plan so as to be able to capture the spirit of entrepreneurship that a lot of young people are showing in relation to being fisher folk and being persons who go out to sea and bring in fish.

Mr. Speaker, you will notice that the Honourable Prime Minister referred to his plan to enhance small businesses and I have every confidence, Mr. Speaker, that in a situation where many ordinary Barbadians are manifesting a spirit of entrepreneurship and enterprise the enlightened policies of the Honourable Minister of Finance will impact positively on small business which brings me, Mr. Speaker, to the Barbados Development Bank and the proposed restructuring of the Barbados Development Bank.

Those of us who love and care for Barbados, Mr. Speaker, would no doubt know that years ago when the Barbados Development Bank was established it would have been established against a particular reality. The reality in those days and now, Mr. Speaker, was that a large number of typically private sector commercial banks did not like lending long and did not like lending for investment. A lot of commercial banks liked lending for consumption and liked lending short. They saw the risk in lending short as being not as severe as the risk in lending long. They saw the risk in lending for a fridge, a stove, a car, as being mild compared with the risk of lending for business, and the Barbados Development Bank would have emerged to fill a void where commercial banks in the private sector were not willing to risk capital for business. However, Mr. Speaker, we have come to a situation where the Barbados Development Bank today has chalked up so much debt that it calls for restructuring. I am particularly attracted to two aspects of the proposed restructuring which the Honourable Prime Minister is suggesting will be implemented to save the Barbados Development Bank. 10.30 p.m.

I am particularly attracted, Mr. Speaker, to that aspect of the restructuring which goes to venture capital. Mr. Speaker, I sat down here and heard the Honourable Member for St. Michael South Central suggest that there are people who need capital and cannot get it. I am suggesting that, if he had listened to the Honourable Prime Minister and Minister of Finance yesterday, he would have heard the Honourable Prime Minister and Minister of Finance indicate that in the proposed restructuring of the Barbados Development Bank venture capital will be available to potential entrepreneurs. Yet the learned Member for St Michael South Central claimed that he did not hear it. Now he never said that he was not paying attention. It was only the Honourable Member for St John who admitted that he was not paying attention.

The other aspect, Sir, of the proposed restructuring of the Barbados Development Bank which captured my imagination is the proposal to equip it in such a way that it will be able to offer consultancy services. I agree with that. The reason why I agree with that, Mr. Speaker, is that if an institution is risking \$30 000 to an entrepreneur who might have the spirit of enterprise but no management skills, then it is critical that that person if he is going to become a manager be equipped with the skills to permit him to run his business on a sound basis. We cannot have a situation where people of this view, Mr. Speaker, get money and because of a lack of management expertise they mismanage their business in a situation where if they were in business for anytime they would not only mismanage them to their own losses, but they would if they had employed people create unemployment and if they were exporters reduce the level of export and such the like.

But the fact remains, Mr. Speaker, that a situation where a restructured branch of the Barbados Development Bank would offer venture capital and management consultancy services, then clearly this Government is responding both to the situation where we are aware that people need venture capital and where we are also aware that some people who want to be businessmen need to be guided and coached in the same way that the Honourable Member for St. John subjected himself to some measure of coaching for the first 10 minutes of his speech. Because you will notice the tone of his speech for the first 10 minutes differed from the tone of his speech than what it was in the last 10 minutes.

Mr. Speaker, I am also attracted to the tax relief to house owners. I heard the Member for St. John behave as though it was not his Government that stopped people from being able to claim mortgage interest. You will recall, Mr. Speaker, that the Honourable Member for St John behaved as though we are not assisting directly in permitting people to claim mortgage interest when it was his Government that took away that from people in relation to mortgage interest being an allowance and a concession.

I am attracted too, Mr. Speaker, to the reduction in the price of cars. Mr. Speaker, when I reflect on what transpired today, I saw a disjointed presentation lasting almost 3 hours bereft of logic and not given to any alternative suggestions for the good of Barbados. When I heard what transpired today, I saw two persons bent on achieving political mileage without manifesting either the understanding of what transpired yesterday or any sufficient grasp of the issues at hand. When I listened yesterday, Mr. Speaker, to the Honourable Member for St. Peter, I heard a person who manifested a certain brain, a creative genius and I saw a person bent on stimulating economic activity and a resolve to provide good government for the benefit of all Barbadians.

I am obliged to you, Mr. Speaker.

Rt. Hon. L. E. SANDJFORD: Mr. Speaker, the occasion of the Financial Statement and Budgetary Proposals is one calling for very serious analysis of the objectives of the, people of Barbados, of what are the obstacles in the way of achieving those objectives, and of the processes that should be used in order to overcome those obstacles and move the country forward.

In this 1995 Budget debate, therefore, it is appropriate that we ask ourselves, and that I ask myself: What are the objectives that the people whom I represent, the people of St. Michael South and the people of Barbados wish for themselves and their families? I indicate that what we are all seeking in this country firstly is an economy that grows and that increases the value of its total output of goods and services; secondly, that provides more jobs and money incomes to families and individuals; thirdly, that keeps prices and the rate of inflation at a reasonable level; fourthly, that provides them with the opportunities to own a stake in this country or what we describe under the labels of economic democracy, economic enfranchisement; and, fifthly that maintains a regime that enables people in our country to make purchases of goods from abroad and to be able to pay for them. In other words, we seek a regime that enables us to maintain the value of our dollar and that enables us to keep a reasonable stock of international reserves for a good balance of payments position and a sound external sector.

We ask ourselves further, Sir, the fundamental question: What stands in the way of our achieving those objectives? If in this country, Sir, we spend more money than we are earning, if we pay ourselves more money than our enterprises are able to sustain, if we import more than we are able to pay for out of the earnings of those sectors that trade in the international economy, and if, Sir, external conditions of depression or adverse economic circumstances affect the partners with whom we trade and they are unable to buy our goods and services in the quantities that we would wish, or if our products are not

desirable and acceptable to them in terms of quality or price, then those are all factors that will prevent all of us in this country from achieving our objectives. 10.40 p.m.

I would like to indicate, Sir, that whether we are Keynesians or monetarists or we go under some other kind of economic label or designation, we have to take into account that Barbados is a small open economy, and that we are affected and cannot avoid being affected by conditions outside of Barbados, particularly conditions that operate in the economies of those with whom we do business.

I have observed, let us say since the 1970s, that we have been affected, along with other countries in the international economy, by three major recessions. In 1973-1975 there was a depression, and in 1976 the Democratic Labour Party lost office. The people changed their Government in democratic fashion. Another depression occurred in the international economy in the years 1980 to 1982 and affected Barbados, and the people in democratic fashion changed their Government in 1986. The third depression occurred in the years 1991 to 1993 and the people of Barbados in 1994, in democratic fashion, changed their Government. I am not sure whether they changed the Government in 1994 because of economic circumstances, or because other factors operated. The fact is that the people changed their Government after each depression. That is a fact of economic history in this country. One conclusion that we can come to is that the people of Barbados do not like economic adversity. No people like economic adversity. But moreso here, as a progressing developing country, we react to these circumstances very swiftly.

We have here, Sir, a situation in which in reaction to the depression of 1992, as a people and as a Government, we had to take action first of all to check the depression and then, secondly, to put in place policies that would turn that situation around and lay the conditions for economic growth. As a people we had to do that, and this was nothing that was engineered or constructed by the Government of the day. It was a fact of life that if you believe in activist, interventionist Government, you have to take steps in order to smooth out any kinks which may occur in economic activity, and you have to seek to put in place those measures that would correct the situation.

In this Parliament we took the decisions and put in place the legal, economic and financial framework, through a programme of stabilisation and a programme of structural adjustment, in order to correct the situation. We can say today, Sir, that those policies have achieved their objectives, because the legacy and inheritance that we are now hearing about and experiencing, are all based upon

corrective work that the Democratic Labour Party did in order to turn around the situation to bring about stability, and also, based on those actions that led to economic and financial reforms in this country. That is the record, Sir.

We did not create the depression any more than the Barbados Labour Party Government created the depression of the early 1980s. Those are facts of life. It is part of economic activity and one of the puzzles of economic life that there is the business cycle in which you have depression followed by recovery, recovery followed by depression. If you believe in interventionist policies, interventions have to be taken in order to try to turn the situation around.

We were able, by 1994 when we left office, to restore growth in our economy. We were able to restore the status of our external sector. We were able to improve the foreign reserves and we were able to keep inflation at moderate levels. Those are the legacies. Any action that has been taken so far by this new Barbados Labour Party administration could only have been done because of the creative work and the foundations which were laid by the preceding administration. 10.50 p.m.

We have to understand that Government is a continuing activity in this country. It is not something that rises up anew and afresh from the ashes like the phoenix. It is a continuing operation; and if this new Government can find funds to do anything, it is because of the foundation that has been laid.

We were able as a government to take the tough decisions. We were able to take those decisions and we were able to institute the kinds of reforms that the economy required. Let us hear all about them.

In terms of reform of the taxation system, reforms were initiated in the area of both direct and indirect taxation and it was recognised that this would be an ongoing programme. Sir, those are initiatives.

We are talking about creativity and I am hearing a lot of talk about creativity in this Budget, but the groundwork was already laid. We are hearing about public sector reform. Those were initiatives that were also started in the Democratic Labour Party Administration.

Sir, the introduction of computers in government business did not start with a statement by anybody over there. That was going on for some time. I remember a former Prime Minister going on a course and a big crate coming into the Harbour with equipment to be installed in one of the Government offices. So these things are not of

recent thinking. Let us understand that. Steps have been taken before.

We have other areas as well, for example the area of privatisation. Those steps were taken during my Administration and, like the member for St. Michael South Central, I am really disappointed to hear of the threat to sell the Hilton Hotel.

Aside.

Rt. Hon. L. E. SANDIFORD: Oh. The real Minister for Tourism has said that that will be considered. Let me say, I would be very disappointed about that I have that particular feeling because I recall all of the pressures that were brought upon my Government to divest itself of the Hilton Hotel, and Heywoods Hotel, and other state enterprises, and we said there is no way that we are going to sell the Hilton Hotel - unless that is something that has been put up as a red herring, but we cannot treat a budget in that particular way. If you get up in this Honourable Chamber and make such a strong suggestion, I have to take it, especially coming through the Financial Statement and Budgetary Proposals. I will have to take it as a serious proposal.

So let me say that we on this side will be opposed to that particular proposal. What we want to underline is the significance of the programmes that were initiated and the position that we find ourselves in today. A Minister of Finance and Prime Minister should be crafting the kind of budget that would be able to build on the foundations that have been relaid and restored.

So we ask ourselves, and the people of St. Michael South whom I represent, and the people of Barbados ask themselves the very valid question, what does this Budget mean for the ordinary masses of people in this country. Will it achieve those fundamental objectives which we raised at the start of this presentation? Will it produce substantial growth in our economy? Will it provide them with more jobs and more money income? Will it keep inflation moderate? Will it help to improve our foreign reserves position? Sir, I did my own assessment and I do not believe that the Budget as presented by the Honourable Member for St. Peter will be particularly relevant to those fundamental questions that the people of Barbados ask. Furthermore, Sir, I do not believe that the Financial Statement and particularly the Budgetary Proposals are making proper use of the foundations for growth that have been restored in this country.

When we consider that as a country we had to experience some pain, and there is no gain without some pain, we paid for that, Sir, and now we wish to see the conditions for the stimulation of the economy, I must

express some disappointment. I must say that an atmosphere of expectation was generated, but that expectation has been dashed very early. It is said that imitation is the sincerest form of flattery. 11.00p.m.

I have taken, Sir, many criticisms in this country. But as I sat and listened, and I listened very attentively to the presentation, I heard my very phrases being used, and I was confirmed in the efficacy of that statement - imitation is the sincerest form of flattery. I heard the phrase "the just society" being used very frequently, Sir.

The Honourable Member *for* St. Joseph can recall that particular statement, "the just society". In terms of the political language in our country, that was the phrase I coined in some words of poetry because, as all of us know in here, I am a poet. Those words "to build the just society" can be found in, I think the foreword to either the 1966 or 1971 Manifesto of the Democratic Labour Party. So there must be some validity to the claim that the member for SL Peter, the Honourable Prime Minister, wishes to inherit the mantle of the late Errol Barrow, because he is using the very phrases that we put out in the political market place.

Mr. SPEAKER: the Honourable Member has two minutes to conclude.

Rt. Hon. L. E. SANDIFORD: Sir, when we therefore examine the presentation we come to the conclusion that the Budget, and this is my conclusion, Sir, will not achieve the objectives set out The Leader of the Opposition in a very comprehensive and very perceptive analysis of those budgetary measures has addressed the deficiencies in the presentation. Growth in my view will be anaemic. No significant jobs will be created. Prices will not be kept down, and the Budget will not lead to any substantial increase in our international reserves. I would say there will be a return to significant borrowings on the external markets. I make bold to say that contrary to what the Honourable Member for SL Peter has said, there will be more supplementaries coming before this House. So, Sir, that is the Budget, 1995.

I think we have to put that aside and we have to come to the drawing board afresh. No punitive measures should be imposed on public service vehicle operators.

Mr. SPEAKER: Conclude, please.

Rt. Hon. L. E. SANDIFORD: Sir, I will end with this quote:

"Doth God exact day, labour, light denied?
I fondly ask: But patience to prevent
That murmur, soon replies, Cod doth not need

Either man's work, or his own gifts; who best
Bear his mild yoke, they serve him best..."

Let me assist the Honourable Member for St. Peter. Those are the words coming from the poet John Milton, "On His Blindness". We hope that the scales will fall from the eyes of the Minister of Finance and that he will come with a better presentation the next time around.

I thank you.

Hon. tyiss B. A. MILLER: Mr. Speaker, I rise first of all to congratulate most warmly the Prime Minister and Minister of Finance on a brilliant presentation of the Financial Statement and Budgetary Proposals. I take great pleasure in supporting the Resolution brought by the Honourable Member for SL Peter. If we are to shape the future we must have goals. We must have ambition and we must make decisions.

Mr. Speaker, stabilization and structural programme initiated by the Democratic Labour Party administration cut very deeply into the social sectors of Barbados. The Democratic Labour Party administration had already brought the productive sectors to their knees. The fact is, Sir, that all Governments, and successive Governments in Barbados, are expected to undertake policies geared to bring a better quality of life to all of our people. That, in fact, is the motto of the Barbados Labour Party, a better quality of life for all of our people. We are expected to offer, Sir, social protection and opportunities *fen** those who cannot support themselves. We are expected to assist people who are in social distress. In short, Sir, we must empower people to become genuine partners in developing our society.

Now, Mr. Speaker, the last Democratic Labour Party Administration could not even manage the landfill at Mangrove Pond far less manage the economy of this country. Landfills are not new. Empire Cricket Ground is a former landfill and many other places as well. Barbados has long before our time had the expertise in managing a landfill but the Democratic Labour Party was so inept that even a landfill they failed to manage. The fact is that the Democratic Labour Party ran Barbados into the ground. When you look back over the past eight years, Sir, we see three Ministers of Finance, two of them gave up the job because it was too much for them and the third had it taken from him.

I hear the Honourable Member for SL Michael South Central but he thinks that the people of Barbados have forgotten the promise of the \$15 000. Mr. Speaker, there are a few old people who are still looking for it, the greatest hoax of all time by the Honourable Member for St. Michael South Central. It is a pity that he is not now in his seat. But people have not forgotten that. That was a

promise made in an alternative Budget in April of 1986. Then the Honourable Member for St. Michael South Central rained down taxes on Barbadians in a Budget of July of 1986 which he followed with another Budget in April of 1987. Barbadians have never been so heavily taxed and are still waiting for the \$15 000. 11.10p.m.

I am afraid that I cannot be expected to be guided by the Honourable Member for St. Michael South Central, when it comes to the economy of this country. He has now refound his place in the bosom of the Democratic Labour Party. Some indeed say he had never left it.

The Honourable Member for St John is the Minister of Finance who had the job taken away from him by the people of this country. If he did nothing else, in his response to the Prime Minister and Minister of Finance today, I think it was to reassure the people of Barbados that they were correct in September of 1994.

It cannot be our fault that he had so much difficulty in understanding what the Honourable Prime Minister and Minister of Finance had to say in respect of international business. Mr. Speaker, Sir, the Economic Report of 1994 that he held up and shook, if this were another place, I would say that the Honourable Member for St. John was intellectually dishonest. But I would not say it in here.

He was quick to point out 28 and 29. There are 2 Tables on page 29, Sir, Table 12 (1) and Table 12 (2). Table 12 (1) shows the international business companies and the number of offshore companies licensed during 1993 were 372 and 1994, 315. But Table 12 (2) which looks at the total offshore companies licensed at the end of 1993 and 1994 show that in 1993, the total number of offshore companies licensed was 1 171 and in 1994, 1 486. You see, he should have gone on to make the other point. Just like he failed to point out, 'Sir, that in respect of foreign sales corporations the number of offshore companies licensed during 1993, foreign sales corporations 177 and 247 in 1994. In Table 12 (2) where we are looking at total numbers...

There he goes again.

Mr. D. J. H. THOMPSON: Sir, I wish to make it quite clear. I am rising on a point of order. I did not quote from any Table in the course of my presentation. I quoted from page 28 of the Economic Report, Sir, which says:

"While 315 international business companies received their licences compared with 372 in the previous year, a decline of 18%."

Those were not my words. Those are the words in the Government Economic Report. The Honourable Member wishes to quarrel with her own Report but I cannot get into that.

Hon. Miss B. A. MILLER: The point I am making, Sir, is that the Honourable Member was selective and did not go on to point out what the total offshore companies licences in 1993 and 1994 were. He did not want to do that because it showed a massive increase. Just as it did in respect of foreign sales corporations.

Even on page 28, it went on to say that revenue realized from international business companies licences amounted to \$272 600 at December 1994, 35 800 more than in 1993. While revenue from licences issued to foreign sales corporations, grew by \$205 200 to \$1.4m. Selective in what he chose to quote and not to quote.

Mr. Speaker, Sir, it is also not our fault that the Honourable Member for St John either does not understand or, deliberately, wants again to mislead this Honourable House and the people of Barbados in respect of what the Honourable Prime Minister said, when he spoke of a quite new concept, innovative concept, brilliant, the home allowance. I am reading from the Budget, Sir:

"In keeping with our Manifesto promise to restore the allowance for mortgage interest and repairs, I have decided that, from January 1, 1996, a home allowance of up to \$3 500 will be granted annually to cover"

please note:

"mortgage interest, repairs, renovations, energy and water saving devices, solar water heaters or water storage tanks."

It went on to say that this allowance will be periodically reviewed, in the light of changing cost. But the most important thing is found at the top of page 116 of my copy of it

"This allowance is in addition to the basic allowance of \$13000 and can be made up entirely of one of the above items or any combination of them."

But the Honourable Member for St. John does not want to speak the whole truth about the home allowance because, as has been pointed out by the Honourable Member for St. James North, it was the Honourable Member for St John, as a Minister of Finance who deprived Barbadians of all of these things that the Honourable Minister of Finance is now restoring to them.

Mr. Speaker, Sir, the Democratic Labour Party, 8 years ago, started a capital projects programme with an

Arch. That should have told us something straight away. They think that people have forgotten that. Then they moved Horatio Nelson 6 feet - this was supposed to be a modern day miracle - at a cost of hundreds of thousands of dollars. And yet these people could not find it in their public purse to give old age pensioners an increase since December of 1990. We are now in April of 1995.

In all those years, they were pouring money into Sherbourne. They were pouring money into the St. Joseph Hospital. They were pouring money into the old Queen's College School. They were pouring money into the so-called St. Thomas Secondary School. All unfinished projects. Eight years.

Even this Parliament, Sir, the West Wing, the wing where we are now in this Chamber, Sir, under my Chairmanship, this was given to me, as a special project by the late Tom Adams. We refurbished this building in 3 years.

For 8 years, they have been trying to refurbish the building across the courtyard there. It is still without a roof, windows, doors. It is a public disgrace. If you look in the telephone directory, Mr. Speaker, Sir, under Public Works, in the blue pages for Public Works depots, you will see that Parliament is one. That is what the DLP did. Turn this Parliament, the highest Committee in this land into a Public Works depot. Look it up when you get home. The blue pages, Public Works, depots. Parliament is one of several depots. Nobody knows how much money has gone in there. That is another scandal that has to be investigated.

Mr. Speaker, Sir, those are the sins of commission. I am hoping that, within the time given to me, that I will get to the sins of omission.

But the Democratic Labour Party having savaged the social sectors - there is no softer word that I can use - they savaged the social sectors, undermined the productive sectors, stormed the whole capital works programme and the Leader of the Opposition had the effrontery to get up here and outline to us the legacy which his Administration has left to us. I was amazed that he is now going to forecast, for 1996, 1997 and 1998, based on the damage done during his tenure in office.

Mr. Speaker, Sir, I refer now to Hansard, the Budget Debate of last year at page 4748. This is the Honourable Member for St. John then delivering his Budgetary Proposals and Financial Statement. He had this to say, at page 4748:

"No forecasting method is foolproof." You said that last year.

"One is aware that estimation errors will occur."
11.20p.m.

"... Frequently, however, our estimates turn out to be incorrect due to unexpected changes in the economic landscape".

That is what happened in 1994.

Now, Mr. Speaker, Sir, the Honourable Member for St. Joseph spoke about the style of the Honourable Member for St. John. I want to say a few words about it too. The Honourable Member for St. John is a person, whom the more he speaks, the more his slip, or some would call it petticoat, shows.

Aside.

Hon. Miss B. A. MILLER: It is a figure of speech. I did not want to say "the higher monkey climb the more he shows his tail". I would have thought that was unparliamentary. But this was the style of Government. You did not pay your creditors and they are all set out in the budget. \$44 million. You do not pay the university fees for the students. You do not pay the Welfare Department so that old age pensioners can ride on the Transport Board buses, bearing in mind that you have not given the old age pensioners one cent for four years. You do not pay for Sherbourne Centre but you take a glossy photograph of the front and put it on your Manifesto to fool people when the backside is all out for the world to see. You do not pay for the people who are building down at the Hometown complex. You do not settle the debt to CARDI and other agencies in respect of agriculture. If, as an individual, Mr. Speaker, you and I or others did that we would be called to book. But that was their style of Government. It is very easy to say, we have done this and we have done that and the deficit shows this and the deficit shows that, but you are not paying your creditors. In addition to not paying your creditors you are borrowing way beyond your overdraft limit at the Central Bank. Now, if you or I or other people did that the bank manager would have us in. No, they came in here and they legislated to raise the limit and I give a great deal of credit to the Minister of Finance in his effort to put the economy of Barbados back on a sensible course and that it is his intention that it will not stay at 17.5 % where they put it and it will go back to what it was.

The Government, under the Democratic Labour Party, set the worst possible example for the man in the street to follow. And there were other terrible examples of fiscal irresponsibility, practised by the Honourable Member for St. John. Not much can be said about the Honourable Member for St. Michael South, as Minister of Finance he gave up the ghost on that early.

Aside.

Hon. Miss B. A. MILLER: St. Michael South. People forget that he was the Minister of Finance. Yes, he too gave up the job, just as the Honourable Member for St. Michael South Central gave up the job, allegedly over a fight about the same business of the Governor of the Central Bank.

Now the Honourable Member for St. Michael South Central should be the last person to get up in here and talk about the Governor of the Central Bank and what he would say and what he would not say. This Honourable Member stood up in this Chamber when he was a shadow Minister, as the Honourable Member for St. Joseph said, a mere shadow, and waved at the then Government, a copy of the Central Bank Report. Those were the heady days of opposition but he forgets how he came by that report but he will now stand up in here and appear to be so self-righteous.

Aside.

Hon. Miss B. A. MILLER: The same Central Bank Governor, and I know that the Honourable Minister of Finance will deal with this in due course, but I must say it now because some people forget but we have not forgotten. When we were looking in December of 1990, an election was due and we were looking for a Central Bank Report, we did not see the report for that last quarter. The election as you will recall, Sir, was in January of 1991. Do you know when the next Central Bank report came out, after the election. So I am not hearing any talk now about it. If you are going to play politics we will play politics. We are politicians. I am speaking of financial irresponsibility. I could hear the Honourable Member for St. John in here and I have every reason to believe that he was quoting from a report that has not yet been made public.

Aside.

Hon. Miss B. A. MILLER: I have every reason to believe so. It would be interesting to know where your source is.

Aside.

Hon. Miss B. A. MILLER: No, you are not going to tell me that but I hear you thanking Civil Servants a plenty. I hear all of that. But the fiscal irresponsibility, Sir, the Auditor General's Report. It is easily the worst report that I have seen in my time in here. Pages 2 and 3. It is a document of the House, Sir. The Auditor General is saying that in many departments internal checking is deficient and inspection functions ignored, failure to introduce adequate systems of internal control and proper systems of accounting create risk of fraud, embezzlement, waste or extravagance and it goes on and on in this vein. Almost

every single department of Government and the Prime Minister and the Minister of Finance is right when he said yesterday that he is going to be very vigilant when it comes to the financial rules and that public servants must take warning that practices which were sanctioned and permitted and encouraged under the former DLP administration will not be countenanced in this administration. People spent money when money had not been voted. Every penny must pass through this House. People were spending moneys that were not voted. People were not accounting.

Mr. Speaker, Sir, the present Minister of Finance, quite unlike his immediate predecessors has shown us, Sir, that he understands how the economy of Barbados must work to our best advantage. The Prime Minister understands that social progress will not be realised simply through free market forces and it is clear from his budget and I am pleased that he is prepared to invest in people. He has made it clear that he is prepared to invest in women. He is prepared to invest in youth. He is prepared to invest in the elderly, in the family as he puts it, in the household.

If I could say a word here in respect of old age pensions. In 1976, we came and found the non contributory pension at \$8.00 a week. In 1986 when we left, we had moved it to \$52.00 and together with that \$52.00 there were a whole host of services at the polyclinics freely available to old age pensioners - travel on the buses, national assistance, home help programme, a whole raft of social services that we had made available to people, housing welfare and whole host of them, drug service. Those were the golden days and as soon as the Democratic Labour Party came into Government in 1986 they started to cut. Even before stabilisation they were cutting. People forget that Keith Simmons was the Minister of Health who cut the services at the polyclinic long before stabilisation. They just cut away and cut away. Why is it that the Democratic Labour Party always has to punish the most vulnerable and the least advantaged in our society. In any administration if you look, Sir, you will see that is what they did. That stunt pulled by the Honourable Member for St. Michael South Central is nothing new. Then Cammie, now Sir James Tudor, came in here with a basket of goods many, many years ago. That kind of stunt does not work. 11.30p.m.

The people he is talking about do not buy Libby's corned beef to begin with. So that is to catch the papers tomorrow. He wants to see a headline which says: "Mickey Mouse Budget and a can of corned beef. Those days are gone, Sir. But the old aged pensioners were made to wait for 4 years when the Democratic Labour Party was pouring money into Sherbourne and the St. Joseph Hospital and a whole host of other projects which we are going to have to find money to finish one way or the other. But old aged

pensioners in Barbados know, Sir, that the Barbados Labour Party which moved them from \$8.00 to \$52.00 is not going to abandon them at this time.

The Minister of Finance has started where he is able to stand. He has doubled what they got on the last occasion. The last time they got anything was in December 1990 and they got a mere \$2.00. Well, we have doubled that and as time goes by I know because I have great confidence that the Minister of Finance will take the old aged pensioners to a place where they hardly imagined that the Government could take them. We did it in the past and we will do it again. But the point is, Sir, that people trust us to do this.

Mr. Speaker, I very much admire the Honourable Minister of Finance in that he understands that the private sector and business and enterprises have to help in the responsibility of finding a solution to our many social problems. I was pleased to hear him say on several occasions during his Budget presentation that he had consulted. I hear complaints now coming from the Honourable Member for St John about certain legislation in respect of international business. For 8 years the Democratic Labour Party never saw fit to introduce this legislation. We have seen fit within the nearly 8 months that we have been in Government to have the legislation prepared and it has been sent for consultation, and the Honourable Member would be the first to complain if we did not consult, particularly members of the legal profession and the accounting profession. It has also gone for extensive comment to the Advisory Committee on International Business and it is in a state of near readiness. So I would hope that at the earliest opportunity that those pieces of legislation will come to this House.

But, Mr. Speaker, a perfect example of the Prime Minister's creative and innovative approach to the water crisis in which Barbados finds itself in 1995. Imagine that! You may not have thought to have seen that at this time. In the Barbados Labour Party, we never thought to see it because when we left the Government in 1986 the Barbados Water Authority had \$22 million in its account. But the Democratic Labour Party saw fit to spend it on other than water resources. No plan for the development of water resources in Barbados. But this is the party from which the Honourable Member for St Michael South, and people think that we had forgotten this as well, in 1975 signed an agreement with the Inter-American Development Bank for a sewage project for Bridgetown. Part of the conditionally was to increase water rates 700 per cent over a 5 year period. Oh, yes! That is part of a continuum, Sir, or of an attitude to water resources in this country. Our sewage system takes a lot of water. There are other industries which have come to Barbados since 1976 which use large quantities of water. Water like any other commodity or any other utility, you have to plan the use of it. You do not just turn on the tap and expect that there is

going to be water because you may or may not be paying your water bill. Well, all of that was part of the maladministration which we hope now is a matter of the past

Mr. SPEAKER: The Honourable Member has two more minutes.

Hon. Miss B. A. MILLER: Two minutes, Sir...in which case I absolutely cannot sit down without reference to the Carlisle Bay Development Project. Now the people of the City of Bridgetown who I represent, Sir, are ecstatic at the news coming from the Ministry of Housing that the Pondsides Housing Estate will at long last go into Phase II. The land has been lying there since the early 1980's when the Barbados Labour Party Government acquired it and, Mr. Speaker, Sir, they are very pleased about that.

The Carlisle Development Project, Sir, running from the Hilton Hotel to Brandon was a plan that was shelved by the Democratic Labour Party in 1986. It was a remarkable plan and it has been taken out. It is going to be reviewed as the Honourable Prime Minister has said and I would have now very quickly to refer people to the Barbados Labour Party's Manifesto of 1986 where we devoted an entire chapter to Bridgetown which can be found at page 12 and also refer people to our Manifesto of 1994 where at page 28 and onward there is much about urban development which will happen in Bridgetown. Bridgetown will again become a major financial and business centre as it used to be many years ago. Bridgetown is going to become an entertainment mecca. It is no longer going to go to sleep at 4.30 p.m. every evening. All the land that we reclaimed, land on which a helicopter now sits and meant for development, was never developed in 8 years. All of this is going to come into its own at last.

People do not know and they have to be told. There is a great plan for the restoration of historic Bridgetown. The Town Hall has to be restored. The Empire Theatre has to become a theatre again. Bay Street has to become a busy street in a way that it has not been for many years, perhaps only the lower end of Bay Street. Earlier reference was made to city hotels and so on. A lot of people do not know what a wonderful beach lies behind the Bridgetown Harbour Police Station. Perhaps it is the best beach in Barbados today and we do not exploit it and that is going right up to where the old Ice Works used to be. There is wonderful potential there, Sir.

All of that is going to be very carefully planned. The Town Planning will have much say in there. The two markets are to be refurbished. The Honourable Minister of Agriculture already made public the fact that he is starting

with the Cheapside Market. Again, the people in the City of Bridgetown look forward to that because this will generate jobs for people who live in the City and traditionally have worked in the City as well. The Lower Green, Sir, I am praying and hoping in our time that it will become a green again, so that you have at both ends of Broad Street areas which will speak to historic Bridgetown, to business Bridgetown, and to recreational Bridgetown as well.

Mr. Speaker, Sir, I have no hesitation whatever in applauding the Financial Statement and Budgetary Proposals made by the Honourable Minister of Finance and, as I said at the beginning, I have the greatest possible pleasure in supporting this Resolution.

I thank you, Sir.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 10.00 a.m. tomorrow, Thursday, April 27, 1995.

Hon. Dr. R. L. CHELTENHAM: I beg to second that, Sir.

The question that the House be suspended until 10:00 a.m. on Thursday, April 27, 1995 was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the sitting accordingly. 11.40p.m.

RESUMPTION Mr.

SPEAKER: This Sitting is resumed.

Mr. J. M. EDGHILL: Mr. Speaker, I rise to support wholeheartedly the Financial Statement and the Budgetary Proposals presented to this Chamber by the Honourable Prime Minister and Minister of Finance on April 25, 1995. I would also like to congratulate the Prime Minister for presenting such a comprehensive Budget. It is the most comprehensive Budget that we have had for a very long time.

It is also clear, Mr. Speaker, that this Budget has analysed clearly the state of the economy of Barbados and the aim in this Budget is to expand business opportunities and business activity so that jobs could be created and the very much needed foreign exchange earned.

Mr. Speaker, we have often heard talk about job opportunities or the creation of jobs and the earning of

foreign exchange, but these things cannot be accomplished unless we attempt to preserve the health of this nation. It is our policy on this side to have a Barbados free of litter, a clean and litter free Barbados. We knew very well for a long time that we have had some problems in Barbados as regards the disposal of refuse. However, since coming into office in September 1994, we realised that the problems were even greater than we had anticipated. I, for one, on assuming the chairmanship of the Sanitation Service Authority was appalled at the condition as relates to the disposal and collection of garbage in Barbados over the last few years.

Since coming into office, we have been able to make considerable improvements in that the catalyst for the disposal of garbage which is the mechanical shop of the Sanitation Service Authority has been improved. Service and efficiency has been improved considerably so much so that garbage collection has improved as well.

When we first came into office everybody in Barbados was complaining about garbage all over the place. As a matter of fact, at the Sanitation Service Authority I was inundated with telephone calls from people all over Barbados complaining that their garbage was not collected, sometimes for 2 or 3 weeks. I think this was mainly as a result of having only 25% or so of the trucks working at that time. However, over the past few months we have been able to improve the efficiency at the SSA and we have approximately 75% of the trucks available to collect the refuse on a daily basis.

Nowadays, we get the odd call so this is an indication that people in Barbados generally are satisfied with the collection of refuse in Barbados. We at the SSA collect and dispose of approximately 400 tonnes of garbage daily. We have been giving people a greatly improved service over the past 3-4 months and it is our intention to give the people of Barbados a guarantee in some cases of daily service and in other cases a guaranteed weekly service. However, this cannot be achieved within the next couple of months because we are still working at trying to get as many trucks as possible available to the public.

We also have in the Estimates 1995-96 provisions for 8 trucks and when these trucks arrive in Barbados our refuse collection should be significantly increased.

I remember when I first went to the SSA, I discovered that between 1991 and 1994 the Sanitation Service Authority had bought 26 trucks and the policy of the Board and by extension the Government then was that if you buy 26 trucks you take 26 out of service in order to cut down on expenses. Mr. Speaker, this is foolishness because when you take 26 trucks out of service what you are actually doing is making it very hard or creating a lot

more hard work for the trucks, and as a result of not having a proper maintenance programme the existing trucks were in very bad condition. However, we have implemented a preventative maintenance programme and we have started to see the results of so doing.

I must say that at that time, about 6 months ago, Barbados could have been considered as being very filthy as a result of the problems confronting the Sanitation Service Authority. I have no doubt that there has been significant improvement and Barbadians can look forward to further improvements during the course of the next year or so.

Recently, we have also embarked on a campaign of cleaning Barbados up. This is not only of household refuse but the bulky substances as well, such as stoves, refrigerators, mattresses, pallets, air-conditioning units, tires and so forth. We have found first of all that sufficient work has not been done in the Ministry of Health to rid Barbados of all these bulky items which create breeding grounds for mosquitoes. We, on this side, very well know the dangers of the *Aedes Aegypti* mosquito. We are also fully aware of the fact that if a lot of these bulky items are not collected promptly the rodent population would also increase and could you imagine having an increase in the rodent population of Barbados? With an increase in the rodent population in Barbados we are liable to get things like jaundice and leptospirosis for which the fatality rate is very high. 10.15 a.m.

However, the main reason for embarking on this campaign of cleaning up Barbados was because we fear that there is an outbreak of dengue fever in the region and this is something that we have to correct as soon as possible.

The Caribbean Epidemiological Centre, CAREC, has anticipated that an outbreak of dengue fever will have serious and far-reaching consequences on the Caribbean. Already there have been cases of dengue fever in Barbados and we know very well that we are all at risk. We all are at risk, not only the adults, but the little children are even more vulnerable to the blight of dengue fever.

There are two main complications of dengue fever - the dengue haemorrhagic fever which is characterised by the passing of blood in the stool and the excessive menstrual bleeding. There is also the dengue shock syndrome which pulls the patient into shock and both of these complications can be fatal.

There are four types of dengue viruses. There is Type 1, Type 2, Type 3 and Type 4. We in this area are

accustomed to Type 2 and Type 4 but we now have Type 3 which is rare to the area and also very dangerous. We feel that since we are on dangerous grounds, it is imperative that we get all these bulky items cleaned up. Over the last month or so we have been able to collect over 900 loads of the bulky materials mainly in the Christ Church and St. Michael areas. We feel that there are approximately 5 000 loads additionally which have to be collected and we intend to do this over the next two or three months with the limited resources of the Sanitation Service Authority.

An area I would like to touch on for a while is that of the Sanitary Landfill at Mangrove which has created many problems to the residents of St. Thomas and in particular the residents of Arch Hall and Bennetts. Most of the problems resulting from the Landfill in Mangrove have now been solved by the same management of the Sanitation Service Authority which was said to be incompetent by the last administration. The real problem with the Mangrove Landfill was that the Sanitation Service Authority was starved of funds to carry out their work. Very often the Landfill at Mangrove did not receive covering material. At some stage there was hardly any equipment available to compact the covering material and as a result of that, oxygen was able to penetrate the Landfill and create spontaneous combustion from time to time.

All Honourable Members, Mr. Speaker, are fully aware of the fact that when two oxidants, or more than one oxidant, get together spontaneous combustion is created so the main problem at the Mangrove Landfill was the fact that the Sanitation Service Authority did not have the funds to manage that Landfill properly. Not having the funds to manage the Landfill properly could have created a serious problem to the economy of Barbados, an economy which depends greatly on tourism because not only were the residents of Arch Hall and Bennetts affected, but also the Barbadian people on the West Coast, as well as the tourists on the West Coast. This could have caused a lot of tourists to desert our shores. However, the Honourable Prime Minister was able to get together some meetings and he told us quite clearly that we had to get things right and that he would give us the necessary funding to make sure that everything would have been properly sorted out at the Mangrove Landfill.

At this stage, Mr. Speaker, I would like to say how sorry I am that the people of Bennetts and Arch Hall had to undergo some terrible health problems because of the stench emanating from this Landfill over the last two years. At one stage this Landfill was regarded as "Mount Stinkeroo". I am glad to say that people are now referring to it as "Mount Pleasant", and this is as a result of the efforts of this administration.

I would also like to spend a few minutes on the Queen Elizabeth Hospital. I am happy that this administration has taken a decision to close down the St. Joseph Hospital on which about \$30 million was wasted. There was also an expenditure of about \$500 000 monthly and only an income of about \$22 000 monthly. We on this side thought this was a waste of money and resources. As a result of not having to spend all this money on that institution, we will now be able to concentrate more heavily on the Queen Elizabeth Hospital and it is our policy to improve the services at the QEH. 10.25 a.m.

We intend to train more nurses because there is a real shortage of nurses at that Hospital and the morale of the nurses is extremely low. We also plan to bring in more ambulances and equipment with radio phones so as to facilitate the treatment of patients where required, on their way to the Hospital. We are also planning to decentralize the ambulance service so that we can have, maybe, an ambulance in St Peter, one in Oistins and one in St. Andrew so that they can respond to emergencies much quicker than at present

A very important area which we have to work on is that of making sure that the junior doctors get their allowances promptly because we know that the junior doctors are a very integral part of the health services of Barbados. It is our feeling that these junior doctors should be paid or given their allowances as promptly as possible.

We also plan to put all the Operating Theatres in use at the QEH so that when people - I know some people in my constituency, people in Silver Hill, Sergeant's Village who have complained to me, from time to time, and told me that they have had to wait months to get an operation because all the operating theatres are not in service. This is something that we plan to correct, as soon as possible.

We are also planning to expand the range of professional services at the QEH so that people could be treated in more specialized areas. We are also planning to open the polyclinics a bit longer which will take some of the burden off the out-patient department and the Casualty, at the Hospital.

We are also planning to stock the Hospital pharmacy better so that doctors would not be given memos saying that when a patient has pain the only drug to dispense is paracetamol which is really a very mild analgesic.

We should like to know that patients are given the necessary medicines that are prescribed, by their doctors. We also plan to have a broad-based formulary committee so that the Director of the Barbados Drug Service who operates like a law unto himself can no longer do as he

likes. Imagine SAD drugs which are specially authorized drugs have to be approved by the Director of the Barbados Drug Service and, sometimes, the approval could take as long as 3, 4 and 6 weeks. These drugs are used mainly for chronically ill patients. This is bad. We intend to correct all of these major flaws in our health service.

Mr. Speaker, I should like, at this stage, to be a bit parochial in that I represent the constituency of Christ Church West Central which is dear to my heart. This constituency consists of Silver Hill, Maxwell Hill, Kendall Hill, Sergeant's Village and the Vauxhall areas. It is a very poor part of Barbados. Many of these people have suffered as a result of the draconian measures implemented by the last Democratic Labour Party Administration. A lot of them are out of work. A lot of them owe the National Housing Corporation plenty of money. I should like to see something done. I know that the money has to be repaid but I think it is very important the fact that these people have suffered over the last 3 years, that something should be done, whereby these people would have to pay a very small rent, and keep their rent current.

In the rural development programme, I also realize that money is allocated for lighting, as well as *far* roads, in rural Barbados. As a result, I am sure that it is only a matter of time before I get some lights in places which are inadequately lit, places like the Silver Hill Access Road, the Canevale area, as well as Sergeant's Village. Also the back of Vauxhall.

There are also several areas, in my constituency, which need some roads and which need an upgrading of the roads. I am glad to tell my people in Christ Church West Central that, during the course of the next year, we will be able to get some work done so that you people will be *happy*. The people who have suffered under the last Administration, suffered badly under the last Administration.

At this stage, Mr. Speaker,...

Mr. SPEAKER: The Honourable Member has 2 minutes to conclude.

Mr. J. M. EDGHILL: I should like to further congratulate the Prime Minister for delivering such a comprehensive Budget, a Budget which has been able to deal with most of the social problems affecting the ordinary man in the street, on a day to day basis. Under the astute leadership of the Prime Minister of Barbados, I am sure that Barbadians will, once again, feel proud to be Barbadians.

On that note, Mr. Speaker, I should like to say thank you.

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

Mr. H. F. LASHLEY: Mr. Speaker, Sir, I rise to make my contribution to the Financial Statement and Budgetary Proposals, as enunciated in this Honourable Chamber by the Honourable Prime Minister, the Honourable Member for St Peter.

Sir, let me say that I believe that the development of a country cannot and should not always be counted in dollars and cents. I believe that we, in this Parliament, should work, collectively, with the private sector and non-governmental organizations to help to enhance the economy of this country.

In addition, I believe that as we enter into the Twenty-first Century that our Leaders, especially in Parliament must become more innovative and creative if we are to tackle the problems of this country successfully.

Obviously, I was a little disappointed at the fact that our senior citizens only got a \$4 raise. However, Sir,...

Aside.

Mr. H. F. LASHLEY:... I am hoping that, during the course of the Financial Year, that the Honourable Member for St. Peter will see it fit to at least increase the old pensioners' pension to a reasonable rate. Which brings me, Sir, now that I am on senior citizens, to look at the National Assistance Board. This statutory corporation, under its present Director and staff has been doing a tremendous job in enhancing the lives of our senior citizens. 10.35 a.m.

I believe, Sir, and this is particularly to the Honourable Member for St. Philip North, that Government itself should expand the services of the housing welfare department at the National Assistance Board and I am going to tell you why, Sir. I do not intend to come into this Honourable Chamber and do any political grandstanding. I have come into this Chamber to tell Barbadians the way it is and I believe that we in this Honourable Chamber have the right to effectively and efficiently inform Barbadians of what is happening in the country.

Sir, let me say this. Presently at the National Assistance Board there are over 2 000 applications alone for house repairs in this country and 90% of these applications are in the parish of St Michael alone. Clearly you can see the stark level of poverty that exists in this country especially among our senior citizens. I am saying, Sir, that if we expand, because I am talking collectively, if

Government expands the Housing Welfare Department to provide employment on an ongoing basis for artisans, for instance, electricians, carpenters, masons, painters, labourers, but the whole fact of the matter, and I am particularly concerned about it, is that there is a need at this point in time for us to tackle the problem of housing out there in disrepair, especially senior citizens homes. If we are able to tackle it effectively I am sure that the problems that are associated with the houses in the state of disrepair, the health problems will be alleviated.

In addition, Sir, I think the Board is doing a wonderful job in helping the senior citizens. Also, Sir, there is a need to expand the home help service. I know presently a number of persons are coming on but I say a serious development is occurring in this country, Sir, where a number of senior citizens are being abandoned by their families and left alone and unattended and this is the role that the home help service is playing presently in helping these senior citizens in this respect I think it is shameful of Barbadian families to leave senior citizens alone and unattended. That is why the roles of the National Assistance Board and Welfare Department are so crucial in playing a meaningful role of helping to enhance the lives of our senior citizens.

Now, Sir, I have spent a number of years working at the National Assistance Board and I was particularly happy doing a service for our senior citizens and for the poor people of our country.

I want to say something, Sir, and I want to say it in this Honourable Chamber so that Barbadians could understand what I am talking about. The point that I want to make is this. When we are talking about welfare and about the senior citizens of this country, Sir, we have to select people who really care and understand the needs of the elderly in this country. We just cannot take anybody just because they want a job. Presently I know there are a lot of uncaring people within the service and I can say this flatly because I used to work with them on a day to day basis. We have got to become more caring in this country, not only to our senior citizens but also to the entire island and especially to our youth as a whole. If we do not, I am saying a country is measured by how best it looks after its senior citizens and its youth.

In addition, Sir, I would like at this point in time, again to extend all of my courtesies and all of my congratulations to the ...

Aside.

Mr. H. F. LASHLEY: The Honourable Member for St. Thomas wants to pre-empt me a little too early but I am not going down that way, Sir. As I said I am speaking to

Barbadians. I know you are bowling a leg break, but this wicket is a sticky wicket

Sir, as I was saying the Promotions Committee of the National Assistance Board needs to be congratulated for the work they are doing. Sir, let me say why. While I was working at the National Assistance Board, Sir, I know this committee, under the able leadership of Sir Clyde Gollop was able to establish a memory bank in this country. Let me say something about the memory bank, Sir. Outside of Trinidad and the St. Augustine University and also outside of Jamaica, the one in Trinidad is called the OPREC Memory Bank, the one in Jamaica is simply the Jamaica Memory Bank. The only other island in the entire Caribbean that has a memory bank set up is right here in Barbados and it is at the National Assistance Board and this memory bank taps on the memory of our senior citizens while they are alive and store them for posterity so that in future, scholars, teachers, skit writers, even people from statutory corporations, governments, could tap on that memory bank for authentic information.

In addition, Sir, I would like to also congratulate them for interacting with the senior citizens and formulating the senior citizens travel group which is doing extremely well. I am talking not only of enhancing the economy of this island in dollars and cents but also looking at the other sectors where we could play a meaningful role in the development of this country. I have seen senior citizens actually come back alive through harmonious interaction with each other. We need to introduce more programmes of this nature in Barbados. We need more day care centre? throughout Barbados so that during the course of the day senior citizens could gather at the community centres and interact. They could even have their own political discussions on the budget while viewing it in living colour.

Sir, I must again congratulate the National Assistance Board for that but at this point I would also like to add a word of caution. I have been hearing through the grapevine that there might be a closure of the Sir Clyde Gollop shelter for the homeless. I am saying, Sir, that we should tread very carefully because again, Sir, if we close that institution presently then there will be no where for those hopeless people to rest their heads at night. Obviously then they would have to go back into Baxter's Road and endure the dew and so on. At the same time, Sir, I must admit it needs to be improved and the facilities there need to be enhanced. But what we must do as a Government, we must look at these institutions and help to upgrade them so that we could have a more harmonious society.

In addition, Sir, there is a need for more senior citizens homes in this island. Presently there is one at Golden Rock, right in my constituency and I, as the Honourable Member, am expanding it and introducing

more programmes. I think the Speaker might want one in his constituency. I am saying, Sir, there is a need for more senior citizens homes in Barbados, because there is a great abandonment and neglect of senior citizens of this country. Because as I said there is a great neglect of senior citizens of this country and we have got to grapple with the problem. All of a sudden it looks like every sector in Barbados has some crisis of proportion developing and we have got to solve it. We cannot come into this Parliament every Tuesday or whenever we meet and keep on confronting and fighting each other. The people of this country have elected us to come in here and represent them. Each and every single individual member who has been elected to this Parliament was elected because the people felt that that was their choice and they want that person to represent their interest. So if we have been elected to this Honourable Chamber collectively, then therefore we should fight hand in hand for the betterment of this society. 10.45 a.m.

Sir, I was looking at the Senior Citizens Village and making a call for more senior citizens' homes in this island. Presently, there are three. We have two and the other one is at Black Rock. At present, there is one under construction at Vauxhall that the Honourable Member will see it fit to have completed as quickly as possible and the Honourable Member for Christ Church said that he agrees. Seriously, we need to grapple with these problems especially for our senior citizens.

Sir, in concluding my part on the senior citizens, let me say that our senior citizens are our pillar bearers of this country. Let us not abandon them. Let us as a nation help them out of this psychological reservation that they have been placed in, because we in Barbados believe, Sir, and we have said it in our statute books that once you have reached 60 years you suppose to hang up your boots and go back into the room and die. That is what it is and let me say this, Sir, that in another 10 or 15 years most of the members on that side will be senior citizens anyhow and on our side. But we must definitely work very seriously to enhance the livelihood of our senior citizens.

I want to focus my attention to the National Housing Corporation and I want to look at it from the context of the housing units within the various Government housing estates. I believe that I should also give Jack his jacket and give praise where it is due. At this point in time, I would like to compliment the General Manager of the National Housing Corporation. The reason why is because he has been able to have a little harmonious interaction between the National Housing Corporation and the tenants that are living within the National Housing Units.

Sir, I represent a constituency that probably have the largest Government units which is the Pinelands and Wildey and on a day to day basis I get a number of

complaints from tenants primarily in the area of the maintenance of the housing units. There are so many units within these two housing estates that are in dire need of maintenance whether it is to the stairs, taps, toilets, *etcetera*. But what depresses me most, Sir, is the fact that some tenants who owe the National Housing Corporation rent and the units which are Government Units are in need of repairs and maintenance, but they are not carried out simply because the tenants owe the National Housing Corporation rent

I am saying, Sir, that there are some tenants in these Government housing estates that have been living in the unit for over 30 or 35 years and at some point, especially within the last 5 or 6 years, they might have developed arrears. I am saying that Government must recheck this situation and change that policy and still have these houses properly maintained. What even hurts me more is having to see notices placed on people's doors for eviction who are owing house rent to the tune of \$2000 or \$3000. It is very embarrassing and the people who are living in the housing unit are embarrassed because the people who travel the road make a lot of sport at them. I am saying in all earnest that we have got to consider that when these people have lived in the unit for so long that some system be put in place where they can go into the National Housing Corporation and talk to one of the officers to have this problem solved rather than using high handed action to have them evicted. We all are Barbadians. I know what it is like because I have lived in Government housing estates for almost all of my life, Sir.

In addition, Sir, we have been getting numerous complaints from residents again about changing the asbestos roofs where they are affecting the senior citizens and also children. What has been happening in St. Michael East, Sir, is that we believe through our Council, which is the Pinelands Development Council, that we should help ourselves. We have been encouraging the residents and the tenants of the housing areas to at least help themselves and the National Housing Corporation has agreed also that they will assist them to ease the Government expenditure in this area. I am saying that Government must go on a massive programme of changing these asbestos roofs. They are wrecking havoc to the health of the senior citizens and children within these housing units.

Let me say again, Sir, and thank the General Manager in this regard for having the Board of the National Housing Corporation interact with the residents of these various housing estates. But I believe, Sir, there are some personnel and I will not call their names, Sir, at the National Housing Corporation that need checking into only, because I am not happy with their behaviour towards the tenants who occupy these units. I am sure that the Honourable Member for St.

Andrew will look into this instance that I am talking about. I hope that will happen because the tenants are complaining everyday about this.

Sir, I will not dwell on that any longer. I will now look at Community Development. I know that the Honourable Member for St. Michael North East has introduced a system of Youth Commissioners. 10.55 a.m.

Let me say, Sir, that I feel very happy with the work which the Honourable Member for St. Thomas is doing in order to solve some of the problems confronting today's youth, but what troubles me is the title "Youth Commissioner". It gives me the impression that these Youth Commissioners are given a mandate to go into communities in a high-handed fashion and enunciate policies of the Government. I am saying it could be reversed. Presently in the communities there are youth leaders and youth organisations that have been doing this work all their lives and I think an honorarium should be offered to the youth leaders or to the committees of these various youth organisations to carry out the work within their respective communities.

I have no problem with the Commissioners in the sense that they are trying to do something. I heard the Commissioner of Police lauding the Youth Commissioner - I do not know if he understood it rightly, but the word "Commissioner" appealed to him, obviously, he is the Commissioner of Police - but we have to look at these problems in community development. I believe seriously that if we decide we are going to tackle the problems with the youth we have to get to the genesis which lies within the community, and if the community leaders are given an honorarium, or the youth organisations, the Pinelands Development Council or the Pinelands Creative Workshop are given subventions to carry on administrative work, and you adopt the model of Pinelands throughout this country, the level of crime that presently exists, which the Honourable Member for St. Thomas is trying to curb, will be reduced to manageable proportions, so we have to look at this question of youth commissioners again.

In addition, let me say that we need to omit some of the bureaucratic stumbling blocks that have been placed in the way of some youth organisations and NGOs by the Community Development Division so that the youth groups could have freer access to the community centres in Barbados. There was a time when Community Development Officers used to go into the community and spend at least four or five hours in the morning, and then in the afternoon they went back to the office and started to do work. We should re-implement that system. The problem in Barbados right now is that rather than going ahead at such a fast rate, we have to stop in our tracks and get back to basics.

We have a situation where many Community Development Officers are sitting down in the Community Development Division without getting into the communities and trying to solve the problems out there. I am living proof of the effect of what the Community Development Division can do. I remember there was a Community Development Division Officer at the time, Mr. Ralph Walker, who actually changed the face of Pinelands as a community through his hard work at that time and fortunately you can see in 1995 the effects of the hard work which was done.

So this brings me to another point. The roof at the Parkinson Community Centre needs to be repaired. The Parkinson Community Centre is the most actively used community centre in Barbados, and I say so without any fear of contradiction from any Member in this Parliament. Therefore, if it is actively used it should be repaired, because if it is not repaired shortly you will have a major disaster up there if that roof collapses while some activity is going on.

I am willing to work with any organisation to develop this country. I am a free moral agent in that sense and I know that the party on this side is committed also to the development of this country, so do not let us do any political grand standing.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Mr. H. F. LASHLEY: Okay, Sir, therefore I must get a lot closer to home within the two minutes. The star duties and import duties which were lifted - and I thank the Honourable Member for lifting the duties - but I am saying that if we give a grant to the National Sports Council to do more work within the communities to develop sporting programmes we will have done a major job. I always use the Pinelands model. At night is when youth are more susceptible to doing lawlessness and getting involved in crime. We have implemented a youth soccer tournament at night in Pinelands and thousands of youth come into this area just to get involved in what we call night soccer fever.

I believe I have one minute left, Sir, and if you will allow me I would like to look at some constituency problems. There is need right now for lights in Salters Tenantry Road. I have informed the residents that I have been promised by the Ministry of Public Works, Transport and Housing to get some lights placed up there.

I would also like the Ministry of Health to join us in St. Michael South East in our clean up and beautification programme, as the residents are trying to help themselves. I would hope we would get help coming through faster. I have written letters to the Minister and to the Permanent

Secretary to have the roads in Lower Burney paved and also to get roads in Lower Burney and Mapp Hill. There is also the need for a bus shelter on the main road at Mapp Hill, and also the need to have the mini-bus route extended in North Wildey and Meadow Road. Again I have written the Ministry on that and I have circulated the residents and I am hoping we have this done. The South District Primary School is in urgent need of repairs and I am also asking that the roads in Bottom Close be repaired.

Finally, as I wind up, Sir, let me say this. Again I am asking that we put this country of ours first. President Franklin Delano Roosevelt was crippled with polio, and during the recession in America what he was not able to do physically he did with compassion and he introduced a number of programmes on the new deal. This is the year 1995, Sir, and I believe that we in this Parliament could do the same and give Barbadians a new deal.

Thank you very much.

Mr. D. CARTER: Mr. Speaker, I would like to congratulate the Prime Minister and Minister of Finance on the production of a Budget which I consider the best certainly in the past eight years. I believe that this document should be kept by all of us in here for posterity.

I was amazed yesterday when a former Minister of Finance had the gall to refer to that Budget as a Mickey Mouse budget, but I can say that the genesis of our economic problems started, way back in 1986 when the Member for St. Michael South Central was the Minister of Finance in this Honourable House. 11.05a.m.

I believe, and I remember well when the Prime Minister of the day, in 1986, the Honourable Bernard St. John, now Sir Harold, told this nation at the time that things were going reasonably well and that he was prepared to go down the road to give Barbadians a better life. The member to which I referred, the Honourable Member for St. Michael South Central, decided to backraise the then Prime Minister and we all know today because of that backraise what has happened to the economy of this country.

Before we demitted office in 1986, we were proud in the Barbados Labour Party to have the economy such that in agriculture we were producing 110 000 tonnes a year, tourism was booming and certainly manufacturing was holding its own. Because of the policies which were implemented then by that Minister of Finance things in this country started to go gradually downhill. As I said, that Budget of 1986 really is the genesis of the problems that we are experiencing today. I am amazed that that

member could come to this House to try to gain political points by producing a tin of corned beef. I know a member of his Party came to the House once and made okras a document of this House, but I would believe that a man of the stature of the Honourable Member for St. Michael South Central would come in here and be critical of the Budget, yes, but that he would have alternate views in order to criticise the Budget.

I am amazed also that the present Leader of the Opposition, the Honourable Member for St. John, who spoke for 3 hours, did not at any time do justice to the Budget that was presented in this House. I know he is very eloquent in speaking; but the important thing in this Budget is that he could not - and he admitted that he is not an economist - and obviously was not able to grapple with the presentation that was put forward by our Honourable Prime Minister.

He alluded to the fact that he left a good wicket for the Prime Minister and I am amazed that after 8 years of the traumatic experience that the people of this country had because of the bad policies that were created and done to the people of Barbados that the Honourable Member for St. John could talk about leaving a good wicket for the Honourable Prime Minister.

We assumed office some 7 months ago, and as I can see, the Prime Minister had to do a lot of things to rectify the financial position of this country. We were told by the Prime Minister that he had to pay over \$40 million in debt, a debt which the previous Minister of Finance refused to pay. Because of these unfortunate things that happened during the course, the present Prime Minister and Minister of Finance was forced to settle the ship of this country and has done so admirably.

In the Prime Minister's statement, he said he can now see a light at the end of the tunnel and I congratulate him for the hard work that he has put in to settle the ship of this country. I am of the opinion that with his technical know-how we in Barbados will see a country once again as we have seen between 1976 and 1986, the glorious days of Barbados.

I feel really sorry for the former Prime Minister, the member for St. Michael South, because he was not ready to assume the office and certainly the position of Minister of Finance in this country and when the then Minister, the member for St. Michael South Central, demitted office speedily on the excuse that he was not consulted about the appointment of a certain officer we all know on this side that the reason he left the scene was basically because he realised things were going badly and he would be the person responsible and he jumped ship at the time.

Mr. Speaker, I can say today that this Government is in control of things and certainly the economy will start to *lock* up again. During the presentation yesterday of the Leader of the Opposition he made the point that the growth predicted for 1995 is 0.6%. Obviously somewhere through the system some document fell off a truck and it got into his hands. But 0.6% and 1% really is not either here or there because I am told that in the profession of economics it is not an exact science and if you are a few percentage points out that does not matter.

If I take a few points from the Budget, the first thing of interest that I am happy to see is that the Prime Minister has seen fit, despite a modest growth of only 1%, that he for the first time could look at the old age pensioners of this country.

In our manifesto of 1994, we told the people of this country and certainly the old age pensioners that we would do the right thing when we assumed office. As I said, the old age pension was raised from \$63 to \$67. Although it may sound modest to many people in this country, if you look at what is happening to the economy, with just a slight growth, I think that the Prime Minister has done a wonderful job in making sure that the old age pensioners at least got that raise in pay *far* their weekly pensions.

Sometime during the speech of the Leader of the Opposition he actually noted that in the not far distant past the economy was operating at around 3%, but at that time, the Government of the day, the Democratic Labour Party, did not see fit to look after the old age pensioners. I cannot understand why people on the other side could be so cruel to say that the modest improvement in the pension of \$4 was a bad thing. I think that the Prime Minister should be congratulated for helping the old age pensioners once again.

There is another type of pensioner. Those people who have to pay in income tax on interest derived from their money in the bank and I believe it is a good thing that the Prime Minister has seen it fit to stop such a cruel tax imposed on those people. I know that those people would have paid taxes up front and certainly they should not come in their heyday after paying taxes to pay taxes a second time. 11.15a.m.

Lastly, there are a group of people in this country, masons and carpenters, who over the years might not have paid their National Insurance but were working and really helping the economy of this country. I am not saying they are right to do it but it is nice to know that those same people when they reach the age of 60 they can still get their pension fund.

In relation to pensioners there is another type of people who have worked hard abroad but they are Barbadians who have sent back their money over the years to help the economy of this country. Now they have returned, they are old people, they have found it impossible during the last regime really to partake of the pension system here. I am glad that the Prime Minister has seen it fit whereby all Barbadians now have the opportunity to take part in the pension fund here in this country.

Mr. Speaker, I am the Chairman of the National Sports Council and I am glad to report that in that area the Government has set out a very good playing field for all sportsmen in this country, certainly, the many associations which can benefit from the various things we have got in place so that they in turn can be more productive in their respective sport.

I heard, Mr. Speaker, the Honourable Member for St. Michael South East say that he hoped the day would come when playing conditions and sporting fields would be in such a way that his constituency would benefit significantly. I can say that through Barbados we in the National Sports Council have made it possible with the many playing fields and certainly hard courts and we realise that during the night when most people are home from work when they want to engage in activity that we in the National Sports Council make it possible that most of these hard courts and similar facilities will be well lit so that people can have their recreation at night and feel comfortable.

In the sporting sector we must not diverse sports from tourism. Certainly over the past two years the sporting organisations in this country have done a great job in helping this country with foreign exchange. Only recently the Minister of Tourism talked about the thousands of people who came to this country during the Test Match period.

I would like to mention also the thousands of people who come from Bermuda every year to make sure that the stands in this country are filled. Quite recently there seemed to be a misunderstanding in this country with the Bermudans and although the Minister of Tourism spoke with some of them I personally had the opportunity to speak to some of them. I think it is only right and fair that something should be put in place through the Ministry of Tourism where we could go to Bermuda and try to further appease the people of that country because we are short of a market every year where 2 000 to 4 000 come every year to watch test cricket and we cannot afford to lose those numbers. It is nice to get in here and say that because of cricket tourism has increased by 4%. That is true.

There is another sector in the sporting activity and I refer to the people who are playing hockey. Every year

around August and September thousands of people come to this country because of hockey. It is a sort of sustainable tourism because they come every year. It is important also that we do the right things to keep hockey at the very highest level. In our Manifesto we alluded to the fact that the day will come soon when we would need to have an astro turf in this country to assist hockey players to play on a better surface. I hope that not too far in the future that such things could be put in place.

Mr. Speaker, the Barbados Cricket Association, the leading sporting sector in this country over the years, is now in deep trouble because of one of the games that brought in real capital to that organisation and the association in return every year pays out sums to the tune of \$65 000 to \$75 000 yearly to the many sportsmen in this country, especially cricketers. Now that the game is in trouble I believe that this Government may have to go further overall in helping sportsmen but certainly helping the Cricket Association.

First of all, I believe that every sporting organisation that is leaving this country, especially if they are representing Barbados, should have that 20% tax taken off their airline ticket to assist those various associations in helping to bring their financial position into a better position. Certainly, the \$25 they have to pay at the airport" comes in handy to get that excluded from their financial package.

It is all right for us, the administrators, to go to the airport and meet Barbados teams returning to this country when they have done well but I believe that we, as a Government, have to make sure that the infrastructure is in place whereby Barbados cricket teams, volleyball teams, and football teams would have an easier time to deal with their finances.

At this point I would like to congratulate the Volleyball Team last year on winning the Volleyball Championship for the second time. I know that very shortly we will have the Volleyball Tournament in this country. We have to make sure, as I said, that we treat these sporting organisations in a way where they can feel comfortable. -o

I alluded to the fact that the Barbados Cricket Association has paid out thousands of dollars every year and only quite recently the President of the Association hinted that because of the fast depletion of funds the possibility may arise whereby those sums may not be able to be given out so readily. That is why I am asking the Government to let us be sure that we put these various sporting organisations on a good footing. It is a fact that because of sports in this country the tourism sector is looking reasonably good. I believe that since they are pulling their weight and helping us to be more

productive that we as a Government should also do the things that are necessary to make them comfortable.

Mr. Speaker, in the Budget this year the Honourable Prime Minister, for the first time, and he would be the first Prime Minister and certainly Minister of Finance who found it possible to give the sporting people of this country the opportunity to have a reduction of duty on their sporting gear. For a long while as a sportsman myself I knew the hardship that is encountered by the ordinary poor people of this country because the majority of people who are sportsmen are basically ordinary people and they struggle tremendously to get equipment which I consider is very expensive. Twenty per cent is a reasonable drop. I would hope that in the future when sporting teams continue to bring the tourism thrust to this country some time in the future the Prime Minister could even ease sportsmen even more.

I, as the representative for Christ Church East Central, and certainly as an administrator in sport, feel comfortable today that I can face sportsmen in this country and I can say that the Barbados Labour Party in its Manifesto said then that we would reduce duty on sporting gear and we did that as we said. These are two things of importance surely that the Labour Party could be proud of, to make sure that the old age pensioners got a raise in their pay and the sporting people of this country could feel easier today because when they go to buy and purchase their sporting equipment in general they would have an easier time. 11.25a.m.

It is a fact that if a mother or father, in this country, has got a little boy and she or he wants to prepare him for cricket in this country they have got to spend up to \$1 000 to \$1 500. Twenty percent is twenty percent. One fifth of that is very good for the people of this country. I am happy to be associated with such a big step that the Prime Minister and Minister of Finance has taken in order to alleviate the hardships of this country, in the sporting fraternity.

Mr. Speaker, I have got the honour to be the Member of Parliament for Christ Church East Central. I should like, first of all, to congratulate the people of those developed areas like Durants and Newton, Elizabeth Park, Sheraton and Kingsland who, over the past 4 months, took their hard cash and tried to beautify all the unused spots in those areas. It is a financial burden on those people. I would hope whether it is the Ministry of Health or the Ministry of the Environment, that in the very near future, they would do something to alleviate this problem. Every year, those residents have got to take their money and try to clean up spots, in those areas. I think the time has come where the Government might have to do something with those people who own the spots and, sometimes, who do not even live in this country.

The people in Wotton were more fortunate because I was able to get a little sponsorship and was able to clean up the whole Wotton area.

I know, right now, we have got a Ministry of Rural Development and I believe that the people, in certain areas, are complaining bitterly about the dark areas. I should like to appeal to the Minister responsible for the Ministry of Rural Development to use the funds that are given to him speedily, so that the people in my constituency, the areas I just mentioned and the other areas like St. Patricks, Edey's Village, Cox Road and Lodge Road that they can have streets that are well lit, so that our young ladies and, certainly, our children can walk about and feel more comfortable.

Mr. Speaker, finally, I should like the Ministry of Tourism who, over the years, when they are inviting tour operators and travel agencies to this country, to go back to their respective countries to promote Barbados. I should like that Minister to also invite football scouts, especially those scouts from England. I believe if that is done, those technocrats can come and see a wider range of people, especially foot-bailers playing in this country. Subsequently, we hope that more foot-bailers in this country would have the opportunity to go abroad and play football. People like Laloo Greenidge who got the opportunity, but I believe if scouts are invited they can see a wider cross section of foot-bailers and, certainly, that will help alleviate the problem here of unemployment.

The Pride of Gall Hill, the best football team in Barbados have got a lot of young players up there who need that sort of exposure. I will not stop trying until I can see at least one or two young people from the Pride of Gall Hill given an opportunity to travel, not forgetting Maxwell who is next door.

Mr. Speaker, I know we said that we will try to alleviate unemployment in this country. It is important that we take all the avenues possible in order to help. I am happy to report that, since we assumed office 6 months ago, I* in my little way was able to help 43 people to gain employment.

I am quite sure that now this Budget is such an outstanding Budget, I believe that the gates would be open for further improvement. I know that the Prime Minister and Minister of Finance, with his technical skills and the way he has allotted the money to the various Ministries, would give Barbadians hope, once again.

I am happy, when I go through my constituency at weekends, that the people in this country are smiling again. Do you know why they are smiling? It is because they

feel comfortable with, certainly, the Prime Minister and the Government that now rules this country.

Mr. Speaker, I am quite sure that, during the next 4 years, during the Administration of this Barbados Labour Party, we will make the people of this country proud people again. We will make the people smile again. I am quite sure that we will go on for a very long time.

Thank you, Mr. Speaker.

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

Hon. G. W. PAYNE: Mr. Speaker, since this is my first Budget since the last General Elections, and since this is also the first time that I am participating in a debate since I was a member of Government, I should first like to thank the people of St. Andrew from Orange Hill to Shorey Village who have stood by me, even when I was between a rock and a hard place. I would hope that I would be able to repay the confidence that they have shown in me because, it is because of them, that I am here to make my contribution to this debate.

I should like to congratulate the Minister of Finance, the Honourable Member for St Peter for an excellent presentation, in reporting on the state of the economy and, in setting out in a timely manner, the fiscal remedies he considers appropriate, at this time.

Mr. Speaker, it was indeed a very refreshing Budget and a departure from the doom and gloom and the heavy doses of taxation which characterized all of the previous Budgets, since I was a Member of this House. As a matter of fact, it was the first time in 8 years, that a Budget was delivered by a Prime Minister of this country who was not consumed with searching for destabilizes and plotters.

It is a Budget which reflects the confidence which the international community has placed in Barbados so badly shaken, during the tenure of the last Administration when, even though we were supposed to have had the highest credit rating in Latin America and the Caribbean, we could not even raise a loan on the international market in rebuilding this country.

Mr. Speaker, when one listens to the contribution of the Leader of the Opposition, it is fairly obvious that the strategy of the Democratic Labour Party in this debate is to engage in personal attacks against members of the Government aided and abetted by the Honourable Member for St Michael South Central who has now rejoined their ranks and in doing so, Mr. Speaker, they are hoping that we forget the pain and suffering that they inflicted on this

country and the Honourable Member for St. Michael East can bear me out on this, during the period 1991 to 1993 because he was one of the Members who was in the vanguard against the then Prime Minister, fighting very hard for his constituency. He even went as far as North America and declared himself as an alternate Prime Minister in this country. 11.35a.m.

Mr. Speaker, they want to forget the layoffs. Mr. Speaker, I come from a constituency, and I cannot repeat it often enough, I come from a constituency in which about 90% of the people are employed by Government related agencies and in my constituency of St. Andrew about 75% of the working population were laid off. I am somewhat amazed by the Honourable Member for St. Michael South Central when he talked about victimisation. Mr. Speaker, the last administration used the structural adjustment period as an excuse to send home a number of supporters of the Barbados Labour Party and he talks about victimisation at the Transport Board. We had a situation where 800 workers were sent home from the Transport Board, where Ministers of Government were given a hit list of the members who were working at the Transport Board and were told I want you to report on the members who did not vote for you. That is what happened at the Transport Board and that is what happened at a number of statutory corporations in this country and the Honourable Member for St. Michael South Central could get in here and talk about victimisation.

We have only been in Government (or 8 months and this is the first time in the history, and I will use the Transport Board as an example, in the history of the Transport Board and Honourable Members in this House can check it out - it is the first time in the history of the Transport Board where dismissals, transfers, ministerial interference...

I heard the talk about ministerial interference in the Press a few days ago and I had to call the Chairman of the Transport Board to find out what was going on. But this is the first time that that has not been visited on the statutory corporations. So I do not know what the Honourable Member for St Michael South Central is talking about when he speaks about victimisation. There has been no victimisation in this Government but what has happened, Mr. Speaker, and I believe that the time has come when we must seriously consider legislation, in this country, to make sure that no government will a few days before an election give Managers and Deputy Managers and political pimps - sorry to say that, Mr. Speaker, I could withdraw the remark if it is not parliamentary - five year contracts, wicked contracts, a day before the election whereby if you dismiss them you have got to pay them five years pay.

I must say, Mr. Speaker, I still believe these contracts must be tested in court. I have situations in my Ministry where, a day and 2 days before the elections, Managers

of Statutory Corporations were given 5-year contracts. And, Mr. Speaker, under the terms of the contract, if you dismiss them, you would have to pay them 5 years' wages.

We have a situation at the Transport Board, Mr. Speaker, where, despite all the problems at the Transport Board, despite the cash flow problems, the Manager of a Statutory Corporation would go and purchase, aided and abetted by those responsible in the Ministry - I am not saying that the Minister knew anything about it - could purchase a car for \$153 000, six days before the elections and you send home drivers, conductors, general workers, and then they talk about poor black people. That is the administration that we have been dealing with and we have been forced, before we could embark on our programme, to deal with these outstanding matters.

Mr. Speaker, I probably have the Ministry with the most statutory corporations. My Ministry is called the Ministry of Works but one of the Members on that side, I would not call his name, told me that it is the Ministry of problems and he would give me a medal if I came out good with MTW and the Transport Board and I am hearing a lot of foolishness, Mr. Speaker, about Ministerial interference.

We have appointed competent people to serve on the Transport Board and the Members of the Board are carrying out their functions in the way they only know best and you are hearing all sorts of foolishness about Ministerial interference, when they laid off all the known supporters of the Barbados Labour Party. The work force was reduced from 1 600 to 800. They sent home all of the conductors. They only had to hear that you belonged to the Barbados Labour Party and home you went. When I read the newspapers about Ministerial interference at the Transport Board I called the Chairman of the Board and I asked him about these things. He could even tell me about 5 people that were sent home. There were certain people who were disrupting the work of the Board. You had people who would tell you that they are working for the Democratic Labour Party but not for the Transport Board. That is what we were faced with and now they are coming attacking members of the Government. We have only been in Government, not even for 9 months, and they are making the people of Barbados believe that we have been in power for 5 years and that we have been doing all sorts of things. But I am glad that they cannot point a finger at any of the Ministers of Government and I am glad for the company that I am in, in the Barbados Labour Party Cabinet.

Mr. Speaker, the wickedness of the last administration, they went to Parliament to cut the severance of workers, and we on this side not knowing that they had

planned to send home the workers at the statutory corporations.
11.45a.m.

I know that you said that you should not use the word "trick" because it is not parliamentary, Mr. Speaker. But I believe that was a trick. They came here with legislation to cut the severance of the workers in half and then look what they did. They proceeded to send home the workers with half the severance and then refused to pay them their money. Workers had to demonstrate in order to get their money and only got it a few days before the last election. They are now coming in here talking about poor people. The Leader of the Opposition was saying that we are opposed to poor people, using language in that respect So we have got to set these things in the right perspective - an 8 per cent cut They are attacking the integrity of the Members of Government who have only been in Government since September 6th because they want the public of Barbados to forget the pain and suffering and the beatings, which the Mighty Gabby said, that great calypsonian, he is not a great politician, inflicted on the poor people of this country.

Mr. Speaker, they brought this country to the highest level of unemployment recorded and the Honourable Member for St. John and the Leader of the Opposition is talking about we are victimizing poor people and that we are sending home people as a result of taxes on public service vehicles. I will get to that, Mr. Speaker. Even the productive sectors, especially in agriculture and manufacture, they brought virtually to their knees and they had to wait for the election of this Government in order to save them from the brink of extinction. I think that this country should be forever grateful. Say what you like about the Honourable Member for St. Peter, but this country should be forever grateful for the brilliance and foresight of the Minister of Finance for saving those manufacturers and persons in the agricultural sector from the brink of extinction.

Mr. Speaker, I want to deal with the tax on the public service vehicles because I am the Minister responsible in this area. I have known the Honourable Member for St. Michael East for a very long time. He went to school the same year at Combermere with me. He was the former Minister of Public Works and I would like to say that I have purposely avoided any comment on his stewardship when he was the Minister of Public Works. But his Leader has done an injustice to him by his attacking me personally in his presentation. So, Mr. Speaker, I must set things in their right perspective. I am sorry if the Honourable Member for St. Michael East is offended but I have to say certain things.

The Honourable Member for St John talked about their being no conflict of interest with respect to

anybody in the Ministry of Public Works owning a vehicle, and that they have to eat like anybody else. Those are not the same words that he used. I am very, very worried when the Honourable Member for St. John talks about a conflict of interest in that vain, Mr. Speaker. I am worried because the Honourable Member for St John went the length and breadth of this country in the 3 months leading up to September 6th and he wanted the people of Barbados to elect him as Prime Minister of this country. I am worried, if they had elected him as Prime Minister of this country, whether or not he would have appointed - I am sorry to say - his wife in a sensitive position and then say that that is not a conflict of interest How could you have a situation whereby a Minister of Government has a secretary who is giving out public service vehicle Permits? How can you have a situation like that at a time when you have had two previous Ministers and there is a declared policy in Cabinet, Mr. Speaker, that Government will not be giving out any more public service vehicle Permits?

We have a situation whereby people applied for permits for years and never got them. You have a situation whereby the Acting Secretary to the Minister could apply for a permit the same day and get the permit the same day, and the Honourable Member for St. John is going to come in here and talk about there being no conflict of interest. I will tell you why there is a conflict of interest, Mr. Speaker.

When I was named as the Minister of Public Works, I wanted to make sure that I run a clean Ministry. I only know one way how to operate. I cannot operate any other way. I might be criticized for many things. Some unknown writer even referred to me in today's paper as a "clown", one of the writer clowns from that side. But I wanted to make sure when I was elected as a Minister of Government that I run a clean Ministry. I want to make sure that when I leave that Ministry nobody can point any finger at me.

Mr. Speaker, I cannot tell you in 30 minutes the things that I found in that Ministry. I cannot tell you, but at least I tried to make sure that the things that I could correct I tried to correct. It will take me about 10 years to correct a lot of things in that Ministry. I realized that there was a problem with respect to the Public Service vehicles. I held a meeting with all the parties concerned of the Mini-bus Association, the Route Taxi Association, the Insurance Association, the Commissioner of Police and his representatives. You name it because I went to the bus stands and I saw the chaos in the bus stands. I had meetings with the Mini-bus Association and the Route Taxi Association. In a way, I feel sorry for them not because of these measures since I think they are smiling, but they have to put up a screen. One of the main concerns of the Mini-bus Association and the Route Taxi Association was the fact that right within the Ministry there were persons who own Public Service vehicles and were being given

preferential treatment by inspectors and other persons policing the system within the bus terminals.

Now how could you have a situation whereby you are encouraging drivers to form a queue? I am not pointing my finger at anybody. You may have an inspector encouraging one or two drivers to jump a queue. That is the complaint. I do not know if it is true. But those are the types of complaints that I had from the Mini-bus Association and the Route Taxi Association. I had to deal with it 11.55a.m.

Mr. Speaker, in my own style I summoned a meeting of all the parties concerned within the Ministry and I told them in no uncertain way that this must stop. I did not beg them to stop it, I told them it must stop, and I am pleased to say that within days persons in the Ministry of Transport who owned public service vehicles, who were not even summoned to that meeting, came and voluntarily agreed to transfer their permits.

The Honourable Member for St. John spoke about the Minister stopping persons from transferring permits to members of their family. That is not true. Totally untrue! Even though I did not like the idea of their transferring permits to family and other related persons, I wanted to be able to say, and I told them that, I wanted to be able to go out there and face the public and tell them that my Ministry is clean, there is nobody in this Ministry that is responsible for the chaos in the bus stands, and they understood. I was so pleased at the co-operation, and there was only one person who did not co-operate, that is, the Acting Secretary to the former Minister, and I did not threaten anybody. I did not have to threaten anybody, so I am a little surprised that the Honourable Member for St. John could come into this House and embarrass the Honourable Member for St. Michael East, because what I am doing I am not doing on my own. I did what I had to do, Mr. Speaker, and I am surprised that the Honourable Member for St. John could stoop so low to engage in personal attacks on the Member for St Michael East, because I have to bring out these facts. Not a conflict of interest.

Mr. Speaker, in the five minutes I have I just want to deal specifically with the provisions as set out in the Budget by the Honourable Minister of Finance. It is being said that these measures are punitive. The Honourable Minister of Finance stated in the Budget the position with respect to the chaos created unwittingly by the former Minister, because I do not think he realised the extent of the chaos. He became a Minister and before he was a Minister there was an election, so he did not have an opportunity to know what was going on, so in a way I could excuse him for those 384 permits in six weeks. I am not saying that I will excuse him. Two former

Ministers did not even give a single permit in years, but if the Prime Minister had simply spoke...

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. The Honourable Member *for* St Andrew has imputed improper motives to me and has also used words which are unparliamentary in saying that I stooped so low. Those words were used and form part of this public record. I heard him in the course of his presentation minutes ago use those references and I wish to ask you to rule that they should be withdrawn and struck from the record.

Mr. SPEAKER: I am assuming you are objecting to the words "stooped so low".

Mr. D. J. H. THOMPSON: The expression "stooped so low" imputes improper motives to me, and in addition to that it is unparliamentary.

Mr. SPEAKER: The Honourable Member, you have heard the Member. Could you rephrase the remarks?

Hon. G. W. PAYNE: Mr. Speaker, I was disappointed with the conduct displayed by the Honourable Member for St. John in this House.

Mr. SPEAKER: Let us proceed, please.

Hon. G. W. PAYNE: Mr. Speaker, I do not have enough time really to deal with all the matters I would like to deal with, but if the Minister of Finance had simply said that there was chaos in the bus stands and he is going to impose certain fiscal measures on the route taxis and the mini-buses and that was all, well then you would be able to justify a claim that the measures are punitive measures. But, Mr. Speaker, it is very well established that where the costs of a service are incurred or increased as a result of the use of that service by particular individuals or institutions, it is obvious that the increased costs must be borne by the persons using that service. Last year when the Honourable Member for St John was increasing, I think it was the road taxes, or rather the Minister of Finance before him, when the fees for heavy duty vehicles were increased over and above those charged for lighter vehicles...

Mr. D. J. H. THOMPSON: Mr. Speaker, I have to rise again, because the Honourable Member is not...

Mr. SPEAKER: On what do you rise?

Mr. D. J. H THOMPSON: On a point of order. The Honourable Member is not making it clear to whom he is referring. I have never increased any road taxes, fees or imposed any duties or any other kinds of taxable imposition as Minister of Finance.

Hon. G. W. PAYNE: Mr. Speaker, the Honourable Member for St. John was part of a Government that increased the fees on heavy duty vehicles. He probably was not Minister of Finance then. The reason for the fact that the heavy duty vehicles were being taxed over and above the lighter vehicles was that they were responsible moreso than the lighter vehicles for the use of the roads.

There have been reports in the Press by both the President of the Mini-bus Association and the President of the Route Taxi Association about these measures being punitive, but yet they are contradictory in the sense that they have accepted the fact that those who are responsible must pay the cost. They only differ in the case of the Mini-bus Association as to who is responsible, and in the case of the Route Taxi Association as to the amount of the increase, so they have no argument.

If you look at the measures, Mr. Speaker, mini-bus permits \$10 000 to \$12 000, route taxi permits \$3 000 to \$8 000. When you look at that on the surface you think that is a big increase, but the facts are that there are no increases, for the simple reason that you only pay for a permit when you get it, and since I was the Minister of Public Works not a single new permit that did not relate to a period before 6th September has been issued by my Ministry, so what is the argument? This relates to new permits, so unless the persons who are complaining are telling this Government that they want to get new permits and we are stopping them from getting new permits, I do not know what the complaint is about. The annual tax \$5 000 to \$7 000. Before I mention that, the question of the transfers. We have good evidence in the Ministry of Public Works that persons have been transferring permits for as much as \$80 000 and the minimum averaging between \$40 000 and \$50 000. All sorts of chaos in the bus stand. The Honourable Member for St. Michael East could support me on that.

This foolishness about poor people? That is a joke. Fifty percent of the persons who own route taxis and mini-buses do not belong to the poor people club. Lawyers and doctors, those types of persons, people in the upper middle class. The Honourable Member for St. Michael East can bear me out on that, because he is one who talked about a certain type of persons who were given permits and he was speaking like the former member for St. Michael East when he talked about redressing imbalances. I don't know. He is contradicting his Leader of the Opposition. 12.05 p.m.

When you talk about taxes of \$300 on mini-buses, omnibuses and route taxis and the drivers of these vehicles, all we are doing is ensuring that the regulations are obeyed. The regulations call for a public service vehicle and the

last Administration did absolutely nothing. So we had a situation whereby the drivers of route taxis were operating illegally because they are driving about with taxi licences. These fees, \$100 for tour buses, \$20 for omnibuses, \$300 for mini-buses, \$300 for route taxis, all this seeks to do is to ensure that a fee is set for these categories of drivers so that the Road Traffic legislation can be properly implemented and that the Licensing Department of the Ministry of Public Works can get ahead to issue the public service vehicle licence.

This foolishness that you hear about imposing \$300 on poor people is nonsense. Pure nonsense! I believe that when those people who are complaining, the mini-bus and the route taxi fraternity get together, they will agree with us. I must also state one other thing on the transfers. We have a situation - and here again the Honourable Member for St Michael East can bear me out on this - where persons got 4 permits and sold them \$40 000 a piece and turned around 6 weeks before the elections and went and got 3 more permits, turned and leased them and advertised them for sale. Do you think that is right? I hear some talk about special permits being increased from \$2 to \$10.

Mr. J. O. TUDOR: On a point of order, Sir, I am really concerned that the Honourable Member is imputing improper motives regarding my stewardship as a Minister of Transport and Works with regard to the issue of permits. I have no knowledge of any person getting permits selling them for \$40 000 and coming back, getting additional ones and then putting them on lease. That is a monumental distortion. If the Honourable Member wants to persist, I am going to ask you to ask him to bring the evidence and put it in this Chamber.

Hon. G. W. PAYNE: Mr. Speaker, I never really said that the Honourable Member for St Michael East was part of that

Asides.

Hon. G. W. PAYNE: I saw one other thing, the question of special permits. Somebody commented on special permits being raised from \$2 to \$10. But people are commenting out of ignorance. They don't know what is a special permit. When a person is given a route taxi permit or a mini-bus permit they have indicated to the Licensing Authority that they are going to operate 7 days a week and on a particular route.

When you go for a special permit you are more or less asking a discretion of the Chief Licensing Officer: "I want to go to collect some people from the Port I want to make 4h extra dollar. Would you give me a special permit just for one day." In some instances, on a special permit I have known of cases whereby some of these mini-bus operators make as much - and I am not exaggerating - as \$2 000 on one visit, Mr. Speaker.

So this nonsense about we are raising fees from \$2 to \$10 is nonsense. It is just that people do not understand the financial implications of these measures.

Mr. Speaker, what has happened is that the Opposition has been stunned. They are surprised at what we have been able to do during the short time that we have been in Government.

Thank you, Mr. Speaker.

Mr. L. A. WEEKES: Mr. Speaker, once upon a time the Budget and the delivery of the Financial Statement were considered to be important items on the agenda in the history of Barbados. I listened carefully to the members from the Government side and it is a strange situation to operate in because the speeches themselves suggest that the Honourable Members have not even come into contact or tried to understand the Statement and the Budgetary proposals that were delivered in this Chamber.

Mr. Speaker, it appears to me that the very persons who used to be heightened by the activity of such an exercise seem to have lost even the enthusiasm and to a large extent their expectancy seems to have lowered. You could not want a better display to deter people from taking part in an exercise as what we have seen here.

A Budget has something to do with the lives of people. It has nothing to do with discrediting. It has nothing to do with making out a case against the evil, or anything like that. This surprised me very much, Sir, because a Government that fought so hard to displace the present Government has now found itself in a position of silence on part of the electorate - go through and you will... Listen to your constituency. Nobody seemed to be moved by the Budget. There is a feeling of let-down and I say that this Budget has fallen far below the expectancy of these people.

Mr. Speaker, Sir, that Government was brought into power on the basis of the inefficiencies and the neglect of the people of Barbados and they proclaimed to have the answers to deal with urban issues. How have they dealt with the issues?

Mr. Speaker, that removal - and I just want to say in passing to show you how these things have an international interpretation and how people will perceive us in our own country as we deliberate over our discussions - the very displacement of the Government was quoted in the Parliamentary Update of the Commonwealth Parliamentary Association.

Mr. SPEAKER: I believe it is unparliamentary to use "displacement" like that

Mr. L. A. WEEKES: The change of Government that took place was mentioned and took on an international interest. I will just quote their headline:

"An Unusual Confidence Vote".

It says that Barbados was unique in this. What I want to say is that having gone to the extent of being able to convince the electorate that they are in a position to give the answers to all the problems, I am sorry to hear members not living in the present but living in the past. The electorate has decided the issue and it is now for them in their budgetary proposals so to explain to the people of Barbados how they are going so to do. 12.15 p.m.

I am not in the habit of responding to criticisms from Members because that is their role in Parliament but there are times when things come to your mind when certain comments are made. I do not have the documentation, Sir, but I am certain in reference to what the last member said in terms of victimisation, that it caught my eye about this victimisation being mentioned by the General Secretary of the Barbados Workers' Union. When those things are said, one has to be very careful as to whether the statements are true or not I do not know the truth, Sir, but when those sorts of impressions go out into the public it creates a certain amount of uncertainty and fear. I have no more to say in respect of that than once those kinds of statements circulate in the general public it creates this kind of confusion.

Mr. Speaker, this Budget has been brought against the background, not only of the mandate given to them by the last Government, but within the last few months there were a number of unpleasant things that cropped up and we have to remember that one of the major planks in that Government's programme for election was they would make a major issue of finding work. It is amazing, Sir, that within the last few months certain people have lost their jobs. The Tobacco Company has closed and people have gone home, not only in the public sector, Sir, but in the private sector and this is where the relevance of this proposal through the Financial Statement is going to be one of uncertainty with the general public. They feel that the very proposals themselves seem not to reach that far to give them the confidence that the statement made in the Chamber on Tuesday would enhance their own life. Mr. Speaker, you have to see this as a reality because everyone knew that during the last three years of Government everybody was under severe pressure. There was suffering from not only loss of work but, the results of what unemployment can do.

I have to sympathise with my colleague from St. Michael South East. I too represent a housing district which vary from people working to pensioners. Obviously, rents would accumulate. They have to pay their water because the Welfare Department very often is not able to do that so these are pressures that are placed on these people. Their only hope is to find employment and that is the reason why the Budget itself has in some way not inspired the confidence and hope for the future of many persons.

There is a saying that the more things change the more they remain the same. Mr. Speaker, on the block there are still people out there. The numbers have not been reduced. We still find the complaints of people seeking to find some sustenance for life. That is why I had some concern about the vendor issue because those persons who have lost their jobs need to find some way to survive. It is in that context that I felt that everything should be done not to displace those persons but to encourage them to work for their living.

Sir, this Budget will not go anywhere unless it meets those kinds of aspirations for the majority of the people. Many of the proposals in the Budget seem to some extent experimental because no-one knows exactly what the end result will be. I will give you an example of what I mean, Sir. I was a member of this Chamber and in one of the Budgets it was introduced that they would give employers a rebate for finding employment for people. Far from that working the concession that was given turned out to be a profit for those to whom it was given and very few people were employed. As a result that levy went.

Mr. Speaker, the private sector, and I heard one of the senior members of that sector when questioned as to the issue of finding employment he himself showed little doubt as to whether they would be able to do that much. But it does not mean that I am critical of the initiatives to encourage people to find employment. What I am looking at is the reality of the situation that suffering will continue, as I understand it and that employment will not be created under a two-year period.

Now, what must those people do under that two-year period? We cannot penalise them, Sir, because penalising people for being unemployed is a serious thing. Therefore, my comment on the ZR situation is not that I agree with the indiscipline. What I want to see is that that becomes a job to which persons would want to aspire and the best way to do that is not to put more penalties or anything of the sort. It is to teach young people even before they leave school that these are honourable jobs to look for. They should be taught very early that much of the manual labour that was required in the past will not be available as before and therefore when they find employment in these areas they ought to be helped. I know some of them may

have bad intentions but that does not speak for the majority because the Minister himself suggested that he has been able to convert some of those persons into proper working persons. That is what we should be doing. We should be trying to encourage those people to develop that kind of approach and feeling that they are people in a society. That is why when we talk about punishing people for the wrong things they do we should always find out the motive behind the wrongdoing and then deal with it

Mr. Speaker, the Budget itself, I call it the Budget because it reminds me of a situation in the Democratic Labour Party when the then Honourable Prime Minister refused to levy taxes and he referred to it as a fireside chat for the people. This could have been a fireside chat because the revenue earning section of this Budget really is nothing much. Let me show you an example of what I mean. We have always heard that economists learn well how to give in one hand and take from the other but people have grown to learn what to look for.

Take the pensioners you give the \$4 to. I heard somebody said they were not given an increase in four years so you give them \$1 for a year. What does that mean? There is .590 on a bottle of gas. Mr. Speaker, to catch a bus to go and get the .590 there is no real meaning to the give-away. I know Governments like to feel that they are doing things for people but when it appears to me that it has no meaning, it is just only an exercise in playing around with figures. 12.25 p.m.

There is no game. You take the same person who goes and offers for a fridge, I think it is a dollar or something like that, he is not going to carry it. The transportation cost would be far more.

I say that these measures in the Budget, particularly those types of measures, seem not to be fulfilling what I consider relief. It is not really any relief. It is a question of raising money for one reason or other.

I have a sneaky feeling that, when you look at this Budget, you will see a strange philosophy occurring, one that we of the older generation fought very hard against. But whatever we do for one sector, we must make sure that the counter balance is there for the other.

This Budget tends to suggest that the better off will be seen after first and the others will wait. The former Prime Minister had it in reverse, that those who are better off, should mark time, while the others catch up.

We are starting to feel that the philosophy coming out of this is that the ones in the majority must wait until certain sections are able to deal with them. That is how it

appears to me. It is a strange thing that we have to deal with it, in that way.

I have the feeling, Sir, that that kind of approach will very well bring more reaction to politicians and Governments, as a whole, because people see them, as not working in their interest. Maybe that is the reason why we complain that people see politicians as purely persons for themselves. I am sure that that is not true. I know genuine politicians. As a matter of fact, Sir, I would always vouch for any member in here that, whatever they do, they do in the interest of their constituents. It is not something you can put in people's minds. It is an impression that people create that you are like that.

I deal with the Budget, in that way, to suggest that the Budget itself seems to me to be one in which we are trying to make time in order to fulfill the promise of the unemployed. But we cannot wait too long. Because, this very year, another 4 000 children are going to come out of school. By the second year, that will be another 4 000. By the time we get around to try to solve that problem, we have the unemployment figure right back up.

The urgency to solve the problem seems to me that you probably will have to look in another direction. What is even more difficult to understand is that people got the impression, at election time, that all you have to do is change the Government and all these things will fall in place. That creates disillusionment and hopelessness. That is the key to that. I hope that what I am saying will, in some way, hasten whatever measures to create employment in this Budget and, I understand, it is not easy to be seen by the naked eye. But it is something that you will have to hope will materialize.

Mr. Speaker, I said the Budget has to touch the social lives of people. One of the greatest developments over the years, in Barbados, has been our health system. I will continue to say, it has performed well. It has done well but it can do better. It is not for me to make any kind of comment that will destroy the development of that process. But I have to take exception with the Minister, in this regard.

The Honourable Member for Christ Church West -1 think it is West - made the point that we were making every effort to rid the country of the Aedes Egypti mosquito. I can carry you and show you districts where, on the call of the Minister, to put these things out and they will be taken up, it is about 2 months now. The strange thing is that the house that I am speaking about, the very person had dengue fever.

If you put them out there and then discover you do not have any money and you will remember, Sir, I

was saying in the Estimates, that the Estimates did not reflect that kind of liberalness for any scope for carrying out these programmes. I made that point particularly when I dealt with the Queen Elizabeth Hospital.

The Minister is asking people to lend a hand. But let me ask a question, even if you were that civic minded, the cost to do it themselves will be prohibitive. You ask a man to use his truck. The man cannot do it himself. He has probably got to get somebody to do it for him. He has to pay them.

What I am saying is you should not put the cart before the horse. If you built up your awareness through educational programmes and then, at the end of whatever specific period you have had, you then put, in place, the collection, I am almost certain that the Ministry may have the funds to carry out that programme. The very purpose for which you have done this exercise may be defeated by the fact again that there are no funds to carry out the complete exercise. I take exception to the Minister, on that. It is not to say that I am saying she is not trying. I am saying that she is trying but the process is one which will endanger, even more, because those people who would have kept the fridge in their house now put them on the outside, and the rainy season is coming. We have that problem.

Mr. Speaker, Sir, there are other aspects of this health situation which I want to deal with. The St. Joseph Hospital. We, on this side, are not afraid of the St Joseph Hospital. Whenever you invest money, regardless of whether you say it is wasted or not, and you have what to show for it, Sir, it is an investment that cannot be allowed to rot. It was not put there because one had preference for anybody over the other. It was done, on those days, because there was the feeling of the Government so to do. Neither can I tell a Government what its priorities should be either. If the Government feels to close it down, that is their situation.

But, Sir, this St. Joseph Hospital has reached proportions where it has become now almost something to make sport at. I am saying that the Minister was blowing hot and cold. I cannot read documents from the newspapers. But, Sir, in one breadth, the aim for the St. Joseph Hospital is to be a revenue generator. The Chairman who now resigned also made the point that much can be done for that Hospital.

If they do not want to call it the St. Joseph Hospital, well call it an extension of the Queen Elizabeth Hospital. It is the same thing. If the words St. Joseph has problems, change the name. Because I am satisfied, Sir, that no matter how you look at it, the Hospital is not an elaborate Hospital but it probably has other services attached to it.

But we heard, in the Prime Minister's speech how they are going to develop Speightstown. Mr. Speaker, Sir, when you develop Speightstown, without any obstruction, it is possibly 30 minutes ride. But when you carry the cruise ships down there, unless you use the helicopter and emergency services, you need to have a service, not like the polyclinics, because the polyclinics are only used for preventative medicine. You want something that will go beyond that early stage and up to the second. You need to have some kind of medical facility to take care of any eventualities. That is my perception. Many people may say it could be used for other things, but now that it has been declared such then, I feel that the need for such an institution may very well develop its purpose, in the future. We had a lot of talk in this Chamber, on this St. Joseph Hospital. It was incomplete. We sent it to the Public Accounts Committee. My recollection is that the Public Accounts Committee said it was only an interim report, Sir. Needless to say there was a change of Government and the next approach seemed to have been to bypass Parliament, which in the first place set up investigation into the matter. 12.35 p.m.

Sir, I am calling on the present Chairman of the Public Accounts Committee to have that matter discussed and brought to its finality. No other body should be greater than the Chamber itself. This Chamber is a dignified place and we should not sidestep the powers that it has in order to deal with whatever matter that has been referred to it, so I am saying that in respect to the St. Joseph Hospital and I hope that will clear the way.

Mr. SPEAKER: The Honourable Member has two minutes.

Mr. L. A. WEEKES: Mr. Speaker, in these two minutes I will try to say this. In this Report for 1990 of the Chief Medical Officer in section 4, and I am speaking about the Boards of Health. "To achieve this a multi-sectional, multi-dimensional approach will be required. A greater involvement of groups and organisations that have not previously been active in health issues is required".

I want to deal, Sir, with the question of the Lions Club Sight First Programme. It was a wonderful opportunity, after having started with it, that we sit down and allow it. What bothers me, Sir, is the Minister, some time ago, said it was a scandal. I really want to know what a scandal is because the Lions head published a statement.

Hon. Miss H. E. THOMPSON: Mr. Speaker, on a point of order, I do not want to interrupt the Honourable Member but unless the Honourable Member for St. Michael North West was referring to me, I have never said that the Lions Centre itself was a scandal. I think that

if he is making the point that what I may have said, to put it in the proper context, may have been that it was ill conceived in the way it was planned without proper funding and without knowing what the future was, but certainly I did not say that the Centre itself was a scandal.

Mr. L. A. WEEKES: Sir, I will only rely on my judgement but I think that was the impression I got and I prefer to wait for Hansard to see what was actually said because I was concerned about that concept. We were calling on groups to support something like this because we, in Barbados, had already carried out an eye study.

Mr. SPEAKER: Will you wind up, Sir?

Mr. L. A. WEEKES: I will, Sir. This charitable organisation was \$2.5 million. I know, Sir, that it may not be able to fulfil its role in a hurry because health is something you cannot measure by the profit which you get from it because it grows and it develops. Anyhow, Sir, I will come back to this Sight First Programme on another occasion.

My final statement will be, Sir, if the Budgetary Proposals are going to mean anything they have to fulfil the aims and objects. And finally, Sir, I would like to commend the Leader of the Opposition for the clarity in which he delivered his speech. In it he was clear to identify and to put in place the policies as the Democratic Labour Party Government saw them, in respect of the people's development and their future. Thank you very much, Sir.

Mr. R. St. C. TOPPIN: Mr. Speaker, for some considerable time now, Barbadians have been wanting to be able to breathe a sigh of relief and I believe, Sir, that this budget gives them the opportunity to do exactly that.

Sir, I want to begin by commending the Honourable Prime Minister and Minister of Finance for the delivery of a very well thought out *and* creative budget. I think now, Sir, that the country can begin to rest comfortably in the certain knowledge that we are now in capable hands.

Sir, this budget does not purport to be a wild or sensational budget. It does not purport to be an olive branch being held out before the people of Barbados to give them any feeling of Utopia. In other words, Sir, it is not like the budget of 1986 which was presented to this Honourable Chamber by the then Minister of Finance and the Member for St Michael South Central which budget, Sir, went on to lay the foundation for the eventual collapse of this economy. Neither, Sir, is this budget like the ones which were delivered over the course of the last two years and in particular by the Honourable Member for St. John last year which was totally devoid of any thought or

imagination whatsoever and showed that the then administration was prepared to accept without any fight whatsoever, that nothing could be done or should be done to try to lift Barbados from the depths to which it had sunk over the course of the last seven to eight years.

I think, Sir, that to fully appreciate the structure and content of the Budget of this year a few brief comments should be made to the Budget of 1994, presented by the Honourable Member for St John. I think when I do this you will appreciate why the people of Barbados went out, Sir, on September 6, in such a loud voice.

The first point, Sir, is that in 1994 the Budget was presented by an Honourable Member who does not even understand what a budget is or what a budget is supposed to be. Even yesterday, Sir, we saw his reply in the afternoon and we saw the same sort of, for want of a better word, ignorance/lack of knowledge about what a budget really is supposed to be.

I remember, Sir, in the year 1989 - you should not be surprised if he does not know what a budget is - because in 1989 at page 3774 of Hansard that Honourable Member sought to explain to this Chamber, Sir, what a budget is and, Sir, this is what he said. This, Sir, is the Honourable Member who went on to become the Minister of Finance for the Democratic Labour Party in this House. He said, Sir, on that occasion: "Sir, a Budget is simply a Budget". Sir, this is the Minister of Finance speaking. Sir, there was also a time when another Member on that side, I believe, Sir, it was the Honourable Member for St. Michael South, he too had said "Vision is vision and action is action". Sir, for the Honourable Member for St. John a Budget is simply a Budget. He went on, Sir:

"It is an estimate or plan of income and expenditure that is made annually by the Minister of Finance. That is all it really is".

Then, Sir, he went on again:

"But I believe, Sir, that it has never been this all powerful tool in social engineering that we are being led to believe that it is".

Now, Sir, the first thing I want to say about that last sentence, I hope, Sir, in the context of all the political love making that is now going on by the two sides on that side between the Democratic Labour Party and the National Democratic Party, I heard the Honourable Member for St. Michael South Central yesterday say that a Budget is, in fact, a tool of social engineering. We have the Member for St. John saying

that it is not. So in the context of the planned merger, I hope that that will not be one of the major political and philosophical divide between the two groups on that side. 12.45 p.m.

Basically, Sir, we have the Member for St John saying in essence that a Budget is simply a Budget The Democratic Labour Party has entrusted to him the role of handling and managing its financial and economic matters. All I can say, Sir, is that I am very happy indeed that he is on that side and not on this side of the political divide. Sir, that is why given his puerile concept of what a budget is he came to this House last year and presented his own concept of a Budget that was devoid of any developmental approach whatsoever. That is why he was unable, Sir, as a Minister of Finance to signal any clear and radical departure from the dismal past when he came here in 1994. That is why, Sir, he could not introduce any measures whatsoever to get this country moving again or introduce any measures whatsoever to deal with the burning problem of unemployment that was facing this country at the time. That is why, Sir, he could do nothing to restore hope and confidence to the economy of this country.

Rather, Sir, as a young Minister of Finance to whom people were looking for change, all he could do was to revert to an acceptance of the *status quo* - (Leave things as they are with no change whatsoever, Sir.) - to the point where he could believe that a \$3 billion economy such as we have could have been stimulated by a mere \$2.3 million in tax relief and a 4 cents per litre reduction in the price of energy. That is what a young Minister of Finance to whom the country looked for change could do, that is resort to the acceptance of the *status quo*. Also, at a time when the promised 18 months rule of the IMF in Barbados had long passed when he brought his Budget last year, still all that he could purport to do and recommend was that we again surrender our economic sovereignty to the International Monetary Fund under an enhanced surveillance programme to access from the Inter-American Development Bank a mere sum of \$35 million over a three year period.

That is why, Sir, he would have accepted the consolidation of a number of a few large companies in this country such as were at the Bridgetown Port He would accept that situation, Sir, to the extinction of small businesses and the eradication of the principle of economic enfranchisement in this country. That is what a young Minister of Finance purported to do last year.

Now, Sir, it is clear that that situation could not have been allowed to continue. That is why it was necessary that any such approach to budgetary policy, if you wish to call it a policy, had to be brought to an abrupt end as soon as possible. I am happy, Sir, to say that this new Budget

presented on Tuesday not only does exactly that, but it brings that sterile approach to budgeting, Sir, to an end. It also proceeded to put this country on a sustainable growth path.

Sir, those on the other side may try to be difficult and unco-operative about this Budget But Rome was not built in a day, Mr. Speaker. The policies we introduced are not fanciful or extreme. Sir, the Honourable Member should listen to these concepts and he would learn what a budget is. These policies are really a mix of the developmental approach to budgeting and the duty to provide social services in the context of the existing financial circumstances of the country.

In the Estimates that we brought a few weeks ago to this Honourable Chamber, Sir, you will see the number of social services. Every social sector was granted an increase on the figure that was allocated last year whether it was health, education, youth affairs or housing. Every single one was allocated a larger sum of money than was allocated by the Democratic Labour Party. We are mixing the developmental approach with the need to expand within our means the social services of this country. That is what this country, Sir, is being presented with.

Sir, the Minister of Finance indicated that there were some who would have expected or anticipated perhaps a bit more relief in some areas than they got By and large, all the interest groups in this country or the vast majority for sure are satisfied that some significant measure of relief has been granted to them - every single one.

Sir, from the young to the old, they have benefited from this Budget. From the homeless to the home owner, they have benefited from this Budget Small businessmen have benefited, Sir, from this Budget There is one particular point, Sir, which I wish to deal with because I heard the Honourable Members for St John and St Michael South Central and even today the Honourable Member for St Michael North West, who normally does not dare dabble in economic affairs said before I rose to speak, all said they could not see anything in the Budget that seeks to deal with the question of unemployment in this country. They said that they could not see it with the naked eye, Sir. I heard it all through yesterday and I am hearing it today, Sir.

I believe when it comes to the Honourable Member for St. John that his puerile concept of what a budget is that it is simply a budget has clouded his brain, Sir. I do not know, Sir, what would be clouding the brain of the others.

I want to ask, Sir, the Honourable Members a few questions on that side who sought to take that point and

I am going to be referring specifically to the same Budget that they said they could not see any policies in dealing with unemployment. I want to ask them, Sir, and I am going to go as close as possible to the wording so they cannot say that I rewrote the Budget. So when they go back and check it, Sir, they will see what I am saying is in fact there almost *verbatim*. I want to ask them, Sir, if they do not see that the restructuring of the Barbados Development Bank in such a way as to offer a range of services including equity or venture capital financing would be stimulating investment and thereby generating jobs. I want to ask them, Sir, if they do not see that as a policy that deals with unemployment. That can be found at pages 52 and 53 of the Financial Statement and Budgetary Proposals presented by the Honourable Owen S. Arthur, Prime Minister and Minister of Economic Affairs on Tuesday, April 25, 1995 in this Chamber.

I want to ask them, Sir, if they do not see that the provision of a \$10 million facility for the upgrading and refurbishment of hotel plants will result in a more attractive and competitive tourism sector thereby generating foreign exchange and at the same time generating employment for the people of Barbados. I want to ask them if they do not agree with that, Sir. That is found at pages 54 and 55. I am not seeing anybody taking any notes. They are found at pages 54 and 55 of the same document, Sir. I want to know, Sir, if they do not see that investment by Government of \$11 million in housing will not only lead ultimately to the finished product but will also lead initially to a demand for masons, carpenters, electricians, plumbers and other people also involved in the construction industry which means jobs by the way in case you do not know that. 12.55 p.m.

I want to ask if they do not know that. Again, Sir, that provision can be found at pages 82 and 83 of the Budget presented on Tuesday, April 25, 1995. I want to ask them if they do not see that the allocation of some \$2 million to the International Business Division in the Ministry of Trade, \$1 million more than was allocated in the Estimates. It was \$.9 million in the Estimates, \$1 million now, that is \$1.9 million. I want to ask if they do not see that that is going to result in the attraction of more offshore businesses, foreign exchange earnings and the allocation of jobs for the people of Barbados. Page reference again, Sir, page 86 of the budgetary proposals.

There are many other instances as well, like the provision of \$2 million for a Venture Capital Fund for the small business sector, page 91 of the Budget But I know they do not like me to speak or even mention the words "small business sector". They walked up and down this country professing that they are for poor black people and

all that son of nonsense, but they would know that I, and the people of Barbados, have not forgotten that in 1976 because of their policies, more particularly the policies of the Honourable Member for St Michael West as Minister of Trade, that price control policies improperly instituted in this country saw the near extermination of over 450 small businesses in one fell swoop and the creation of massive unemployment in this country. Therefore, Mr. Speaker, perhaps they will not see that provision in the Budget because they do not want to see it. They could not care less if the small businessman gets anything at all in this country, but we have something in here for the small businessman which will lead to employment creation.

There are other instances, Sir, but I do believe that the point is made without me having to go through every individual example and extract it from the Budget. If they do not see it, there is nothing I can do to make them see it. All the more reason why I am glad that they are on that side and not on this side. We do not want people who cannot see these things on this side, so I am happy about that.

With respect to the question of unemployment generally, because this touches St Michael North, my constituency. Unemployment was a major problem before the election and there are a number of people who are still unemployed, but I want to make a few points about unemployment. They on that side are determined to excite the people of Barbados into believing that we should already have provided 30 000 jobs for the people of Barbados. I say that is a mischief of the highest order, because they are failing to give due regard to a number of factors, three of which I will mention.

The first point is that we had to pay a number of debts they left us to deal with when we attained office. It is a very important point. The Prime Minister has said it was in the vicinity of \$44 million. The Honourable Member for St Michael South Central yesterday said in this Chamber that we wasted \$200 000 on a gambling enquiry. He said the \$200 000 could have been used to create 200 jobs in his constituency. I would just like the Honourable Members on the other side to divide 44 million by 200 000 and then multiply it by 200 and see the number of jobs that could have been created if we did not have to repay \$44 million in debt left to us by the Democratic Labour Party.

Secondly, Sir, there is also the fact that cannot be denied by Honourable Members on the other side that unemployment is declining and has been declining since 6th September. The Honourable Member for St John made that admission yesterday, whether he knew it or not I want to make another point, because in 1986 the Democratic Labour Party came into power on a promise that a vote

for the DLP was a vote for a job. We were not on this side as irresponsible as to start to harass the Democratic Labour Party within six months of attaining office and telling them that everybody should have had a job within six months. We did not even do that at a time when we saw 1200 people laid off from Intel and about 900 from Playtex, we were still giving them a chance, because Rome was not built in a day.

The Honourable Member for St. Michael-South Central speaks of his policies, but I like to look at the facts. He came into office in May of 1986 and to all intents and purposes he demitted office around the end of 1987. Let us look at what his policies that were to have brought so much development in fact did in terms of the same unemployment he speaks of in this House so feverishly. We left in May 1986 and at that time unemployment was 15.6%. After the Democratic Labour Party had said a vote for them was a vote for a job, by the time the Honourable Member for St Michael South Central left, around the end of 1987, unemployment had gone from 15.6% to 18.9%, although a vote for the DLP was a vote for a job. The Annual Statistical Digest 1990, Central Bank of Barbados, page 188, shows this. By the time they left office, on September 6, 1994, it was over 22%, from 15.6%. We are to be judged on our record when we come to the electorate again. The electorate will decide if we have provided the jobs. They will make that decision, not them on the other side who are going around the place creating mischief, giving the impression that 30 000 jobs could have been created in the space of seven months. That is irresponsible behaviour by a Member of the House of Assembly. Bringing even slogans in the House of Assembly every Tuesday. It is irresponsible, Sir.

The third point is that, contrary to what they are saying, we have never promised 30 000 Government jobs. The point was made yesterday and Members on the other side started to giggle. That is the sort of thing they are out there promoting. We have to take this fragile economy, restructure it, strengthen it and then jobs will be created primarily by the private sector. That is a fact. That is what we said all during the elections, that is nothing we are saying now. This is based on a number of initiatives that we have in mind for this economy. We will put the economy on a sustainable growth path.

I have spent some time on unemployment and I trust that by now they on the other side understand what this whole issue is about and they will not be as irresponsible in the future. If they do not understand now, I cannot do anything on earth, no one can, to make them understand how we are dealing with the problem of unemployment.

Another important aspect of the Budget is that it shows that the Barbados Labour Party is committed to the

principle of the reform of the direct tax system and that we have taken a step in that direction. The simple fact is that Barbados has been overtaxed for too long. The other side, especially the Member for St. John, has spoken about tax reform, claimed it as one of his major economic achievements, but when you use the microscope that the Honourable Member for St Michael South Central usually brings to the House, you can see no evidence whatsoever of any significant relief being granted in the area of taxation to the people of Barbados. 1.05 p.m.

I am happy that there was a time when there was a tax system in place in this country when a man repairing his house would be granted an income tax concession. When you employed a gardener or a maid and created employment directly, you were granted such allowances in relation to income tax. When you invested by way of building a house, you were granted certain tax relief. When you paid insurance policies in relation to housing again you were granted certain tax reliefs. That system was abolished by the Democratic Labour Party that claimed that it was bringing about tax reform with the result that it brought tremendous hardship to home owners and ultimately to the people that were employed by home owners.

Sir, I am happy to see and happy to say that that situation has now begun to be changed by this Administration. We have decided to take a firm step towards real tax reform in this country and in our Budget by granting tax allowances in the sum of \$3 500 to home owners in respect of mortgage interest, house repairs, renovations, energy and a number of other matters.

I am happy to say, Sir, that I have received calls from constituents of mine asking me to convey their thanks to the Prime Minister and Honourable Minister of Finance for instituting that measure, Sir. They look forward as time goes on as I do as well to the institution of further relief gradually as we can afford it in that direction.

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

Mr. R. St. C. TOPPIN: Mr. Speaker, I can say on behalf of my constituency that we appreciate the contents of the Budget in respect to housing. Housing is second to unemployment, in my view, the greatest social problem facing this country and I have to represent a constituency that has 3 Government housing estates - Grazettes, Cave Hill and Eden Lodge. They are also happy that this Government has once again committed itself to a programme in the area of housing. It is a cry I receive every day.

There is one thing I wish to say before I sit in relation to housing and it is this. I commend the

expansion in the area of housing, but I am finding that there is still a need in the policing or the enforcement of the policy of the National Housing Corporation to be mindful of the financial plight of the people who live in these houses.

I believe I will have to say again that we have to carry out investigations on a merit basis to see who can pay and who cannot pay. Those who cannot pay have to be given a chance, in my opinion, Sir. Unfortunately, I cannot get to develop this point, but I thank the Minister of Finance on behalf of the old age pensioners in my constituency and on behalf of the young people in my constituency, on behalf of those who need housing in my constituency and on behalf of the small businessmen in my constituency.

Sir, I will support this Resolution, the one that we brought, and wait to see whether the members on the other side are really going to vote against those things that I just thanked the Honourable Prime Minister for.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I move, the time being 12 minutes past 1.00 o'clock, that this Honourable House be now suspended until 2 o'clock.

Hon. G. W. PAYNE: I beg to second that, Sir.

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

RESUMPTION

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

Mr. D. St. E. KELLMAN: Mr. Speaker, I rise in this House this afternoon to make a presentation on behalf of my Party in its 40th year as a Party in this country. I must say from the outset that when I went through this document which is supposed to be the Financial Statement and Budgetary Proposals presented to this House, on Tuesday, April 25, 1995, I had to ask myself some serious questions. I asked myself if at the end of the day those 30 000 people who are unemployed, whether there are proposals in this Budget that would eliminate their pain and suffering.

I looked through the proposals and as I scanned through them I did not see anything different to when I got to a section which stated that 45 people would be employed to make sure that public service vehicles would be kept in check. Sir, I sat down and I thought of this proposal. I

looked on one hand where 45 special constables will be deployed and I looked on the other hand and I saw that a taxi licence will be increased from \$10 to \$20. I saw the maxi taxis going from \$10 to \$40, a tour bus to \$100 and I looked at the route taxis and I realised that there was no charge at present but it will be increased to \$2 300. The conductor's licence will be increased from \$20 to \$100, the duplicate licence from \$10 to half of the cost, the driver's badge from \$10 to \$100, the conductor's badge from \$10 to \$100, mini-bus permits from \$10 000 to \$12 000, the route taxis from \$3 000 to \$8 000.

I had to ask myself a serious question. I asked myself if you have deployed 45 more special constables and you ask these people to increase their costs what are they going to do. When I agonised and I realised the end result I could not believe it. Can you imagine that if you are complaining that these gentlemen are behaving in a particular manner at present and you have now increased their costs, can you imagine what they will be doing today and tomorrow?

I must admit that I would be the first to say that I honestly believe that there are some of them who need to temper the way they behave and their attitude to the public. I would not come to this House of Assembly and I would not say that they are behaving in the best way but, at the same time, I could not make a broad statement and behave as if all of the people involved in public transport behave in a lawless manner. I would be misleading this House. That is why I am saying that there are laws already set down in this House of Assembly and it goes as far back as 1992 wherein a driver or an owner of a public service vehicle - the Attorney General, the Honourable Member for St. Thomas, can correct me on this - behaves in a particular manner the officers from the Barbados Licensing Authority can remove the licence from that vehicle. We already have evidence of this. Sometime last year it occurred, Sir.

So I am saying that these measures need not have been inflicted on these owners, workers and, if you ask me, the travelling public. It is the travelling public who in the end will find themselves in a situation where they will be driven in vehicles in a manner that I do not think might be in their best interest. 2.10 p.m.

I am saying to the Attorney General, Sir, and also to the Minister of Finance that they revisit these proposals, go back to the Act of 1992 and enforce the particular Act. I am saying we have laws already to protect these public service vehicles.

Asides.

Mr. D. St. E. KELLMAN: To protect the vehicles from the drivers. I am right. I am saying, Sir,...

Hon. D. A. C. SIMMONS: On a point of order, Sir. The Honourable Member has invited me to look at some legislation. I want to be clear in my mind as to the purpose of my research. I am sure that the Honourable Member is not referring to the fact that there are five traffic inspectors from MTW who have been injured since November last year by ZR drivers in the River Bus Terminal. He is not talking about that. You do not want those people protected. Their health is not of interest to you.

Mr. SPEAKER: Okay. You have made your point.

Mr. D. S. E. KELLMAN: You know, Mr. Speaker, if I had to rule on that it would be a no point because the Road Traffic Act Section 104 gives power to issue and to revoke licences. I am saying that you have the authority to deal with them. Sir, we have to be careful in this country that at the same time that we are talking about creating employment that we are not through measures in this House of Assembly creating a situation where we are creating unemployment. I heard in this House of Assembly today that these measures were brought to this House of Assembly because there were people transferring permits and all things like that I do not know whether increasing a conductor's licence has anything to do with anybody transferring a permit. I do not know, Sir...

Hon. Miss M. A. MOTTLEY: On a point of order, Sir. I think the Honourable Member is really misleading the House and under the circumstances I think he should be corrected because what the Honourable Minister of Transport did say was that that incidence of transferring permits did take place but at no stage did he ever say that the Honourable Minister of Finance brought these measures because of the transfer of permits. The Honourable Minister of Finance brought it for the reasons outlined in the Budgetary Proposals and Financial Statement.

Mr. D. S. E. KELLMAN: That is what the Minister said. He talked about the amount of money they were selling permits for and he just used it as a justifiable reason for increasing the fees. I am saying that even though we would admit that some of them behave in a lawless manner, we are saying that there are other ways that you can deal with them and that is all I have to say on that matter.

Mr. Speaker, under Rural Development, prior to the General Elections we would have heard a lot about rural development. We would have heard about how we would be transforming rural Barbados and we would be making it a paradise. I am speaking as if I am on the Government side now, Sir. This is not the Democratic Labour Party speaking. This is the Barbados Labour Party speaking. When I look through the Estimates, Sir, all I could find is \$43 million for rural development and \$1 million of that

goes to structures, \$800 for plant and equipment, \$300 for professional fees, \$340 000 for emoluments, \$100 for property acquisition and \$140 for operating expenses.

Prior to the General Elections, Sir, I got the impression that rural development meant building roads, and assisting small business people in rural constituencies. I got the impression it meant to help small farmers like those at the Spring Hall Land Lease Project who were in need of funds to improve their irrigation systems. I also thought that it would have provided funds for some of them to carry out feasibility studies to assist them in finding out whether they were capable of operating a plot of land that is 25 acres or whether it should have been 5 acres. But what was said prior to elections and what is being done now is completely different.

I would like the Honourable Minister for Rural Development to explain to me how come that in the 1995 Budget we have a situation where we are speaking about developing Speightstown, where we are supposed to spend a lot of money on developing Speightstown but there is no mention of developing a rural constituency like St Lucy, St. Joseph, St Andrew, the middle of St Peter, St James or even St Philip because St Philip and St George are all rural constituencies. We have no plans for developing those rural constituencies when prior to the election we were saying that there were great plans for developing these constituencies.

You see, Mr. Speaker, I would like to see craft booths set up in all areas that are normally visited by tourists. I would also like to see a system where young people who know the area can be employed as tour guides to take tourists on guided tours around Barbados. I want to see eco-tourism develop in this country. It does not make sense, Mr. Speaker, having tourists come to Barbados, get in a bus and drive around with people saying "This is Bathsheba, this is Barclay's Park, this is River Bay, this is Cove Bay" and there is no person to take these people on guided tours to acquaint themselves of the real Barbados. I want to see the tourists mingling with Barbadians. If we get tourists mingling with Barbadians when they come off the cruise ships, we would find ourselves in a situation where they would be acquainted with Barbados and instead of coming to Barbados on a cruise ship they would be coming to Barbados to spend a week or two, or even a month, as the Canadians normally do.

There is a serious problem in this country, Sir. When we first had cruise ships coming to Barbados in a meaningful way, we had hoteliers in this country saying that they were not doing anything for the country. All they were coming to Barbados to do was to use our facilities, that they were not coming and spending money at the

small shops, the restaurants and the other areas, whether it be taking part in vending or anything like that. 2.20 p.m.

The cruise ship operators were criticized. But now you have a situation in this country, Sir, where the same people who were criticizing the cruise ship operators are depriving the small man of a fair share of the cake, that these same people are now turning around and doing the same thing to the small man. They are taking everything for themselves and they are depriving the small man.

Mr. Speaker, I want to ask one serious question. When we keep downpressing the small man, what are we doing to him? How can we rebuild his confidence when we are not doing anything, in his interest. If you stop him from vending, whether it be on the beach or whether it is on a highway, you are depriving that man of a meaningful living.

We have a situation now, Sir, and the Honourable Member for St. Thomas will soon find out what I am talking about. There are small people vending in the St. Thomas area and there is a plan afoot, by some people, to deprive those small people of that opportunity.

We, in this House, must protect those people. They must have a fair share of the cake also. If we get in here and we give incentives for people to get duty free concessions for all-inclusive tourism and all sorts of vending, on a large scale basis, what are we doing to the small man?

I do not see any incentives in here to encourage the small man to compete against these large firms. I must admit there is \$2 million for small business development. But in order to have small business development, Sir, you must have small businesses. I am saying that if you do not provide incentives in the same way you are providing incentives for the big businessmen, you must provide the same incentives for the small man.

In rural Barbados, I should like to see another Community College. Because if we are developing rural Barbados, we must start putting certain things in place. I should like to see another polytechnic also. I should like to see Government offices moved from urban Barbados into rural Barbados. It is a sin that we, the people from rural constituencies, would have to come to Bridgetown to get a passport, a Police certificate of character, or anything like that, even to pay for a driver's licence. I am not saying that we have to set up many offices. But I am saying all you have to do is to set up one office and allocate different people to do these services, Sir. There is nothing wrong with somebody driving from St. Andrew into St. Peter to

get a driver's licence, instead of having to come to Bridgetown then to go to the Pine. All of that productive time is being wasted. I am saying that if they have to just move from St. Andrew to St. Peter, they could do it early in the morning and get back in time for work.

I should also like to see, now that we are talking about building jetties and marinas in Speightstown that the facility at the Naval Base be upgraded where we can promote land base tourism at that facility. I should also like to know that the facility at North Point, where we have an Olympic sized pool, that the people coming off the cruise ships can move to North Point and enjoy those facilities. As you are aware, Sir, there are many hoteliers who do not like cruise ship passengers to use their facilities. If we are going to be developing Speightstown, Sir, we have to provide the necessary amenities to make a viable project.

It does not make sense to develop Speightstown and you do not have the other infrastructure that should come with it. I should also like to see Speightstown expanded to the east because, if you do not expand Speightstown to the east, you are going to get the same problem where people by-pass Speightstown all the time. You can build houses anywhere, Sir, but you cannot have commercial lands any and everywhere. They must be commercial lands in areas that would make the commercial area viable.

It brings me to the point of the St Joseph Hospital, Sir. I cannot understand how we can be bringing marinas, jetties and other development to St Peter and, at the same time, we are telling our investors that we are not going to provide health care facilities for you. It would have been different if the St. Joseph Hospital were not there before. But you cannot be promoting an area and removing, at the same time, a major interest and the interest I am speaking about is the St. Joseph Hospital. Any investor investing would be happy to know that he has a hospital near so that he can tell his clients that they can easily go to a hospital half a mile or a couple yards away, if something happens to him.

Sir, you have Heywoods. You have other hotels in the area. There is a possibility that if the type of development that is planned for St. Peter, if it is allowed to develop the way it should be developed, that there will be other hotels being built in the north. That is even a stronger case for the retention of the St. Joseph Hospital. I cannot understand how you can close a hospital like that when you also have constituencies like St. Lucy, St. Peter, St. James, St. Andrew and St. Joseph who could, easily, use the facilities at the St. Joseph Hospital.

I cannot understand why someone from St Lucy, St. Peter or St Joseph would have to move from those constituencies to go to urban Bridgetown to get medical

care when they could have been getting that medical care at the St. Joseph Hospital.

You see, Mr. Speaker, we talk a lot that if the economy in this country is to improve, that agriculture must be the main plank. We also said, and that is the Barbados Labour Party, they said that small farmers must be given incentives to return their lands into production.

But, in this Budget, I was expecting to hear that the Ministry of Agriculture would have been giving rebates on freighting and anyone who knows anything about sugar cane production would tell you that the main problem with small farmers is the cost they have to pay to the freighters. The freighters would tell you that they cannot charge anything lower because the cost they have to endure is so high and that is a price that they have to operate on in order to make a profit.

I am saying that if you have a situation where your small farmers would like to get back into sugar cane production, the Ministry of Agriculture, in the same way that an incentive is given for cultivation of land, that incentives should also be given for freighting of sugar cane from the fields to the factory.

The money can be passed on to the BMC so that they can pay this grant at a price per tonne to the small farmers to offset their costs. I am also saying that if we, in this country, do not do something to protect the interest of the small farmers, we are going to get many more Jackman situations where people would go on lands belonging to small people and believe they have a right to occupy those lands and furthermore, when the small farmers want to bring their lands back into production, they would be faced with people going to court and saying, we have been occupying these lands for 10 years.

After the small farmers have given them the right to utilize the lands, we must protect the small farmers. In this country, if we do not protect the small farmers, who is going to protect them? You cannot ask the large farmers to protect them because it is known that the interest of the large farmers is always their own interest. So we, as a Government, must protect those farmers. 2.30 p.m.

I am also asking for special privileges for small farmers and I am saying that the same way the large cane growers, supplying chop stick canes to sugar factories, can come straight on the scale beam, I am saying that small farmers should be given that same privilege, instead of having to wait in a line where sometimes they cut the canes on Saturdays and up until the following Friday and Saturday the canes are still on the ground, whereas if you had a proper system those people ...

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am constrained to rise on a point of order. I believe, Sir, that the privileges of this Honourable Chamber and a respect to this Honourable Chamber during the most important debate in the calendar of this House is being brought into grave disrespect in that you only have two Members of the Government on the Front Benches, in the major debate in this country. It is gross disrespect, Sir, to this Honourable Chamber and you are presiding over this and I think it is gross disrespect to you as well and to the people of this nation. What are we coming to, Sir?

I draw this to your attention because, as the father of this House, as the father of this Chamber, I believe I have a responsibility to seek to uphold the traditions of this Chamber.

Mr. D. St. E. KELLMAN: Mr. Speaker, Sir, I am saying that the same privileges accorded to the large cane farmers, Sir, should be accorded to the smaller farmers, because they cannot afford to have their canes lying on the ground for weeks and as you are aware, when they are on the ground for a week the weight of the cane decreases and they are the ones who cannot afford to have a situation like that. Sir, we must have a situation where the small cane farmers must be compensated or given special privileges so that they can continue growing sugar cane in this country. We cannot have a situation where small cane farmers who do everything in their power to make sure that the foreign exchange earnings of this country remain at a particular level by growing sugar cane because they do not normally make a profit. They are only doing the country a favour. I am saying that we, as a Government, and as a Parliament must do something to protect the interest of those people.

Sir, we heard a lot yesterday about sugar production declining by 30% and that the reason why the growth in the economy has fallen is because of sugar production.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Mr. D. St. E. KELLMAN: I would like to know, Sir, how cotton can increase and nobody has mentioned about the growth in cotton production, but yet still we hear about the reduction in the tonnage of sugar.

I would also like to call on the Minister of Public Works, Transport and Housing and the Minister of Agriculture and Rural Development to understand that the constituents of St. Lucy would expect them to construct tenantry roads and pave tenantry roads in St. Lucy. We would expect the Minister for Labour and Community Development to look after the old people in St. Lucy. I am not talking about giving them \$4.00 because that

\$4.00 cannot even buy a large bottle of lucozade, Sir. And, Sir, you know that old people like drinking lucozade because they see it as a source of energy. Mr. Speaker, the roads in Crab Hill, Checker Hall and Pie Corner and Josey Hill...

I would also like the Minister of Public Works, Transport and Housing to know that the road that from Alexandria to Josey Hill, was supposed to be repaired, and the material was diverted to another constituency, I would like him to know that I would like to have that road paved. I would also like to see some action taken on the other roads which I have written him about. I do not want to hear that I am representing the Opposition so no roads will be done for me. I do not expect to hear that from him.

Mr. Speaker, also I would like to say to him that in our fortieth year of the Democratic Labour Party, I would like to see this House get back to the democratic principles where each constituency is treated as if it is part of Barbados and we would not have a situation where you have constituencies identified whether you are representing the Government or not

I am also happy to hear the Minister of Public Works, Transport and Housing state that he has not issued one permit since he was Minister of Public Works, Transport and Housing. I am very grateful to him for saying that, Sir.

Mr. W. C. C. CALLENDER: Mr. Speaker, I believe you will recall, just after the 1991 elections, hearing the cries of people in Barbados about the kind of Government that we were seeing. Sir, we were getting cries from all comers of Barbados and in those circumstances people were crying out *for* a government of national reconstruction. They were crying out for a different kind of Government. They were crying out for responsibility and commitment. And so it was in those circumstances that my interest in politics arose. I felt, Sir, that I needed to offer my services to this country because the country needed sons and daughters who had benefitted from the kind of education that we have and that is why I am here today. I am here today, perhaps a little earlier than I anticipated but this is all because a group of gentlemen, who happened, some of them to be on the other side today, could not among themselves agree on various matters, and so it reached a stage where they were so adamant that they all fell to pieces. The rest is now history.

I am not here today, Sir, because of the performance of the Democratic Labour Party. I am here because they ran themselves into the ground and I think this is a message to all Barbadians no matter what group you are in there has to be a spirit of cooperation and so today my

message would include one of appealing for cooperation from all sectors of this community.

Sir, I recall people marching in the streets. I recall hearing the manufacturers crying out, the people in agriculture crying out. I recall hearing the people in tourism crying out. There was a pain. There was so much pain that even one of the greatest fans of the Democratic Labour Party had to respond in music when he sang "Send an answer for we". He said, "the politician fool we and they leave we in jeopardy". Those were the words of Gabby. We all remember those words that he sang, I think it was at Kensington in the Independence Contest. So today, Sir, I am happy that the youthful Prime Minister of this country, the Honourable Member for St. Peter, has responded to the cries of Barbadians. He has responded to the cries of the old people. He has responded to the cries of the manufacturers, the people in tourism. He has responded to the small businessmen. He has responded to the cries of the sports people and the home owners. Therefore, I have no reason not to support this Resolution which he brought before this House because he has indeed responded to the cries of our people. I need not repeat in detail all of the things that he has promised. I think they are very numerous and, for those in this House who were saying it was only a one page, I would like them to look a little more carefully and they will see that there are a number of points and that they do address a number of sectors in the economy. The Prime Minister has heard the cries of the people. 2.40 p.m.

Sir, I am particularly delighted that he has regarded the small business sector in Barbados. A lot of people, especially black people, are involved in small business and I, therefore, salute his efforts at providing the Small Business Association funding of \$75 000 for their establishment of a Secretariat. I, therefore, applaud his efforts for providing \$2 million so that they can have their Venture Capital Fund so they can get some funding for the small business manufacturing sector. He has also promised us, Sir, that there will be an incentive package for the small business in manufacturing. Is this not helping the small black people of this country? There are many small businessmen in this country who are responding to the generosity of the Prime Minister in this regard and they are looking forward for this movement in the direction of assisting small business. Because if you are to develop as a country, Sir, we have to provide this kind of support to small businessmen.

Sir, I am delighted at the concessions that he has given to people in tourism. Tourism is a key engine of growth and, therefore, it has to be given our utmost attention. I would therefore want, Sir, to spend a certain degree of my time in looking at tourism. It is a business that I like. It is a business that is key to Barbados

and, therefore, I shall draw on my experience when I worked in that industry to speak perhaps in a little depth and what has happened in the tourism industry and what I would like to see happen. It is too important an industry to be lightly dismissed and I have to draw on that expertise to comment on sports tourism and other matters related to tourism. I have in front of me a document which I will not make a document of the House that covers sports tourism but is not yet in publication. It is a master's dissertation on the whole issue of sports tourism in Barbados and I would want to address that sometime later in my discussion. But just let me say, Sir, that it can be made available but it is not a published document yet

Aside.

Mr. W. C. C. CALLENDER: It can be made available. I will not be reading from it, Sir. I am saying that there is \$10 million in soft loans to small hotels in Barbados. Is this not seeing a lot, Sir? The small hoteliers, most of whom are black Barbadians, are getting assistance to refurbish their properties so that they can be on par with the rich West Coast hoteliers. Is this not assisting black businessmen in Barbados? When we talk about giving debt relief to these small hoteliers, are we not talking about giving support to black businessmen of Barbados, Sir?

I am also happy to see that the Prime Minister has looked upon such areas as Speightstown. It is true that it is his constituency but it deserves national attention, I have no problem with that.

We are looking at Carlisle Bay, Sir, the Scotland District and the St. Lawrence Gap. It shows good judgment to encourage development in those areas. I want particularly to address St. Lawrence Gap. I am addressing St. Lawrence Gap because that area has developed into an area for prime night life in Barbados. Since research has shown that night life is rated very lowly in the preferences of tourists, I have a document here called the Barbados Visitor Survey produced by the Caribbean Tourism Association in production with the Barbados Tourism Authority. It shows that in terms of rating of product component on page 33 that beaches come first for excellence, water sports second 41.5 per cent and we go down to night life at 16.8 and shopping at 13.1.

Therefore, Sir, it is quite sensible to address night life in Barbados and I believe one of the places to begin would be a place that lends itself to night life and here we have the St Lawrence Gap which is right for cultivation as a prime entertainment area for Barbados. In this regard, I believe that we may have to address Town and Country Planning Regulations and we may, have to look at laws relating to noise and whatever there may be so that this area can be developed as a prime entertainment area.

Sir, when I go to St. Lucia, I go to Gros Islet on Friday nights. That is a key area, Sir, and I believe that the St. Lawrence Gap can become a similar area once the incentive is provided to encourage the development of entertainment activities in that area. I will not be getting into the business of BAMCI and After Dark. That is a private matter. I would hope that it can be resolved in such a way that the night life in Barbados can be enhanced. I do not believe that After Dark should be closed down.

Sir, I also need to look at the area of Carlisle Bay. There is a centre there but I do not see it doing too well. But that is also a prime area. The research shows us that water sports is of primary interest to tourists coming to Barbados. I believe that this area can be developed into a water sports mecca of the Caribbean and we need to address that seriously, Sir. Water sports is what the tourists are interested in and the research shows this. Therefore, in this regard again, Sir, I have no problem with giving incentives to people who want to establish jetties and marinas. This is long overdue. When I travel the Caribbean whether it is Grenada, Antigua or St Lucia, we see all of these marinas and yachts. We are a prime tourist area, Sir, and it is about time that we see the development of marinas here. In this regard too, Sir, I have to say that the duty relief for people who are constructing yachts is also a key to the development of tourism in Barbados.

Sir, I want to spend a little time, as I alluded to earlier, on sports tourism in Barbados. Now the Board of Tourism, as it then was, established this programme in 1983 which is about 12 years since this programme has been established. Last year the Sports Tourism Programme produced about 3000 visitors to Barbados. I am excluding the special event of cricket which brought another 6000 I believe. Generally, sports tourism at this point in time brings in about 3 000 persons. We can look at sports tourism in 2 ways. We can look at it in terms of giving us the publicity which can assist in the promotion of Barbados and we can look at it also as being a public relations tool which can give joy to tourists on the Island. 2.50 p.m.

I believe that the publicity aspect should be greatly considered. When the international media come to Barbados and they capture a major event, this becomes a news item, it is spread all around the world and it brings glory to Barbados. I do not believe the evidence suggests that not enough was being done in the area of sports tourism. Perhaps the time is right for us to have a special unit to look at sports tourism in Barbados. It is a key aspect of our promotion not only in terms of numbers but in terms of the cheap publicity which this country can get. I believe it should be a separate entity with officers who have specialised in sports tourism, people who understand.

how to network through the international media, people who can coordinate events in the local sporting associations.

I have to repeat here the work of Tony Cozier and my own working with the Hockey Association since 1984 when they started to promote the hockey festival. That is now a big thing, Sir. Hockey is bringing in about 500 people per year. I am saying that once there is a conscientious effort we can have a lot of people coming and we can get the kind of publicity which can give this country the kind of mileage it requires at a minimum cost. I think I have made my point and I do not want to belabour it, but I want to emphasise that it needs to be seriously addressed if it means placing the sports tourism unit as a separate unit. For example, in the BDB, we have separated a Recoveries Unit from the normal Credit Unit so to speak. So I am saying operate out of the sports tourism unit and have it done in a very vibrant way and fully utilise the services of Sir Garfield Sobers as a sports consultant.

I have travelled with Sir Garfield Sobers and I have seen no other gentleman who attracts the kind of attention that he does. No other person attracts that kind of attention. Whenever you have English tourists Sir Gary is a hit. My understanding is that Sir Gary has not been effectively utilised in the thrust for sports tourism and it is about time that he is fully utilised in that capacity and this sports tourism unit I believe could fully address that. This needs to be seriously addressed and I believe that the present Leader of the House, the Honourable Member for St. Thomas, has an interest in the sports tourism development and I am sure that with him on the Front Bench he would want to give it his generous consideration.

I have no doubt, Sir, that this Government will ensure that sports tourism serves the role that it has to play for Barbados. We do not have the millions of dollars to advertise on TV, but we can use sports as a vehicle for promotion and publicity. This is no joke. A lot of officers in the Tourism Authority thought it was a joke.

I am not going to get into the morale at the Tourism Authority but I need to say that we have an opportunity now to turn our backs on a period of frustration of a lot of officers in the Tourism Authority. There are periods in which officers were demotivated through no fault of their own and therefore, Sir, I would wish that whoever be this new CEO, or whatever we might wish to call it, would be a person who understands what motivation is about, a person who could motivate the senior staff, who can deal with people. I think that is a greater priority than to be technically sound yet not having the human relation attributes to deal with a large task spread around the world.

Sir, festivals can also be used to great effect for Barbados. I am therefore in support of the Congaline

Festival. When it first began, I must confess that I was seeing it as in competition with Crop Over; but I do not see it that way. Crop Over will survive. If you check the tourism statistics, you will find that in July and August most of the tourists come to Barbados. Those are the key months, not December and January. Check it and you will see. In July, specifically, we have a lot of tourists on this Island at that time.

I believe that the Congaline Festival can do for May what Crop Over does for July. Over a period of time, I believe that can assist - a lot more tourists will come to Barbados - in filling out that trough. I have no problem with that and I believe it should be given assistance so that it can help to bring more tourists to Barbados during that period of time because tourists like fun and festivals and I have no difficulty with that.

I am concerned about the lean period of October, the lowest month in which there are arrivals. I believe that we can have a major sports festival during October which will see activities comprising water sports and running. I believe the Run Barbados could perhaps come back to October. We could perhaps have a major walking event or a cycling event Package the programme, not forgetting to include cricket, in such a way that there will be a major attraction to bring a lot of people to Barbados.

I am not excluding regional tourists. Regional people are tourists and we can have a festival which can attract people within the region to fill out that area in October. I want to see that looked upon as a priority. Not for October this year. That is too soon, Sir. For October 1996, I believe we can have a programme packaged that can fill out that trough so that there will be more consistency throughout the year in terms of tourist arrivals.

Our music, Sir, is a great seller. It just needs promotion. We have the experience of Red Plastic Bag with Ragga-Ragga which is now making the rounds. Music needs promotion not only for itself but also as a catalyst for our tourism promotion. Music can help to sell this country. It is not just a group of people making sport. The old fashioned way of thinking of music as just sport has to go. Music is a business and therefore I salute the efforts of the Honourable Minister of Culture that it is time that we have business development persons at the NCF so that they can assist musicians and other people in culture in promoting their work.

I believe that when the Tourism Authority has promotions they should also be promoting our culture. They should be promoting our music. They should have available video tapes of our music so that the music can assist in promoting Barbados and the promotion of Barbados assists also in selling the m.&'

We have had a lot of difficulties with the question of the U.S.A. market. There were a series of declines out of the U.S.A. and the decline was halted in 1994 but it looks as if we are still in a difficulty this year. That market needs to be addressed and I am glad to see the efforts made to address it but I wish to suggest that since we have so many Bajans overseas that these Bajans can be used to promote Barbados. Small countries have to use their resources wherever they are and I am therefore suggesting that an appropriate programme be put in place to utilise the resources of Barbadians overseas in the promotion of Barbados.

I can speak, Sir, of having more satellite units in the United States so that there can be more contact with tour operators and so on. I could dwell on that, but I am interested in utilising Barbadians and I need to make that point because I think that that could minimise some of the cost of promotion of tourism. If we allow Barbadians to know that we really want them to be involved in the promotion of Barbados since it is the key to our survival, which is the survival of their families in Barbados, if we can appeal to their consciences I believe that they would help us in this onslaught of promotion of tourism in the United States which is very critical at this time. 3.00 p.m.

Sir, we can talk all we want about funds and all that, about finding money for that project and that project but if our communities are being torn apart all of this would be wasted. If our communities are torn apart it will have an impact on tourism. It will have an impact on the country in general. I therefore want us to address community approaches. We are looking at Youth Commissioners and I do applaud here again the efforts of the Minister in that regard, but Youth Commissioners by themselves cannot do the job. Youth Commissioners have to have the support of key members of the community.

I can address other key members of the community, Sir, but I want to put in a special plug for the PTAs of this country. PTAs are critical since you are making contact with parents, teachers and by extension with children. They represent a key network through the community. Therefore, since all of these organisations can get subventions like the BUT, the Youth Council and now the Small Business Association, I believe that the Honourable Prime Minister will in due course want to address giving a subvention to the National Council of Parent Teacher Associations so that they can assist with greater mobilisation of unit PTAs so that they can assist in the community work that is so vitally required at this point in our history.

We need to look at attitude change. We need to look at how people view jobs. We need to get them to respond to the jobs that are emerging that fit into this modern

society. We have a lot of challenges at the community level. We need to get them to look at agriculture and their attitude to agriculture. There are a whole lot of things that need to be done at the community level. It is not just a matter of dealing with crime, it is a matter of dealing with the fundamental attitudes and that has to be seriously addressed by networking through the community.

Sir, by extension I am saying that for all of these programmes to work we need to have the cooperation of all the key sectors in Barbados. We can have the best programme on paper but these programmes will not work if we do not have cooperation. Anyone who runs even a small club can tell you they start at the beginning of the year with a lot of good plans but if you do not get the members to work, if you do not get them to cooperate, those plans remain plans on paper so that cooperation throughout the whole society is very important and cannot be over emphasized.

I need, Sir, to address before I conclude - I think I have just about 3 minutes Sir?

Mr. SPEAKER: Three minutes.

Mr. W. C. C. CALLENDER: I need to address the matter of rural development and I am hoping that it will soon come on stream and we will have assistance for such areas as St. Patricks, irrigation, roads and lights as part of the rural development programme. I also need to state that I am pained every time somebody comes to me and asks for a house spot. I know we are addressing that but we need to try a little harder. There are too many people out there who really want house spots, who really also want houses that cannot get them. This is something that has not been addressed over the years and it has to be addressed because it pains me. How do I tell a man who desperately needs a house that he cannot get one? How can I do that? How can I tell him that he cannot get a house spot? Sir, I would hope that the time would come when I could look at him and say "Yes, we can find one for you". If not everybody, at least those who are destitute, those who are in dire need we should be able to find a house spot for them. We should be able to find a house for them. There are some people who are in dire need and I am at a loss because over the years provision has not been made for that. We have started to address it but I believe we need to look at it even more seriously because this matter remains one of the burning issues, I believe, in all the constituencies in Barbados.

Mr. SPEAKER: Can you wind up, please.

Mr. W. C. C. CALLENDER: Sir, I believe that we will make it. The country last year in September decided it was going with Owen. The Prime Minister has shown

good faith. He has held out his hand. I believe that we should hold out our hands to other people. We should hold out our hands and touch another hand. We together can make it. We can make Barbados into a beautiful country. We can return hope to Barbados. We can inspire people. We can restore the confidence to this country. Let us try. Together we can make it

His Honour R. D. MARSHALL: Mr. Speaker, I rise to this Honourable Chamber this afternoon to lend support to the Financial Statement and Budgetary Proposals so ably presented to this House on Tuesday April 25, 1995 by the Honourable Minister of Finance. Sir, this has been an historic occasion in more than one way. Historic, for it is the first time that the Honourable Prime Minister, the Minister of Finance, has presented a Budget to this Honourable House in his capacity as Prime Minister and Minister of Finance.

Again, Sir, I will say it is historic because this is the first time I am sitting as a member in this Honourable House and making a presentation to this Budget. For me this is also a historic occasion. Again, Sir, this is the first time that you are presiding as the Honourable Speaker of this Chamber in a Budget Debate.

Mr. Speaker, it is said that old men dream dreams and young men see visions and Barbados is blessed at this moment in its history to have as its Prime Minister one of vision, one with the vision and the determination to put Barbados back on its right and corrected path to the development of the country and its people.

Mr. Speaker, you hear the Honourable Member for St. Michael South in his contribution to this debate last night talking about when there is a recession or in recessionary times people change Governments. He went on to say that Happened in other parts of the world and it happened in the mst in Barbados. But, Sir, he is giving the impression that ,c people changed the Democratic Labour Party Government because there was a recession. He has given the impression that it was some kind of follow-the-crowd attitude at that time. Let us try somebody else.

3.10 p.m.

But that was not the case, Sir. First of all I would say that the Democratic Labour Party, in their last sitting in Government had ceased to operate, as a Government in office. I would say it had become a fragmented group. There were Ministers tearing at the then Prime Minister and the then Prime Minister tearing back at those Ministers. Then you saw the then Prime Minister hurriedly putting together a junior group of young men to form a Cabinet and, at the same time, this was not looking so good, in the eyes of the international community. Mr. Speaker, even the

international lending institutions in the world lost all confidence in the then Administration.

For the Member of St. Michael South to come in this Chamber and give this Chamber the impression that they stepped aside and handed the Government of Barbados to the Barbados Labour Party on an easy batting pitch gave the impression as though it was some kind of torch run where you are running and passing the torch to somebody else or passing a baton to somebody.

I even heard the Member for St John talking about when they gave *up* the Government Sir, they did not give up anything. The people of Barbados were tired of them and the people rejected them. That is what happened to the Democratic Labour Party.

It was not anything handed to the Barbados Labour Party, as it were, a springboard to launch off from. It was not that at all, Sir. Mr. Speaker, do you think that the civil servants of this country would ever trust the Democratic Labour Party again? Do you think that the house owners of this country would ever trust the Democratic Labour Party again?

They went to work on the people of this country. The first thing they did, before that, is they came in this Chamber and they made sure that they had an increase in salary for themselves. That is what they did to the taxpayers of this country. Then they went back to the Cabinet meeting and they came back here and, as you know, Sir...

Mr. J. O. TUDOR: On a point of order, Sir. He indicated that we went to work on the people. I want him to explain what he means by went to work on the people.

His Honour R. D. MARSHALL: Is that unparliamentary, Sir?

Mr. SPEAKER: Maybe he wants it not in any kind of colloquial language like that

Mr. J. O. TUDOR: Sir, I hope he is not speaking in a pejorative context.

Mr. SPEAKER: Please proceed.

His Honour R. D. MARSHALL: Sir, it was the total abandonment of the people of Barbados that led them to rid themselves of the Democratic Labour Party and, hopefully, I hope for good.

This document, the Manifesto, as far as the Barbados Labour Party is concerned, we see this, as a social

contract. This is an agreement between we in the Barbados Labour Party and the people of Barbados. And so, Sir, when I look at the Budgetary Proposals put forward in this Honourable Chamber by the Honourable Prime Minister and Minister of Finance, I am happy to see that he has gone the way of sticking to this contract.

The first thing I want to lode at where the Budgetary Proposals are concerned is what the Minister of Finance has done for the home-owners of this country. Under the Democratic Labour Party, you saw the mortgage allowance, the home repair allowance removed from them and, in our Manifesto, we said that we will return those allowances to the people of this country. The Prime Minister has given, if you look at page US of the Financial Statement and Budgetary Proposals, you will see where the Prime Minister has given back to the people an annual allowance of \$3 500 for mortgage allowance, house repairs, renovations, purchasing of solar water heaters and so on.

It means to people that if you have a little house and you had finished paying for your house, although you are not paying mortgage anymore, although you cannot claim the mortgage interest deduction, you can still claim any house repairs up to a maximum of \$3 500 a year or, Sir, if you had changed your solar water heater on your house, you can also claim that as an allowance. This is what we are thinking about when we talk about seeing after the development of people, in this country.

Also would-be young home owners have an incentive now where they can go and build or purchase a house knowing full well that when the mortgage interest they pay for that house - because in the first few years of having the house, you would not have major repairs and so on, you would not change a water heater very often but at least, the mortgage interest deduction can be used, as a deduction against your income tax every year for as long as your mortgage exists and you would add, as long as the Barbados Labour Party remains in power. Because I am not quite sure what would happen if, for some reason, the Democratic Labour Party is returned to office.

In addition, I know that everything cannot be given at the same time. The Democratic Labour Party would probably lead the people of this country to believe that, when the Barbados Labour Party came into office, that some Houdini would appear and everything would happen at a flash for the people of Barbados. But the people of Barbados have sense. They used that good sense in September, 1994. I am quite sure that they will continue to support the policies and programmes of the Barbados Labour Party.

I should like to see, I hope some time soon, that the Honourable Prime Minister can also take into consideration

that we can offer to would-be home owners some kind of assistance, some kind of incentive, through some kind of registered home ownership savings plan where they can deposit, up to a certain amount of money per year, into some kind of fund for the savings to purchase their house. We can do this in the way where if you have a young couple, husband and wife that both can have these two tax free saving vehicles where they can each contribute up to a maximum say -1 do not know what figure we can use - per year. So that when they are ready to purchase their home, they can go to these vehicles, they can take out the money and put the money as a down payment to get their home. This would be tax-free money they are saving. If at any time, they want to break this trust, they can break it and in that year of income they would then have to declare it as income, but as long as it stays there that money is tax deductible for them, for a maximum of 20 years because at the end of that 20-year period and you have not built or bought a house the money then comes in as income in that year. I would like to repeat that, Sir. 3.20 p.m.

Mr. Speaker, also, if I look at page 82 of the Financial Statement and Budgetary Proposals, the goodly Prime Minister has mentioned that this Government will be disposing of some of its government owned properties and the money from this will be going into the support of the new housing thrust of the National Housing Corporation.

Sir, if you look at pages 26 and 27 of the Barbados Labour Party's Manifesto you will see the plans that we have for housing in this country. I am glad to see that the Honourable Prime Minister and Minister of Finance is continuing on that path and sticking to this social contract.

I want to say something on the National Housing Corporation. In fact, Sir, we have inherited a Corporation which was plagued by low morale of staff members, and also all kinds of red tape where people at the lower end of the ladder, who usually use that corporation for funds in order to purchase or build a home or repair a home. I am asking, Sir, the Member for St. George North, the Parliamentary Secretary, to have a serious look into what is happening at the National Housing Corporation and see if he could embark on something to try to raise the morale at that Corporation.

The other part about the red tape. I think, Sir, we are making it very hard on poor people to get money to build and repair houses. There is a situation, Sir, that if one is working for more than \$1 430 dollars a month, he or she cannot qualify. I have no quarrel with that but, Sir, if one is working for \$10 or \$20 more a month, I do not think you should stop that person from acquiring a home.

You have to be more humane, Sir, in your approach when you are dealing with people.

Sir, there is also in place some method that if you are working some place for 5 years you can qualify for the loan without having a guarantor but if you are working for only 4 years you must bring a guarantor. I believe, Sir, that is too much red tape on the person because a person can be working for 4 years or 5 years and he or she can refuse to pay the loan. Any person can refuse to pay a loan any time, Sir. You are holding a mortgage against the same property, why are you asking for so much security?

Mr. Speaker, I want now to touch on the removal of dividends from taxes where people sixty or over are concerned. Sir, there are a lot of people who left Barbados in the late fifties and sixties and went to North America, they went to England and they worked hard in the snow and they sent their money back here. They have retired now and have come back to Barbados and want to enjoy a living. I am glad to see that the Prime Minister has seen it fit to remove the interest they earn on their money from taxes so that they can enhance their living in their sunset years.

Mr. Speaker, on solid waste disposal I am happy to see that something is being done to rid Barbados of a lot of the garbage and so on, the old fridges and stoves and mattresses that we see around the place. First I will say, Barbados is a tourist community. Sir, we have to look at our environment and if we are encouraging people to come to our shores, we have to give them something to look at when they come. In my constituency, Sir, Clevedale, Murrays Land, we have a situation developing in the form of a mini "Stinkeroo". And, Sir, I am going to make sure the Minister of Health and the Chairman of the Sanitation Authority will come to the assistance of the people in that area and make sure that things do not get out of hand.

I also want to say that since this Government has come into office, Sir, that I have seen an improvement in the sanitation services in this country. Before that, Sir, a week would pass and you would not see the truck coming at all and now you have a truck coming, two and three times a week and I would say that the Minister of Health and the Chairman of the Sanitation Service Authority have done a fantastic job and will continue, I am quite sure, to do that job.

Mr. Speaker, page 105 tells us about the special projects that are taking place in this country, starting in Christ Church in the St. Lawrence Gap area, coming right down to the Carlisle Bay, going into Speightstown and also in St. Andrew.

Sir, besides having these areas as tourist attractions and so on what in essence will be happening would be generating employment for the people of this country. That is what is going to happen. We have seen, Sir, where we have been told in the Financial Statement and Budgetary Proposals that there are private enterprises who are willing to put their money as investment in the development of creating marinas and jetties. These two, will bring employment to the country and activity generates activity. We are not going to use these jetties for tying out sheep and goats. These jetties will be used for yachts and boats and I believe as long as you have boats and yachts coming to Barbados on a regular basis and we have these areas generating activity and so on, what I have seen in the Financial Statement and Budgetary Proposals is quite welcome that these people are embarking on bringing back to Barbados, not a boat-yard, but a dry dock and that is very welcome in the country, and what I think might very well happen. Sir, again it was the Democratic Labour Party that caused the yacht race not to be ending in Barbados anymore. When the people said that they wrote the then Minister of Tourism and he refused to answer them it was a slap in the face for those people and they took it down to St. Lucia, and what has been the loss to Barbados has been the gain in St. Lucia. That again happened under the Democratic Labour Party. I do believe, Sir, that when we actually have the marinas in Barbados that we might be able then through our able Minister of Tourism to encourage those people to come back to Barbados and bring their business. That is what we have to do. 3.30 p.m.

Sir, with the Urban Development Programmes stated for this country, I am quite sure that we in the St. Michael area of Black Rock and Fairfield and the people in Waterhall Land, part of the constituency in which you represent, Sir, will be benefitting from this Urban Development Programme.

Aside.

His Honour R. D. MARSHALL: Sir, we will be talking about our roads, housing, sites and services, community centres. These things will enhance the lives of the people in the St. Michael area.

Mr. Speaker, I am also happy to know that the old people of this country can have a little more money in their purses. Again, it is the Barbados Labour Party that over the years always put money in the hands of old people. They have not had a raise in the old age pension since 1990. At that time, it was a \$2.00 bill.

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

His Honour R. D. MARSHALL: I am glad, Sir, that we have been able to also cut the price of bottle gas for the people of this country. These are methods that the Barbados Labour Party has been using over the years. They have been thinking about the development of people, Sir.

Mr. Speaker, change in 1994 was necessary. Sir, the reality of the economic situation calls for the best brains and the determination of an Attorney General along with these best brains to put their heads down and complete the job is most welcomed. The jobs will come. The people of Barbados know that the world was not built in a day. It took 7 days to create this world. What do you want to call it? It took 7 days and I am quite sure the people of Barbados will give the Barbados Labour Party under the leadership of the Honourable Prime Minister the-time to complete the job that he has set out to do for this country.

Sir, I support this Financial Statement and Budgetary Proposals. I thank you.

Mr. J. O. TUDOR: Mr. Speaker, the Budget that was presented before this House of Assembly has been deemed to be all kinds of varying budget proposals. One Honourable Member referred to it as a Mickey Mouse Budget. One Honourable Member said that it was no Budget at all and other Members have been trying to feel their way in what I would like to term, Sir, a rich man poor man budget.

Before I detail my presentation, it will be necessary for me to rebut some of the contributions that were made by Members on the other side. If I can start with the Honourable Minister of Tourism who made his presentation last night, I have to indicate that I did as shadow Minister of Tourism take out my note pad to seek to rebut any comments that he would have made regarding tourism only to find out that his focus was on the eloquent speech made by the distinguished Honourable Leader of the Opposition who in a marathon yesterday clearly demonstrated that the talent of this great young man is severely wasted. I hope that it will not be too long before Barbados will be able to benefit from this outstanding talent that is now available to Barbados that is ripe already.

I really, Sir, could not say anything about what the Honourable Minister said about tourism. His contribution was devoid of any encouraging news regarding the projection for tourism into the future or certainly to indicate how he is going to arrest the decline which seems to be apparent everytime the Barbados Labour Party has its hands on the Government. I am nervous, Sir, that this sector, which is supposed to drive the entire economy, is treated in a manner that suggested that there is no forward planning whatsoever. If in fact we are to use that as the vehicle with which to provide jobs that were promised in

the recent election, then I think that we have a significant problem.

During my presentation, I am going to indicate and I am going to seek to find out on what basis were those promises made. Because clearly in Barbados we must not progress the development in this country on any false premises.

Now the Honourable Member for the City, the Deputy Prime Minister, made comments last night about the Auditor General's Report to suggest that there were breaches noted within the Report that were prevalent under the last administration of the Democratic Labour Party. Sir, the truth is that the breaches that have been noted and recorded by the Auditor General are breaches that have been occurring in the public sector accounting system for over 30 years. It is a problem that the last Public Accounts Committee that I was a Member and identified with and most Members on the Opposition side at the time agreed that the breaches that were occurring in the system were wrong and that the expenditure of money before it was appropriated in this Parliament was also wrong. I am glad that the Prime Minister has kept his word and has lived up to the expectation of that Public Accounts Committee of which I was a Member and agreed that these things should be put to a halt. I have to agree that I support the call that these breaches should not occur. But do not for one minute, Sir, let the impression go out that these breaches occurred only under the Democratic Labour Party administration. It is a problem throughout the whole system and accounting officers must understand that they must follow the rules. Because if Ministers are going to be held accountable, they must follow the rules and I stand by that.

The Honourable Member for Christ Church East, my good friend Mr. Wendell Callender. Mr. Chairman, I apologize. His name slips easily off of my tongue, Sir. Yes, he is my good friend. He spoke for half an hour and for a moment I thought he was, in fact, the Chairman of the Barbados Tourism Authority and not the Chairman of the Barbados Agricultural Development Management Company which he has 6 months in which to satisfy the Honourable Prime Minister or he will be out of a job because the BADMC will be shut down, according to the Prime Minister. Not one word, Sir, about the BADMC of which he presides over.

Now I like the Honourable Member for St. Michael West Central. Today, Sir, I was expecting another grand position from him. I was hoping that he would have stayed away from some of the entertaining comments that he has made in the House from time to time, and I was hoping that he had recovered from the suggestion and would not repeat that he would want

to market Sherbourne as a destination. I had some fears, Sir, that he may in fact have put the runway in Government Hill and would have disrupted a number of my constituents. I believe we were spared the comments. 3.40 p.m.

He did make a good point, Sir, with regard to the environment. He said that if visitors are to come to Barbados that our environment must be something that they would want to look at. During my presentation, I would like to take up that suggestion because it is an area that is very vital to the development of Barbados.

Sir, during the Estimates debate, I accused the Barbados Labour Party of representing the big business interests in this country. The Budget presentation that was laid in this House two weeks after that accusation clearly demonstrates that my accusation was absolutely correct. I am disappointed with the haste in which the Honourable Prime Minister seeks to satisfy the elements that control the Barbados Labour Party as an Administration. The picture is very clear and we can judge from the commentary that is available to all Barbados in analysing the Budget.

On the one hand, you see the big business people saying it is a very good budget, it encourages hope and, on the other hand, you have the frustration of small black business people and there is no opportunity for those persons who have come out of schools not yet possessed with proper skills for them. On the one hand you have the rich man and on the other the poor man. A rich man, poor man Budget. It may be synonymous with what we have been accustomed to from the Barbados Labour Party.

The Honourable Member for St. Andrew who spoke had a lot of mouth in here today about what was happening with the issue of permits and even though they have initiated a Commission of Enquiry, I have kept very quiet and I have said all along that I acted in accordance with the powers that were vested in me at the time as a Minister by the same Act that the Minister was appointed under. I have not challenged anybody's authority over there to increase the number of one-armed bandits licences to \$200 in one second. I was a Minister up until September 6 with the same authority but that matter is sub judice and I will wait it out because the Court and the Enquiry and everything will exonerate the actions that I took in the interest of developing the small black business persons in Barbados.

I understand the difficulties that the Ministry has in dealing with the problem and I support some of the measures that have been implemented. In fact, a lot of the controlling measures to instill discipline in the system were left in place by me as a Minister before I left office. I left the information there.

(Certain remarks made by the Honourable Member for St. Michael East were ordered to be expunged from the record by Mr. Speaker.)

Mr. J. O. TUDOR: Mr. Chairman, I withdraw the remarks but one thing I will not stand for...

Mr. SPEAKER: Honourable Member, please. I know that we are being telecast and I guess most members will realise that, having withdrawn remarks, the remarks have been said. I hope that this Honourable House does not resort to tactics in here that speak to the dignity of this place.

Mr. J. O. TUDOR: I am glad you said that because it is fine for Honourable Members to seek to interfere with other members. It is fine if it is coming from the Government side. We cannot have double standards, Sir. I don't mind being abused. Abuse me, say whatever you want to say.

Mr. SPEAKER: Let us proceed orderly, please.

Mr. J. O. TUDOR: Now, Mr. Speaker, let me continue. They said during the campaign that Job No. 1 is Jobs. This is the basis on which they fought an election in this country. It means nothing, Sir.

They said, Sir, that the Democratic Labour Party policies were not working and that it was a disaster to have the Democratic Labour Party continue in office, that we had destroyed the economy when the Economic Report as in 1994 paints a picture that clearly demonstrates that the policies that were put in place by the Democratic Labour Party have been successful to some extent and I will concede that they have not gone the full hog because we were not at the end of our term. Circumstances prevailed that did not allow us to continue the programme and I am predicting that if we were able to continue this programme that the public of Barbados would have exonerated the stand that we took through the years 1991-1994. It was only a matter of time before we would have been able to continue those measures.

The Honourable Minister of Finance comes into this Honourable House and delivers a Budget that is similar and he has imposed measures that are very similar to the model of the IADB and the IMF requirements. It is the same identical pattern, very little variation as far as that is concerned. 3.50 p.m.

Now, Sir, I have to ask the question, on what basis did the Barbados Labour Party make promises that they would be able to provide jobs? I am saying, Sir, that

the slogan they presented Job No 1 sounded good. It appealed to the masses because people live in hope. There is a lot of hurt out there. In my constituency alone I can tell you woes of tales through Licorish Village, the Ivy, all over my constituency there are difficult situations.

Aside.

Mr. J. O. TUDOR: It started from way back. It has always been a depressed area. We have been fighting and grappling to improve that situation.

Aside.

Mr. J. O. TUDOR: We got a lot of success. They made promises to this country, made promises to the electorate that they knew they could not honour because the Prime Minister himself knows that to effect the level of growth in jobs in this country he would have to have a bigger growth within the economy with significant increase of economic activity. There must be significant investment. There must be new investment and there must be all kinds of proposals that would have an impact on the economy.

What has happened, Sir? I am not going to go through the old rehash about the difficulties we had with airlines and the Gulf War that caused the international recession to set in. These are realities. I will not even deal with the Honourable Member for Christ Church West who in 1990 made a ridiculous statement about the devaluation of the Barbados dollar when he said that he had found a document that fell off a truck and that he was aware that the Barbados dollar would have been devalued. That, Sir, caused a lot of panic in this society.

Mr. H. deB. FORDE: The Honourable Member has obviously said nothing that I said. I did not say anything about I was aware that the Barbados dollar would be devalued nor did I say I found any document that dropped off a truck. The Honourable Member is obviously mistaken. I would not even tell him what I said.

Mr. J. O. TUDOR: He does not remember, Sir, and I understand his memory would be lagging at this stage.

Sir, I do not want to go back to all of that I do not want to go back to all of the difficulties we have come through. The problem we have to face is that people in Barbados are hurting now, today, and there is no hope because when we had an election we put a completely new Government in place. At least we gave the Barbados Labour Party the chance to say that at least there is some new hope. Now, on the presentation of the Budget, everything flattened to deceive because everybody in Barbados is convinced now that there is no new hope so here we are, depressed as people again where there are no

new opportunities for small people coming up into the system. There are a few opportunities for some people who can afford not to do anything and they will be comfortable for the rest of their lives.

There are several people in Barbados that need to have policies put in place and new investment put in place so that there can be new economic activity in Barbados. But, Sir, Barbados will not be able to develop at any rapid rate. This is the reality of the situation. We have major problems in this country as I relate it to the environment. How can development take place in the immediate or in any mass scale when we have a critical problem with the areas of our marine environment? We have a serious problem with our sewage in Barbados. We have a very serious problem with our water resource base in this country. We have a very serious problem with our garbage disposal. We are still fighting with the roads and in particular in the Scotland District and those areas that are to some degree areas of attraction. We still have to grapple with all of these before new investment can take place.

Right now, if we go through them just briefly one by one, Sir, the water resource base available to this country is now 92% - 94% allocated, which means that even projects like the sewerage plant that is planned for the South Coast and the West Coast that uses an enormous amount of water, by the time we start to satisfy the needs of a few more housing complexes at the present growth rate of about 4% and we are able to put in one more golf course, the entire water allocation in Barbados is dropped.

This is not a question that we can just sweep under a carpet. These are realities we have to face as people. The whole question in another four or five years will be whether we have to go to a desalination plant or whether we have to start trapping surface water in the Scotland District But they have gone now and are putting the dump down in the Scotland District, another problem, in areas that have been earmarked for the trapping of surface water. That is a major problem that this country has to confront ourselves with. It is going to take a major capital investment to identify new water resource bases. Certainly before we left office we were conducting a water loss study to detect the kinds of areas where we were losing water resources and we wanted to have that study completed as quickly as possible so we could trap that water resource base.

Now, when we indicated that funds were being earmarked for the South Coast Sewerage Project, the Barbados Labour Party members, during the last administration's reign, severely criticised this Honourable Member when I was the Minister and said that we had no forward planning, and we should, in fact, be spending the money that we were holding in debentures, Treasury Bills, transfers and so forth, to invest in capital development

within the Water Works system. We were heavily criticised that we should not be taking that money that was earmarked for the South Coast Sewerage Project and spending it on the South Coast Sewerage Project and that we should, in fact, be keeping it for development of the water resource base.

Now it is a problem and these countries have limited financial resources. If we are prioritising and we are placing money regarding our physical development, the money that we will have available to us for social development will be significantly reduced. That is a major concern because it has to deal with prioritising the needs of the country. If we cannot develop further to absorb the remaining persons that we need to absorb into the system we have to understand that as a country we have to fix our home base because we cannot have new investment unless our home base is in shape. We have to take stock unless we have a fairy godfather who can present this country with all of the available money that we need.

Now, that point is important, Sir, because while we were tiptoeing as an administration between 1991 and 1994, we had to tiptoe because of the financial constraints. We did not have any amount of money available to us as an administration. We were tiptoeing because we found ourselves unable to provide jobs throughout the system where we were able to satisfy the needs of those persons in the society that needed to be employed. It grieved me and it still grieves me to this day that we cannot continue to carry casual workers or people in some form of employment.

I believe in crash programmes. It pains me that we are not able to carry a deficit on the current account on some 2% or 3% of the GDP so that we would be able to have some additional money available to us to employ some people to avoid the social commotion that presently goes on in Barbados. I have no problem if we move the deficit at this stage. I believe we can afford it but the Honourable Minister's hands are tied and he knows why his hands are tied. But he sought to suggest that we on this side were magic men and that we had any amount of money available to us that we could have just done these things at the snap of a finger. It does not work like that, Sir.

Now, the Medical Report that was laid in this House by the Honourable Minister of Health a couple of weeks ago suggests that we have a serious problem regarding the marine environment of Barbados. Now, unless we have the South Coast and the West Coast Sewerage Project progress so that we are able to avoid... When we look at this Report, Sir, we would see that we have a serious problem, in this country, regarding the marina environment and, there are some beaches in Barbados that are contaminated, and we

have - this information is known to tourism destinations, it is not a problem for Barbados alone. It is a problem throughout the entire Caribbean. If we are to develop, we must not develop on any false premises. We should develop on sound and proper policies. We have the expertise available to us, in Barbados. So why must there be lies? Why must we not face reality? Why can we not guide people? Why can we not lead people and tell them the truth? Why make promises? On what basis do you make promises, when the foundation on which you have to prepare for the future is not yet ready. 4.00 p.m.

I would not deal, Sir, with the garbage disposal. I have asked a number of Parliamentary questions and I know that she had difficulty answering them. But I noted, Sir, and I can detect that the Government is having a serious problem in financing the landfill at Greenland because when I look at the comments of the Honourable Minister of Finance on page 113 of his Budget, I note that he intends to charge a tipping fee. I agree we have a problem with garbage and we again are at the crossroads.

Mr. SPEAKER: The Honourable Member has 2 minutes to conclude.

Mr. J. O. TUDOR: But, Sir, I was interrupted a little bit and I am sure you would take that into consideration.

Mr. SPEAKER: I have taken it into consideration.

Mr. J. O. TUDOR: Okay. Fine. Now they have introduced a tipping fee of some \$40 per tonne for garbage going to the landfill. What that means is that there are 2 types of trucks in Barbados, a 12 tonne truck and an 18 tonne truck. It means that garbage being taken to the dump in a 12 tonne truck will have to pay \$40 times 12 which is \$480 to dump a load of garbage at the dump.

Aside.

Mr. J. O. TUDOR: Well, whatever it is.

Aside.

Mr. J. O. TUDOR: Do not say that. It says here a tipping fee of \$40 per tonne. It does not tell me anything about cubic metres, Sir. An 18 tonne truck will cost \$720 for taking garbage to the dump. This is an enormous amount of money.

Hon. Miss M. A. MOTTLEY: On a point of order, Sir. I did not want to interrupt the Honourable Member but if the Honourable Member would stop misleading the House, as to the size of trucks in this country, the size

of trucks go by either 12 cubic metres or 18 cubic metres and not tonnes, Sir.

Mr. J. O. TUDOR: Mr. Speaker, Sir, I did not hear what the Honourable Minister said at all.

Mr. SPEAKER: The Honourable Member, the point of order was made and the point is relevant.

Mr. J. O. TUDOR: The net result is that the Sanitation Service Authority will not be paying the tipping fee, at the dump. There are about 100 small truckers who presently carry garbage to the dump and charge about \$70 or \$80 for a load. Those persons will be put out of business because if you are unable to pay \$480 for a 12 tonne truck or \$720 for an 18 tonne truck, you can see that persons will prefer to go to the Sanitation Authority where they do not have to pay the tipping fee and they can just pay the \$70 or \$80 to the Sanitation Authority to have then-garbage removed.

I have to ask these questions. On what basis, do we make these promises that we are going to be satisfying the public with the demand for jobs that are to be created. There have been concessions. There have been incentives given. But I have to ask my question. Why are all of these...

Mr. SPEAKER: Could you wind up, please?

Mr. J. O. TUDOR: Yes, Sir. I have 2 minutes, Sir.

Mr. SPEAKER: You had 2 minutes.

Mr. I. O. TUDOR: I have given up complete hope that there was, at least, nothing that was available to this country to suggest that there was a plan afoot to provide the jobs that were promised. But I stumbled upon a book which says "The Complete Guide to Creating 30 000". This is it. I started to have some hope. I notice that on the back it is authored by an Owen A. Arthur and it says "The Complete Guide to Creating 30 000". I started to feel good because I said, at least, we now have a plan on which we can resort and to find out how we are going to create these 30 000 jobs.

I had intended to make this a document of the House but when I looked in the book, it had absolutely nothing. Every page is empty. I can't make it a document of the House, Sir. I really have given up and I sincerely hope that this Government will, within the next 2 or so years will be able to have Mr. David Thompson take this country into the Twenty-first Century in the kind of responsible manner that the Democratic Labour Party has been conducting over the last 10 years.

Mr. SPEAKER: Your time is up.

Mr. J. O. TUDOR: Serious management And we do not want a situation where we have to come and correct the mess that they have been leaving for us to come and get all the glory after we have done our early work.

Mr. SPEAKER: The Honourable Member, your time is up.

Mr. J. O. TUDOR: I am sorry, Sir. Thank you.

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

Mr. L..R. TULL: Mr. Speaker, Sir, we are, at the moment, debating the Resolution, by the Government, which seeks to congratulate the Government for its skilful and astute management of the economy and for the timely and outstanding leadership provided in laying the foundation for sustainable development in our country. This Resolution was moved, at the end of the reading of the Budgetary Proposals and the Financial Statement. The Opposition tabled an Amendment to that Resolution. Without reading the words of the Preamble, I would read the Resolution itself. It says:

"BE IT RESOLVED that this Honourable House of Assembly take note of the 1995 Financial Statement and Budgetary Proposals and regrets that the opportunity was not taken to empower and uplift the broad masses of the people of Barbados."

I am often accused, Sir, of using strong language to make my points. I have absolutely no apology for so doing.

This Resolution is brazen. It is, in a way, a reflection of the way in which the Democratic Labour Party Opposition feels about the people of Barbados. How dare the Opposition DLP talk about empowerment and upliftment of the broad masses of the people of this country?

A short look at the recent history of Government in this country would suggest that the Democratic Labour Party Government either deliberately, through misfeasance or malfeasance, through lack of skill, lack of commitment or something brought the greatest harm on the people and the broad masses of the people of Barbados of whom this Resolution speaks, over the last few years and, as I said it took some effrontery on their part to come and bring a Resolution of this nature, today.

Budgets, Sir, as we keep hearing all the time - because when we go through this annual exercise we create a constant repetition of clichés - are the same thing over

and over again. But you always hear that it is an instrument of economic and social policy. 4.10 p.m.

I have listened to the Budget and I have read what parts of it captured my fancy since and I feel comfortable to support the Resolution of the Government in relation to the Budget of 1995. We have to look back a little. The Barbados Labour Party came into Government last year with a legacy of hardship unprecedented in this country for over 30 years. A number of measures that were introduced by the former administration in the period of 1991 and indeed right up to the time at which they demitted office showed that not only was the Government inflicting a lot of pain through their measures but that they did not evince to Barbadians that they had a plan as to how to bring the kind of hardship they inflicted to an end.

The Barbados Labour Party took over then in a straight jacket of restraints, lack of funds, a lot of debt, a lot of commitments, continuing drain on the financial resources of the Government through massive waste, great inefficiency and an inclination of the Government to continue to do what they were doing just to say nobody is going to force us to change.

I accept, Sir, that we cannot have business as usual in relation to the affairs of Government in this country anymore. You only have to take a look, Mr. Speaker, at what is happening throughout the world to understand that Government and public affairs and public financing must go through a fundamental "C" change. We see what is happening in the developed world, the problems that they are having. You know, Sir, that there is a philosophy now that there must be less Government, whatever that means. It is a philosophy to which I do not subscribe but I hear it even in Barbados, there must be less Government and I consider implicit in less Government means handing back over controls of certain areas of national living to those who had that right before and abused it.

I do not believe, Sir, that this country should now allow itself to be handed back to a number of bigots who sit comfortably in their aeries and try to speak from on high, to even persons like Members of Parliament as to how we should deal with public affairs in this country. We cannot go back to that, Sir. I have seen what that is likely to do in this country like I have seen it happen in other countries. I will continue to speak out whenever that tiny bigoted group would try to silence those of us who have a mandate to speak to large numbers of people across this country and who speak, not only because they have a mandate but also as Barbadians who have gone through the mill and have experienced on a daily basis for all of one's life the nature of the ills in this society. On that basis too,

Sir, one has a right to speak out. If the battle is joined, Sir, I am in it.

We have a situation in this country, where as I said you cannot have business as usual. I am a practical person. I understand the limitations under which we must operate. The days of big spending and the years when money was awash in the post war period all during the fifties, sixties and seventies, those days are over. We are also in a situation, Mr. Speaker, where the OECS countries who had pledged long ago to set aside 0.7% of their GDP for official development assistance to developing countries like Barbados, are now reneging and there is setting in many of the OECS countries a new fortress mentality, they are becoming more isolationist and their self interest is growing and countries like Barbados are now, for the first time since the war, being left to find its own way.

I hear a lot of fancy terms like trade liberalisation which that administration talked about, this administration talks about, everybody talks about. My inner intellect, Sir, tells me that trade liberalisation is to throw small countries, like Barbados, out on the creek without a paddle. The very economies of scale for manufacturing industries suggest that, in a world of trade liberalisation, survival is not all, Sir.

I support the Minister of Finance in taking measures to give some ease to manufacturers in Barbados for many reasons. One is that they may still be able to make some greater dent into the CARICOM market. The chance of making any significant mark on the extra regional market is very slim. I would like to be persuaded otherwise, Mr. Speaker, but nothing that I have seen in the documents of trade liberalisation suggested to me that an economy of Barbados can make any mark in terms of manufacturing output when one considers the cost of raw materials and the cost of labour in a place like Barbados. But we go along and we pick up all the catch words and the new phrases and the new concepts from outside the region and we run with them, almost to say that we are with it.

I am worried about all of these things. We have a situation, Mr. Speaker. I can refer to the comment made by the Honourable Member for St. John, the Leader of the Opposition, in his contribution to this debate yesterday and I can say here parenthetically, Sir, that the Leader of the Opposition is enamoured of things "Tull". He cannot make a contribution to any debate unless he calls on the name of Tull. I am not talking about any Honourable Member now Sir, "Tull" to support what he is saying. 4.20 p.m.

It is not even clever because to the dimmest wit one can understand that that is a device to see whether you can cause some faction in these ranks. I do not know how

sensitive my colleagues are about it. In fact, they may not even care about that. But that to the dimmest fool can understand that that is a rather crude ploy to see whether a division can be created on this side. As I said, Sir, that was parenthetical. The substance of what I am saying is a reference he made yesterday as to the question of business as usual. He said the business as usual has been put up in the shop. That this Budget represents nothing new. It is doing the same things over and over again that we have grown accustomed to.

I want, Mr. Speaker, to say that we cannot have business as usual and he needs to change that. This Budget in my view, Sir, and I do not profess to be an expert in the areas of public financing as a number of others are. I do not profess that, Sir, but that is not what comes through to me. What I have seen is the attempt by the Minister of Finance to manoeuvre within very tight room. The space is very narrow and he has succeeded in manoeuvring within the narrow space that he has got without having any general complaining and moaning and groaning by the people of Barbados since the Budget has been delivered. Now that is remarkable, Sir, because I have been in this business for a long time. One of the things that attends each Budget is a lot of complaining and grumbling all across the land about this part or the other.

Apart from the lash that has fallen on the ZR operators and the mini-bus people, there is no general complaining about the provisions of this Budget. It is because Barbadians are intelligent people and they understand the constraints in which this Government is operating. But the Minister of Finance has not done business as usual. He has not brought the usual thing about adding on some taxes on tobacco, wines, and gasoline, the normal trite exercise that we go through year after year. But he has sought to use and in my view succeeded with a certain dexterity to travel new and uncharted areas and use new devices in his effort to restructure the economy of Barbados and to give us new directions in which to travel.

This is not a Budget as I have heard all of the time from those who profess to know it all. It is an instrument of social and economic development and this Budget by its newness, by its courage in being able to go into new and uncharted areas and seek to redefine public financing makes it worthy of support.

I want, Mr. Speaker, to make a further reference...

Aside.

Mr. L. R. TULL: Do not mind the Honourable Member for St John. I think that he is very animate of everything relating to me. He speaks constantly of the good society and he would put out that, the good society of

which I speak and on which I have been speaking from the time I have been in public life.,,It might be the first time that I have put a name on it, but the principle remains the same. He would seek to suggest that my exposition on the good society that is entirely Barbadian was somehow the idea of John Kenneth Galbraith, a liberal economist. Of course, I learned from people like Galbraith. I heard the Honourable Member only yesterday talking about the just society and giving its authorship in the late Mr. Errol Barrow. So he talks about the just society that came out of the mouth of Mr. Errol Barrow. The just society has been publicized as the brainchild of the late Prime Minister of Canada, Mr. Pierre Trudeau and he has a book written on it - "Towards The Just Society". I do not understand why if I get an idea from John Kenneth Galbraith, whom I have great admiration for from the time I was an undergraduate, that it should appear as if I am culling from someone. But I believe in this good society and this good society of which I spoke in Carlisle Car Park in the last general election campaign is nothing more than my articulation of a philosophy of the Barbados Labour Party which has informed its very beginnings. We have to keep talking about it because as I am saying, Sir, we cannot be operating as we did in the pas* because of the constraints we have on us. But within the room for manoeuvre that we have, the Budget that was given by the Minister of Finance two days ago has done as well as can be done in the circumstances.

You know very well, Mr. Speaker, that I do not fall into the category of hypocrite that reference was made to on yesterday. The Honourable Member for St. John mid that politicians must not be hypocrites. I am not one, Sir, and I am going to say what I feel like saying when I feel like saying it and who does not like it - too bad for them! So when I say that I support this it is because my intellect and my conscience tell me that within the circumstances obtaining in Barbados today that a good job has been done to manoeuvre and to make Barbadians feel quite rightly that we are moving in the direction to create the good society of which I often speak, Sir.

I want, Mr. Speaker, to talk about some things to move away from these philosophical discussions of persons like the Honourable Member for St Philip South who excels and to talk about a few practical things. I am relating to one of the measures given in the Budget to the tipping fee for the dump at Greenland, the landfill to use the euphemistic word. I am glad that they are going to be raising some fees for the tipping because the Sanitation Service Authority and the Government of Barbados through the Ministry of Health and in the words of the Minister of Finance some years ago when they built the pulverization plant at Workman's, St. George in my constituency - sweetened it for the people of that village, said that when we completed the landfill we will level it, grass it and give a large well-appointed playing field for the people of Workman's, Fairview and Middleton and that area.

Sir, I believe that when my Government says something they mean it and I have seen many of my colleagues hold up the manifesto about promises and say that this is their close social contract. I believe that, Sir. That is why I am confident they will find the money, if not from tipping they will find some kind of fees. Now that the dump, landfill or pulverization unit or whatever it is called at Workmans, St. George is now completed that they will level it, grass it and give a good playing field to the people of that area. That is not unreasonable, Mr. Speaker. I heard that the people of Arch Hall and Bennetts who had only a few short years of discomfort will get compensation. I am not one of the envious ones. I am glad that they are getting compensation, Sir. But I am saying that the people of Workman's, Fairview, Middleton and the Hope went through what the people of Arch Hall and Bennetts went through for a period 4 times as long as they did and we must not be skimpy with any compensation. The people in my area are not asking for any money, but the young people of the area, and the old ones too, Sir, are asking the Government to honour promises made for them. So all we want is a modest playing field. 4.30 p.m.

I also want to say a word about Bulkeley Factory. I am in St. George and I am staying there for the rest of my contribution. I have said at a Constituency Branch meeting of my constituency, I think it was last month or the month before, that I have been told by my colleagues that it is not now the intention to close the factory at Bulkeley. I know the Minister of Agriculture has already spoken in the debate and therefore I will not expect him to have another audience, but I certainly hope that before the debate is over we can make assurance doubly sure and make the people of St. George say: "We heard you but we want to hear something from those who make the policy decisions." I am a humble back bencher, Sir, I would like someone to get up on the Front Bench of the Government and give the reassurance, because I have already given the assurance, that the Bulkeley Factory is not due for closure.

Bulkeley is not a sugar factory, Sir, Bulkeley is an institution. Bulkeley is a part of the body of the people of St. George. It is part of their culture, their way of life. To shut it is like cutting off one of their lungs. We cannot do that, Sir, and I want one of the Front Bench, the people who make the decisions on these matters, to assist me in that reassurance.

I want to make another comment about rural development. The Barbados Labour Party and I myself, Sir, because I talked all across the rural parishes, not in the north, but in the southern half of the island during the last General Election, and I talked repeatedly about our rural development programme as the centrepiece of the Barbados Labour Party's programme and platform for the last

General Election. I talked about it every night, because I believed in it, because development in Barbados has not always been fair. The people in the country are to grow the canes and cut them and be like the beasts of burden out in the fields. That is what they want for the people in the country. The people in the country do not want that for themselves and they see all across urban Barbados and on the south coast and on the west coast and in the urban and suburban areas of St. Michael developments that have passed the people in the country by, and now it is time for us to come into our kingdom.

The Rural Development Programme was conceived to give that new kind of development to the rural districts of Barbados that the urban and suburban areas have been enjoying for a very long period of time. I am not like the Honourable Member for St. Lucy, I do not despair. Again I have been given the assurance by the Minister of Finance, the Prime Minister, and the Minister for Rural Development that a business plan is being worked out for this Rural Development Programme and that when it is ready greater funds will be injected into it and we will begin to see a new dawn break over areas like St. George, the constituency I represent and indeed the constituency in which I live.

I want to say that as it relates to tourism, Rural Development is very closely integrated with tourism's needs. People do not come into a country like Barbados to drive around Bridgetown and St. Michael. I live in the country, Sir, and I see visitors to Barbados driving all around the country and they find more of interest to them in rural Barbados than in suburban and urban Barbados. Therefore, it follows that any enhancement of the surroundings and the beauty and the environment of the rural parishes in Barbados will constitute a tremendous boost to tourism in this country.

I also want to say, Mr. Speaker, that there was a time when most of the crime in this country was committed around town, the St. Michael area, Christ Church and these areas and that people in the country were somehow insulated from widespread criminal activity, but that has changed. Therefore, work in rural Barbados, particularly in the provision of services for security - you take street lighting, Sir, that is one small thing, old people in St. George have to walk half a mile to church at night and they do not have street lights, but they have a lot of young vagabonds who are now easily preying on old people and snatching their handbags, pushing them down in the gutter and that kind of thing. That is a big change, Sir. It never used to be like that. Therefore, it is incumbent on the Government to take that reality into consideration and go about the development of this Rural Development Programme with haste.

On this question of jobs, it is a little naive, if not wicked, on the part of those who would suggest that the creation of jobs is something that can happen overnight. Right thinking people would realise that the creation of jobs takes time, it is incremental and gradual.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Mr. L. R. TULL: You cannot solve the problems of unemployment in this country and the creation of jobs overnight, but I was saying, before I made that slight detour, that there are a lot of young people in the rural districts of Barbados who are becoming desperate because of lack of work. It is therefore important that something be done to fill the gap. I did not know, for instance, what my friend on my right, the Honourable Member for Christ Church East Central, said today, but he is the Chairman of the National Sports Council. The Honourable Minister of Education and Culture is responsible for youth programmes and culture. The Honourable Member for St. Michael South East, whose constituency is adjacent to mine and who does great work in relation to his group in the Pine, the Pinelands Creative Workshop, agencies such as that workshop, the programmes that are being implemented now by the Minister of Education in relation to youth and culture, and the efforts of my friend, the Honourable Member for Christ Church East Central, in relation to sports, these will take a little pressure off the young people in Barbados who are going through an intense period of frustration. Therefore, I am asking again, Sir, that steps be taken urgently to make sure that these new, bright, creative, exciting programmes initiated by this administration will find themselves in the country. The air is more salubrious there, a good place to start. I will be very grateful to the Government when that particular kind of activity starts.

Mr. SPEAKER: Could you wind up now, please?

Mr. L. R. TULL: As I said, Sir, at the beginning, I am glad to support this Resolution, and I think that the amended Resolution tabled by the Opposition is a feckless document that does no credit to themselves or to anybody and it would do well for them to support our Resolution. I can assure them that there will be no loss of face in giving support to the Resolution based on the efforts made by the Government over the last 8 months to regularise the economy of this country and to give continued hope to the people of this country. Thank you. 4.40 p.m.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I beg to move that this House be now suspended until 4.55 p.m.

Hon. Miss M, A, MOTTLEY: I beg to second that, Sir.

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

RESUMPTION

Mr. SPEAKER: This sitting is resumed. Honourable Member for St. Philip North.

Hon. R. N. GREENIDGE: Mr. Speaker, for many years I used to sit at home and I used to watch, listen and follow these Budget debates with a lot of interest and it is my opinion that no person alive in this country has ever delivered replies to budgets with the kind of surgical analysis that the Honourable Member for St Peter has done. He, perhaps, is the person who has delivered the most analytical replies to budgets in this country and he very often came to this House, Sir, during those replies and he explained to the people of Barbados, he lectured to them and he advised.

Sir, I personally longed for the day to come when I would see that same Honourable Member for St. Peter deliver his own Budget - not a reply - in the capacity of Minister of Finance. Little did I know or dream that I too would have been part of that debate when his turn came. I am happy today, Sir, to be on the Floor of this House to lend my contribution to this debate and to give the assurance that I fully support the measures in the Financial Statement of Expenditures and Budgetary Proposals.

The Honourable Minister of Finance once again treated this House with an excellent presentation. He was very sound in his reasoning and as usual very scholarly and erudite. Indeed what we had from the Honourable Prime Minister reminded me of what members of the Democratic Labour Party used to call an election budget. In other words, there were certain concessions given which it was their style to give only when elections were around the corner. I do believe that by doing this the Honourable Minister has made it quite clear that he is capable of handling this economy even though we are experiencing difficult circumstances.

I want to begin by saying that the Ministry for which I have responsibility is what I always describe as a very sprawling Ministry. I describe this so because a number of agencies come under that Ministry. I have responsibility for the Ministry of Labour, the Labour Department, the National Employment Bureau, the Welfare Department, Community Development, the Child Care Board, the National Assistance Board, the National Training Board,

the TVEC Council, the Women's Affairs Bureau, the National Sports Council.

Clearly, Sir, you can see from that that what I have is indeed a people's Ministry. It concerns people. Therefore, I was quite pleased when the Honourable Prime Minister at the start of his term in office quickly began by giving people concessions that they were asking for.

When the small hoteliers cried out for help this Government which is now a mere 7 months old assisted them. The manufacturers were also assisted and now in this Budget we have the sportsmen, the old age pensioners and recently the disabled. I want to say something about that because I have responsibility in my Ministry for the disabled and it passed almost unnoticed. Nobody mentioned it. At page 70 of the Financial Statement of Expenditure and Budgetary Proposals presented by the Honourable Prime Minister he says that he gave significant concessions to manufacturing, agriculture, including fishing, the hotel sector, the handicapped and other individuals. I must pause there, Sir.

As Minister responsible for community development, I have responsibility for the disabled. Recently duties were paid on the equipment and the implements which were earmarked for use by the disabled people of this country. So people who were disabled and who were formerly burdened with duties on things like artificial limbs and hearing aids can now benefit because of the waiving of the duties. I consider that, Sir, to be a master stroke. It is a very humane move and it shows that the Honourable Prime Minister is a people's person. He is thinking about the people of this country, the handicapped.

I have to remind this Honourable House too that the Government has also quite recently restored a very small but useful subvention which they used to give the Barbados Council for the Disabled but which was taken from under them by the last Administration. They always looked forward to it and I must say that I have had a meeting with them and they are very thrilled at having that subvention returned to them. A caring Government, Sir. That is what we on this side claim to be.

The Government, as I said, is sensitive to the needs of the physically impaired. We are able to make their lives a little more comfortable and this is why some of them can have access to artificial limbs where, before, these things were out of their reach. They can now realise their full potential.

I do not think we can fool ourselves because all of us know that artificial limbs, the prosthesis and so on are very expensive and very often it is the poor man who gets

injured, who is hurt. It is the poor man who wants that assistance and by doing this we are helping the poor. My Ministry is about people and I am thrilled at that move.
5.10 p.m.

Mr. Speaker, through the National Assistance Board I also share responsibility for the senior citizens, the old people of this country but these people seemed to have been forgotten by the last administration. I believe that the Democratic Labour Party was too busy trying to build Sherbourne, trying to put a monument up to somebody so they did not concentrate on the old aged pensioners. For four years not a single cent increase and now we are hearing all types of things like it is too small coming from the other side when they did not give a single cent.

Not only that, Sir. The Democratic Labour Party completely destroyed the transport system in my estimation. There were lots of poor old aged pensioners waiting on certain routes only to find that the Transport Board bus was no longer coming through there and that they were at the mercy of the mini-buses and so on. There was no structure put in place telling them whether they would travel with their pension cards on the mini-buses or not. It was a very unfeeling move by the former administration. They did not care about the old age pensioners. They just did not care.

I heard one member from the other side today rise in this Honourable House to say that they always looked at the poor people first and the others after. How can that be so when during their administration they regraded the apex of the Civil Service and did not give the old people a single cent during that time. How can they argue that they were looking after the poor first and the others after? How can they? Mr. Speaker, one of the debts that we had to pay is a debt to the Welfare Department who in turn would have paid that subvention over to the Transport Board. That was to allow our old aged pensioners to travel on the buses. Not even that was done, Sir. That is a debt we had to pay.

Mr. D. J. H. THOMPSON: On a point of order, Sir. I believe the Honourable Member for St. Philip North, my parliamentary representative, is misleading this Honourable House and I would not wish him to do so. He spoke of the regrading exercise which took place in the year 1990 and if the Honourable Member were to refer to his own Minister of Finance's Budget he would see...

Mr. SPEAKER: What is your point of order, Sir?

Mr. D. J. H. THOMPSON: That it is not true to say that the old people were not dealt with during 1990. There was an increase in pensions by \$8 during the year 1990. The Budget itself quotes the date on which it occurred.

Mr. SPEAKER: Okay, your point has been made. Let us proceed, please.

Mr. J. O. TUDOR: Mr. Speaker, on a point of order. The Honourable Member is seeking to indicate that the old aged pensioners still did not travel on the buses. At no stage were the old aged pensioners denied the right to travel on the Transport Board buses.

Hon. R. N. OREENIDGE: I will continue, Sir. The point I am making, Mr. Speaker, is that there were lots of measures taken by the other side which would lead me to conclude that they did not care about the old aged pensioners. This is what I am saying.

Now, this increase in old aged pensions, though small I admit, is a way of showing that we care. It is a way of showing that the Barbados Labour Party cares about them. I would think it almost insulting if I were so treated by a party and then come election day an old person like me is being asked to hop in a car and come and go and vote for somebody. These same old people, I believe, were rammed and will be rammed again by the Democratic Labour Party candidates in their cars come election day. The point I am making again, Sir, is that at no time did they ever indicate to them that they cared for them.

There are some 12 people up to now, old pensioners, who would have called me to say to the Honourable Prime Minister that they appreciate the little thing that he has given them and that is the way they usually put it. They do not say, "Tell the Prime Minister" and I hope I can say it because I am quoting from them. They usually say, "Tell Mr. Arthur we thank him for the little thing that he give us¹¹". That is the way they put it, Sir.

They know that if in these rough times we are able to give them something, I do believe that they would appreciate the fact that when things become better - notice I say "when things become better" - we will be able to give them something extra. We could have walked this country having given them \$100 more if we wanted to but we know what happens when you make those promises. You can do it but you would destroy the economy. I know that they appreciate that fact. We could have given the impression that we are the most caring and we can give \$100 but it is not sensible. I am sure that the Honourable Member *for* St Michael South Central would be the first one to agree with that. It is not sensible, the back-raising that went on in the past. Where the old aged pensioners are concerned I want to say that we have done the best for them that we could.

Now, I know, Sir, that it does not appear to be a lot of money and I remember the high drama of taking out the corned beef that we have had. But that is not anything new

to the House. I do not think that it went over as being dramatic because if I recall correctly some time a few years ago another member of the Democratic Labour Party then, who like the member for St. Michael South Central defected to the National Democratic Party, brought in a dung basket in here with all kinds of groceries and vegetables, okras and all type of things so there was no drama even though it did bring a few sniggers and bits of laughter in particular for the Honourable Member for St. John and the Honourable Member for St Michael West.

I recall, Sir, one of the first expressions I learned in Latin was *parva parvos animos delectant*. You want the translation, Sir? Small things amuse small minds. It did evoke some laughter. But, Sir, we have to remember that this whole matter of the old aged pensions have to be looked at in light of the entire package. Do not forget that there are some things such as the Home Help where some of the old aged pensioners still receive assistance. Do not forget that they travel on the buses if we look at the entire package.

You would recall too that one of the measures in the Budget is the fact that the old aged pensioners now, the interest on their savings will not be taxed so they can also access money from that particular source. Equally true is the fact that - and I believe that there is an old lady in Merricks who jumped so very high on Tuesday evening when this happened. When the Prime Minister announced that those people who were receiving a pension from overseas where that particular pension fell short of what they would have been receiving here will now have the shortfall topped up, as he called it. But, Sir, that lady would call and she would say the opposite. It will work out to be the same thing. But she called to tell me: "Do you know what I would like? I should like to forget that altogether. Tell the people from England do not send it to me any more and just let me get what I should get here."^H We are doing it the other way. Let her keep that and we are topping it up to reach the total that she would* receive here. It is a master stroke again. Again it shows that we, in this Party, are a feeling people and that this is a feeling Government 5.20 p.m.

I want to say a few words on sports. I want to say that the former Administration paid a lot of lip service to sports. But they never did anything which was worthwhile for the sports people of this country. This Administration now is seeking to address the problem facing sports people in this country.

It is a fact that the high duties on sports would have run some sports shops and some sports departments out of business altogether. I believe that, by reducing the taxes

on some sports goods, we have done something which will benefit the sports people of this country, something which the last administration did not seem prepared to do. We have taken this in hand and we have done it because our aim is to have wider participation in sports.

One of the key things is always to let the sports equipment be within the reach of the people. Nothing gives a cricketer more pleasure than to know that he has his own gear. You would know that, Mr. Speaker, that a batsman, even though the bat could be the best quality belonging to another fellow, you never feel comfortable with it. You feel comfortable always, if you have yours. This can also have other repercussions when you cannot get your own gear.

I recall, at a particular high school in this country, we used to refer to certain rackets as the retreat rackets. That meant that certain people who could not get their own rackets, they were so poor they could not buy their own rackets to play tennis, had to be rushing to the retreat when the bell rung or when the time came for games, to get the retreat rackets because they could not purchase them, while the bigger people, in terms of finance would have theirs and would make you feel as though you were less than human. This measure is to try to bridge that gap between the haves and the have nots in sports. This is what we are aiming to do.

Mr. Speaker, this is on the lips of sportsmen everywhere. People have called me to commend me - and I have to tell them, no, it is the Government it is the Minister of Finance - for having reduced the prices of sporting goods, in Barbados. It is on the lips of people everywhere. The price of sports equipment is coming down. If you work out the cost of a bat which used to cost in the vicinity of \$300, it will now be sold for no more - this is what I was told by one of the leading sports shops - than \$250. Pads which were sold for \$150 and now \$125. If you have a mother who has 2 sons, one at Ellerslie and one at Combermere and she wants to give them a bat and a pair of pads each, sometimes she foregoes without having food on the table. She loves her boys so much. In my constituency, I can say it. I know a lot of mothers who have 2 sons, 3 sons who are very good sportsmen.

I am saying that to her, for those 2 children she is saving \$150 when she outfits them with a bat and a pair of pads. That \$150 can put food on the table for the week. She does not have to say now, I have to forego food. It is a saving which is going to accrue to her. The price of sports goods is coming down.

The gear for the football teams is coming down and the people feel good about it. The same person I spoke to, at the sports shop, is telling me that he is flooded with calls and, already, people are asking how much this will cost

now? How much the next will cost now? He is having one problem. He is telling them the stock that I have here, I still had to pay something on it and they are saying, Okay, we will wait. In fact that is the only problem. But out there, they are ready and rearing to go. It was a Manifesto pledge that we made to the people that we would reduce the duty on sports goods. We have honoured it. I can walk and hold my head up high, as Minister of Sports. I feel good about it and I know that Barbados feels good about it. A saving nowadays of \$200 is a lot of money, in these hard times. When you can save a mother \$150, \$200, she must feel good about it.

There are gyms in this country that can run themselves up in \$10 000 when they try to equip the gym. They can now save as much as \$2 500. They must feel good about it, Sir. We are proud to have done it, in the Barbados Labour Party. Even the old people feel good about it. There are 2 old ladies who walk every morning and they have in their hands, 2-pound barbells. The price of those will come down also. I may see 4 old ladies walking on mornings now with 2-pound barbells. Because, in this day and age, we cannot separate sports from the health of the nation. We cannot separate sports from the health of this country. The 2 things are interwoven.

The other side would have run at least 2 sports shops, out of Barbados, during the austerity measures. This happened because, in those hard days, people were concentrating on survival. They were concentrating on, how am I going to survive? Sports was not a priority to them and so, a lot of people did not spend their money on sporting equipment. The result was that sports shops had to be closed and, right now, in Barbados, we only have 3 sports shops that you could talk about. It was the harsh measures that drove some of those sports shops out of this country. I do not want to bring tales out of school.

I recently went to the Cayman Islands on the invitation of the Minister of Sports there and I watched the CARIFTA Games. Do you know, Sir, I was on the point of tears, true, on Good Friday with the President of the Amateur Athletic Association. We asked a proprietor of a sports shop there to open his store - it was closed - to let us have some gear for one of our athletes who was too poor to buy them here. We had to beg him to open the sports shop so that we could get gear for one of our CARIFTA athletes, not just athletes, one of the top. This is the type of thing that we are trying to stamp out. We want to make the sports goods come within the reach of these people. That is an experience which I had.

Mr. Speaker, Sir, I believe that I have a constituency where you are going to find more sportsmen than, perhaps, any other. If I think of the clubs in St. Philip North like St. Catherine, Lords, Bushy Park, those fellows

are rejoicing. The sports goods prices are coming down. Northern Stars too. Then there is Texaco. Sam Lord's Castle and King's Park. If you want me to call all of them, there are lots of them up there.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Hon. R. N. GREENIDGE: But, Mr. Speaker, Sir, one of the things that hurt me is that I was expecting the other side to make mention of these measures and I wanted them to criticize them because there was only one criticism they could have made of them which would have been that we have gone far, but not far enough so that I would have been able to nudge the Prime Minister a bit more and tell the Prime Minister there is something that needs to be done. Do you know that not one of them has addressed this matter up to now? Not a single one on that side has addressed the matter of good sports goods coming down. Do you know why? I was looking for them to make this point and I hope in Committee to make it, that where the customs is concerned some sports goods are not classified as sports goods. For instance we have jockstraps, they are under apparel and we also have things like wicket keeping gloves and mittens they are with all the other gloves like wedding gloves and construction gloves and everything. I was hoping they would have made this criticism of it and say let the concessions apply to all types of sporting goods so that I could nudge the Prime Minister a little but the Prime Minister has seen it and he has promised me that he is going to put all of that in order, bring everything under sports. 5.30 p.m.

I have so much more I could say because I have only made two points.

Mr. SPEAKER: Well your time has expired.

Hon. R. N. GREENIDGE: My time has expired. I am very grateful to you, Sir. Thank you very much.

Mr. SPEAKER: Honourable Members, before we proceed I would just like to make an observation. During the presentation of the Honourable Member for St. Michael East, reference was made to a book which was clearly held within the view of the cameras. This book, with a clear picture of the Honourable Member for St. Peter on the back of it, was held up and empty pages were shown by the Honourable Member for St. Michael East. I believe that this definitely is not in keeping with the dignity of this House. I would like to say this Chair will always encourage the cut and thrust of debate which I think we all enjoy but I think at the same time this debate must always retain the dignity and decorum of this House and I somehow believe that this kind of reference is abusing the privileges of the

House. I therefore would like for the remainder of this debate for no more references be made to this book and I hope that all Honourable Members on both sides will adhere. Let us proceed please. The Honourable Member for St. Philip South.

Mr. F. J. STUART: Mr. Speaker, two days ago, in accordance with established parliamentary tradition the Honourable Member for St. Peter presented to this House the Annual Financial Statement and Budgetary Proposals, his first since acceding to the office of Prime Minister and that of Minister of Finance. The Budget comes a short 7 months after a general election. In the campaign leading up to which the Barbados Labour Party crusaded across Barbados in defence of a Manifesto which proclaimed itself a charter for change. Wearied and perhaps worried by what appeared to be the interminable wrangling within the Democratic Labour Party, the voters of Barbados took a decision not to renew the mandate which it had given the Democratic Labour Party in 1991 and therefore from September 6, last year the Barbados Labour Party has been presiding the destiny of the people of Barbados. So the charter for change has been endorsed.

The Barbados Labour Party also in its Manifesto established a priority list at the top of which was to be found the issue of jobs. In fact it became a slogan of the campaign and a slogan since the campaign that "JOB number one is jobs". Patriotic Barbadian as I am, and patriotic Barbadians as we on this side of the House are, we felt, Honourable Members on this side, then, the Government should be given a chance to catch its feet and establish itself as the Government of Barbados after being in opposition for some 8 years. So whenever we were badgered by constituents about the keeping of this promise, "job number one is jobs", we on this side were careful to tell our constituents give the Government a chance. Wait until the Budget. Rome was not built in a day. And so we and the army of unemployed in Barbados waited on the Honourable Member for St. Peter for this grand day, Budget day, when we would hear the plan for job creation in Barbados.

We waited with the unemployed and we waited for the Honourable Member for St. Peter. Tuesday was the day and we thought the wait had ended but in an energetic peroration to the Budget speech delivered by the Honourable Member for St. Peter he shocked us all into informing the unemployed, by implication, that they were waiting on the wrong man, that they should wait on the Lord, that they that wait on the Lord shall renew their strength, that they should mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint. So the wait on the Honourable Member for St. Peter was a wait in vain and now the unemployed in Barbados now know that when you are walking with the Honourable Member for St. Peter, you walk by faith and not by

sight The Apostle Paul was astute enough to define faith, Mr. Speaker. He defined it, I think, in his letter to the Hebrews, as the substance of things hoped for, the evidence of things not seen. And the clear relationship between the Honourable Member for St. Peter and the unemployed of Barbados is that their role is to hope for jobs, his role is to bring measures to this House that keep these jobs from being seen.

Now, Mr. Speaker, ever since his presentation, Honourable Members on the other side with varying degrees of intensity have been reacting to the Budget. They have been raising their voices in excited doxology to the Honourable Member for St. Peter. I heard about how erudite he is. I believe the Honourable Member for St. James North, not very well known for restrained comment, or for well thought out ideas, described the Honourable Prime Minister last night as some kind of genius. Now I am not in a position, Mr. Speaker, to contradict that evaluation. The currents of my life have flowed in directions that did not bring me into necessary or familiar contact with the Honourable Member for St. Peter. 5.40 p.m.

So I never really got to know the Honourable Member for St. Peter. I know him neither as a person or as an economist. I happen to know that he is a graduate of the University of the West Indies, Cave Hill and a Masters Graduate I believe from the University at Mona. I happen to know that he is an economist of upwards to two decades of experience. But beyond that, I can lay no claim to any comprehensive knowledge of the Honourable Member for St. Peter such as would equip me or would justify me in ascribing "genius" to him. I believe that if one went into Black Bess or Boscobel or Mount Brevitor or The Whim and one would meet a well digger of 20 years experience, that well digger would be able to carry you to some pan of St. Peter and show you at least one well that he has dug. I also believe that, if one were to go to Speightstown and were to meet a mason or carpenter of 20 years experience, it is highly unlikely that that mason or carpenter would not be able to carry you and show you one house that he built. The same is true, Mr. Speaker, of an electrician of 20 years. He would be able to show you at least one house in 20 years that he, as we say in Barbados, wired up.

I am not sure what are the standards to be applied to an economist of 20 years experience. I do not know how their productivity or production is measured such as would help one to determine their genius or otherwise. It just happened, Mr. Speaker, that there are other economists of 20 years experience and more whom we have never met in the flesh but whom we say not because we know them through their production and work.

I have never met Professor Clyde Thomas, but I have met him through the "Poor and The Powerless". I have met

him through "The Economics of Transformation" and I have met him through the "Rise of The Authoritarian State In Peripheral Societies". I have never met the late Sir Arthur Lewis but I have met him through "The Failure of Economic Growth" and through "Labour In The West Indies" and other distinguished works. I do not know the Honourable Member for St Peter. I have never got to know him and I must therefore rely exclusively on the Budgetary Proposals 199S.

Mr. Speaker, if jobs are a requirement in Barbados and that is a point of convergence between the Democratic Labour Party and the Barbados Labour Party that unemployment is a serious problem in Barbados, we do not disagree with that. So we do not even disagree with the prioritizing of the Government in establishing that job number one is jobs. We accept that it is a serious problem. It seems to me that if jobs are a priority that the first requirement that a Government has to satisfy is to get at the issue of production and productivity and that involves getting at the productive sectors. That is a political axiom it seems to me, Mr. Speaker, because in the absence of productivity and the absence of expanded production there is less to share out, there is less to go around, and in those circumstances hardship can only ensue in a society. If productivity and production are serious issues in an economy like Barbados, then one has to look and see what is the structure of that economy.

Now Barbados historically has always been a society from modern Barbados times with a surplus of labour. Practically all post-labour societies find themselves in that situation where there is a surplus of labour. Therefore, any set of Budgetary Proposals that want to make contact or purport to make contact with the economic problems in a society like Barbados has to have regard to the human resource element in the society. Nothing so undermines the potential of an economy to expand or for productivity to increase as a failure either to under-utilize or not to use at all the factors at that economy's disposal. Both sides of the House agree that labour is in surplus in Barbados. Hence, as the Prime Minister said in his Budget, upwards of 27,000 people unemployed to which 4,000 will be added shortly at the end of the school year with 70 per cent of whom will leave without any form of certification according to the Honourable Minister of Education.

Mr. Speaker, if the human resource is so important, then it seems to me that the Budget should tackle the issue of unemployment as a priority. Right through this Statement read on Tuesday, Mr. Speaker, I heard the Honourable Minister of Finance talk about what would cause a loss of revenue to the Government and what would bring in revenue to the Government On not one page of this document did the Honourable Prime Minister say

to this House or to Barbadians how any of the measures which he introduced would create the jobs on which Barbadians have been waiting. Not one.

Today the Honourable Member for St. Michael North tried, fighting a regeared action, to extrapolate from the Budget where the jobs would come from. Well, fortunately, most Barbadians will forget by 10:30 p.m. tonight everything that the Honourable Member for St. Michael North said in this debate. By that extenuating circumstance, only are all of the utterances of that Honourable Member ultimately relieved. The case was weak. There is nothing in the Budget that points clearly to the creation of jobs in the society in the short term to alleviate the distress and the expectancy that grip the society ever since September 6, 1994. That is where the Democratic Labour Party and the Barbados Labour Party lock horns. We lock horns not forgetting that we left an unemployment situation. We are not denying that. But what we are saying is this that continuously from 1986 until 1994 the Honourable Member for St. Peter held up to Barbadians that he had the answers to every single problem that afflicted Barbados in those years. 5.50 p.m.

There is not a Central Bank Report, be it monthly statistics, a quarterly report or an annual report, that escaped his vision. There was nothing going on in this economy which the Honourable Prime Minister could plead ignorance, so it is fair to say, Mr. Speaker, that the Budget represents nine years of brain work, nine years of cerebration, and after nine years we have a set of proposals that make no contact directly with what Barbadians are most interested in, that is, how to get a job, how to be able to walk the streets of Barbados in dignity, how to steer clear of the bailiffs. Instead of dealing with the issue of jobs, the Honourable Prime Minister, it seems, gave his attention to other issues.

I am not going to be hypocritical and stand up in this House and find fault with an increase in old age pensions. I personally think it is vulgar to discuss the grant of \$4.00 per week to an old age pensioner and to pat oneself on the shoulder for it. That is whether it is done by the Democratic Labour Party or the Barbados Labour Party, and for the very simple reason that the average old age pensioner in Barbados is somebody who was born in the 1930s, or perhaps the late 1920s. These are people whose sacrifice made our opportunities possible. We are not doing them any favour, in fact I contend that we should be doing more, but I accept that operating as we are in straitened circumstances we do what we can in the circumstances. But this is nothing to run about and ecstasise over and to give the impression that something great has happened. The same needs we in Parliament have, pensioners have as well. When you stick them they bleed, when you stick us

we bleed, so talking about a \$4.00 increase for old age pensioners and to make a national issue of that is, in my view, vulgar.

I have to agree with my good friend and fellow parishioner, the Honourable Member for St Philip North, on the issue of persons earning pensions from abroad. I believe it was that Honourable Member who made the point. There are many people in St. Philip South who have raised this issue with me over the last seven months or so, because that constituency has a large number of parsons who left Barbados in the late fifties and early sixties, who are now back here on pensions which they find to be inadequate. Therefore, I can find no fault with that measure to the extent that it brings relief to those persons who were feeling hardship.

I congratulate the Government on that to the extent that the Government thinks congratulations are necessary, but again that is not an issue to make a big fuss over, because the average person in that category created jobs in Barbados in the 1970s and 80s when they were sending home money to build houses, and their remittances from abroad, over a period of 30 years sometimes, helped to make a foreign exchange contribution to the economy of Barbados. We are not doing these people a favour, what we are doing is trying to work out a formula that is just and that allows them to participate in the economic life of the country, as is their entitlement

I do not want to be distracted by that, Mr. Speaker, what concerns me is the state of labour in Barbados. I said earlier that one of the most destructive features of economic policy is the failure to fully utilise, or not to utilise at all, the labour resources of Barbados, Barbados being a labour intensive economy. It has a humanitarian element to it and therefore policy must be formulated to absorb labour rather than to exclude labour. This raises certain issues for policy, for in many cases the labour that is not being fully utilised relates to people who are in fact already employed, and this is a point which I think many planners and many economists overlook, that there are many people who are actually employed who are not enjoying the jobs they are doing at all, because they know that they can do a lot more with their talents than they are being allowed to do in their present employment. That strikes at the very root of productivity, because where you have people in jobs that they are not enjoying, but in which they have served for many years, you really have an unproductive employee to whom you are doing harm and who at the same time is doing the society harm.

This situation is rendered the worse, Mr. Speaker, by the fact that in spite of the fact that an employee may have been working at a particular place of business for, let us say, 20 years, his fortunes and his entitlement to

compensation of any kind depend on his employer either making him redundant or dismissing him wrongfully. If he decides to resign, he walks away from 20 years without any compensation at all. In other words, Mr. Speaker, the situation in Barbados today, and I suspect this is true of most western countries, is no different from that which existed in the Middle Ages when a worker was said to be tied to the land. I believe the Latin phrase was "*adscriptus gleba*", tied to the land. He could not get away to actualise his own potential because he was bound to his lord. Today he is tied to his place of work and cannot get away unless in the exercise of a discretion or of a bad judgment the employer terminates his contract of employment.

It seems to me, Mr. Speaker, that therein lie a large number of persons who have a contribution to make to the society. They have accumulated skills and experience of many years but they are trapped at a place of work and therefore cannot produce as they want to. It seems to me, therefore, that what the country needs is a labour law regime that makes contact with this problem, the under utilisation of labour resources. It seems to me that what that legislation would contemplate is entitling an employee who has worked with a particular employer for, let us say, seven years or more to resign if he wants to, to go on to higher things or to go into independent employment, but if he resigns he should be entitled to compensation of some kind because whether he resigns or is dismissed, he has contributed to his place of work and is entitled to benefit from that contribution. 6.00 p.m.

The second point I want to make is this and it has to do with the unemployed and, in fact, it is linked to the first because the more mobility there is in labour among those who are working the more likely it is that persons who are not employed will be able to go into the labour force as other persons move out and start their own business creating other jobs in the process or as they go on to other jobs or other employment.

The unemployment problem of Barbados, Mr. Speaker, is really a scourge to the society. We cannot ignore it any longer and I am disappointed that the Honourable Member for St Peter did not think that the problem was urgent enough to require policies to be formulated that could make ready contact with the problem. Instead, he focused his attention on the public service vehicles of Barbados. I believe one, the late C.L.R. James, said that there is no room for spite in politics.

While it is true that I am not imputing spite to the Honourable Member for St Peter...

Mr. SPEAKER: The Honourable Member has 2 minutes to conclude.

Mr. F. J. STUART: I am obliged to you, Sir.

It seems to me a very strange precedent to stand up in the Parliament of Barbados and to use the tax instrument as a method of punishing people for misbehaviour or indiscipline. That is a dangerous precedent. I saw him and as lawyers we are familiar with the words of judges when they say that they see the demeanour of the witness. I saw the sadistic delight. I saw him as he chortled with glee.

Hon. Miss M. A. MOTTLEY: On a point of order, Sir. The Honourable Member knows better than to impute some form of sadism to the Honourable Member for St. Peter. And on a further point of order, the Honourable Member is misleading this Chamber when he suggests that the measures imposed on the public service vehicles were done either in some form of punitive measure or to get back on them.

Asides.

Mr. SPEAKER: Order, please. Honourable Member for St. Philip South I am asking that you withdraw those words and I am asking that they be...

Mr. F. J. STUART: I withdraw them unreservedly.

Mr. SPEAKER: Conclude please.

Mr. F. J. STUART: Mr. Speaker, I cannot contain the evidence of my own eyes but I am obliged by Your Honour's ruling.

Mr. SPEAKER: Your time has expired, Sir.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I did not realise that my rising in this debate would have caused the Opposition to applaud what I was about to say in respect to the Honourable Prime Minister's Budget but, nevertheless, I am happy for that applause.

Mr. Speaker, Sir, I rise in this debate to support the measures as outlined by the Honourable Prime Minister and Minister of Finance 2 days ago in this Honourable Chamber, as they set out essentially the blueprint of where this Barbados Labour Party Administration will carry the country of Barbados and indeed the people of Barbados over the course of our tenure.

Sir, we were committed upon entering office that we were going to bring a level of affordable growth to this country that would bring a level of sustainable employment to this country and that we would not engage in the kinds of exercises that the Democratic Labour Party engaged in, particularly in 1990, which led to crash programmes,

employing thousands of people who within less than a year were sent home.

Sir, I am particularly surprised in this debate to hear the Honourable Member for St. Michael East saying earlier today that he is in love with crash programmes, because it is his...

Mr. J. O. TUDOR: On a point of order, Sir, I never said that I was in love with crash programmes. I said that I accept that crash programmes are an integral part of the system and I am in favour of using them.

Hon. Miss M. A. MOTTLEY: Sir, he said he loved them. If that is what he wanted to say, for the purpose of going ahead, he has accepted in his view that crash programmes is an acceptable measure of causing employment in this country on a regular basis. It was his constituents many of whom were employed in those same crash programmes of 1990 and it was his same constituents who were laid off that caused him to distance himself from the Honourable Member for St. Michael South and the rest of them who were then in Government. Then we saw the about face of 1994 when he received a Ministry in Government for whatever reason best known to him.

We believe, Sir, that employment at the end of the day must be sustainable and therefore I find it even more surprising that the Honourable Member for St. Philip South in his presentation just now continues to speak about the creation of jobs as all the other members have done for the 30 000 jobs, as if 30 000 jobs could be created within 1 year or even 2 years.

The principle upon which we outlined our economic policies during the campaign and since the campaign and indeed in the Budgetary Proposals were very simple and we have maintained that we believe that the course pursued by the last Government where it was concerned with the balance of payments deficit and where it was concerned with the net foreign reserves and growth rates, all measures of macro economic growth where they were concerned that it should get these things together and move forward at a growth rate in spite of the fact that it was recording something called jobless growth. In their case, Sir, it was not even jobless growth. It was jobs lost, because unemployment went from 18.6% in 1991 to over 24% in 1994.

They did all that while at the same time asking the country to make an adjustment at a macro-economic level, to make an adjustment that would ensure an increase in net foreign reserves, to make an adjustment that would ensure an increase in growth rates. But you know the sad thing about it, Sir? Would you believe that with all of that attempt and all the hardships placed on the backs of the

people in this country from the cuts in unemployment benefit and severance, from the 8% pay cut, from the lay-offs, that when they did achieve growth last year, do you know, Sir, that the value of goods and services in this country last year is still below what it was in 1990?

I want to repeat it, Sir, because it is important that the value of goods and services in this country is still below what it was in 1990 and when you take the real per capita income or to put it a different way, there was a 10% decline in real terms in the real per capita income between 1989 and last year. In other words, Sir, people in this country were considerably worst off in spite of an illusory growth in 1994. 6.10 p.m.

Yet we can hear, Sir, the Honourable Members on that side getting up in this Chamber and beating their chests talking about growth last year when in truth and in fact the real perception as to whether the growth is sustainable is whether the productive sectors themselves on a sustainable growth path are, in fact, creating jobs at the same time as expanding so that the people in this country who were marginalised by the lay-offs, people in my constituency who were laid off from the NCC, who were laid off from Sanitation, who were laid off from MTW that they can participate in an economy that is growing while they are also working.

The core of this Budget, Sir, is found when the, Honourable Prime Minister stated that we have now as a Government to do certain things which would underpin businesses in this country, productive enterprises to allow them to be able either to expand their businesses, get out of their position where they are either cash strapped, under-capitalised or near bankruptcy. That is the position that the Democratic Labour Party left them in.

Look at the situation of small businesses, Sir. They are the ones who imposed a stabilisation tax that broke the backs of small businesses in this country before the 1991 elections. They are the ones, even as far back as when the Honourable Member for St. Michael West was Minister of Trade that presided over the closure of over 400 small businesses in this country. They are the ones who refused to put fiscal measures in place so that small businesses could have access to inputs at the same prices that their competitors in Trinidad, St. Lucia and St. Vincent were getting them at so that they could have those goods sold cheaper, so that they could be able to continue to expand their businesses by employing more because they had a real profit margin. Sir, I am no economist but these are matters that affect the health of this country, the economic and social health.

While the Honourable Member for St. Philip South says that after his perusal of the Budget he must now come to the conclusion that the people of this country must now walk blindly behind the Honourable Member for St Peter, and must walk with faith, but I only want to tell the Honourable Member that under the Democratic Labour Party we could walk neither with sight nor with faith.

At least the one thing that we have shown since the Barbados Labour Party has assumed office is that there has been a growth in confidence in the governance of this country and in the investment of this country. When we examine the figures we see that there was a 80% growth in credit to the private sector in this country which fell within the last six months of last year, not the first six months when they were fully the Government. From the time that we won the Government there was an increase in confidence in this country. That is the faith of which the Honourable Member for St. Philip South speaks. I am sure that unlike him, and unlike others who perhaps like yourself, Sir, and me who need the benefit of spectacles, that there are a lot of other people who can see clearly where this Budget is taking them without the need for any form of implement such as this.

I want to move on, Sir, to one other point that the Honourable Member for St. Philip South made today and the Honourable Leader of the Opposition made yesterday. Both of them have said that there was nothing in this Budget for poor people and nothing in this Budget for human resource development. Those were the reports carried. That is what the Honourable Member for St Philip South just said. Sir, I find it amazing that Honourable Members who participated in a debate in this Chamber less than one month ago during the process of the Appropriation Bill and the Estimates of Expenditure and Revenue could so quickly forget the extensive programme that was laid out by this Government for human resources development in this country and who forget that the Budget is not the only principle instrument for development of this country.

In fact, the Estimates of Expenditure revealed that there was an increase of over 20% to the Polytechnic's budget to allow us to expand training at the Polytechnic so that those children from St John, the same ones that the Honourable Member for St John obviously do not see, if not he would know that there is something in this Budget and in the Government's plans for human resource development just as the same ones from St. Michael would have access to the Polytechnic now because we were expanding access.

Over the last five years, Sir, the Polytechnic has received in excess of 2 000 applications every year and in the last five years was only able to take in 700, 800, 750

and 1 000. We are going to ensure the expansion of persons in the Polytechnic to over 2 000 this year. I have also met with the Polytechnic and I have told them that the exam which they now use as an entrance exam must be used more as an assessment exam because there must be a programme for persons who even fail that programme to have access to training in this country because they are not idle.

We have settled on that, Sir, in the same way that we have settled with the Hospitality Institute which is expanding from 250 to 400 in December. There must be a programme not only for those with two "O" Levels and four "O" Levels but there must be a programme for those with no "O" Levels who want still to work in the tourism sector in this country. They too must be sensitised as to the types of things that are available in the tourism industry and to the fact that at the end of the day service is paramount whether you are working as a porter, waiter, sous chef or as a chef.

We have even expanded the budget at the Skills Training Board. We have expanded the budget there by almost 40% so that we can expand training at the community level in this country. That Opposition when they were in Government presided over a contraction of training at the Skills Training Institute. Not only did they preside over that but they had this three-month programme which served nobody any good when they went through it and came out because at the end of the three months they really had not learned anything to equip them to be either self-employed or to probably go and work with somebody.

If one is talking about human resource development, let us talk straight. Let us talk to the people who understand why it is they could not get into the Polytechnic for the last five years. Let us talk to the people who understood why they could not get into the Skills Training Programme for the last five years. Let us talk to the people who want to get into the Barbados Youth Service and who now have an opportunity because we are expanding from 100 recruits to 250 recruits.

You know, Sir, their attitude to human resource development did not stop there because one of the fundamental points of human resource development was also this too that if you are going to try and make businesses more profitable and relieve the stresses they have in terms of being cash trapped or under-capitalised, that you have also to look at their cost in terms of labour and the productivity derived from employing people. If people are not properly trained they cannot be productive in the overall scheme of things and that puts an additional cost to the business which makes the business uncompetitive.

When we speak, Sir, about relieving stresses in the Budget by ensuring, for example, that small businesses have access now to venture capital, by ensuring that there is a rescue programme in place *for* small hotels that give them access not only to central management and central marketing facilities but, indeed, a \$10 million fund to help them with refurbishment and upgrading which they could not do before because they had no cash to do it, the moratorium on debts where they have two years without having to pay certain Government agencies to which they are heavily indebted and then 7 years to pay off that debt. 6.20 p.m.

All of these are measures designed to reduce the overall cost of doing business. And then, on top of that, Sir, the removal of the consumption tax on fuel oil so that manufacturing and agricultural enterprises can have a substantial reduction in the cost of production. And then when you take that, Sir, with our plans, in terms of human resource development to better train our people to take up that employment, Sir, you have a combination that provides a remedy towards the problem and the scourge of unemployment. You have a combination that leads to sustainable employment. You have a combination that can allow us to rebuke the concern and the expression of the Honourable Member for St Michael East as he clutches to his bosom the principle of crash programmes, in spite of the fact that they led his people in St. Michael East to suffer greatly, under that last Government. You have a programme that reflects what true Barbadians are all about.

Barbadians understand thrift and industry. Barbadians understand that you do not plant a seed tonight and it grows tomorrow and bears the fruit the same day. Barbadians understand that, at the end of the day, when they want to buy a house and their money is limited, they buy the bricks and they leave them next to the house and they mark them so that if anybody steals them they can find them. When they get a little more money, they start building on at the back. When they get some more money they buy some more bricks and when they get more money, they bring it forward, bring it forward and bring it forward until the whole house is surrounded by wall. They do it over a process of time whether it is 3 months, a year or 2 years.

This Government, and in particular, the Honourable Member for St Peter represents all that is good about traditional Barbados and all that is good about character and dignity of this country. When he therefore talked about putting this country on a sustainable growth path, we mean we are going to do it so that no high wind cannot come and knock it down.

But you know, Sir, these are the same people who, not only were they satisfied in cutting back numbers at the

Polytechnic, not only were they satisfied in cutting back numbers at Skills Training, but these are the same people who went, under the psychological battery of structural adjustment, and offered voluntarily to commit this country and the children of this country to paying fees at the Samuel Jackman Prescod Polytechnic and at the Barbados Community College from September, 1994.

Sir, I know that there are people in my constituency, St. Michael North East who are thanking the Lord tonight for September 6, because had they had to go to the Polytechnic, under that Government, if they had won again, they would have had to pay fees.

You know, Sir, I keep notes of everything that is said in here and it is a good thing, because on the 20th March, 1995, at approximately 4.16 p.m. the Honourable Leader of the Opposition in speaking on the Second Reading of the Appropriation Bill said that it was a deliberate lie to say that that Democratic Labour Party had agreed to charge fees, not cost recovery fees, tuition fees to the Polytechnic students and to the Barbados Community College students. On that occasion, I did not have this document with me. But I have it now and I want to make it a document of the House. There are 2 documents and I am sorry that the camera cannot really lode at it because, my voice is so weak now that the camera should really be able to pick up the words for the people at home. I want to make them documents of the House.

This is a document of the agreed Minutes of the negotiations dated the 14th May, 1993 and it followed a Cabinet decision of the 6th May, 1993. I want you to see it, Sir, "Barbados, Human Resources Project Agreed Minutes of Negotiations. Negotiations Between Representatives of the Government of Barbados and the International Bank for Reconstruction and Development Held In Washington During May 12th to 14th to Finalize Agreements For a Loan of US\$7.8 million." The Government's delegation was headed by Senator the Honourable L. V. H. Lewis, Minister in the Prime Minister's Office, a member of Cabinet nonetheless, and other members of the public service of this country.

On page 2 of this document at 2 subparagraph 4, under the title of the "Education Public Expenditure Programme" I read:

"The Education Public Expenditure Programme approved by Cabinet on May 6, 1993 was discussed and agreed upon and is attached at Annex 1."

That is the second document that you will receive, as a document of the House. It goes on that the public expenditure programme, is based on the assumption of fiscal austerity, through 1995 to 1996 with gradual

recovery thereafter and incorporates efficiency, for example, student teacher ratio and cost recovery measures, for example, tuition at the post secondary institutions. It did not stop there, Sir. It goes on to say that the adoption of a cost recovery programme at the post secondary level, that is, the University of the West Indies, the Barbados Community College, the Samuel Jackman Prescod Polytechnic, these are their words, Sir, Erdiston College is based on the principle that beneficiaries should assume more responsibility for their education. Then come the words, Sir:

"The Government of Barbados" the Democratic

Labour Party Government of Barbados:

"is strongly committed to introducing cost recovery at the post secondary level."

But you know, Sir, they think they can ease out of it. These are not just Minutes but they were signed. I can read the whole thing, Sir.

Aside.

Hon. Miss M. A. MOTTLEY: It was signed by Senator the Honourable L. V. H. Lewis. Look at the signature here, Mr. Speaker. Mr. Best come and make it a document of the House, please.

As if that were not enough, the Minister of State, Member of Cabinet of the Democratic Labour Party Government - and here is the schedule for when they were to charge the fees. Look at it. Ninety-three to ninety-four. Nothing at the Polytechnic, nothing at the Community College. Nineteen ninety-four to ninety-five, fees at the Barbados Community College calculated to raise \$1.2 million, fees at the Polytechnic calculated to raise over \$600 000 and 1995-96 the same fees, 1996-97, fees at the University of the West Indies calculated to raise over \$4.7 million. And guess what, Sir? It does not end there. Nineteen ninety-seven to ninety-eight all of those fees rise from 10% of economic cost to 15% of economic cost.

That is the same Democratic Labour Party Government which pounced up in this country, self righteously, throughout the Caribbean and said that they would never charge fees. They are the same ones who said that they would never charge fees at the Polytechnic and the University. They are the same ones who said that they would not charge fees.

I want to ask in here tonight, who is telling the deliberate lie? In the same way, Sir, that I want *o know

who told the deliberate lie about the secret deal with the IMF. I want to know who told the deliberate lie about the casino gambling. I want to know who told the deliberate lie about the kola syrup.

When we talk about politicians' credibility in this country, let us talk to it with frankness. We have said... It does not really end there you know, Sir. The Honourable Prime Minister, in his Budget, had to admit that we had to clear, when we came into Government, over \$24 million in arrears to the University of the West Indies. Do you know what all those arrears were for, Sir? The majority of those arrears were for fees for Barbadian students. This Barbados Labour Party Government has paid fees for Barbadian students. That Democratic Labour Party never, in their existence, ever paid tuition fees for Barbadian students at the University of the West Indies, not one red cent. Every child whether from my constituency in Bush Hall or in Jackson would have been paying fees at the Polytechnic all like now and at the Community College all like now, if we had not won the Government. I thank the people of Barbados tonight for their response in electing the Barbados Labour Party. 6.30 p.m.

Sir, I ask you, not only who is telling the deliberate lie, but I ask you who are the true defenders of poor black Barbadians in this country? I ask you who are the ones who made sure that we paid fees for students to get an education when they refused to do so. I ask you tonight, Sir, who is speaking to the country with truth when we say to you that the cost of university education is rough and we want to talk to the country about it because we want to hear what you feel because university education costs have been expanding so rapidly that we have cut back on primary so that children are leaving primary school without being able to read or write properly, unable to express themselves properly, going through secondary school like it is conduit at MTW and coming out without skills or certificates. Not all, Sir, but a lot.

Mr. SPEAKER: The Honourable Member has two minutes.

Hon. Miss M. A. MOTTLEY: Thank you, Sir. I want to let the people of this country know tonight that we will not take any cloistered decisions as to the financing of university education in this country. Neither will we send a Cabinet Minister to the World Bank to offer - the World Bank did not foist that condition upon the people of this country - they offered under the psychological battery of structural adjustment for that to be an offer for

the condition of finance from the World Bank. Sir, when we came in we said no way. And I am happy to say tonight, Sir, as the Prime Minister indicated in his Budget speech that the World Bank has said in a letter to us that they understand the reasons for this Barbados Labour Party Government not wanting to charge fees at the Polytechnic and at the Community College.

Who has defended the people of this country, Sir? Who has told the deliberate lie? I leave, Sir, the jury of this country to determine whether this budget as delivered by the Honourable Prime Minister, whether this budget has contained elements of policy that leads to sustainable, economic growth, that leads to creating the atmosphere for the creation of jobs through ensuring that businesses can get a little more money so that they can expand or that the investor confidence is such that if you want to start a business with any one of the special development areas you know the Government is behind you to give you the room to be able to do it, or whether, Sir, you even want to buy a car. Poor me, I bought mine in December so I am like the rest, Sir. But in fairness, Sir, I want to really congratulate the Honourable Prime Minister on his creativity. I have not had a chance to talk about his creativity as to the water measures and for the measures on the environment and for his measures on the heritage foundation, nor have I had a chance to applaud him on giving the confidence to the young people in this country.

Mr. SPEAKER: Your time has expired, please.

Hon. Miss M. A. MOTTLEY: Thank you, Sir. And for the first time putting \$3 million behind the young people of this country in a youth programme that that Government even refused to do when they set up a Youth Commission. Thank you, Sir.

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

Mr. G. A. CLARKE: Mr. Speaker, Sir, one would agree that that was batting like Gary Sobers when he scored his 375 at Sabina. That was fine batting indeed.

Mr. Speaker, a former Prime Minister once said that there is light at the end of the tunnel. The light at the end of the tunnel has come and we have heard, Mr. Speaker, that that administration, the administration who led Barbados up to 1994 has caused severe hardship, has caused severe damage to the economy of Barbados. All the productive sectors were in decline. Manufacturing was in decline, garment was in decline. If one looks, Mr. Speaker, at non-sugar agriculture one sees the figures, Sweet potatoes from 1987 fell from 3 578.4 to an all time low of 1 200. Yams falling from 13 000 to 1 000 in the year 1994. In sugar production, Mr. Speaker, one sees that sugar

fell from a high in 1986 of 111.1 thousand tonnes to a mere 48.5 tonnes in 1993 followed by 15.7 tonnes in 1994.

Mr. Speaker, one cannot rely heavily on tourism for sustained growth. One finds, Mr. Speaker, that over the last couple of years the dependency on tourism which caused fluctuations within the economy, which sometimes lead to massive unemployment has caused damage to this economy.

In 1994 reliance on tourism, Mr. Speaker, did not lead to the growth that was anticipated by that Government. Therefore, Mr. Speaker, the budgetary measures that are introduced in this House today is simply to return this country to strong economic management, to return this country to buoyancy and of course to sustained growth.

Mr. Speaker, one has to rely on the productive sectors. Therefore the concessions granted by the Honourable Prime Minister in this year's presentation was indeed a step in the right direction. The concessions granted to manufacturing would help to create an economy where jobs will be provided. Before this Budget, Mr. Speaker, concessions were granted. In fact one month after we took office concessions were granted to the manufacturing sector and that set the path. Today more concessions are granted. This indeed would set a path to sustained growth not only creating employment, but Mr. Speaker, more manufacturing growth would likely come into the field of manufacturing.

We also find, Mr. Speaker, that in this society many young people are trying to get into garments, many young people are trying to get into cottage industries, many young people are out there trying to make a living and therefore the concessions that were granted in this budget will go a long way in helping those young people to find meaningful jobs.

I also feel, Mr. Speaker, that in terms of the concessions that were granted, one finds that in tourism small hotels were given some help. We were told that the hotels in the South Coast in particular would be given help so that they too would be able to attract long term visitors from North America as well as Europe. This is in the right direction. 6.40 p.m.

One also finds, Mr. Speaker, that in terms of local agro-industries we were told that a Ministry of Rural Development was set up. Indeed, this Rural Development would be looking at giving funds to small farmers who do not now have lands, who sometimes have to raise their cows and sheep on other people's land. We are told that this Government will find means and ways where

production will be maintained, because we believe that since tourism is fragile the productive sectors should be given a chance to produce. We need to get back into fanning. We need to get back into tourism. We need to get back into the sectors that will produce to have sustained growth.

Mr. Speaker, that is not all. In order to promote an export culture, the Prime Minister has gone a stage further. So that those persons who are in manufacture of furniture, drinks, juices, pepper sauce, butter and ham for export can now get 50 per cent on their port charges. That is a step in the right direction.

Mr. Speaker, you will agree with me that, if you want to promote exports and if you want to promote a level playing field, you must help the manufacturers to export because we know that it is more difficult for them to export in light of the fact of their competitors in some of the OECS countries and in Trinidad and Jamaica. Therefore, to give them a relief in terms of their port charges, that will definitely help in promoting manufacturing. I am pleased to say that hundreds of manufacturers across Barbados are happy tonight that these measures are put in place. They are very happy.

Also, Sir, those agricultural farmers who are in the cut flower business like at Ashbury, St. George, I am told that this grower will be able to export his cut flowers at a more reasonable rate and he, too, will be able to save some cost and this will be passed on to the consumer. So that the demand for Barbadian goods not only in the region but also in the developed world will help.

Mr. Speaker, I am happy that the postmen are now given duty free concession for their motor cycles. For a long time, they were asking the previous administration for help. They never gave any, but postmen will be given duty free concessions on the cycles they buy or, if they use cars, they will be given a concession. Also, Sir, the 20 per cent Stamp Duty and the 20 per cent Luxury Tax that was taken off cars will go a long way in helping the small person who wants to own a car but could not do so before. This will be a saving of sometimes \$11,000 or \$16,000 depending on the type of car you buy. So this is a help.

Despite that some Members were saying that it was only an increase of \$4.00 in terms of old aged pensions, we found that in 1986 the old aged pension was \$52.00 per week. The Barbados Labour Party took it from \$8.00 to \$52.00 and between 1986 and 1994 it remained at \$63.00. For 8 years it took that DLP Government to move it from \$52.00 to \$63.00. Within 7 months, Mr. Speaker, it was raised to \$67.00 and that is not all. I believe, Sir, that within the coming years the pension for pensioners will be

increased. But this is not the only thing given to the aged. For example, the saving on bottle gas which will also be a saving to them. If their grandchildren buy cars, it will also be a saving to them. So this Budget has a multiplying effect not only on the old people, not only on the middle class, but it has an impact on the entire economy of Barbados.

Mr. Speaker, I want to spend some time on housing. Housing to me, Sir, is very important and I believe that the housing need is important which is a basic need. The rebate given, Mr. Speaker, of \$3,500 per year is a step in the right direction. We promised in our Manifesto, Mr. Speaker, to give back concessions to home owners and we have done it I believe that all the middle class people who own homes tonight are happy not because they are only given \$3,500, but they know that it is the beginning. It was that administration that talked about liking people, talked about poor black people but they removed the concessions, it was not the Barbados Party, and within 7 months of taking office we have returned the concessions back to the people. I believe that all the house owners in Barbados would like *o say "thank you".

Sir, I want to say that the Prime Minister has not made a mistake since he came to office in the short 8 or 9 months. I am in the Ministry of Housing and I recognize that in this Ministry there are a number of things that should have been done. I want to talk first of all about the amendment to the Tenantry Freehold Purchase Act of 1990. Mr. Speaker, that was a wicked amendment. The amendment disenfranchised almost 500 Barbadians across this country. Yet they talk about black people.

That Act, Mr. Speaker, disenfranchised people who were living on plantation land of 5 lots or less. Under the Act, Mr. Speaker, a person living on a piece of land owned by a landlord or agent could be thrown off after the 5 year's notice. The Government of the day in 1990 promised the people that they would find land to put them on. They were responsible for finding land. By the time they demitted office in September, they had only found one piece of land in Haggatt Hall, St. Michael, although the Act disenfranchised 500 persons in this country. That was shameful and that land was merely to relocate the people from the Belle.

Since coming to office, Mr. Speaker, we have looked at lands across Barbados and are trying our best to find the best means of housing and relocating 500 people out there who are in need of house spots. Most Honourable Members in this Chamber will say today that there is a need for housing. We have found land not only in St. Peter. We have found land in St. James, St. Andrew, St. Lucy and St. Joseph for house development. We have found land all over Barbados because we recognize that in every parish, Mr. Speaker, there are a number of people who are

disenfranchised and we have to relocate them. To show that this is a caring Government, Mr. Speaker, going before Cabinet very soon we will be asking Cabinet to approve \$15,000 to help all of those tenants that have to be removed. 6.50 p.m.

In other words, we are not going to be like the last administration which spent \$200 000 on three houses in St. John. The last administration spent \$200 000 to remove three homes in St. John, I think it was in 1989. If the landlord says you have to move, if you lost your right to purchase, under the Tenancies Freehold Purchase Act you will be entitled to \$15 000.

Mr. Speaker, over the last couple of weeks you and I went into your constituency identifying land so that we could carry our Urban Renewal Programme forward. We recognise that there is a big problem with land and homes in St. Michael, and the Urban Renewal Programme will help people in the St. Michael area to find suitable homes. We recognise that a lot of landlords are not providing adequate homes for their tenants and that is why the stress is on the National Housing Corporation. Hundreds of people are trying to find housing but cannot find it because the last administration in eight years built 50 units at Church Village, St. Philip.

Mr. Speaker, you have to understand that our urban programme is very important and essential to the people in Bridgetown and surrounding Bridgetown.

Within the Ministry of Housing we have the Housing Credit Fund that was negotiated by the Barbados Labour Party in 1983, a U.S.\$10 million fund. Do you realise that they did nothing to allow the people in Barbados to know that money was available for loans for mortgages and so on? Today that Fund has over \$21 million. They have money there, but they have done nothing. We want the people to know that we are putting a programme in place where loans will be provided for persons to borrow to buy land or chattel houses. You do not even have to own the land. We want the people out there to know that this programme that we are introducing in the Ministry of Housing will not only help home owners but will help all those tenants, because we must sell some of the terraced units as well. It is part of our programme to sell some of the terraced units, for example, in Bonnetts, Grazettes and Eden Lodge.

Mr. Speaker, I want to say that the National Housing Corporation is doing a fine job. When we came to the Ministry the National Housing Corporation was on a go slow, nothing was being done. Today I am pleased to say that this year the National Housing Corporation plans

to spend another \$20 million. We are going to spend \$4 million on sites and services, \$4 million on starter houses, some at Pondsides to help with the Carlisle Bay Development. This is not part of the Budget, but it is part of the Government's programme, so it is included, and this will generate more than 500 jobs.

We are spending money because we recognise that Barbadians need to be housed. I must say that under the Tenancies Freehold Purchase Act, a good Act which recognises and helps the people in rural areas, we now need to help the people in the urban areas and we have to do something for the people here. We are committed to bringing legislation to this Parliament after the study is completed, because an Urban Committee has been set up, thanks to the direction of the Prime Minister, not only to look at housing but to look at real development - lighting, roads and all these things - within the housing portfolio during the coming year.

Mr. Speaker, we can also talk about the beautification programme of the National Housing Corporation where we will look at beautifying the estates of the Corporation. We have an outreach programme which is designed to encourage the tenants not only to pay their bills but to show them that we care.

We also have a new collection policy. Some time ago we heard persons talking about the National Housing Corporation running down people. Today the arrears at the National Housing Corporation is over \$4 million. That money has to be collected, but we do not want to go out there and collect money from those persons who cannot pay, so the National Housing Corporation is carrying out a survey where they will identify those who cannot pay. But it is unfair for people who can pay not to pay.

I heard the Honourable Member for St John speaking last night about the Cane Garden homes. Mr. Speaker, that administration was involved in the negotiation for the Venezuelan houses. That programme came to an end and very soon we will be asked to negotiate a \$4 million problem which they left. That is a lot. They are claiming \$4 million, for a breach of contract, so we have to look at that. Those homes in Cane Garden will soon be ready for sale.

Again, I am hearing that we are entering into deals with contracts. Some of the same contractors that were used by the last administration are being used by this administration, because housing is a basic need. Honourable Members on that side can verify that I told them to let us know the problems they are facing. I must say that the Honourable Member for St. Michael West had a problem at Thomas Gap and he called me and discussed it. Very soon the people at Thomas Gap will be sold

the land. We are not discriminating, we are not victimising anybody. We have land across Barbados to house Barbadians.

Aside.

Mr. G. A. CLARKE: I want to come to St. George in the next couple of minutes. I have spoken about Barbados in general, but we have identified housing developments at Groves, Parish Land, Lower Estate, Exchange, Flat Rock and Bourne's Village. Therefore, Mr. Speaker, St. George is well served. 7.00 p.m.

We are looking at Barbados in general. I want to say that when we came to office Lower Estate was a problem. We have now bought Lower Estate and we have solved the problem that that Administration over there left us. They were selling land at Lower Estate for \$2 a square foot. Tonight the tenants at Lower Estate will be getting their land at 10 cents a square foot. We are going to look back on the Glebe development as well. We started the Glebe project in 1979 and tonight the surveying of the Glebe is still unfinished. We are restarting surveying the Glebe next week.

We are widening roads in Workmans, St. George thanks to the Minister of Transport. We are widening roads at the corner of Gun Hill and we are also going to do the roads at Cave Hill, St Michael.

Asides.

Mr. G. A. CLARKE: We are looking at roads in Jordans. We are looking at housing development in Jordans and of course we want to improve street lighting and playing fields across St. George North and South. We are also looking at not only developing St George in terms of lighting and playing facilities but at Parish Land we will be removing a few homes from the playing field to put in a new hard court with flood lamps.

We are really looking at developing not only St. George as I have said before but we have started Maynards Housing Complex, St Peter and land has been identified at Mt. Brevitor in St. Peter and we are looking at land in St. Thomas near where the dump used to be. So generally speaking, Barbados is well served and we believe that this present Administration will deliver the goods to help poor Barbadians.

Thank you very much, Mr. Speaker.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that this House be suspended until 7.45 p.m.

Hon. G. W. PAYNE: I beg to second that.

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

RESUMPTION Mr.

SPEAKER: This sitting is resumed.

Mr. H. deB. FORDE: Mr. Speaker, I wish to join with the thousands of Barbadians who have congratulated the Prime Minister on the Budgetary Proposals which he introduced into this House yesterday. I have listened with no surprise but with great disappointment at the response from the Opposition benches, particularly from the Leader of the Opposition and from the minority Opposition Party.

It is obvious to me that the Opposition has learnt nothing at all from the experiences of the last 4 years. Obviously, this Budget had to be set against the domestic background where the country has experienced 4 years of decline followed by 1 year of growth. It would have been a mistake for any right thinking Barbadian to believe that the one-shot boost which occurred in 1994 has provided us with a platform from which we can create an immediate impetus to overspend our way as the Democratic Labour Party did in 1990, to put the economy back into trouble.

The Prime Minister therefore had to chart a course well thought out and balanced between what is necessary to get the productive sectors moving and the need to redress some of the imbalances which have occurred in the social fabric of Barbados. Therefore he has set his Budget looking towards domestic growth, conscious of the necessity to integrate regionally in order to make use of the opportunities which may present themselves as regional expansion occurs and positioning Barbados again to use its initiative and to make use of any opportunities which might occur in the global setting.

A great deal of criticism was levied against the Prime Minister and he was invited, both by the Leader of the Opposition and the Honourable Member for St. Michael South Central, to open his hand and spend another -1 think the Honourable Member for St. John said another \$60 million by upping the deficit. Now the Prime Minister quite clearly stated that he was going to look at a deficit that would do no damage to the foreign reserves of Barbados and that he had to bear in mind that we would be facing wage negotiations with the public sector employees later in the year.

I say again and again, I said it in the Estimates and I repeat it now that the wage negotiations will obviously have some significant impact on our deficit position

unless, of course, our growth is so significant that we can take care of the package that we have to prepare for the civil servants.

So the Honourable Members genuinely understand that point but for political purposes they believe to mislead the public of Barbados. They would have us think that the Prime Minister has gone back on his philosophical position where he thinks that Barbados does not need an International Monetary Fund to tell Barbados the level of deficit that it should run in any one year or indeed how we should run the finances of this country. 7.55 p.m.

One has seen in the eight months of this Government very creative leadership and a dedication to their duty. Anyone who has listened to the Ministers of this Government speak today and last night would be convinced of their competence, of their understanding of their portfolios, of the cooperative spirit and the unity which exists in this Cabinet, and in this Government, and of their admiration for and contribution to the outstanding leadership of the Honourable Member for St. Peter.

It gives me great pleasure and, indeed, I am sure it gives my friend, the Honourable Member for Christ Church South in the evening of our political days to realise that the Barbados Labour Party has produced and have in this House people capable of taking Barbados forward and giving effective management to the economy and to the political and social affairs of this country.

I want, however, Mr. Speaker, to deal with some specific areas because I think it is important that we should not fall for the gimmickry of some of the politicians today. Unfortunately the Honourable Member for St. Michael South Central does not seem to have learnt much from politics. He is the master of gimmicks. He walked in with a tin of corned beef last night. I think this must be the first tin of corned beef that he has bought in his adult life for a long time unless he has been buying them for different purposes at different times.

The Honourable Member must know that this idea of parading before the public of Barbados that you can give largesse, that you can give an abundance at one time is really very false economics. If he does not know that then he has learned nothing from the lesson of 1986. In 1986 in his own words he backraised the Government and we have had to suffer from that backraising. In fact, what is most interesting is the Democratic Labour Party who applauded his speech last night after he left the party and after he left the House in 1986 at the wish of the electorate lambasted him for the programme which he brought in 1986 and the Barbados Labour Party as a matter of political rectitude

said that he could not take all the blows for it because it was a collective action.

I hope the Honourable Member will not go down the road again of trying to persuade the public of Barbados that you can willy-nilly open your hand and spend regardless of the consequences where it may lead us because the Democratic Labour Party of which he was a part blames him for what has happened in the country as a whole between those years. I do not blame him only. I think he was part and parcel of the mismanagement that occurred during the period from 1986 to 1994 in this country, the major part. He laid the foundation for what occurred, sending home those thousands of people, for unemployment rising in this country to over 27.5%, to a restructuring programme that meant that you could not even repair the schools, that old people's homes were suffering, that you could not even give them after 1990 an increase in pensions. He laid the foundation for high energy prices where Mobil was given an increase in the rate of return on the goods and the properties which they were using in the Mobil exercise. I warn the Honourable Member, he must try and learn from his mistakes. The Honourable Member made specific reference to the pensions which the Government has given and the Minister would obviously direct the National Insurance Board to increase the pensions and we are happy to do so, Sir.

I want to give the Honourable Member a bit of education about social security, Sir. Only yesterday in a programme on the BBC they carried a report out of a recent ILO Programme which said that pension costs in ageing populations of the developed world represented a time bomb waiting to destroy their economies. Likewise if the Honourable Member has been reading, he will see that the World Bank last year published a report which adverted to similar conditions in developing countries and because Barbados has a demographic profile that mirrors that of the developed countries when it comes to age, we have to be extremely sensitive to the increases which we give and how and when we give them when dealing with National Insurance and the Social Security system.

Mr. Speaker, at the end of March there were 32 245 pensioners who were being paid from the National Insurance funds. The weekly cost of this to the fund is \$2.612 million. At the end of 1994 we were spending \$133 million a year on paying contributory and non-contributory pensions. It is instructive to note that during the period 1990 to 1993 the benefits which were being paid out were exceeding the contributions which we were taking in. In 1991, for instance, we paid out \$150.8 million annually in benefits and we had contribution income of \$142.6 million. In 1992 we paid out \$151.4 million and we took in contributions \$134.5 million. In 1993 we paid out \$153.8 million and took in \$126.6 million. Now, the actuaries

had advised the former Government that they should have revised the contribution rate but for political reasons they waited and did not do it until 1994 in order to correct the imbalance. In 1994 we took in \$169.2 million and paid out \$154 million approximately.

Mr. Speaker, the public ought to know that every 1% increase across the board in pension, costs us on an annual basis about \$1.3 million. A 10% increase would have cost \$13.3 million in a full year. The Board knows and has advised the Government that the increase which the Prime Minister has given would cost us \$10.5 million and with prudent management we can so arrange the existing contributions still to pay those pensions and have a surplus available for investment under generation of dividend or interest income. Now that is prudent management. I think the public of Barbados does not want to see their social security system undermined so that when one reaches the age of 65 he or she cannot draw any money at all.

The Honourable Member wants us to become like Argentina or Columbia that found themselves in trouble. People would murder if they know they have worked all their years and in their old age they cannot get back anything at all so that the Government has to exercise a sensible approach to this matter. 8.05 p.m.

We can avoid some of the dangers by sensible management. At the moment, for instance, because of the increases which the past Democratic Labour Party Government put on Employment Levies, we have been collecting more under that scheme, in my view, and the Prime Minister said had been over-collecting in income. Therefore, what we have to do is to restructure the contribution rate by transferring, from the unemployment contribution, partly to the National Insurance contribution to get a balance.

I want to contrast this with the Severance Scheme. The Honourable Member should know that that has been losing money and is indebted to the Government, in the sum of \$10 million plus another \$4 million roughly to the Consolidated Fund. And another \$4.7 million in accrued interest.

This Government has been able to take a decision to wipe off and to forego that sum, so that the Severance Payments Fund could get back into surplus and we would be able to pay the accumulated claims that the Democratic Labour Party left when it went out of office.

Aside.

Mr. H. deB. FORDE: It is 10. It is 10 plus \$4.7 million, \$14.7 million in all. That is being paid off, in order to put it back into some form of sensible position. Therefore that is a grant.

The Honourable Member either wants people who understand the economy and what they were doing. What is so hurtful about this situation, Sir, is that the past Chairman, Dr. Alleyne made recommendations to the Democratic Labour Party that ought to have been put in place when they were in office to stop a lot of the bleeding which occurred in the Fund and to have put the Fund on a sound and economic basis.

Dr. Alleyne led a Board that understood what was happening. It was not for the lack of recommendations. It was for lack of action on the part of the Honourable Member for St. Michael South who was the then Prime Minister. The Honourable Member for St. John as well. For instance, the Prime Minister has said that there are some Barbadians who have returned home and they find themselves getting pensions below the minimum contributory rate.

The recommendation about that was made to the Democratic Labour Party Government since September, 1991. It was never acted on. No decision has been taken on matters of that nature. That is why we say that you now have a Government, not only that understands the economy but is prepared to take steps and to act swiftly in order to put the economy right.

Sir, I want to talk about those people out there who believe that they should not opt out of the system and do not contribute. The non-payment of contributions and levies, Mr. Speaker, mushroomed as a problem in the period 1990 and subsequently. I would say, principally, because total contributions and levies were increased to nearly a quarter of the wage bill and we were also faced with a decline in the economy.

The Honourable Member for St. John says that, in their Manifesto, they had a whole page devoted to social security. I have read that page, in their Manifesto, Sir. What he does not say though is that if you read the Development Plan of 1993-2000, there is not one word of any substance devoted to the question of National Insurance, other than a statement that the matter is being evaluated by the Ministry of the Civil Service. So that, the last minute things that they put in the Manifesto, one cannot really take seriously.

For instance, Dr. Alleyne, as Chairman of the Board - and I want to congratulate him on doing an excellent job, when he was in office. I have to say that. Because the Board had made these recommendations. They sent them

to the then Ministers, including the Honourable Member for St. John, recommendations to get the self-employed to pay their share of contributions. Recommendations went since May, 1988. Nothing was done. They sent to the Government recommendations dealing with the whole issue of persons who should normally be employees as though they were independent contractors. They sent recommendations on the issue of Shell Companies operating as entities and not paying the non-registration of the self-employed. Non-payment of deductions. None of that was acted on.

It is left to this Government to take those decisions, in a timely fashion, in order to improve the position of the Social Security system. I want to use this occasion to appeal to the 2 000 self-employed persons and employers who owe the National Security system some \$76 million, comprised of \$50 million of which is in contributions.

When the Prime Minister comes in here and he says that he is going to give time to those businesses that are in trouble, so as to allow them to get over the debt, we are told that is nothing. We can close them down like putting in receivers and sending people home. But this is a caring Government. This is a Government concerned about the issue of unemployment. This is a Government which wanted to save jobs and create jobs, not to get rid of jobs and destroy businesses. Therefore, do not say that that has not been done because you have put in receivers, through the Barbados Development Bank. That is one of the biggest problems that we have got at the Barbados Development Bank.

The Government has put in place, not only by way of debt relief, but other measures which will have the impact of both saving jobs and creating jobs. I was deeply disappointed in the Member for St. Philip South, Sir. He went into a completely philosophical mood, talking about the portability of - I am not even saying pensions - benefits and saying that he has looked through the Budget and he cannot say that this is a Budget for creating jobs.

Mr. Speaker, Sir, tell me, when you give \$10 million to refurbish the south coast hotels - and I have talked about that, in my constituency - when you give \$10 million to be spent in saving the south coast hotels and the jobs of the people of St Matthias and Dayrells Road, what are you doing, but creating jobs? You are not only creating jobs in the short-term. You are laying the basis for long-term development and the sustenance of jobs. We have to have sustainable development in this country.

When you remove the consumption tax and stamp duties on yachts, sporting vessels and water equipment, you

are not only looking after making sure that Barbados gets back the yacht race that the Democratic Labour Party allowed to run to St. Lucia, you are laying the basis for the expansion of another form of tourism, and you are, at the same time, helping the watersports boys down on the St. James Coast, the South Coast, the poor black people that the Democratic Labour Party talked so much about but do so little for. That is what we are doing. Do not tell me this Prime Minister has not kept jobs at the front burner of the Budget. He has. When he says that he is going to revise the Hoteliers Act; that is only one of the means that he is using.

But also, he has gone further, and he is saying that he is going to raise revenue on certain items that are necessary to sustain the tourism sector which is one of the main planks of the productive sector to turn foreign exchange and to create jobs. If the Honourable Member cannot even be like Saul on the road to Damascus, we cannot help him. 8.15p.m.

We have tried to remove the scales from their eyes but they do not see. What more can we do? We can only ask them, that is why I put my faith in the Lord. He has blamed the Prime Minister for putting his faith in the Lord. But Barbadians have to put their faith in the Lord and that will sustain them. They know that a Prime Minister who puts his faith in the Lord has also put his faith in the common sense and the ability of the average Barbadian and tonight, Praise the Lord, we walk with him hand in hand and shoulder to shoulder and we will move this country forward under the leadership of Owen Seymour Arthur, Praise the Lord! Praise the Lord!

Everybody has faith in him, Sir. Confidence has been restored in this country. Mr. Speaker, you hear it not only among visiting people, you hear it in the byways and the highways. You hear it not only in Christ Church West, you hear it in CARICOM. He has so much respect within the regional movement that there is not a Prime Minister in the whole of CARICOM and particularly those in the Eastern Caribbean who do not admire his leadership, the first time that the Eastern Caribbean has restored the confidence since, Tom Adams and Bernard St John. It is only under the Barbados Labour Party that these things happen. And Prime Minister, I say to you, take the opportunity, rule as well as you have in the creative policies you have for regional development whilst protecting Barbados' vital economic interest. Roll the regional platform as well and move forward.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Mr. H. deB. FORDE: I believe that the Barbados Labour Party has started out on the right road and that this Budget is not only laying the foundation for sustained economic growth but it will restore social stability to this country. It would help the poor and the disadvantaged and it would ensure that Barbados gains back the confidence and the respect which it held in past years and that the Barbados model and the excellence for which this country is known will once again shine along the way throughout the Caribbean and in the Globe at large. I wish to congratulate the Prime Minister and his Cabinet for a job well done in the 8 months. I say once again, let us put our faith in the Lord and let us put our faith in this Government, knowing that the Lord has blessed us as He did on the 6th September. I will never forget. Mr. Speaker, Sir, you will remember the night, the sign which came, the lightning and the thunder. We got the sign, Sir. Light was revealed unto us and the darkness was removed. Thank the Lord.

Mr. SPEAKER: The Honourable Member for St. Michael West

Mr. B. M. TAITT: Mr. Speaker, Sir, it is hard to believe that it is the Honourable Member for Christ Church West who just sat down in this moment where he obviously has found a new path. But, Sir, it was on this day, exactly 40 years ago today that 22 people sat down in a House in Fontabelle and formed one of the most important political institutions in the Caribbean.

Mr. Speaker, Sir, today marks the 40th Anniversary of the founding of the Democratic Labour Party. To every Dem everywhere, every supporter of every Dem and to all those who have been major contributors or beneficiaries of the collective wisdom of those who constituted this great party over the years, in my capacity as General Secretary of the party, I say congratulations and happy anniversary.

Mr. Speaker, Sir, as I wondered about how comfortably I could spend the next half hour in this Chamber I could not help but reflect that the basic reasons for establishing the Democratic Labour Party, the great imperative which beckoned those first 22 and the rest of us who have followed, still exist. The Budget delivered by the Honourable Member for St. Peter is clear evidence that there is still a great deal of work to be done before, in the words of that great prophet Amos, Justice rolls down from the hills.

Mr. Speaker, in the *New York Times* recently, a writer called Michael Wynes in the "Week In Review" examined the great debate that is going on in that country at the moment and he said that whatever has happened in the last three months, the debate became impossible to ignore. He said that for the last 60 years, the United States version of

the contract between man and society was clear. Society's purpose was man's betterment. The incoming legislature has its own contract and of course he was referring to Newt Gingrich and his boys. Wynes said that it is not too much to say that it stands that concept of society's purpose being man's betterment on its head. Wynes went on to say that until lately the Government's duty was to set a minimum standard for civilized society, then raise the oppressed and the needy to that level. Now comes the Republican antithesis. What makes the civil society is not some mass standard but each individual's freedom to pursue his own happiness and learn from the pain of his mistakes. That is the opening salvo of a very perceptive article written by this writer for the *New York Times*. I recommend it to those in this Honourable Chamber who read because it helps to put in perspective the great divide which is again emerging in Barbados.

The central theme throughout the Budget is that by addressing the needs of the private sector, and from the evidence here I understand the private sector to be big business, growth will result, and there would be a trickle down effect throughout the economy. As the budget outlined no clear strategy for job creation, at least not that I could discern, and given the fact that the Barbados Labour Party stressed on the campaign trail throughout Barbados, up and down, Sir, that job number one was jobs, we are left to assume that as a result of the anticipated trickle down the promised 30 000 new jobs will be created. According to the Honourable Member, the Minister of Education, not in one year or two years or three years or whatever but there will be trickle down. 8.25 p.m.

We can call this approach to our economic affairs, Sir, and I have dubbed it, "Arthurnomics". Essentially, it is a warming over of the discredited theories of Reaganomics and Thatcherism as practised in the United States and Great Britain during the decade of the 1980's. Trickle down was at the heart of both of these approaches but trickle down did not happen, Mr. Speaker, as you know. Instead, a situation arose in which the rich got richer and the poor got poorer. Mr. Speaker, especially in the United Kingdom three million people have been consigned to oblivion forever. Trickle down economics, Sir, were the result in the past decade of misguided market-driven policies of the Conservative Administration in both of those countries. We can say, at least I am willing to say, that this Budget of Arthurnomics has put Barbados clearly on this path. That is why it is a disappointment. It is a disappointment for me and it is a disappointment for the Honourable Member for St. Michael South Central according to what he said. It is a disappointment to a lot of people not because they despise the Prime Minister or even because they hate the Labour Party, although there are a lot of people who might hate the Labour Party. I do not

know, Sir. I do not think they hate the Honourable Member. I do not think so, Sir. But the Arthumomics put us on the path where persons who had anticipated a certain kind of approach in the budgeting of the new Minister of Finance have felt let down. In the context of Barbados where market failure happens because of rigidities in our system, the state must play a role. That is my contention. The state must play a pivotal role in job creation. The main flow of Arhturnomics is the assumption that the private sector will be spurred by an overly generous concession, to take risks and create jobs.

Mr. Speaker, we know too well from our own experience that this is not so. Our private sector, like many private sectors around the world, is prepared to feed on the resources of the state wherever possible and avoid the risks so very necessary for sustainable economic growth. Witness the rush to become involved in the duty free sector with its magnificent profits.

Mr. Speaker, Sir, for those of us who keenly follow these matters, we remember well. There is almost a state of *deja-vu* as we remember how the Barbados Labour Party Administration under Tom Adams gave the private sector, using the same concept, a massive injection of concessions in the early 1980's. The Honourable Member for St. Michael South Central, if nobody else, will remember when we did the sums and added up, we had the phenomenal figure of a net creation of one single job.

Now, Mr. Speaker, the Honourable Member for St. Michael South Central can remember when in 1986 again operating on the basis that, if you fuel this market and give them the concessions, something will flow. Of course, Sir, we know the result of that. We do not wish, Sir, to leave any impression and certainly I will not leave any impression that we ought not to make Barbados as competitive as possible in the private sector. But we also need the Government to take its full responsibility for priming the pump. It is the responsibility of the Government in countries like ours; and we have been successful especially in the last 25 years under both Administrations because men of courage in positions to make decisions have made them when they had to make them.

The Honourable Member on my right, Sir, the Honourable Member for St John inherited the constituency of a representative who dared in his lifetime to be alone. Errol Barrow made many decisions when persons including those close to him were advising him that it was wrong for him to make those decisions. But he had the courage and he had the vision to make decisions which he felt to be correct.

Sir, so that Honourable Members will understand that my position is not necessarily partisan and I can even be

magnanimous on this night of the 40th anniversary of the Democratic Labour Party, let me add that Tom Adams made decisions which were unpopular and different, but he had the courage to make those decisions. Frankly, after all of the hoopla, there were some of us who thought that the present Prime Minister would bite the bullet in some respects. Much of what has turned up in this Budgetary Proposal, Sir, is nothing more than an indication of an understanding of the technical aspects of the economy. It is an indication of wanting to be all things to all men. It is an indication of trying to satisfy everybody at the same time with the result that not one single group can be said to be satisfied and least of all the broad masses of the people of this country can feel satisfied. There is a certain satisfaction which no political statement can change, if the people feel that the decision that has been made is the correct one. The people have a way of communicating that. If the Honourable Member is going to allow gratuitous congratulatory effusion from his colleagues to mislead him, I say that the Honourable Member for St. Peter had better walk in the valleys and hear what the people say to him as he used to so he can find out what is the real impact of his Budget.

Mr. Speaker, it is his first Budget and, therefore, what criticisms he would get he should have been ready for. But there ought to have been a crystal clear theme than which no one had put in the last 8 years. For from his position as the assailer in the role of Leader of the Opposition, he had led ps to believe that given the opportunity fire would flow from his nose as he burned up the grass, as he burned up the track in setting the new pace. I can say, Sir, that neither one of the people of St. Michael West nor the people of the surrounding constituencies has said to me that they are satisfied. In fact, the first ray of hope for me came from the Honourable Member for St. George North who confirmed that the people in Thomas Gap will be able in spite of the foolishness which has been sent to them in writing from the National Housing Corporation to buy the land that was acquired for that purpose for them. I wish to thank him now. 8.35 p.m.

I know they were watching and I told him. They watched him and they heard him. So let whomever sent out the foolish letters telling them that the NHC has raised the rent from \$3 to \$25 and those kinds of things withdraw those letters from my constituents, because they are among the poorest people in Barbados. They are poor, black people, a phrase which apparently is offensive these days. You cannot say poor, black people.

I was not in here all day but I heard some of the speakers and was a little surprised to hear the attitude coming from some Honourable Members who say that the Democratic Labour Party always talks about poor, black

people; but it has been doing that for 40 years, and so has the Barbados Labour Party.

Asides.

Mr. B. M. TAITT: It is typical that I would have that response, except that the evidence over the 40 years is there. The evidence of the impact which the Democratic Labour Party has had on the quality of life of the citizens of this country is not open to heckling from the likes of the Honourable Members over there. There is not a single one of them over there or anywhere in Barbados who can examine the record of the Democratic Labour Party over 40 years and find it wanting, if they are going to be honest in their assessment

They may find areas of criticism. They may even find a problem with one or two of us, but if one takes that great political party as an entity in this system which we call Barbados... Sir, after the Democratic Labour Party in 1961 took power in this country between 1961 and 1966 there was an almost scorched-earth - in psychological terms - movement towards the front.

The rapid industrialisation of this country in which Barbados was transformed from a village to what it is today, the 20th most desirable place on earth to live, the rapid tourism development... It comes as a shock to me, Sir, to hear the Honourable Member for St Peter. If the Honourable Member for Christ Church West had said it, I would not have been upset. As a matter of fact, if the Honourable Member for Christ Church South had said it I would have been surprised but not upset but for the Honourable Member for St Peter to suggest that he is going to sell the Hilton after indicating before that we were selling the family silver!

I remember sitting in here, Sir, and I heard them railing about how we were selling the family silvers and I must confess that I felt a little pain because I am telling you now, Sir, as a member of the Democratic Labour Party and loyal member, not every policy that we have carried out has found full and complete acceptance by me; but then it would be strange, because you live in a house with your partner and not every policy carried out by your partner is acceptable in its entirety; but generally you know it is acceptable. When they said we were selling the family silvers it caused me some distress because - Honourable Members on my side will tell you, Sir, I am very upset whenever we have to sell an asset that I perceive to be an asset of the people because this concept that has been drawn into the potpourri of discussion and ideas in Barbados... Some of the people take their ideas straight from a programme on the radio from time to time. That's fair. But this idea that socialism by whatever name called is now dead and no one should even remotely mention or

consider or even think that the Government should own anything because somebody somewhere else in Washington or in London has said so, that offends my intellect.

It offends me because there can be no one who lives in a country like ours who knows what we have gone through and what we have to go through who will not feel as the Honourable Member for Christ Church West who used to be a person who could feel that we have to do more for the people of Barbados to carry them to their full potentialities. Mr. Speaker, it is in that context that I worry about the lack of a theme in this Budget. I worry about the fact that we are still playing little games with \$2 here and \$3 there and \$4 for the poor pensioners of this country.

Mr. Speaker, I am worried, Sir, about the attitude which suggests that it must continue for us to discuss the Estimates and the Budget every year in the same terms more or less of Twiddle Dee and Twiddle Dum. We need to have a vision of how we are going to go into the 21st century and beyond.

I give an example, Sir. Sometime ago when I was in the Ministry of Health we set a pattern of development for health in the country. We established a series of what I choose to call benchmarks along the way for improving the quality of life for the people of Barbados. The Honourable Member talked about social security. It was in the context of a communication between the Prime Minister of the time and the United Kingdom Government that we got one of the best social security arrangements following Jamaica between Barbados and the British Government, where the people who go to the United Kingdom from Barbados and the people who come from the United Kingdom to Barbados can now expect equal treatment in the health facilities.

In the social security we have a *quid pro quo*, a reciprocal agreement and in fact the Cabinet Paper... the Honourable Member for Christ Church West suggested that we did not do anything with the recommendations. The Cabinet Paper was dated July 14, 1993...

Mr. H. deB. FORDE: The Honourable Member has obviously made a mistake. I have spoken nothing on the reciprocal agreement

Mr. B. M. TAITT: I am not speaking on that, Sir. I am going on to say - I know the Honourable Member knows better - that the Cabinet Paper dealing with the amendment of the National Insurance and Social Security Non-Contributory Old Age Pensions Regulations 1982-11, Chapter 47, the Cabinet Paper was dated July 14, 1993 and the conclusions were that the Cabinet was invited to agree that the National Insurance and Social Security

Non-Contributory Old Age Pension Regulations 1982-11, Cap 47 should be amended to provide for payment of a sum equal to the difference between the pension payable by another Government and the Barbados National Insurance and Social Security Non-Contributory Old Age Pension in those cases where (a) persons are disqualified by regulation 7ID from receiving the non-contributory old age pension and (b) the pension and payment from the other Government is less than the local non-contributory old age pension.

Mr. Speaker, Cabinet Ministers are only to make Cabinet decisions. I have never drafted a Statutory Instrument in my life. So no one should come in here and leave the impression that we didn't do anything. The decision was made by the Cabinet. It is improper to give the impression to people that we did not do anything. We sought and got the agreement with the U.K. Government and we...

Mr. H. deB. FORDE: Sir, the Honourable Member is accusing me of impropriety. First the agreement with the United Kingdom is absolutely irrelevant to the matter for the simple reason that the topping up of pensions applied not only where one has reciprocal agreements but otherwise and the point which I made simply was that the recommendation was sent from the Board - and Dr. Alleyne will bear this out - to the Cabinet of Barbados in September 1991.

Mr. B. M. TAITT: The point that I made simply is that the Cabinet acted expeditiously to carry out the recommendations and did so conclude. I am not going to get involved in when the Statutory Instrument was made. It falls to the Prime Minister now to make the Statutory Instrument. Let him make it. 8.45 p.m.

The Honourable Member was an Attorney General and he knows that he had legislation which he wanted to get done in a hurry and the only way he got it was when he did it himself. He has said so in here many times, Sir, but when they wish to grandstand you know they can spin on a pin.

Mr. Speaker, in the context of that vision we discovered through a letter written to me in my capacity then as Minister of Health, that the people at the National Eye Institute in Bethesda, Maryland, were going to assist in a study to be done in Barbados. To cut the story short, Sir, we went through a tremendous...

Mr. SPEAKER: That is a good idea. The Honourable Member has two more minutes.

Mr. B. M. TAITT: Sir, we went through much discussion and in the end we got a grant of \$5 million for the Lions of Barbados to set up the Lions Eye Care Centre. We anticipated and planned for the Government of the day to provide in the budget for the hospital the funds to run the Eye Care Centre. The Eye Care Centre was constructed without a single cost to Barbados. Five million dollars were given to Barbados. They then got \$750 000 for the basic infrastructural equipment and it was anticipated that the savings which would be made because we anticipated by the time it was ready to be opened that the Open Heart Surgery Programme and the Joint Replacement Programme would be going on and that the saving which would accrue from the Medical Aid Scheme because we would be doing open heart surgery in Barbados, and because we would be replacing knees and hips in Barbados, that that saving would be sufficient and more to do the day-to-day running of the Eye Care Centre. But there is a mean-spiritedness in the decision-making apparently of the Government

I am saying to you, Sir, that 5% to 8% of the people of Barbados are likely to go blind in this country unless we take steps to change the pattern and improve the speed with which we are able to provide eye care health...

Mr. SPEAKER: Could you wind up, please.

Mr. B. M. TAITT: That programme, Sir, is in abeyance and I am surprised that the Prime Minister and Minister of Finance has not recognised, and I hope the Minister of Health would explain to the public of Barbados how in a budget of over \$60 million for the Queen Elizabeth Hospital it is impossible to find the necessary funds to open and help run the Lions Eye Care Centre. That is an agency that will prevent blindness for old women all over this country, old men all over this country and the 10% of us in this Barbados who are susceptible through diabetes or whatever to glaucoma and all of the other eye diseases are going to be in danger without the Eye Care Centre coming on stream.

Time does not permit me but I promise, Mr. Speaker, that in due course we are going to debate the issues of the high quality of life for the people of Barbados without incurring massive costs despite the propagandists' approaches of the Government in these matters.

I am grateful to Your Honour.

Hon. Miss H. E. THOMPSON: Mr. Speaker, Sir, I rise to speak in this my first Budget debate in this Honourable Chamber and in doing so I am compelled to congratulate the Honourable Prime Minister and Minister of Finance on the quality of the Budget presented to us on Tuesday evening. I was impressed with the quality of his erudition. I was impressed with his eloquence but most

of all, I was impressed by the humaneness in the Budget, the fact that this Budget had something for everybody in Barbados. It was long anticipated. Wherever you went people were speaking about it. People were waiting to hear what he would give.

On the very last Bank Holiday prior to the Budget I was at Greenland Road in Haynesville, on the border of Haynesville, Holder's Hill and Durant's Village. I was leaving at 6.00 o'clock. There was a lot of sporting activity and an old lady who was watching it moved from the crowd that she was with and said to me "Mistress, don't go long so fast. I want to ask you a question". I stopped to hear her. She said, "Tell the Prime Minister to remember us. I hear he bringing a Budget soon and I hope it got in something for old aged pensioners". Mr. Speaker, that is the quality of the anticipation that all of Barbados waited for, the Budget. Indeed, it had in something for the old aged pensioners and for the rest of us. So I congratulate the Minister of Finance, Mr. Speaker.

I want to spend a few minutes talking about the Ministry that I have charge of since September 6 and in particular because the last speaker, the Honourable Member for St. Michael West, himself a former Minister of Health, raised issues in relation to health matters. I will begin at the point at which he ended and say this. The Lions Eye Care Centre was ill-conceived. It may have been a noble thought but it started by the Honourable Member for St. Michael West approaching Lions International completely ignoring the Barbados Branch of the Lions and asking them to start a project.

Mr. B. M. TAITT: Sir, on a point of order. I do not wish to interrupt the Honourable Member. I have the records here, Sir. The consultation with Lions in Barbados occurred long before we went to Chicago. The consultation occurred with the Lions across the Caribbean and the approval from Lions in Chicago would have been to the Lions of the Caribbean including the Lions of Barbados. I have the records here. I do not wish to take the Honourable Member's time but it is not correct.

Mr. SPEAKER: Your point has been made.

Hon. Miss H. E. THOMPSON: Then the Barbados Lions got into the picture after. The Centre was done and planned without the involvement of those who had been involved in eye care in Barbados. It was done without the Head of the Ophthalmology Department of the Queen Elizabeth Hospital being involved.

Mr. B. M. TAITT: On a point of order. Sir, I do not wish to interrupt the Honourable Member but if she continues to make statements that are not correct I have to. The Dean of the Faculty of Medicine of the University together with the Head of the Department of

Ophthalmology in Barbados was involved in the planning of the project document that went for the \$5 million. I have the record here.

Hon. Miss H. E. THOMPSON: The Centre was modelled and is modelled after an American floor plan against the advice of the Barbadian people who after they became involved said, "Do not model after the American system." The Minister of Health as he then was insisted on doing so and that is important because the Ophthalmology Department as it is now planned is an open floor plan therefore taking minimum labour. You can use a few people to see to all the patients. 8.55 p.m.

The way that centre is planned....

Hon. B. M. TAITT: On a point of order, Sir. I am sorry, but I cannot let this information go out. The persons who planned the Eye Care Centre were the people who are the technical people and, at each step along the way, the Dean of the Faculty of Medicine and all of the other persons were party to and were the planners of. The Minister had no input after the project had started.

Hon. Miss H. E. THOMPSON: It became the notion after the plan was developed, so that it became so labour intensive. It was then that the Honourable Minister, as he then was, and I use the phrase "Honourable" with some reservation...

Mr. SPEAKER: The Honourable Member, you will have to withdraw.

Hon. Miss H. E. THOMPSON: I withdraw it, Mr. Speaker, Sir. He then took the...

Mr. SPEAKER: Sorry, I did not hear you. Did you withdraw?

Hon. Miss H. E. THOMPSON: The Honourable Member for St. Michael West...

Mr. SPEAKER: The Honourable Member, did you withdraw the words?

Hon. Miss H. E. THOMPSON: I did, without reservation, Sir. The Honourable Member for St. Michael West then took a decision, to start to see how much the centre would cost, when it was finished. This is all the time construction is going on, plans are underway, equipment is on order, you are then looking to see what it is going to cost

At the time, initially, it was intended to cost \$1.5 million in recurrent cost, to run it. They then said it

would cost \$3 million. On September 6th when this Government took over and I went into the Ministry of Health, the centre was supposed to open in November of 1994,¹ asked, as a matter of urgency, that a proper costing of what it would take to run the Eye Care Centre on an annual basis be done. It was done, Sir, and we discovered, for the first time, that it would cost \$5 million a year to run and, that the staff alone, would cost \$1 million, just over one point something. I do not have the exact figure before me. Those are the facts. We will have the opportunity to debate it in this Chamber. I will bring the Minutes and the Record in and make them documents of this Honourable House. Those are the facts.

In addition to that, even though the centre was supposed to have been opened in November of last year, the last Administration made no provision for it, in the Estimates. There was not a cent put aside that you could even put a general worker in there and say, dust up the floor so that people can move in and start to work. Nothing was done. Now, he makes it appear that some son of meanness and selfishness is stopping the Eye Care Centre from opening.

Mr. Speaker, I am now trying to see where we will get the money from and how it will be run. If and how it will be integrated into the existing Ophthalmology Department of the Queen Elizabeth Hospital. When I am on the matter of issues relating to health, Mr. Speaker, there are a few other observations I want to make. It has been raised today repeatedly that the National Clean Up Campaign will soon get underway again and be completed. Its impact on the beautification of the environment and the attempt to stave off or prevent an epidemic of dengue is critical. It must be continued and it will be.

We have heard much, Mr. Speaker, about the staff of the St Joseph Hospital and the closure. I have spoken, in this Chamber about the figures relating to the Hospital itself and I think they are well known. I will not repeat them. What I will say today is that all the staff that worked at the St. Joseph Hospital, all the medical and nursing staff, even those members who are staunch supporters of the Honourable Member for St. Michael West and who sell his branch constituency excursion tickets have been given places elsewhere, in the health care system.

Mr. Speaker, I am not guilty of any sort of victimization or discriminating against anybody. As a matter of fact, there are only 5 nurses who have not been placed out of the staff of 106 people. One who insists that she cannot work with another member of staff, and I cannot call the name. Another person who cannot be re-employed, at the same level so prefers to be

unemployed, rather than take a smaller salary and 3 other people who are choosing not to work or are doing other things in the private sector and so on. There are about 3 or 4 other people who were not working on a full-time basis but were untrained Nursing Assistants whom we are looking to deploy elsewhere. So that the staff has been placed and the ancillary and general staff are also being redeployed throughout the health care system.

The notion that people in the Ministry of Health are being victimized, unfaired or that we shut down the Hospital without regard to the futures of these people is totally untrue.

In relation to the measures, in the Budget for the Environment, I think that I need to spend a few minutes dealing with these. The protection of the environment is critical, in relation to our own national development and our maintenance of existing health standards. An environment that is polluted, that is dirty, where there are poor sanitary conditions, if the waters are polluted and not cleaned up, all of these can militate against a good tourism product, can threaten the health of our own citizens and, that in itself too, will stop people from coming to the island. We know this because we all remember Mount Stinkeroo. Now that it has been cleaned up, tourists are no longer booking out of Sandy Lane saying that they cannot endure the smell anymore.

And so, Mr. Speaker, it was against this background, that the Honourable Minister of Finance, the Honourable Member for St. Peter introduced Disposal and Tipping fees and fees on certain items which have to be disposed of.

Mr. Speaker, once you buy a motor car, a fridge, once you buy certain items, in Barbados, sooner or later they end up in the landfill where they are a problem for us to dispose of and where there is a cost to the Government for disposing of them. The small fee placed on such items are intended to help defray the cost of having to deal with the disposal of these items. It has become an international practice to do so and Barbados is now following in this practice.

As a nation, we have to take responsibility for the protection of our environment. I do not accept the view that Barbadians will dump illegally. We do not queue in Barbados. We go overseas and queue. We have to learn to do these things here. The same way we go to countries outside of Barbados and dispose of our garbage properly, where we do not litter the streets, we have to do that here, or harsh fines will be imposed here, in the same way that they are imposed in countries, outside of Barbados. We

will have to have a "cradle to grave" situation to make sure that there is no illegal dumping of refuse.

But I do not want to spend all my time on health, Mr. Speaker, because we will have other opportunities to talk about health. I want to turn back to the thrust of this Budget. It was not so long ago, in fact only a year, when the last Minister of Finance, the Honourable Member for St. John stood in this Chamber and offered the young people of this country bus fare and lunch money. We cannot forget it. It was less than a year ago or just about a year ago when he, as a young person, a month younger than I, as Minister of Finance entrusted with the responsibility of shaping the future of our young people said, I have nothing to offer you. But if you are looking for a job and cannot find one, see if somebody will employ you and give you bus fare and lunch money. That was his solution to our national problem. A solution that would have led to massive exploitation of young people, in Barbados, by unscrupulous employers who would have been glad to use the labour of our young people and given them, in exchange, as the old people would say, "next kin to nothing", bus fare and lunch money.

He dares to come into this Chamber and criticize the Budgetary Proposals of the Honourable Member for St. Peter. Budget proposals which by contrast offer all the people of Barbados something. 9.05 p.m.

Mr. Speaker, last year the Minister of Finance offered me bus fare and lunch money. I asked myself, as a young person, as a young woman, as a career woman, as an • aspiring home owner, as a Barbadian who wants to own property, who wants to do things with my life, what does this budget offer me? We can talk a lot about poor black people, we can talk about philosophers, but at the end of the day it is what does the Budget offer you as an individual, what does it do to shape, to transform and to better your life? That is essentially, Mr. Speaker, the question. That is the issue. And I ask myself, as a person, what does this budget offer me?

Let me begin, Mr. Speaker, by talking about myself and other Barbadians as aspiring home owners. Every Barbadian dream is to own a piece of this rock that we call Barbados, to own a piece of land in the country where his navel string is buried. My dream is no different I want to own a house and on Tuesday when I listened to the proposals of the Honourable Member for St. Peter, I recognised that I could now afford to buy a house because the interest allowance of \$3 500 will enable me to get something off my mortgage interest, repairs, renovations, water storage tank, solar water heaters, water saving devices. That is something the budget offers me and all Barbadians.

By contrast we well remember how the financial measures of the last administration affected people all over St. James South and the rest of Barbados, in West Terrace and Oxnards Crescent, in Husbands Gardens, for the banks foreclosed on them and week after week you would see scores of advertisements for properties that the banks were putting up for sale. I went into the homes of middle class people, of people with degrees, of people with children who faced the possibility of losing the roofs over their heads for which they had worked. People had to sell their houses and go back home. People had to rent out their houses and go back home. That is the legacy of the Democratic Labour Party and they dare to criticise the fact that you can now claim again mortgage interest under this new budget. That is part of what the Barbados Labour Party did for you.

I turn, Mr. Speaker, to myself as a motorist. My car is now 5 years old. I had my eyes on a new one. A car today is essential. Under the last administration it was a luxury. You had to catch several buses, lose time, get to work late. You had to make the choice between paying mortgage or rent and paying a car loan. That is no longer so. I spoke with a certain car dealer on Wednesday morning and asked what was the price of the car that I would have hoped to buy. It is a Mazda, Sir. You know I drive one now. I called and I said, what would this new Mazda cost? Mr. Speaker, Sir, the price has gone down by \$11 000. That is a neat change. It means that that motor car is now within my grasp and I see myself driving into Parliament yard very soon. That is the dream of all Barbadians.

While I stood there, Mr. Speaker, several other young people were calling, were coming in, were making enquiries about cars. People who could not own a car before were suddenly finding a car within their grasp, would suddenly be able to drive their children to school or drive themselves to work and stop catching the bus. That is what this budget has done for the people of Barbados.

I live in a house. I have bills to pay. I ask myself how this budget would affect me as a person who has to live in a house everyday. The cost of gas to code with has gone down and it is all right for some of them on that side to talk about the decrease being small but it has meaning for all those people who are unemployed. It is less money for them to look for to be able to buy a bottle of gas. It is less money for them to look for if they are employed as well and therefore they can use part of the money they save towards something else.

Water saving devices are now going to form a part of the future of Barbadians. I was so amazed when I heard the Prime Minister talk about it I had never in my life before and I have listened to many budgets, heard a Prime

Minister say, look, I am prepared to give this to you. Pay your water bills and you can have free of cost a water saving device. Not only will you and I and other Barbadians use less water and our bills go down but we maximise the water resources of the country.

Under the last administration, Mr. Speaker, many mornings I would get up and there would tie no water to bathe with. All over St James South, all over Barbados that used to happen but what made it even worse is that during the SIDS conference when people all over Barbados could not get water to bathe they were washing down the road in front of Ilaro Court every day with gallons and gallons of water. But now we have a development plan to deal even with water, Mr. Speaker, Sir.

This is how it will benefit people in St James South and I want to tell you more about how it will benefit the people of St. James South. I represent the largest constituency in Barbados. It is a large sporting constituency. It has produced Desmond Haynes, Phillo Wallace, Schofield Hewitt, Neil Phillips, Franklyn Stevenson and on the boundary the golfer Orville Alleyne. It has produced Peter Skeete, Courtney Browne. All of these people come from St James South. Often, Mr. Speaker, mothers in my constituency had to make a choice when they had more than one son going to school and one wanted to play cricket and one wanted to play football they had to make the choice of which child would get to play sports because they could not afford the equipment for all. With this budget, Mr. Speaker, sporting goods are now more accessible and children can get to play the sports of their choice.

It might seem like a small point but it is critical because people in our community from lower socio economic groups have used sports as the means to pull themselves up out of economic deprivation and into the upper middle class and the middle classes. That is true of Sir Garfield Sobers. It is true of Wes Hall. It is true of Desmond Haynes. It is true of Charlie Griffith. It is true of Gordon Greenidge. Mr. Speaker, those charges on sporting goods were denying Barbadians that opportunity, an opportunity which is given to them again.

Mr. Speaker, I listened to the Honourable Member for St. Michael South Central and I watched his quixotic antics of trying to pull a tin of corned beef out of a bag. Now, Mr. Speaker, I am a housewife. I go to the supermarket like the people in my constituency, every week. I know what it is like to stand by the cashier and have to put back goods or leave back goods in your trolley or basket. I see

women do it all the time. I have had to do it. The Honourable Member for St Michael South Central does not know about that and that is why, Mr. Speaker, he did not buy that tin of corned beef from any supermarket Mr. Speaker, old age pensioners and housewives like myself do not..

Dr. R. C. HAYNES: Mr. Speaker, Sir, on a point of order. That is why I made the point of making that tin of corned beef a document of the House.

Mr. SPEAKER: What is your point?

Dr. R. C. HAYNES: The Honourable Member said it was not bought from a supermarket. I am saying it was bought from a supermarket

Mr. SPEAKER: Okay.

Hon. Miss H. E. THOMPSON: Mr. Speaker, Sir, like I said, housewives and old age pensioners do not go to auto marts where the Honourable Member for St Michael South Central bought that corned beef. He bought it at an auto mart where everybody knows the most expensive goods in Barbados are to be found.

Asides.

Hon. Miss H. E. THOMPSON: Mr. Speaker I went to the supermarket at 8.00 o'clock this morning ...

Dr. R. C. HAYNES: On a point of order, Sir. That tin of corned beef was not bought at an auto mart 9.15 p.m.

Hon. Miss H. E. THOMPSON: Mr. Speaker, I continue. He said \$4.00 would have no meaning for old aged pensioners. Now for 4 years, Mr. Speaker, the last administration gave old aged pensioners in this country nothing and now they criticize us for giving them \$4.00. I went to the supermarket this morning at 8.00 a.m., Mr. Speaker, Sir, with \$4.00 and was able to purchase a package of macaroni, tin of sardines, pack of sugar and a pack of biscuits for less than \$4.00. You got back about 2 cents change. Mr. Speaker, at another supermarket I

was able with \$4.00 to buy a tin of milk and a tin of corned beef. At another supermarket, Mr. Speaker, I was able to buy a tin of corned beef and a loaf of bread and at the last supermarket, Mr. Speaker, I was able to purchase a tin of corned beef.

Aside.

Mr. SPEAKER: Order please. Order. Order please.

Hon. Miss H. E. THOMPSON: Mr. Speaker, I even got back some change. All of that, Mr. Speaker, came to less than \$4.00. In every single instance those goods came to less than \$4.00. I would know that because I am in the supermarket every week not like you. Mr. Speaker, not only can the old aged pensioner take his or her \$4.00 and purchase these items and get back a little change in his or her hands, go then and get on the Transport Board bus and go home, safe in the knowledge that the arrears for Income Tax and National Insurance owed to the Transport Board have been paid by this administration.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Hon. Miss H. E. THOMPSON: Mr. Speaker, there are several measures in this Budget that deal with national development. Marinas - The concession given to marinas is not about helping the big man or the white man. Every marina that is built jobs will be created. When a marina has to be serviced, jobs will be created. People who look like me, Mr. Speaker, are going to get those jobs. Let people not be fooled by what the DLP is saying.

The concessions to manufacturing will continue to create more jobs and we know that between November last year and about January or February 1500 jobs were created according to the President of the BMA by the manufacturing concession. We know, Mr. Speaker, that the concessions to the hotel industry will create jobs. We know that all of the other measures for computers and so on will assist in creating jobs.

Mr. Speaker, there is one point that I want to make before I sit down and it is this. If we are truly to ask ourselves who are the defenders of the poor and the black, it cannot be the Democratic Labour Party that precipitated the lay-off of 35,000 people in this country. It cannot be the Democratic Labour Party that took away 8 per cent of civil servants salaries. It cannot be the Democratic Labour Party that caused people in this country to lose their houses. It cannot be the Democratic Labour Party that cut unemployment benefits. It cannot be the Democratic Labour Party that cut Severance Payments Benefit. It cannot be the Democratic Labour Party that boasted of jobless growth. Jobless growth does not help anybody. It

cannot be the Democratic Labour Party that chose to introduce fees at the Community College, the Polytechnic and the University of the West Indies and said that they had the authority and jurisdiction to do it, and that they could not be stopped. It cannot be them, Mr. Speaker. Make no mistake that it was this Barbados Labour Party that introduced free secondary education in this country at the St. Leonard's Secondary School and laid the foundation for free secondary education in this country. It was us.

Mr. Speaker, Sir, I thank you for this opportunity.

Mr. SPEAKER: Your time has expired please.

Hon. Miss H. E. THOMPSON: We are poised to take off, Mr. Speaker. We have mounted up with wings like eagles, Sir. Thank you, Sir.

Mr. SPEAKER: The Honourable Member for Christ Church South.

Hon. Sir Harold St. JOHN: Mr. Speaker, Sir, at this rather late hour with a number of other speakers to come, I do not intend to detain this House for the full period of time that is allotted to me on this occasion. But I would really be failing in my duty if I did not rise on this occasion to lend my congratulations to those of the others of the Honourable Member for St. Peter, Prime Minister and Minister of Finance on the occasion of his first Budget Speech.

Mr. Speaker, Sir, it is my view that the Honourable Member has by this Budget Speech frontally attacked some of the fundamental problems that any Minister of Finance in Barbados should deal with. It is not my view that the issues of jobs, the issues of lack of fiscal responsibility, the issues of the state of the productive sectors have not been dealt with. The Honourable Member in the course of his Budget Speech, in my opinion, dealt with those important areas without any prevarication or without any evasion. It is important that it is recognized that part of our problems that we as a country face and, in particular, part of the unemployment problems that we face, part of the need for the draconian measures to correct the economy that was introduced between 1990 and 1994 had their origins in fiscal irresponsibility particularly in such areas as wasteful expenditure. It is, therefore, a matter to me of great importance that this Budget draws to the attention of those who are responsible for the administration of public money in this country the need for fiscal responsibility.

It was indeed a bold measure of the Minister of Finance to take the decision that in the future the Central Bank's limit of credit to the Government would be reduced from 17 per cent of anticipated revenue to 10 per cent. That is indeed a measure which should send home a

message to all of those who are responsible for the administration of the public expenditure in Barbados. I want to warn the Honourable Minister on that. 9.25 p.m.

He will have, parallel to that measure, to peruse vigorously his programme of reform of the public sector. In my opinion, part of the reason for the fiscal irresponsibility that occurred arose because of the lack of training on the part of people who are supposed under the Financial Administration and Audit Act to be primarily responsible for accountability. Something has to be done to ensure that at the highest level in the Civil Service in Barbados the importance of accountability under the Financial Administration and Audit Act is appreciated.

I hope that the Honourable Leader of the Opposition in his new role as Chairman of the Public Accounts Committee will lend his weight and give his assistance so that we can have an all party approach to this question of fiscal responsibility. Perhaps that could be his greatest contribution because I have no doubt that he will be in that position for some considerable period of time.

The second point, Sir, that I would like to make is the question of the productive sectors. As long ago as 1986 in a Budget speech in this House I emphasised the importance in Barbados of governments doing everything in their power to ensure that the productive sectors were firing on all their cylinders and that measures would be introduced to create the situation in which our agriculture, our manufacturing, our tourism and, at that time, our small service sector, would be competitive internationally.

Regrettably, Sir, between 1986 and now, we have found ourselves in the position in which over that period of time, with the exception of the service sector we have not gone forward. We have gone backward and, I want to emphasise the importance of the measures that have been introduced by the Minister of Finance to ensure that we put our agriculture, our manufacturing and our tourism sectors back on the right path.

It is a fact that one of the first acts of the Administration on resuming control of Government was to introduce those important measures of relieving the manufacturers, the agriculturalists, the fishermen and others of the burdensome duties introduced by the Democratic Labour Party. Everywhere one goes in Barbados and meets a manufacturer, a fisherman or an agriculturalist, they keep reminding us of the new hope that has been brought to them.

Already more jobs have been created in those areas as a result of the change of policy than were in existence before. I want to emphasise the point that has been made

by the Honourable Member for St. James South. The officials of the Manufacturing Association, the officials of the Agricultural Society have all applauded the Government for those measures. It does not therefore lie in the mouth of Honourable Members of the other side to seek in their speeches to discredit the efforts of the Honourable Member in this direction.

I want to go further, because it is not only the creation of a level playing field that the Honourable Member is going to help those important instruments of job creation in Barbados. It is in the policies in relation to our trading partners in CARICOM, the message that this Budget has sent to our partners in CARICOM was a message that the Barbados Labour Party has been delivering to members of CARICOM for a long period of time, that there are no greater supporters of the Treaty of Integration of Chaguaramas and the instruments of integration than the Barbados Labour Party. But we will always insist while we adhere to the Treaty that the others have obligations too.

It is our duty to make sure that others who benefit from Barbados' purchasing power by being able to sell us goods also give our manufacturers, our agriculturalists, our fishermen, the opportunity too to sell our services to them. I congratulate the Honourable Member for having the courage to bring that on the front burner. Let all and sundry know in Barbados and in the rest of the Caribbean we are for free trade but fair trade and I want to assure the Honourable Member that he can have 100% of my help in being able to ensure that this playing field is really level.

The need as part of this policy for the modernisation of the dumping law is crucial. The need for a fair trading law throughout CARICOM is evident and I want to assure the Honourable Member that there are precedents in existence for I believe that the Jamaica legislature has passed laws which are equally applicable not only to the CARICOM trading arrangement but to the new world trading arrangement in the form of trade liberalisation.

Now, Sir, the measures in relation to the tourist industry are equally of importance. I find it strange that some Honourable Members here have found it necessary in their response to the Budget to speak about the programme of debt relief in the vein in which some of them have spoken. Not so long ago it was the Honourable Members over there who were calling for a programme of debt relief for some of the hoteliers. Some of them identified a major problem, the problem of compounding of interest by some of the banking institutions in Barbados over a period of time. That is a fact, Sir.

As I understand it, the programme is very simple that an analysis will be done and as I understand it the

debt relief that has been agreed will be debt relief relating to the compounding of the interest which has occurred over a period of time.

I want to say also that I have experience in this area and I want to say that debt relief alone is not going to be the solution to the problem of some of the smaller hoteliers. It is the other measures that are being introduced, namely, the measures which will attempt to bring the benefits of job marketing and management to a number of these small hotels so as to ensure that they are not exploited in the market-place.

There is job creation in that because if those hotels are successful, if that system is successful, the industry will at least in that respect be stabilised and we will not have the position that we have today where in at least 4 hotels in Barbados tonight as a result of activities of tour operators and the failure to reach agreement on an economic rate for the summer, people have been sent home.

That programme of attempting to bring stability to the industry by a combination of management skills being brought to these sectors in the industry is something that should be commended. 9.35 p.m.

Now, Sir, the last area I am going to talk on is the area of rural development. I am particularly pleased that the Budget addresses this question of rural development. This has always been an area of divide between the Democratic Labour Party and the Barbados Labour Party. After all a perusal of our Manifestoes from the 1960s will reveal that the Labour Party always placed emphasis on the development of sub towns throughout Barbados. The Glebe in St George, Speightstown, St. Andrew, Oistin Town, all of these were areas that we emphasized. I want to say this, Sir, I notice that the Honourable Prime Minister has not defined some of these areas up to now with respect to these special benefits. I hope that Oistin town comes within the St. Lawrence District.

The identification of a rural development programme and a parallel development programme for the urban areas of Carlisle Bay, St Lawrence and Speightstown will, in my opinion, act as a stimulus to development in those areas. It is important that people understand that over the eight years the Democratic Labour Party had a golden opportunity to develop Carlisle Bay, to develop Speightstown, to develop St. Andrew and the Scotland area but what we got instead was a rejection of the plan for a fishing harbour in Speightstown, total and absolute neglect of the Carlisle Bay area and the Scotland area was left to be an area in which there were a lot of plans but no action. We had the St. John Development Plan, the aborted

Polyclinic in St John, the failure to implement the fishing schemes at Skeete's Bay, Consett Bay and things of that kind. That will not be the record of the Barbados Labour Party.

I want to say, and this is the final point I am going to make. Honourable Members on that side have expressed some concern about the Hilton Hotel. I have concerns too. My concerns are different. My concerns arise from the fact that successive Governments of Barbados had the courage to make the expenditure necessary firstly to build the Hilton at that time, a pioneering act and secondly to build Heywood's, at that time an equally pioneering act. Both of them had the objective of providing accommodation of a type which was not available in Barbados. Things were going good but one of the disastrous heritages on the Barbados Labour Party was the fact that we came now and found that the greatest sell-outs ever occurring in the history of Barbados occurred with the management of the Hilton and the management of Heywood's.

Now, I am making this statement tonight on the Floor of this House that the new lease at the Hilton Hotel was so incompetently negotiated that the Government now finds itself in a position where no financial institution will lend the Government any money at all to refurbish the Hilton because the cost of refurbishment is now on the landlord exclusively. It is a terrible thing that has occurred in this country. I want the Minister of Tourism to lay that lease on the Table of this House. It is a terrible thing that occurred in Barbados. The Hilton is now in a fortunate position of saying you must spend money on refurbishing it, \$15 million. What is more an option to purchase the Hilton for 10 years is granted to the tenants. I do not know who they are going to sell it to. It is a very, very serious thing that has happened.

I want to make it very clear that all of this must hang out because we have received an heritage of an economy that nominally grew by 4% but we also received the heritage of eight years of the Democratic Labour Party or nine years in which the Gross Domestic Product at 1986 prices only grew by less than 1%, in which the per capita income of Barbados is lower in 1994 than it was in 1986 so that our position is, it is a mixed bag that we have received.

I thank you, Mr. Speaker.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, as I rise tonight to make a short contribution to this debate, I stand tall tonight and proud of the work of the Honourable Minister of Finance, indeed, the work of the Government thus far. This Prime Minister has worked us harder than any of us ever anticipated.

Aside.

Hon. D. A. C. SIMMONS: There is only one Prime Minister of Barbados. What foolishness I am hearing from them.

The strain has been great, especially for the younger ones and the newer ones but they have learnt fast I am indeed very proud tonight of the performance of the three ladies on the front bench. Indeed...

Asides.

Hon. D. A. C. SIMMONS: I tried to defend that Honourable gentleman last night when it was alleged that his petticoat was showing to say that only ladies wear petticoats so he must not continue to interfere with me.

Aside.

Hon. D. A. C. SIMMONS: The member *for* St. John. 9.45 p.m.

Mr. Speaker, Sir, this debate has been a little disappointing, on the part of the Members of the Opposition. All. There has been a display of massive ignorance of the Budgetary process and superb innocence of the content of the Budget. You would have thought, to have heard them, that this Budget which was the first of the Prime Minister was like the last before an election, coming 4Y₂ years after a term. All the shortcomings and deficiencies of years of neglect, according to the Opposition, are now suddenly to be remedied and rectified in one year at one fell swoop. Not one of them has analyzed the Budget to understand the philosophy and the principles that underpin the particular Proposals announced on Tuesday by the Minister of Finance.

The Leader of the Opposition began his presentation for the first half an hour with a set of statements all rooted in the first person. ^H"I did this. It was my intention. I, I, I," to distance himself from the former Prime Minister who is not in here tonight. He made a speech that was empty in content, but replete with slurs and smears.

Aside.

Hon. D. A. C. SIMMONS: The whole island heard the innuendo.

Aside.

Hon. D. A. C. SIMMONS: You are not the Leader of the Opposition. Do you think you are the Leader of the Opposition? I said the Member for St John.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I regret interrupting. I do not want to stop the Honourable Member from saying what he wants to say about me. I am on a point of order. I wish to know if you, Sir, sitting in your capacity as Speaker of this House would permit an Honourable Member to engage in slurs and smears? If that is so, I would accept it. But I would think that, for the Record of this House, that you wish to protect the integrity of this Chair and this Parliament, by having those words struck from the Record.

As I said, I do not mind what the Honourable Member says because I do not believe anything he says, on anything. It does not bother me, from that point of view.

Mr. SPEAKER: From what I understood, the Honourable Member for St. Thomas was saying that the Honourable Member for St. John had slurred. He was not slurring. Let us proceed. That is trivial.

Hon. D. A. C. SIMMONS: My reputation for truth has never been questioned, even by a recent Editorial, last Sunday.

Mr. SPEAKER: The Honourable Member...

Hon. D. A. C. SIMMONS: Yes, Sir.

Mr. SPEAKER: Is the Honourable Member objecting to the word? Would you like the Honourable Member to say it, in a different way?

Mr. D. J. H. THOMPSON: No. would you like nit, iu make my point again, Mr. Speaker, in case you do not understand it?

I rose on a point of order to protect the integrity of this House, to protect the standards in this House, merely to suggest to the Chair that to permit a Member to say that another Honourable Member engaged in slurs and smears is a reflection on the Chair. But if Your Honour is so minded as to permit that to remain, in the Record, I have no problem. A late Prime Minister referred to the Honourable Member in terms that I would not even bother to repeat in here.

Mr. SPEAKER: You have made your point. The Chair is very thankful for your advice but I think that the Honourable Member for St Thomas is also reminding the Honourable Member for St. John that he is aware when a slur is made also.

Aside.

Mr. SPEAKER: The Honourable Member...

Hon. D. A. C. SIMMONS: I am obliged to you, Sir.

Mr. SPEAKER: Could we keep the debate at a certain level, please.

Hon. D. A. C. SIMMONS: Let us get on, Sir.

Mr. SPEAKER: Would you say it, in a different way, please?

Hon. D. A. C. SIMMONS: I was trying to set him down, gently. Let us move on, Sir.

Mr. SPEAKER: Let us move on.

Hon. D. A. C. SIMMONS: The Honourable Member for St. Michael South Central's performance was truly disappointing last night. He came in here displaying corned beef and making fun about the price of corned beef. We will call him Dr. Beef, as from now, Sir.

But this debate should not really have got any further than the first night. Because downstairs the Honourable Member for St. Michael South was gracious enough and generous enough, as a former Minister of Finance and a former Prime Minister to recognize the outstanding creativity, the comprehensive nature of the Budget and to congratulate this Prime Minister, by using these words: "Good job. Well done." The former Prime Minister said that to the present Prime Minister.

Having said all of that, it is therefore passing strange that you could hear all that you have heard in the last 2 evenings from those, on the other side.

Aside.

Hon. D. A. C. SIMMONS: The former Prime Minister, when he spoke, last night, wonderfully playful, reflective chap. He called himself the poet, the father of the House, the great educator. I learnt very little from him when he spoke about the Budgetary-Proposals. Because eschewed any discussion or criticism of the Budget, he was concerned to blame his demise, the failure of his Party on world economic recession. But not once, did he - as a former person who prepared Budgets for 6 years - venture to analyze any page of that document. He was content to salute and congratulate...

Aside.

Hon. D. A. C. SIMMONS: I am not misleading the House. ...the Prime Minister.

I think that it is important for us to make a little analysis, as quickly as possible, of this Budget. It must be

understood that Tuesday's exercise, this Budget, is the second pan of a process that started in the third week of March with the Estimates of Expenditure, the Appropriation Bill. It is important for us to understand - so that there is a connection, I will show it later on - that the Budget is rooted in a philosophy that was often articulated by the Prime Minister when he was in Opposition, that in order to generate economic growth, in order to create employment, it was necessary that the main engines of the economy should all be firing optimal. He has sought to provide the stimulus, the fuel, as it were for those economic engines to perform, at their height. Tourism, manufacturing, offshore business and agriculture. All of them, some started last year with the concessions to agriculture and manufacturing, others with concessions and incentives, in this Budget are now being prepared to fire properly. So that fundamentally it has to be understood that what under-pinned this budget was a set of principles and proposals to lay the broad basis and parameters to sustain development of the economy. 9.55 p.m.

We cannot, Sir and we are not seeking to do all that has to be done, all that was promised, even in the Manifesto, in one year. We have seen the folly of attempting to implement a large package of fiscal measures in a short period of time, even in less than a year. We know what happened in 1986 when the Honourable Member for St. Michael South Central had the opportunity to introduce a Budget he crippled the economy. He did such great damage that by the time he had jumped ship and cut himself apart from the Democratic Labour Party or prepared to do so, his successor as Minister of Finance came in here and told us that he had had to rescue the economy from ship wreck off the shoals.

Aside.

Hon. D. A. C. SIMMONS: Thank you very much. The Honourable Member for St. Michael West is reminding me of the great damage that was done to the economy of Barbados by the Honourable Member for St. Michael South Central which was exposed to the public of Barbados by the Member for St. Michael South. Ever since then I have been very, very careful to listen to him, the Honourable Member for St. Michael South Central, on economic and fiscal matters, but always hesitant to follow because I remember as one of the three blind mice, in the Senate Chamber, when he brought his Budget, he tried. I heard him talking about poor black people, taxing ZRs and running poor black people out of business. Every leaf of lettuce that was grown he wanted to tax, okras and green peas too. Were it not for the fact that my eyes were a lot better then and those of the Honourable Member for St. Peter, do you know they would nearly have passed. We caught them at the very last moment and made him... Three pages had a taxation on vegetables, tamarinds and guavas,

all of that So I do not want to hear too much from him on economic and fiscal matters.

Mr. Speaker, if we understand therefore, first of all that the Budget is Pan B in the process that began last month, that there is a philosophy that underpins it, and the philosophy is different on this side from that side. That side sees a Budget as a matter of juggling expenditure and revenue figures and trying to balance. We see a Budget as having more to it than that We see a Budget as having the capacity to shape future directions, future policy. I think, Mr. Speaker, if we understand those two points and that we cannot implement all that has to be done in one year otherwise it would be destructive of the economy, then perhaps it would be recognised that the presentation of the Honourable Member for St. Peter was that of a budget of great vision, creativity, perspectives and objectives, not only for the economy but for the country of Barbados as a whole. It is a Budget in which we are trying to create an environment, an atmosphere for restoration of confidence and the creation of business activity which we hope would in themselves engender job creation.

This Budget is an instrument of social and economic planning. It is not a one-shot exercise of revenue and expenditure adjustment as the Opposition used to do and that is the decisive difference in terms of philosophy between us and them.

Now, I think quite properly, a very major and relevant concern of the Opposition has been to what extent does the Budget promote job creation? I sat on that side for many years and I know how it goes. But I think it is a legitimate concern.

I agree with what the Honourable Member for St. Philip South said, we have said that job number one is jobs and we have *over* time to deliver. But at the same time one has to be reasonable and understand that job creation cannot be instant and at the same time sustainable over time. A secure platform has to be built But I would just wish, Sir, to identify some of the measures because I watch the Honourable Member for St. Philip South very carefully this evening. He was, as usual, very precise in his use of language. He was not saying that the Budget did not have any strategy for job creation, what he was saying is that the Budget does not make any direct contact with the problem of unemployment as he saw it So, he was making a contrast between direct contact or the direct result or effect of the Budget on job creation and any indirect result.

Now, Sir, I want to look at some of the things. In the Budget there is \$2 million to set up a venture capital fund which is designed to encourage manufacturers to organise businesses, set them up and employ people. That \$2 million in a venture capital fund, in my submission, Mr. Speaker,

is an instrument aimed at the direct creation of job opportunities.

Secondly there is encouragement for manufacturers to export, having regard to the reduction in Port charges. That ought to encourage manufacturers to expand their businesses and create jobs.

I am attracted to the special development areas. Let us just take one. For example, the area where there is now the old Harbour Police Station and going back along Bay Street, towards Hilton, if that those dilapidated buildings came down and the Private Sector could organise themselves and develop that area, let us say for example, I am not saying this is how it must go, into a large hotel, boardwalk and area of shopping, little cafes and so on, that special development area would have the capacity to create jobs directly and the same thing for Speightstown and the Scotland District The Scotland District is interesting because the Scotland District and the whole of rural Barbados will feature prominently in the job creation drive because of what is being developed in the Ministry of Agriculture for rural development Rural development does not limit itself to the provision of better water services, more electricity and better roads. Rural development is a far wider concept than that embracing the development of the human capital in rural Barbados and the organization of uiat capital into job opportunities. 10.05 p.m.

Mr. Speaker, Sir, obviously the home allowance will encourage job creation because one can easily envisage people having the opportunity to repair their homes. That will call for the employment of carpenters, masons, plumbers and whoever.

Aside.

Hon. D. A. C. SIMMONS: You now understand it Yes. Because you did not study it If the Honourable Member *for* St Lucy had read the thing properly and studied it, he would not be saying that he now understands it I am glad that I have been able to illuminate the dark crevices of your mind.

Mr. SPEAKER: On what do you rise?

Mr. D. St. E. KELLMAN: On a point of order, Sir. He is misleading the House, Sir.

Mr. SPEAKER: Misleading about what? The daik crevices of your mind.

Mr. D. St. E. KELLMAN: As I understand, Sir, the Speaker is not permitted time. The Honourable Member

is misleading the House because he is giving the impression that I am not aware of anything dealing with rural development. I have enunciated the policy of the Democratic Labour Party for rural development and all of those things I have explained in this House already.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I have tried to just pick out a few samples. There is one that nobody has spoken on today and it is very significant. The Honourable Prime Minister has given debt relief or allowed debt rescheduling of a number of businesses which are indebted to various Government Departments - Tax Authorities, NIS, Water Authority and so on. He has given a moratorium of 2 years and another extension for 7 years providing that you keep current. I do not think that we can be anymore liberal than that. But do you understand the significance of that? There are hundreds of millions of dollars owed to all of those agencies and what we are saying is that we give you, the business people of Barbados and the people who are in a position to employ people, an opportunity not to close down your businesses, not to put unpaid tax certificates or NIS certificates on your businesses, but for 2 years forget the penalties and the interest and start fresh. Bring on some people and get your business going and you have a period of time gradually to pay off those debts, but at the same time we are only asking you that, if you have current obligations, meet them.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Hon. D. A. C. SIMMONS: That is all right, Sir. Now that is a very significant contribution to the relief of unemployment. We are giving people a great chance that they have never had before. Sir, during the Estimates which was the first pan of this exercise, I outlined in here a programme for repairs to police stations, Courts and so on. You have seen the tender notices in the newspaper and some of the work has been started and completed and some more is going on. That is generating employment.

The Honourable Minister of Education explained that she has a programme for the repairing of 84 primary schools. That again is employment generation. The Honourable Minister of Agriculture has spoken of the market redevelopment that is to be done. That is more employment. The Minister of Health, who made a fine speech just now, has explained that the South Coast Sewage Project is going to start this year and that is more employment. The Landfill Development in Greenland and the repairs to the Psychiatric Hospital and the Geriatric Hospital, all of those are going to assist in the provision of employment.

Sir, I think that it is important that we and Honourable Members look at the whole budgetary process as started last month and continued now at the various

types of programmes in those two processes and extract from them the capacity of the programmes to generate employment. I believe that if it is fairly done all will be satisfied that the Government has made a sensible and structured attack on the problem of unemployment.

Mr. SPEAKER: Will you wind up, Sir? Your time has expired.

Hon. D. A. C. SIMMONS: I am going to wind up, Sir. So that this Budget is more than a \$25 million budget. I explained to you just now and I congratulate the Prime Minister once again, Sir, for the excellent work that has been done. I wish the public of Barbados to know that he is held in such high esteem by his colleagues in the region. Shortly, he is going to the Grenadines on the invitation of the Prime Minister of St. Vincent. He is going to St. Lucia tomorrow night on the invitation of the Prime Minister of St. Lucia and soon on the invitation of the Minister of Finance of Jamaica he will be meeting with certain selected Ministers of Finance to develop within the region a foreign exchange regime that will draw on the foreign exchange held by Caribbean nationals in other parts of the world for the development of the region. In 8 short months, the quality of his intellect, the quality of his perspectives for the region and for Barbados have been recognized and saluted throughout the region.

Mr. SPEAKER: Your time has expired.

Hon. D. A. C. SIMMONS: I am sure that Barbadians themselves are satisfied with all that has been produced in the Budget for all Barbadians on Tuesday. I am obliged to you, Sir.

Mr. SPEAKER: I would like to remind the Honourable Members of the House that there is an amendment before the House in addition to the Resolution and the Honourable Member for St. John will now wind up on the amendment.

Mr. D. J. H. THOMPSON: Thank you very much, Mr. Speaker. I want to say how very pleased I was to participate in this debate and particularly to have the honour of being a Member of the House of Assembly and the Leader of the Democratic Labour Party at the time when it celebrates its 40th Anniversary of its founding. This is a very important day for us, apart from the fact that it is the birthday of the Honourable Member for St. Philip South and it is also the birthday of the Democratic Labour Party. So it has symbolic significance and I hope that thousands of Barbadians will reflect on their lives the quality of life they have enjoyed in this country and the development that has taken place in Barbados over those 40 years, a large pan of which the Democratic Labour Party spent in office, that they will reflect

that by and large our contribution has been to the further development of this society, the creation of a middle class, the strengthening of democracy, the building of social institutions, the development of labour legislation. We have been in the forefront of Caribbean integration and the development of CARIFTA and CARICOM, we brought independence to this country, we brought free secondary and tertiary education and we contributed to the infrastructural development in this country in ways unheard of in the history of Barbados. 10.15 p.m.

In a sense it is a tragedy, Sir, that as we celebrate the 40th anniversary of our founding as a party that the debate that is taking place in this Chamber is not so much a debate about those development initiatives, is not a debate that focuses on where the Barbados economy is today, how it achieved 4% growth last year, why under new leadership it is not even going to achieve 1% growth. That is not what the debate is about, Mr. Speaker, the debate has ranged far and wide. It has focussed principally on the level of people's intelligence, and I have no problem with that. Honourable Members are free to cast aspersions or judgments on the respective intelligence of Members of this House.

We have all benefitted from a sound education, we bring different perspectives to bear on issues. Therefore, I do not have to agree if somebody thinks that the Prime Minister is a genius, and he does not have to agree with anybody who says anything in my favour. That is the nature of the kind of debate we are having. When the Honourable Member for St. Michael North rose to speak in this Chamber, he sought to characterise my contribution to the House as a contribution made in ignorance, and since of all the Honourable Members on that side I believe that he is the one most qualified to speak on that subject, I would not at all attempt to question his assessment of me.

I want to make the point very clearly, Mr. Speaker, that this debate is not about levels of intelligence. The public of Barbados has elected each and every one of us in here. The combined and respective support for the two Opposition parties is greater than the support which the electorate gave to the Government. What we have today in Barbados is essentially a minority Government, but that is not a big thing because we have a first-past-the-post system. But that tells us a story about the electorate of Barbados and about their views of the Barbados Labour Party. It told me on September 7 that even though the result meant the Barbados Labour Party was in office, and I accept that verdict and do not wish anybody to feel in any way concerned about the manner in which they vote, unless they come to that sober judgment on their own, it was nevertheless incumbent upon me to recognise that the Opposition combined represents the majority of people in

this country. That puts a great responsibility on us, because our job very often is to protect the minority and I wish to protect the minority of people who supported the Barbados Labour Party from continuing to believe in those promises and in the ability of the Honourable Prime Minister, based on his record of inconsistency, to deliver those promises. That is what this exercise is about

Each Minister of Finance has the right to determine the kind of budget he wishes to deliver and what a budget means to him. It is not a big thing to say that I said eight years ago, at the age of 25 when I first entered this House, that my view of the Budget was one thing. Since then I became a Minister of Finance and I defined for myself what my Budget would be. The Honourable Member for St. Peter alone must take responsibility for the quality of his presentation, the hearts that he touched or failed to touch.

But this debate too was characterised by some levity, Mr. Speaker. It was characterised by the speech of the Honourable Member for St James South. The latter part of her speech I thought was brilliant wit. She said she went into a supermarket and for the sum of \$4.00 she bought a number of items. Mr. Speaker, if I heard any other member of the public say that they went into a supermarket and were able to buy all of those items, while shopping, for \$4.00, I would have to accuse them not of shopping but of shoplifting. I would have to accuse any member of the public who told me that they could buy macaroni, sardines, sugar and biscuits, or a tin of milk for \$1.69 and a tin of corned beef for \$2.99 at its lowest price, which comes to \$4.68, that person could only be shoplifting, not shopping.

Let us be frank. Let us not make pensioners believe that in 1990 when the Democratic Labour Party gave them \$8.00 in increase, that that was any big achievement. They deserved it as they deserve every single cent of the taxpayers' money which we are now able to contribute to their well-being. I regret very much that between 1990 and 1995 we were unable to give them an increase, but when I look at the record of the Democratic Labour Party, this 40-year old party, and I look at the kinds of increases which we have given pensioners over three decades ago we were giving pension increases larger than the increases which the Barbados Labour Party has given throughout the fifties. The Labour Party itself made pledges to give increases higher than \$4.00. Here we are tonight in a state of excitement and ecstasy as we give pensioners a \$4.00 increase in their pensions.

Mr. Speaker, it is depressing but it is also sickening and I do not think that Barbadian young people should feel that they must jump up in glee and thank themselves or anybody else for voting for a Government that when it

gives pensions \$4.00 in increase can spend half an hour in every speech, speech after speech, congratulating itself for doing so.

There is a level of political morality which needs to be restored in this country, and I am saying it needs to be restored now. In the course of the presentation by the Honourable Member for St. Joseph he sought to contradict me on some comments that I made about the National Housing Corporation selecting contractors to complete houses and to construct new houses. I was not speaking based on any flimsy information or secret information, a story was carried in the Nation newspaper on April 17. I am not going to quote from it, because I am not allowed to. The headline was Housing Restart and the Manager of the National Housing Corporation identified five contractors who the Housing Corporation had selected to construct two-bedroom units which will be sold for between \$60 000 and \$76 000 with the land costing an additional \$20 000. Mr. Speaker, they were not selected by a tender system. And Honourable Members say to me: "Well, that happened before at West Terrace," but that happened before the edict which the Minister of Finance issued in this House about the levels of accountability which he as the new Minister of Finance would be insisting on in this country from now on.

Hon. G. W. PAYNE: On a point of order, Mr. Speaker. The Honourable Member is misleading the House. The houses at Cane Garden are not being built by the National Housing Corporation, it is the land that is being sold. The agreement for the sale of the land will be done between the Corporation and the purchaser. The purchaser will enter into a separate agreement with the builder. It has absolutely nothing to do with the National Housing Corporation. 10.25 p.m.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I want to say that anybody who has an idea, and I am an Attorney-at-law of some standing in this country who worked for a contractor many years ago who built houses at West Terrace and who was chosen by a previous Barbados Labour Party Administration to build them. The land belongs to the NHC or the Government of Barbados. The NHC then selects persons and sends them down to the contractors. The NHC also selects the contractors. I am saying, and nobody can contradict me, that the National Housing Corporation of Barbados, a statutory corporation under the control and direction of the Minister of Housing who just spoke selected 5 construction companies to complete those houses or to construct 96 new houses.

Hon. G. W. PAYNE: The point that the Honourable Member made. I never said NHC built them or was

building them. The tender system. The National Housing Corporation has no say in the selection when the purchaser has agreed as to who the builder is. The National Housing Corporation can allocate. There will be 2 agreements, an agreement between the corporation and the purchaser with respect to the land or the unfinished building and a separate agreement between the builder and the purchaser. It is as simple as that.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, the only point I am making is that the NHC has selected contractors. On what basis were they selected? Was a tender system put in place, even in the absence of rules governing the NHC? It is a government corporation, the Honourable Minister of Finance says he expects a level of accountability and transparency in this country. On what basis were they chosen?

Mr. Speaker, Sir, this is not a small matter and none of them over there can deny that the NHC had selected the contractors. I propose to ask a Parliamentary Question because I wish to know the basis on which they were selected. I would like to have the answers to the question I asked previously and if the Honourable Minister is saying that what I said is untrue he should pay attention to what the Manager of the National Housing Corporation said to the public of Barbados on April 17 and take further action in the matter if necessary.

I want to go on to make this point, Mr. Speaker, Sir. I quoted from the Economic Report on the position in relation to the international financial and business services and the Honourable Members over there sought to contradict me. I am going to read the entire quotation on page 28. They are not going to sidetrack me with tables, Mr. Speaker. This is what it said. I am quoting. I am not going to add a single word:

"Six offshore banks were licenced during the year [that's 1994] bringing the total to 25, while 315 International Business Companies received their licences compared with 372 in the previous year, a decline of 18 per cent."

The Economic Report goes on to explain the decline.

"This decline can be attributed to uncertainty over the final content of the Canadian tax reform legislation."

Mr. Speaker, Sir, if... I'll go on:

"The number of companies licenced as Foreign Sales Corporations [not IDCs] increased during the year to 247, compared with 177 for 1993..."

It goes on to say that the revenue... There is a difference between Foreign Sales Corporations and IDCs. I said IDCs declined not Foreign Sales Corporations.

I have to go on to make this point The revenues from the licensing of International Business Companies in Barbados have increased substantially but there is a reason for that and I am only saying to the Prime Minister that he has to take time to understand these things and not jump up seeking to contradict people when he does not understand the facts.

I want to go on to say, Mr. Speaker, that when you go to the issue of the \$3 500 home allowance the Honourable Member for the City sought to contradict me on that. The only point I would make is a very simple one. If you segregate the house repairs allowance from the mortgage allowance the likelihood of stimulating construction will be greater because for most persons who have mortgage over their houses the interest payments will come to \$3 500 and therefore there is no incentive to carry out the house repairs. That is the only point I am making.

Mr. Speaker, Sir, the Honourable Member is supposed to have experience in tax matters. He only has to say whether he agrees or disagrees. I am not forcing anything down his throat. I am saying that as it stands this is not an incentive to create a single job because the majority of people are going to be claiming the full mortgage interest allowance and nothing more.

The other point is the Public Enterprise Investment Fund. I have had a chance to pay a little closer attention to this matter and the Accounts and Statements of the Auditor General to the end of February put the funds in that Fund at just above \$19.7 million but the Honourable Member for St. Peter in his Estimates has financing of \$26 million from the Public Enterprise Investment Fund and I believe this House is entitled to know what assets he is going to be selling during the course of this fiscal year or what proceeds from the sale of which assets already sold is going to make up the difference between the \$19 million and the \$26 million. We need to know that.

I want to go on to the question of the mini-buses. The Honourable Member for St Andrew waxed warm about that and because I said Honourable Member for St. Andrew he took it as a personal slur. I do not sling slurs. Mr. Speaker, Sir, the Honourable Member for St. Andrew is a Minister of Government. He is accountable to the people and anytime I am dealing with the Honourable Member's Ministry I am entitled to identify him as the policy-maker who has made the wrong policy.

I am saying that when I was a young man I came in this House and I never thought the day would come when

I would quote something that I heard a former Prime Minister under the Barbados Labour Party saying as something that made sense. I came in this House in the days when the gallery was where you are sitting now, Mr. Speaker, and heard the then Prime Minister, Tom Adams, say that the Barbados Labour Party's concept of a mini-bus permit was that it was property like land, that you would pass on in a Will, that you could lease to people, that you should sell and that you should use it as an asset

That did not make its way into the Road Traffic Act so I was surprised when today in this debate that the impression was being given that there seemed to be something wrong with small people and others who have mini-bus permits, ZR permits and licences taking those licences and selling them.

In other words, the fact that you have a licence means you must operate a mini-bus but that is not the concept of owning a licence. A person is entitled to lease an asset or sell it or get the highest rate of return. It is not only the people on Broad Street that should get high rates of return from their asset. Small people that own those permits are entitled to trade them to the highest bidder. It is for the Government to regulate the system of transport in this country. It is for the Government to ensure that there is order and discipline.

I want to say, Mr. Speaker, Sir, that the Honourable Member for St. Andrew's position on many issues have been inconsistent. I heard him today and I have no basis on which to accept what has been said in relation to that issue of the mini-bus permits but that matter apparently is going both to the Courts of Barbados and it is going to be dealt with by a Commission of Enquiry. At that point, it will be fully ventilated. So nobody has to get hot under the collar. The truth will come out very clearly in due course.

I want to go on to deal with the issue of education. I have read the documents from which the Minister quoted. I have no problem with what she quoted except she was selective. Mr. Speaker, when this matter in relation to the cost recovery in education was dealt with it said the adoption of a cost recovery programme at the post secondary level is based on the principle that beneficiaries should assume more responsibility for the cost of their education. It went on to say that the Government said it is strongly committed to it and it went on to say the PDP calls for the introduction of tuition fees which will...

Asides.

Mr. D. J. H. THOMPSON: Only the Government of Barbados has that authority. The Government of Barbados has authority and jurisdiction to determine cost recovery.

That is very important. Do you know why that is important, Mr. Speaker? Because when you turn over the page what is said is that to ensure the success of the cost recovery programme the Government proposes to carry out analytical work including the design of alternative financing mechanisms, that is, loans, grants scheme and to generate a broad-based consensus among the general population prior to launching the programme in 1996-97.

It also goes on to say very clearly, Mr. Speaker, that upon return to Barbados the delegation - which was not the Cabinet - will request that the Director of Finance and Planning send the Bank a telex not later than May 21, confirming the Government's agreement.

Now Mr. Speaker, Sir, hopefully that document confirming the Government's agreement will be laid in this House so that we can see exactly what the Government agreed to, if it agreed to anything. 10.35 p.m.

Mr. Speaker, I want to say this. Not one single student at any post secondary institution in this country has ever had to pay a single cent *for* education at the Community College, at the Samuel Jackman Prescod Polytechnic or at the University of the West Indies. That is the legacy of the Democratic Labour Party, that despite all that the Barbados Labour Party has said, not one single pensioner was debarred from travelling on a bus free under the Democratic Labour Party, not one single University student ever paid a cent, not one single student at the Community College ever paid a cent, not one single student at the Samuel Jackman Prescod Polytechnic ever paid a cent. If you think we were wrong to discuss something with the World Bank, terminate it. Feel free to do that

Mr. Speaker, I want to say this. The Barbados Labour Party has a fixation with things that we agreed with so they bring the IADB in to say you agree so we are bound by that. I am saying that wherever possible whatever I can do as the former Minister of Finance to extricate you from anything you wish to be extricated from, whatever I can do, just call me because if you have an alternative path the people should be entitled to have the freedom to let you pursue that alternative path and I will assist you in that particular process. I have no problem with it, Sir.

I want to make the point, Mr. Speaker, that there is no need for the Honourable Member for St. Thomas to tell us about the stature of the Prime Minister of Barbados. This country carries such weight internationally because of the achievements of its people, that whoever is the Prime Minister of this country carries with him a certain standard and reputation which is significant. I am very happy for the Honourable Member for St. Peter. He is a graduate of the

University of the West Indies like I am and if you want me to say nice things to him because apparently you have a fixation with that, I wish the Honourable Member for St. Peter all the best when he travels outside of Barbados.

The only thing I will say to him is that he better spend a little bit more time at home because since he is not carrying the jobless with him outside to give them jobs elsewhere, and since they are not getting jobs here in Barbados, my view is that they should ground him in Barbados and let him work assiduously on that programme so that 10 years from now, just like the mason which the Honourable Member for St. Philip South talked about who could show you a house he built, just like the electrician could show you a house he wired up, just like the well-digger[^] could show you a well that he dug, the Honourable Member for St. Peter at least in 10 years, having been 30 years as an economist could show you what his economic policies, crafted by his brilliant mind and his genius, have been able to achieve in bringing 30 000 young Barbadians back into the economic mainstream in this country.

The legacy which we left to him was not a legacy of decline. It was a legacy of growth and the Honourable Member has taken that legacy and turned it around and has not even had the political decency, Mr. Speaker, to come in this House and make available to the public of Barbados the full facts and figures about the nature of the decline in the first quarter of 1995, unheard of in a Budget debate. I think that is testimony, not to the genius but it is testimony to a fundamental weakness which needs to be early exposed.

The Honourable Member for St Peter must not just talk about accountability, he must not just talk about participatory democracy, he must bring those things into reality. That is why under his watch it must not be the lot of Barbadians who invest in credit unions that the Credit Union Movement collapses. He must try to do something quickly to ensure that the scenario which exists in the Credit Union Movement is obliterated. We need to have policies which target groups like that, the savings of small people in Barbados and ensure that the institutions that they build are well supported by Government, are well regulated by Government, and that they feel confident about their own institutions.

I would like to see the day in my lifetime when we can say "Thank you very much" to those international banks who have been here. You have done a wonderful job but our people have now found the means by which to save their own money, by which to make the kind of choices about their investments, that the names of the people emblazoned on Broad Street are not people that you and I do not know but people who have some symbiotic

relationship with us because of the way in which they either grew up, the background that they have experienced in life, and their aspirations. That is the kind of thing which the Democratic Labour Party must now do.

We are interested in developing people, Mr. Speaker. Even though we have been through a very difficult period in this country, a period in which the Democratic Labour Party had to take difficult decisions which impacted on people, our aim nevertheless coming out of the economic crisis is to focus on those who are marginalised, to focus on the poor, to focus on the elderly, to focus on those small indigenous businessmen, not obliterate them while extending the hand and compliments of the season to the class which over the years has accumulated the debt.

As I said, I have no problem with the debt relief. The only thing I am asking the Minister for is transparency. Publish for the public the names of the companies which are getting that debt relief because that is a very serious matter. There is an element in Barbados who believe that every 10 years or so, or 15 years new Governments are going to come in and give them debt relief. Well, I can say this to them. I will agree to this kind of debt relief now but I assume that they are going to make their payments current, that they are not going to high-jack the contributions of workers to the National Insurance Corporation, the Severance Payments Corporation and that they are going to do what they are morally obligated to do in respect of the persons under their charge. That is what we expect, those kinds of standards.

The Honourable Member for St. Peter is entitled to extend the hand of friendship to them as we would in relation to that debt relief because we believe that if it is done correctly it can reverse the cycle of decline in that sector, refurbish the properties and employ people but the public of Barbados must know all the facts, not just the terms of the debt relief because I do not want it ever to be said that I agreed to something with a blindfold over my eyes, Mr. Speaker. I want my own arrangements to be transparent too. I fear nothing which anybody over there can say about my watch as Minister of Finance in this country. The files are clear and secreted nothing out of the Ministry of Finance except my two hands swinging at my side. I drove away my own car.

Mr. Speaker, the Honourable Member for the City was right I was fired as Minister of Finance on September 6. I was fired, if you want me to say it and acknowledge it It does not take an act of humility. The people said we do not want you anymore and I accept that. That verdict was given. They have given me a new role and I am not going to cringe, lie prostrate in this Chamber and act as if somebody has walked over me and is kicking

me around all over this country. The talent which I bring and which the other seven members of this party bring to this party, and to this country, and to this Government is going to be used for the furtherance of the interest which the Democratic Labour Party feels needs to be promoted and we are going to bring all of the talents which we have to bear.

I heard the Honourable Member for St. Michael South East talking about cultural development, youth and his community. Do you know that while he was talking, Mr. Speaker, the NHC was posting 36 eviction notices on the people who live in the Pine in St. Michael? While he was talking about the development of his community 36 eviction notices were being hammered into the doors of poor people living at Pinelands, the Pine and in St. Michael South East That is something that we have to speak out against 10.45 p.m.

I do not encourage anybody not to pay rent, but if you are giving debt relief to the big boys, take a look at them too. That is what I am saying. Do not mix it up, everybody must pay their fair share, in this country. But if the hoteliers are getting debt relief, then we need to look for debt relief which is going to impact on those who are least able to pay. You cannot have a Budget taking place on Tuesday and all kinds of people get debt relief, interest forgiveness and everything and Thursday morning, 36 households, in the Pine, in St Michael have Eviction Notices, on the door. You talk about a Government that cares, you talk about poor, black people and your interest and concern for them? Mr. Speaker, Sir, these are very trying times. That is why we are required to bring our full skills to bear on this context Because the Honourable Member for St Peter has turned his back on his own mandate, has been inconsistent, has abandoned his Manifesto, has abandoned the class from which he came, has abandoned the background and all of those people who, during his life, have impacted most on him and has allowed other people, in my view, in and outside of the Barbados Labour Party to manipulate him into taking actions which are not in the best interest of this country. That is something, that as I say, as a political party, it is our duty to ensure that it does not happen.

Mr. Speaker, Sir, the Honourable Member for St Peter must look at those 14 goals which I set for myself. Those 14 goals should guide him, as useful economic precepts to pursue. If he wishes to achieve 4% growth in this economy, if he wishes to create 6 000 net new jobs, if he wishes to do all of the other things that he promised he would do, he has to focus on those goals. He has to focus on the legacy of the Democratic Labour Party, how it achieved that legacy. He has to focus on those who are most marginalized. He has to focus on the social sectors.

But he understands, as I do, that we have to build the economic sectors first but that they must grow hand in hand.

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

Mr. D. J. H. THOMPSON: Thank you very much, Mr. Speaker, Sir. I am not going to go on that trajectory any more.

I want to move on to say as I said, in the beginning, that if I could have forecast future events, I would not have expected that in April 1995 that I would have been standing here. But this is what the people of Barbados have given to us and we are going to do it, to the best of our ability and with sincerity.

Mr. Speaker, Sir, as I said... And the television had to be curtailed, at that point. The Honourable Member for St. Peter walked all over. There were ads in the paper castigating me personally all through the election campaign. I took it in my stride. Editorials still castigate me every day personally and otherwise. They accuse me of lies and all kinds of other things. I do not bother to challenge them. My time in relation to that will come. I do not need to prove myself to those kinds of people. But the Honourable Member for St. Peter made the point that, were I elected, that I would not be the Prime Minister. If there were any doubt that the Honourable Member fen* St. Michael South were waiting in the wings to reclaim his mandate...

Mr. SPEAKER: Please wind up.

Mr. D. J. H. THOMPSON: I am winding up, Sir. Thank you very much. But he was forecasting his own fate. The real point is that if we are not sure about this Budget, if there are divergent views, there is one thing on which the people of Barbados are not divergent on, including Honourable Members who see me downstairs just like you accused somebody of seeing you downstairs, I am talking to you, they all believe that the Honourable Member for St Peter is not the Prime Minister of Barbados.

Thank you very much, Mr. Speaker.

Mr. SPEAKER: The Honourable Prime Minister.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, I rise to wind up this debate with dispassion, with a sense of history, with a sense of responsibility to this Parliament, with a sense of responsibility to this generation and to generations yet unborn.

This is my first Budget and it has been an honour for a person like me, from my background, to be able to come

in this Parliament, as a Prime Minister of this country, despite the slurs of the Member for St John, as to who is the Prime Minister of Barbados, Sir, and to present a Budget to this Parliament

I want to begin by thanking the public, who have, in large measure, in calls by written word, expressed their appreciation for the thrust, the philosophy, the direction embodied whether implicitly or explicitly in the policies that have been adumbrated by this Administration that I have an honour to lead. I want to let them know that I am not perfect. My advisers are not perfect and, in every instance in which it had been brought to our attention, that there are matters that still require other clarification or further discussion by this Administration that I have the honour to lead that I can endeavour to do what I did before the Budget That is, continue the process of consultation to ensure that the intentions of this Government to build a strong Barbados are honoured in practice and in deed.

I want to thank all of the public servants who have helped. All of the interest groups who have contributed and I also, particularly, want to thank all the members of this Barbados Labour Party team. I want to thank the Members of the Frontbench who have been outstanding in this debate in articulating, without passion, without fury, the ignorant fury as well as I would demonstrate, but calmly in support of this Budget throughout its entire process. I want to thank the Backbench as well. I really must make the point that I want to thank the entire Barbados Labour Party because, you know, Sir, before the election campaign, it was alleged by the Douglas Leopold Phillips column that the Member for St' John writes almost every week, that I would have led the Barbados Labour Party, in the election but that I would never become the Prime Minister of Barbados. The Member for St John was writing that foolishness every week that he seems to perpetuate again today.

I want to thank every member of this Barbados Labour Party, Sir, including those whom the Member for St John would want to cause the public to feel have a grievance for this Party. I want to call names as well, since it is important to do so. The Honourable Member for St George South who spoke with such sterling qualities in this Budget and the Member for St Andrew and to say, Sir, that the whole Government is behind this Budget It is a reflection of the collective wisdom of the Barbados Labour Party.

Therefore, Sir, let me, as I begin my conclusion, dispassionately, I am not going to raise my voice in this exercise, just say, how very disappointed I am by the performance from the other side. I will deal first with the minority Opposition. Barbadian politicians enjoy the infamy of being corned beef and biscuits politicians. He has now made it official by making a tin of corned beef a document

of this House. It was possibly a residue of the NDP campaign. But I believe that, in circumstances, where I have pleaded with this House, that the public wants us to take the circus atmosphere out of the discussion of public finance that in circumstances where we have given a \$10.5 million increase to the pensioners of this country, where there had been no increase for the last 5 years, and we are pushing the envelope of viability of the NIS to the limit to afford that, that it is sickening to hear the question of pensions in this country discussed in terms of corned beef and biscuits politics. I am ashamed of them because I expected better.

I do not, sadly to say, Sir, expect better from the Member for St. John. I would have to deal with him very systematically. He has, as far as I am concerned, saddled the Democratic Labour Party with a major political liability. He has cost them an election victory, because he shrouded from his view, the real legacy of the DLP, as I understand it. He was more concerned with telling them about secret deals with the IMF rather than telling them, as the Member for St Michael South who is not here significantly this afternoon, but who told me "Well done, young man." He was more interested in secret deals than dealing with the legacy before the 6th September. I must say that I have regretted the tone, the temper and the temperance of both his contributions which I do feel that contributed, very substantially, to the devaluation of public and political life in this country.

I want to begin by saying that when I review the course of economic events, over the course of the last few years, I am driven to an even greater belief in the view that one swallow does not a song make. This economy declined by more than 12% between 1990 and 1993. But then it grew by 4% in 1994 driven, as the Central Bank tells us, by an extraordinary performance in the British market, driven by 51 000 tonnes of sugar output. Are they now to be told that a 4% growth in 1994 coming after a 10% decline in the previous 3 years is a wonderful legacy? And if, Sir, and I want to stress this point, in the last 3 months of the DLP Administration our reserves fell by more than \$50 million, and if the Member for St. John wishes to deny it he can deny it. I am waiting to hear him deny it. As if, Sir, he was receiving advice then as to what were the implications of that decline, as if there was not the case there was a lot of unfinished business to be dealt with including his leaving the BNB with \$210 million of bonds at 4% when they were borrowing at 7% presumed to be a solution to the sugar industry problem and on the other side the Barbados Agricultural Credit Trust holding so-called collateral in institutions that they did not own. 10.55 p.m.

He left behind, Mr. Speaker, a large number of institutions in manufacturing, agriculture, tourism straining

to keep their workers employed, unable to pay their arrears at institutions of Government, running from the bailiffs of this country, but we are to be told that a 4% growth in 1994 coming after a 10% decline is such a wonderful legacy. I want, Sir, to systematically spell it out and without dispassion (deal with a lot of the ignorant foolishness that has crept into this debate. I will deal with it vary systematically. I do not have to curse him but systematically deal with it because when he comes to this House as a shadow Minister of Finance and tells the people of Barbados he is not interested in economic and financial matters, not interested in any deficits, not interested in any reserves. What is he telling the young people of this country who believe that they have been educated to be able to show expertise and if a man wants to be a Minister of Finance and a shadow Minister of Finance he cannot say he has no interest in economic and financial matters. For too long the Member for St John has gotten away by looking like somebody else and inheriting the constituency of somebody else and inheriting somebody else's law practice but he has been exposed for the charlatan that he is.

Mr. SPEAKER: Honourable Member, let us keep the level of the debate.

Hon. O. S. ARTHUR: I will deal first with the question of the duty free sector. We have imposed a 5% levy on goods imported by the duty free sector. Now, the Member for St. John comes to Parliament and tells the whole of Barbados this wicked Barbados Labour Party Government is doing something that is unknown in the Caribbean. In fact, Sir, I will read his words. I do not want to misrepresent him, Sir. He says: "Let us go to the duty free sector. The concept of the duty free sector as we once knew it in Barbados has been abolished by the Minister of Finance yesterday." And then he goes on, Sir "Anybody who leaves Barbados going out promoting a duty free sector should be charged with the economic tort of misrepresentation". And then he says, Sir: "We are in terrific competition with other CARICOM destinations which have thriving duty free sectors in place and we leave the public to draw the implication that what we are doing in Barbados, Sir, is not known in other duty free sectors in the region and that we are committing ourselves to say that we must push the foreign exchange sectors of the society, including duty free sectors, but doing something that is unfair and wrong.

Now, Sir, you may remember that there was something called the Foreign Exchange Committee. It was under this Foreign Exchange Committee that a Casino Gambling Sub Committee or task force was established and of course the Member for St. John who established that task force said he did not see its report so it might well be to the point that he did not also see the report of

the Foreign Exchange Committee that dealt with duty free shopping.

Now, Mr. Speaker, Sir, on the first issue, in other Caribbean countries it is recognised that to the extent that citizens of a country will go and make purchases in the Duty Free Sector, a charge should be imposed on the duty free sector to compensate for the loss of Government revenues. The report that was presented to the previous Government from the Committee, headed by a Mr. Geoffrey Cave and including a Mr. Frank DaSilva, pointed to the fact that in the case of St. Maarten and other Caribbean destinations there was a 4.5% charge, not on goods at point of entry but a 4.5% charge on the gross sales of goods sold in their duty free sector to compensate for the fact that there was a loss of revenue because private citizens of the country could go to the duty free centre and buy goods duty free that they should pay tax on at home. And that foreign exchange committee, Sir, made recommendation to the Democratic Labour Party Government that as a result of that fact, Mr. Speaker, that the same thing was likely to happen to Barbados and we should have put a 4% tax on gross sales.

Now, Sir, the DLP did nothing whatsoever and we now have a situation where there is a section of the Barbadian public which is now buying goods duty free through the duty free sector and the broad mass of the poor people in Barbados are buying goods and having to buy it at the rate, the punitive and penal rate charged by the DLP administration. Mr. Speaker, what have I done? I have not gone as is the case with St Maarten and charged a 4.5% rate on the cost of gross sales because gross sales as you know, Sir, include the cost of the imports plus the cost of doing business, plus the people's margins. I am saying all I want is 5% of the cost of the goods at the point of entry to compensate the Treasury for the fact that people in Barbados are buying goods on the duty free sector and that in other Caribbean countries the practice is that to compensate for the fact that people will do so the Treasury should be compensated. So I have put Barbados, Sir, still in a better competitive position than all of the other Caribbean countries which have a levy on the gross sales of the duty free sector. I am not charging on the gross sales of the goods at the point of entry. I am not charging them on their rents or their interest at the bank. Sir, I am not charging them on the profit margin, give me just 5% of goods at the point of entry. And we heard the most lurid and wicked - ludicrous - misrepresentation of what we are seeking to do.

More to the point, Sir, that measure was recommended, not by Government officials, but by people who were themselves involved in the duty free business, as the appropriate measure to follow. So this nonsense about I am trying to destroy the duty free sector and we do not have a duty free sector that is similar to those in

CARICOM is nonsense and should be known as such by a man, who if he was a proper Minister of Finance should have at least read this report which I now have, Sir, the privilege to make a document of the House. And if he has not read it as he did not read the Casino Gambling Report, Sir, I beg him now to read it for the first time.

Mr. Speaker, Sir, I want to deal with the question of interest rates. 11.05p.m.

Sir, I would like to beg Honourable Members on my side to read a publication by Ms. Muriel Saunders and Ms. Denise Wood that chronicles Central Bank's policies since the late 1970's. I feel that if you come to public life at least understand what is happening in this country. I do not hold, Sir, any hope that the Member for St John will read it because he has, as I said, no interest whatsoever in matters of this kind. But it has to be said in this House, Sir, that measures to control credit are important to the management of the Barbados economy. Because the amount of credit that we create in this country add to the amount of purchasing power in the economy and the amount of purchasing power affects the level of imports and the level of reserves. That is the economic lesson, Sir, in a sentence.

So hitherto, Sir, there was a large number of measures designed to regulate the level of credit in Barbados. Among them were selective credit controls whereby a Minister of Finance will say or the Central Bank will say that the banking system should lend only "X" amount to the distributive sector and "X" amount to tourism or whatever else. The Central Bank also has a wide range of instruments to use if there was a credit crunch or if there is excess credit in the society. But, Sir, what has happened? Come 1991 the Democratic Labour Party Administration entered into an arrangement with the International Monetary Fund and one of the policies that was introduced then, Mr. Speaker, was a thing called "financial liberalization", that the Central Bank of this country was systematically stripped month after month - This is what they gave me to take in, Sir. - of every instrument that they could have used other than interest rates to influence the condition of credit in this country. That is what the DLP agreed to. That is what the Member for St John as a Member of Cabinet agreed to. So in the past the Central Bank, Sir, could have used selective credit controls to say where the credit should have been going. It could have changed, Mr. Speaker, the average lending rate and things of the kind. But they stripped the Central Bank of every instrument of monetary control and left it with one instrument changing only the minimum deposit rate.

Sir, the Central Bank of Barbados today is not in the same position as the Central Bank in 1981. It has one

instrument only by which it can relax the credit conditions in Barbados. If there is a credit squeeze, the only instrument that it can use is changing the minimum deposit rate. If there is an abundance of credit, Sir, it can change that and it can also, Mr. Speaker, adjust the rate at which it lends to the banking system, and in that case the banking system has to borrow from the Central Bank.

Now, Sir, I was careful in my Budget analysis to point out that there were two conditions existing in Barbados in 1994. The first half of the year there was a credit abundance and the Central Bank therefore dropped the minimum saving rate. In the second half of the year, Sir, there was a credit squeeze and whereas the Central Bank could have used selective credit controls or whatever else, it was left with one instrument and one instrument only. I cannot therefore take it, Mr. Speaker, from those persons who have emasculated the Central Bank of Barbados of any other instrument of monetary control either than a minimum savings rate to come to this House and now criticizing anybody and being put in the position of having to change the minimum savings rate as the only way to influence credit conditions in Barbados. Sir, the IMF has prepared a paper on Barbados submitted on March 17, 1995 and I will give it to the Member for St. John. It said this, Sir, and this is not my view: "In late 1994, the Central Bank tightened credit policy in a belated response to a rapid increase in bank credit to the private sector in the preceding months that had been financed by a reduction in banks holding of Government paper and has resulted from August 1994 in a larger than programme decline in international reserves".

Now, Sir, from August one is left, Mr. Speaker, and I have not yet inquired, to ask the question: What advice was being rendered to the Member for St. John all during the election campaign about the credit conditions existing in Barbados? We know, Sir, that he was busy helping to adjust Cabinet Papers to allow people to get kola syrup at exorbitant prices in this country. But I want to ask him what advice was rendered to the Member for St. John about what you should have done in those months leading up to the election when our reserves under your stewardship was falling by more than \$50 million at a rate that was more than programmed from \$405 million in June to \$353 million. What advice were you being rendered and why does the IMF now has to say that a belated effort had to be made to use the only instrument available to the Central Bank to deal with a credit problem identified as far back as August? Were you too busy the Member for St. John in distributing the contract for kola syrup to deal with the macro-economic problems of this country leading us in a legacy where the reserves of Barbados were falling at a rate that was greater than programme? I want to say this, Sir. The public has to understand that a Minister of Finance and the Central Bank is not in the same position as it was

in 1981. That is why the Member for St. Michael South Central is talking total nonsense. In 1981, we had a range of ways in which we could control credit, higher purchase arrangements and so on. We do not have that now. We have one and the public has to understand that unless we all collectively agree that we are going to reintroduce selective credit controls, so that if there is a credit squeeze in the future we will have to tighten interest rates and drop interest rates. That is where we are in Barbados now, thanks to the policies of the Democratic Labour Party.

But, Sir, I just cannot leave the Member for St. Michael South Central. He came into office in 1986, and he has fled the Chamber, Sir, because he knows what I want to say, saying that the Barbados Labour Party had interest rates too high and that he was going to drop interest rates. What did he do, Sir? He came in and found that the average lending rate by the Barbados Labour Party in 1986 at which the banks made loans available to the public was set at 9.5 per cent and the minimum rate at which the banks borrowed from the public by way of interest on savings was 4 per cent. He told the public that we had interest rates that were too high. What did he do, Sir? He kept the same rate for the banks to lend to the public but he dropped the rate at which the banks could borrow from the public from 4 per cent to 3 per cent increasing therefore the spread available to the banks on savings from the public and the amount of money borrowed to the bank. He did not drop interest rates in this country, Sir, at all. As for those who want to allege that the interest rates are too high... 11.15p.m.

Dr. R. C. HAYNES: On a point of order, Mr. Speaker. The Honourable Member is misleading this Honourable House. In the first instance, I have never intervened in the monetary policy being pursued by the Central Bank of Barbados. That is the first point I want to make.

The second point is that he has forgotten that the interest rates were in fact reduced by my predecessor in office in his Budget in March of that year, without reducing the minimum savings rates, and the Central Bank approached me and pointed out to me that there was at least one financial institution in Barbados for which a problem was being created because of its special position, having only recently received a licence to operate in Barbados, and indicated to me that for the time being they would reduce the savings rate. That is a Central Bank position. Let us get that straight.

Mr. SPEAKER: Your point has been made.

Hon. O. S. ARTHUR: Mr. Speaker, it was part of a package with other measures that were designed by the

Member for St. Michael South Central to allow Mobil to get 15% after tax rate of profit in this country and to let people claim unlimited mortgage interest in this very Barbados, to pass on money from poor people to rich people in Barbados. That is what it was about

The point I was coming to is this question: Is the minimum savings rate too high in Barbados? You can only answer that by reference to the historical record. In 1978 the minimum savings rate that is now at 5% was at 8%; in 1981 it was at 7%; in 1990 it was at 5.5%; in 1991 it was at 7%; in 1992 it was at 6%; in 1993 it was at 5%. Throughout the entire history of the financial system of Barbados, from the time we have had the opportunity to be able to set interest rates, you have had rates of interest that were higher than 5%, but the 5% represents something that represents more than the average. Therefore, when I heard the charge that we have these high interest rate regimes in Barbados, it is not borne out by reference to the historical facts. A 5% interest rate in Barbados is lower than that which has prevailed generally over the course of the last three years. It is lower than that which has prevailed generally in the 80s.

I am not on to a high interest rate regime, I am bound only by the consideration that since the Central Bank, under the DLP administration, had stripped itself of all other measures of monetary and financial management, the only thing you can do now, if it is a credit squeeze, is to change the minimum savings rate. That is the reality, and the people of Barbados should be told so by the Member for St. John, who was part of the exercise, rather than the fraudulence that we are involved in some activity that is contrary to good sense, contrary to policy and is something we have a discretion over.

I want to deal with the question of the Central Bank, because it is a matter that has been drawn into this debate in a very sad way, and I want to speak to it I want to say, Mr. Speaker, that as a professional economist I have enjoyed working with the Central Bank over the course of the last seven months. The Member for St. John said that he had nothing to do with them, I have had something to do with them. Sir, I would like this Chronicle of Central Bank Policy by Saunders and Wood to be made a document of the House. People should read it to see what it used to be and what it now is.

The records of the Central Bank will show that on November 17, I wrote them saying as Minister of Finance I would like you as a Board to investigate the possibility of liberalising the exchange regime of this country and to allow Barbadians to hold foreign exchange accounts. When I became the Prime Minister and Minister of Finance of this country, I determined that to set standards for financial stability there were two institutions I would not trifle with.

I have retained the same Board of the Central Bank that was there before the change of Government in 1994, because I feel that when a person becomes a Director of the Central Bank it should be the appearance that their appointment is on the basis of what they have to contribute as a Director and is not a political appointment.

In 1986 the DLP swept all of them out of office. I feel that is not the way to deal with it in the case of that institution. I have retained every Director of the Central Bank that was in place before the election of 1994. In the case of the NIS, I have made only three adjustments. I have appointed the Member for Christ Church West as the Chairman, because he has in this House consistently impressed me of his understanding of social security matters. I have retained at the NIS the Deputy Chairman, appointed by the Democratic Labour Party, and I have appointed an actuary of known repute to strengthen the Board, but I have left the rest of the Board intact

I have not set out to politicise the Central Bank, I have retained the DLP Central Bank Board and I have enjoyed working with the staff of the Central Bank. The Central Bank records will show you that on the 17th November, 1994, I wrote the Central Bank asking for a paper that would get the Board to deal with the question of liberalising exchange control and deal with the question of Barbadians being able to hold foreign exchange accounts. That paper was prepared, it went to the Board, I accepted the recommendations, they were made public, Sir, thank you very much.

Mr. Speaker, earlier in the year I wrote the Central Bank saying I would be glad to get its views on the depreciation of the U.S. dollar on our balance of payments in Barbados. I would like Members of Parliament to read this, there is nothing secret about it. They sent me back their views on how they saw the appreciation of the Yen and the depreciation of our dollar affecting this economy. There are people in the Central Bank who do not feel that there should be a VAT and I wrote them for their views on the response of indirect taxes. Their views are here and Members of Parliament should read them. There is no secret about it. I also wrote them for their views on the trends in tourism as it is likely to affect the macro economy.

I have had a strong professional relationship with the Central Bank based upon the precept that in all kinds of societies stability can be ensured by institutions like the Central Bank retaining the directorate.

Sir, early in March, I wrote the Central Bank asking them to submit proposals for the Budget. I am not saying they have not submitted any, but I have checked the Ministry of Finance carefully and I have not seen them.

On the Friday before the Budget I called the Central Bank saying I would wish to meet with them to discuss what I propose to have in the Budget and to discuss the country's economic prospects in general terms, and asking if we could meet on the Wednesday evening. They came on the Wednesday evening and it was on that occasion that I first heard, I saw a Press Release and an economic outlook, including measures that the Member for St John that were already in his possession and from which he quoted. What is serious about it is that the Central Bank gave us a Press Release earlier this year, less than three months ago, where they were telling the Minister of Finance to proceed to plan the development of this country on the presumption that there will be a 2% economic growth in Barbados. But on the Wednesday evening before I was going to prepare a Budget to present to this country to get this from the Central Bank - a Press Release at the end of our meeting - saying that "we are prepared to have a Press Conference tomorrow saying that output development would not be 2 per cent but 1 percent" 11.25p.m.

Now, Sir, hear me very carefully. I am not into a witch hunt. I want to see Barbadians employed. But I believe that my relationship with people must be a professional relationship and I do not expect that if the Central Bank was telling me 3 months ago that the rate of growth was likely to be 2% that it would now come by way of a press release days before a Budget without discussing the implications of it with the Minister of Finance and say it is dropping to 1 per cent. I say that for two reasons, Sir.

The Central Bank record in forecasting growth has to be discussed sensibly. There is a Statistics Act, Chapter 192 of the Laws of Barbados that entrust the responsibility for the preparing of GDP to the Department of Statistics of the Central Bank. That is a fact. In 1990, the Central Bank forecast that there would be 2 per cent growth. The economy declined by 3.3 per cent. In 1991, the Central Bank also - Mr. Speaker, I have tried to be professional - said there would be no decline in the Barbados economy in its first quarter, and it declined by 3.4 per cent. In 1992, the Central Bank forecast that the economy was going to grow by 1.2% and it declined by 5.6 per cent. Last year the Central Bank said that the economy would grow by 2.7% and it grew by 4 per cent.

The point I am making, Sir, is to come to the essential point that the member for St John has brought to this House a series of Central Bank projections that were obviously in his possession before they were in mine as if those projections were based upon God coming down from on high and saying these are the facts about the future of the Barbados economy.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. I want to make it abundantly clear that at no point in my presentation did I say that any statistics I was quoting from were Central Bank statistics, nor did I say that the source of them was the Central Bank. Therefore, the attribution which the Honourable Member is making is totally incorrect.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, we have to deal with integrity in public life. When the Press asked the member for St John to react to the statements from the Governor of the Central Bank he said, "I already have the information."

I also want to say that the information that he quoted in the House was exactly the projections that were cited by the Central Bank in its economic outlook. Unless he is in the mind of the Governor of the Central Bank or the Governor of the Central Bank is in his mind we have to presume it is the same information. Mr. Speaker, I am not going to mince my words this afternoon.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. I am very concerned both under the Standing Orders and otherwise for the comments which are being made about the Governor of the Central Bank. I have had no conversation with the Governor of the Central Bank of Barbados on any matter relating to the economy of Barbados since I was Minister of Finance. That is a very serious statement which has just been made coupled with a threat about people not wanting to create unemployment. That is a very serious statement being made by a Minister of Finance who is entrusted with statutory obligations under the Central Bank Act. This is unbelievable, Sir,

Mr. SPEAKER: Honourable Member for St. John, you have made your point of order.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, people can come to this House and speak swiftly and easily about the integrity of institutions and maintaining the integrity of institutions. The member for St. John has a facility to do so but I want to say to the House that the information he presented to the House as projections attributed to the Central Bank was information that he was in a position to say to the Press was in his possession before it was made available to me by the Central Bank as the Minister of Finance in this country. I say that is wrong.

Dr. R. C. HAYNES: Mr. Speaker...

Mr. SPEAKER: On what do you rise, Sir?

Dr. R. C. HAYNES: I rise on a point of order, Sir.

Mr. SPEAKER: Order, order, please! Let us hear the Honourable Member.

Dr. R. C. HAYNES: Under the Central Bank Act of this country...

Aside.

Dr. R. C. HAYNES: Will you let me finish what I am saying? He knows what I am going to say. Under the Central Bank Act of this country the Minister of Finance having made that report to this Parliament certain things must flow from that, certain action by this Parliament. It is a very serious matter.

Mr. SPEAKER: Honourable Member, that is no point of order relating to what he said.

Dr. R. C. HAYNES: Your Honour will you let me please complete what I am saying?

Mr. SPEAKER: Continue.

Dr. R. C. HAYNES: I am saying, Sir, that the Honourable Member for St. Peter is out of order in making that statement.

Mr. SPEAKER: Honourable Member, you are not in a position to determine if another Honourable Member is out of order.

Dr. R. C. HAYNES: I am bringing to your attention that the Honourable Member is in breach of the Standing Orders of this Honourable House...

Mr. SPEAKER: That is not a point of order.

Dr. R. C. HAYNES: ... by making that statement and not pursuing what is required of him.

Mr. SPEAKER: That is not a point of order relating to what was stated by the Honourable Member for St. Peter. Will you take your seat please. Let us proceed.

Dr. R. C. HAYNES: All I am saying is that under the laws of this country the Minister of Finance has made a statement relating to the Governor of the Central Bank to this Parliament and therefore he has to take such action as prescribed by the law in relation to this House in relation to the Governor of the Central Bank. That is what I am saying and that is the Law of Barbados.

Mr. SPEAKER: No point of order. A point of order relates to the Standing Orders of this House. Let us proceed.

Hon. O. S. ARTHUR: Mr. Speaker, Sir, I just want to make a few simple points, Sir.

Mr. SPEAKER: Could we have some order, please.

Hon. O. S. ARTHUR: I have retained the same Board of the Central Bank as was there under the Democratic Labour Party Administration. Mr. Speaker, a special meeting of the Board of the Central Bank was convened to recommend changes in interest rates policy to this Administration. I said, "Go ahead and have the special meeting." The Bank recommended and the Government said we would proceed with the thing. But we have a situation, Mr. Speaker, in which the Central Bank of Barbados - and I am being very serious about it - told the people of Barbados in January that there would be 2% growth and then on the Wednesday before we are coming to Parliament they are now coming with a different projection in circumstances where our own intelligence was telling us that there was good reason to believe that you can have a different set of projections.

Mr. Speaker, I have outlined what the Central Bank has said in the past as projections of what was the out-turn to come to my essential point.

Last year in December when we introduced the interest rate policies the Central Bank's holding of reserves were just over \$320 million. Since December we have found that the Central Bank's holding of reserves, despite our paying off all of the foreign debt, has risen to \$438 million and this in our judgment reflects the fact that the change in the structure of Barbados' tourism is such that because of what is now happening on the West Coast people are spending more money in our tourism sector and that although arrivals may be down, spending is up. It is being reflected in the reserves and that you cannot just continue to use the index of arrivals as the basis for projecting tourism contribution to income because the reserves are telling you otherwise. And I have said that already.

Changes in projections have therefore to be sensibly discussed. I am saying all of this, Sir, to come to the point that I have not tried to stifle any Central Bank. I believe that if the Central Bank had the change in a projection that it should not be presented to a Minister of Finance by way of a press release. I want to say that because I feel very strongly and I know there are people in the Central Bank who also feel strongly about it I am not at all disengaging from the point. I want to see the Central Bank, Mr. Speaker, to be a strong professional institution. I want to see them relate to the Minister of Finance in a professional way. But what has obtained in the last week in my judgement, Sir, has not been professional. I have said that and I am not at all going to mince my words about it 11.35p.m.

Aside.

Mr. SPEAKER: Order, please.

Hon. O. S. ARTHUR: Now, Sir, there have been other matters raised...

Asides.

Mr. SPEAKER: Could you hold on a bit, please. The Honourable Member for St. Michael South Central, could you desist from shouting across the Floor of the House, please? You are interrupting the House, please. If you want me to let the Rules be put to work I could, you know. Please.

Hon. O. S. ARTHUR: Mr. Speaker, in this Budget I have tried to convey the perception that a Budget is not something set in concrete. It can be a continuum and that a Minister of Finance does not have to come to the House only during a Budget to give budgetary measures that can help the public. I have also tried to convey the impression, Mr. Speaker, that measures other than taxes and revenue of the day can impact on the economy and I want to put the Budget, therefore, in that context again because this is not just a \$25 million Budget

There are a large number of institutions in Barbados, Mr. Speaker, that owe the Government large amounts of money and in this Budget, in addition to the tax relief, I have said if you owe the Government \$100 000 by way of arrears to the Land Tax, the Commissioner of Inland Revenue and whatever else, do not take the \$100 000 that you owe in arrears and give us to settle the arrears in preference to being able to continue to employ your staff. Improve the equipment and we are going to give you two years so that that \$100 000 that you have there can be used to retain staff, retool and so on, rather than pay Government arrears and at the end of the two years there would be no interest added on to the \$100 000. I do not want it back at the same time either. I am going to give you seven years to pay it back. In that two years where you have that grace period, I am also going to give you a little bit of protection from extra-regional exports by changing the DLPs trade liberalisation policy.

I am going to give you a little bit of protection as well from CARICOM imports by making sure that the poultry people and the ham producing people do not have to face the pressures of the reduction of the removal of licences. Also if you were a person who owed the BDB, the BDB will also be able to convert a portion of your debt into equity. If you were a person who owed the BNB you would find yourself in a position where while your arrears are frozen and you are trying to restructure your business, the BNB has written down a portion of your loan and you

end up having to pay back the BNB less than you had to pay before.

Mr. Speaker, effectively through this Budget, in addition to the tax measures, we have given the productive sectors in Barbados a loan with a two year grace period and seven years to repay it with no interest charges attaching on all Government arrears. Now, Sir, what more can we do? That will assist entities with relief running into millions of dollars in this country.

In addition to that, Sir, what I am also telling the hoteliers is that the previous Government told them they could get tax concessions for refurbishment but the problem was that they did not have the finance to carry out the refurbishment, and so we are going to give them soft loans to do the refurbishment as well. Therefore, this Budget has to be seen in that context.

It also has to be seen in the context of the point made by the Honourable Member for St Michael South Central that arising out of this Budget hundreds of millions of dollars of tax relief in the future will be generated. Hundreds of millions of dollars of tax relief in the future can only be generated if hundreds of millions of dollars of activity is also created because what I am doing is what the Honourable Member for Christ Church South did in 1985/86.

In 1985/86 the Honourable Member for Christ Church South said the Government did not have the resources to develop the offshore business sector. You, the attorneys and lawyers go ahead and develop it and we will give you concessions. They did so and today we have an industry that is now generating over \$100 million dollars a year.

Similarly now, Mr. Speaker, I am telling those persons interested in developing Speightstown, the Scotland District, Carlisle Bay and St. Lawrence Gap that we the Government do not have the money to spend but if you go ahead and do it, we will back you with the concessions. That, Sir, is what the Budget is also about.

What I find very interesting, Sir, is that in 1986 we gave the concession, the accountants and lawyers went in, spent their money and many are now at the RIMS Conference in San Francisco promoting Barbados. They have developed a \$100-million industry in this country and in that 10 years the DLP never did a thing to make sure that they could have benefitted from the concessions.

This Budget has resolved the problem and I think it is a great shame that the Honourable Member for St John could now be speaking in terms of only a few little lawyers and accountants will benefit when all across Barbados if you go to Collymore Rock, you see what the lawyers and

accountants have done to transform even the physical features of this country to make use...

Aside.

Hon. O. S. ARTHUR: You said it yesterday, that only a few lawyers will benefit. This country has benefitted from the foresight of the Honourable Member for Christ Church South.

Asides.

Mr. SPEAKER: Okay, please.

Hon. O. S. ARTHUR: It will similarly benefit, Mr. Speaker, from a similar foresight today.

Now, a lot has been made in this whole debate about Government's fees charged on the mini-bus sector and others. I just want to say this, Mr. Speaker. There are people working in agriculture in Barbados and we do not have a police system that has to regulate their behaviour. There are people working in banks in Barbados, Sir, we do not have to introduce a police system to regulate their behaviour. There are people working in industry, commerce, BET all across the country and we do not have to institute a police system to regulate their behaviour. 11.45p.m.

The only sector of this society in which there is a police system that has to regulate people's behaviour, at the workplace, is in that sector. I feel that the requirements of law and order in our times mandate that they should have to pay. But there is a bigger problem, Sir. It is wrong *for* a society where we need the presence of the police in the communities to keep violence under control, and that had been demonstrated, for police to have to be drawn off from being in patrol in communities to have to go and regulate and do traffic management.

There seemed to be no respite to this. The leaders of the industry are not prepared to tackle the problem directly and, it is the policy of this Government, that if people are causing those additions to public expenditure, they have to pay for it.

I want, in the spirit of conciliation to say this to the leaders of the public services' institutions that I would be prepared, next year, to agree with them, on a system, on which the fees that they are paying could be claimed, as allowances, against the income tax. I want to repeat it, Sir, for the benefit of the leaders of that sector of Barbados, that I am prepared, in the next Budget, to agree that part or all of the fees paid by all of those entities affected by this

year's Budget can be claimed, as allowances, against the income tax that is paid by all the mini-buses in Barbados, all the ZR people and all the others. If they can show me that they are paying the income tax and contributing to the billion of this society, like all of the teachers of Barbados, all of the maids of Barbados, all of the policemen, I am going to be prepared to allow the fees that I have charged to be allowed against the income tax. I would urge the leaders of the industry to go out and work with the mini-bus men, the conductors, the drivers and others, to make sure that they put themselves in the position that, next year, there is no disorder on the roads and that they can claim these fees that I am now charging them, as allowances against income tax.

Asides.

Hon. O. S. ARTHUR: But I have to be serious, Sir. I knew of a Barbados where there were mini-bus men in this country who did not require us to have a police system to be put in place to regulate the behaviour on the streets. This country's prosperity and its progress has been founded upon stability and we have to reintroduce, in this country, Mr. Speaker, disciplined systems that will enable this country to go forward towards prosperity and progress, as a stable society. We must never do anything that would cause the resources of the police to have to be diverted to regulate the behaviour of any group, whether it be the agricultural workers, bank workers, civil servants and if we ever reach that situation, in this country, I feel...

Mr. SPEAKER: The Honourable Member has two minutes to conclude his speech.

Hon. O. S. ARTHUR:...wheie that is the case, then I feel that we have to take serious action. In this case, I believe that the serious action is warranted and it is representative of the Government's resolve to make sure that this country goes forward, as a strong and disciplined society.

Mr. Speaker, in the 2 minutes that remain for me, Sir, I just want to say that I want to deal only with the question of the MOBIL Contract. MOBIL has recently written the Government requesting that the Government raise energy prices to be able to guarantee MOBIL, by their calculations, a 12% rate of tax, a profit after tax. The Government has told MOBIL No. I raise that matter because the Member for St. John introduced the matter into the debate. He wants to know where we are with the MOBIL Agreement. The MOBIL Agreement is still one whereby we can find ourselves in a position of reducing the price of liquified petroleum profits and products to the consumer. But MOBIL is asking us still to increase the price of other energy products to the consumer in order to satisfy the conditions guaranteed by the Democratic

Labour Party Government that we had to give them a 12% after tax profit, Sir.

I thought the public should be aware of that, Sir, because the Government's hands are very much constrained by what we have received. But I want the public to be aware that we will be fighting the matter and fighting it, fully, with resolve.

In this Budget, all I have sought to do is try to create the conditions under which income tax levities can expand, where the household sectors can be relieved of pressure, where those parts of the productive sectors that have been under integrated cess resulting from the structural adjustment policies, Sir, will be relieved of pressure.

I feel those are the main priorities facing the country, at this time. I believe that once these policies begin to take effect, that what the rest of Barbados is telling us, would become the reality that we are laying the foundation for a new, brighter and more powerful future.

It is in that vein that I have the greatest pleasure in commending this Resolution to the House and I beg to move that this Resolution do now pass.

Hon. D. A. C. SIMMONS: I beg to second that, Sir.

Mr. SPEAKER: As is customary, we will take the Amendment to the Resolution first. The question is that the words to be deleted stand pan.

The question was put and resolved in the affirmative, the House dividing itself as follows:

The Bell was rung.

Ayes - Hon. O. S. ARTHUR, Hon. D. A. C. SIMMONS, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Sir Harold B. St. JOHN, Mr. W. C. C. CALLENDER, His Honour R. D. MARSHALL, Mr. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE and Mr. R. St. C. TOPPIN - 16.

Noes - Mr. D. J. H. THOMPSON, Mr. B. M. TAITT, Mr. F. J. STUART, Mr. L. A. WEEKES, Mr. H. F. LASHLEY, Mr. D. St. E. KELLMAN, Mr. J. O. TUDOR and Dr. R. C. HAYNES - 8.

Mr. SPEAKER: We will now vote on the Resolution. The question is that this Resolution do now pass. All those

Honourable Members in favour, please say aye, those Members against, please say, no.

A division was called for.

The Bell was rung.

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The question was put and resolved in the affirmative, the House dividing itself as follows:

Ayes - Hon. O. S. ARTHUR, Hon. D. A. C. SIMMONS, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Sir Harold B. St. JOHN, Mr. W. C. C. CALLENDER, His Honour R. D. MARSHALL, Mr. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE and Mr. R. St. C. TOPPIN - 16.

Noes - Mr. D. J. H. THOMPSON, Mr. B. M. TAITT, Mr. J. O. TUDOR, Mr. F. J. STUART, Mr. L. A. WEEKES, Mr. H. F. LASHLEY, Mr. D. St. E. KELLMAN, and Dr. R. C. HAYNES - 8.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, we have come to the end of 2 long days and I beg to move that this House do now adjourn until Tuesday, May 23, 1995 at 11.00 o'clock a.m. But before putting it formaliv and asking that it be seconded, I wish to compliment the staff of Parliament who have been here and have worked beyond the called and have worked faithfully as well, Sir. Also the security forces, the police and the members of the Press who have been here and CBC who have had to man the controls and all who have rendered service in the interest of their country, Sir. We have had an exciting debate, Sir, and the usual cut and thrust. The Government pledges to continue to work assiduously in the interest of the nation.

With those few words I repeat, Sir, I beg to move that this Honourable House do now adjourn until 11.00 o'clock a.m. on Tuesday 23rd May, 1995. 11.55p.m.

Hon. R. C. EASTMOND: I beg to second that.

The question that the House do now adjourn was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly. 11.58p.m.

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