THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

HOUSE OF ASSEMBLY

Tuesday, 23rd January, 1996

Pursuant to the adjournment, the House of Assembly met at 11.15 a.m. on Tuesday, January 23, 1996.

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., LL.B.
Mr. B. M. TAITT, B.A. (Hons.), M.P.A., LL.B. (Hons.)
Mr. L. A. WEEKES, G.C.M., J.P.
Rt. 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.
Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.)
Hon. Miss B. A. MILLER (Deputy Prime Minister, Minister of Foreign Affairs, Tourism and International Transport) (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, J.P., 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, B.A., LL.B., (Minister of Labour, Community Development and Sports)
Mr. G. A. CLARKE, B.Sc., Dip. Ed. (Parliamentary Secretary, Ministry of Public Works, Transport and Housing)
Mr. J. M. EDGHILL
Mr. F. J. STUART, B.A., LL.M.
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. (Minister of State in the Ministry of Foreign Affairs, Tourism and International Transport)
Mr. D. St. E. KELLMAN
Hon. Miss H. E. THOMPSON, LL.B., (Minister of Health and the Environment)
Hon. Miss M. A. MOTTLEY, LL.B., (Minister of Education, Youth Affairs and Culture).

Prayers were led by Father Lawrence Small.

Mr. SPEAKER: This House is now in session.

MINUTES

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that the Minutes of proceedings of the Honourable, the House of Assembly for its meeting of Tuesday, January 16, 1996 which Minutes have been circulated, be taken as read.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

PAPERS

Rt. Hon. O. S. **ARTHUR:** Mr. Speaker, Sir, I am commanded to lay the Duties, Taxes and Other Payments (Exemption) (No. **22)** Order, **1995.**

Hon. Miss H. E. THOMPSON: **Mr.** Speaker, Sir, I am commanded to lay the **Annual** Report and Financial Statement for the Sanitation Service Authority for the years **1989** to **1990, 1990 to 1991** and **1991** to **1992.**

GOVERNMENT NOTICES

Hon. **Miss** B. A. MILLER: **Mr.** Speaker, Sir, I beg to give notice of the Insurance Bill, **1996.**

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

FIRST READINGS OF BILLS

Hon. Miss B. A. MILLER: **Mr.** Speaker, Sir, I beg to move that the Insurance Bill, **1996** be read a fvst time.

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

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

ORDERS OF THE DAY

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

Rt. Hon. **O.** S. ARTHUR: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

ORDER NO. **1** – RESOLUTION TO NOTE AND **APPROVE** THE **PROTOCOL** FOR THE IMPLEMENTATION OF A PRICES AND INCOMES POLICY FOR **1995 – 1997**

Rt. Hon. **O.** S. ARTHUR: Mr. Speaker, Sir, today I have the honour to present to this **Honourable House,** the protocol for the implementation of a prices and incomes policy for the period **1995** to **1997** under the obligation to seek the approval of Parliament for the implementation of this protocol.

By way of structure, Sir, I propose to set my comments, first within the context that we should attach to an incomes and prices protocol within the economic management and the relevant policy that this country should pursue. I would also wish in the process of my presentation to bring to the House's attention the salient features of the new protocol particularly as they compare with the previous protocol. Thirdly, I do feel that I have an obligation, Mr. Speaker, to address some of the issues that have arisen of late regarding the manner in which the **protocol** has been perceived and the manner in which its implementation is being regarded by certain sections of the society, not least, Sir, the political institutions.

So, Sir, I will deal with the **first** matter, the place of incomes and prices policies within the context of the development policies and economic management of policies appropriate to our society. Mr. Speaker, I start by making the general observation that it would be impossible to overstate the importance and the relevance of a protocol on prices and incomes in a society structured such as Barbados, a society which has, as one of the centre pieces of its economic policies, not only the maintenance of a fixed exchange rate but, Sir, the commitment to the great and general well-being of all the society and more especially so the working men and women of the country.

While it is difficult, Sir, to over-estimate the significance of it there is no economic policy that has been subject to more controversy through time than an incomes and prices policy. We **are** now, I think in this country, Mr. Speaker, virtually all agreed on the need for us, as part of our economic management policies, to incur small deficits as the centre piece of fiscal policy. There is an emerging consensus on fiscal policy. We all accept the need for small manageable deficits, deficits that are so designed as to prevent the Government from having to bring on itself the running down of the country's foreign exchange reserves in order to support the deficit.

We are also, Sir, I think, agreed that our monetary policy should complement our fiscal policy and that we should in the execution of monetary policy for the country so structure our interest rates as to ensure that the levels of interest rates do not bear heavily upon the cost structure of the Barbados industry and equally so that the interest rates for savings are a stimulus to savings and capital formation. 11.25 a.m.

I think, Sir, there is also a growing consensus that Barbados must also have a set of economic management and development policies that put in the forefront of our considerations the growth and diversification of our export sectors. I believe, Mr. Speaker, that there is a consensus that an export driven strategy is relevant to our purposes and indefinitely into the future and that we should always have in place policies that enable that objective to be realized. I also believe, Sir, that there is a growing consensus that in order to stimulate private investment in this country we should have in place institutional and

other policies that reduce the cost of doing business in Barbados as well as remove the encumbrances on the manner in which the private sector functions, and that our policies institutional, macro and otherwise should be transparent, should be able to stand the test of public scrutiny, and should be neutral and non-discriminatory in the way in which they treat differentpeople under the same circumstances.

While we have a general consensus on those important aspects of economic management and development strategy, Sir, from time to time there has been grave confusion over the purposes to be sought by the Prices and Incomes Policy, the nature of the Incomes Policy and its effect and its incidence in this country. For long periods, Sir, and particularly during the latter 1970's and early 1980's, the confusion surrounding the purposes of an Incomes Policy and its nature and incidence, in my judgment, stood in the way of a complete set of economic policies being brought to bear in this country that could have stabilized the economy and put us on a sustainable growth path.

For the record, Sir, I just need to say that in my judgment the overwhelming importance of an Incomes Policy within the context of the management and development of this country stems from the fact that an Incomes Policy properly conceived and executed affects the fiscal deficit. It affects, Mr. Speaker, the competitive position of Barbados and it affects our capacity to be able to discharge successfully an export driven strategy. It affects the execution and implementation of all of the other things that are necessary to sustain the operation of this country.

If I may begin on the fiscal side, Sir, there is absolutely no doubt that to the extent that wages represent the largest component of Government's expenditure and the rate at which wages of the public sector grow can affect the level of that expenditure as a whole, can affect the size of the deficit and help determine whether or'not fiscal policy will add to or detract from the achievement of the country's economic objective. Where the private sector is concerned, Sir, there can be no doubt whatsoever that once this country commits itself to a fixed exchange rate regime, and we have all committed ourselves to a fixed exchange rate regime for this country, the question as to how fast wages and incomes in this country grow relative to those of our main competitors and relative to productivity in the country becomes a critical consideration in the determination of Barbados' competitive position. It becomes, Sir, perhaps the main consideration in determining whether we will be able to sustain an export led growth for our development and whether we will hold our competitive position in the rest of the world.

Mr. Speaker, the critical importance of this is that, while we subscribe to a fixed exchange rate regime, we live in a world and in a region where many of our competitors are using exchange rate variation as one of the techniques and tools not only for managing their economies but for showing up the competitive position of their export sectors. The reality therefore is, Sir, that once we agree that there must be a fixed exchange rate regime for Barbados, one hundred dollars worth of labour, of wages and income paid by the productive sectors in Barbados, will always be worth U.S. $50.00 and that cost will be known. But we can never be sure from day-to-day what will be the foreign exchange cost of labour in other countries with which we compete including some in the Caribbean in circumstances where those counmes indulge in the practice of variable exchange rate. I really want to stress that particular point and to put it in this very succinct manner, Sir, that the commitment that has been expressed by all political parties in this country to the practice and the support for a fixed exchange rate regime imposes upon all of us in this country a discipline. That discipline is that, if we want to maintain the exchange rate fixed in relation to the U.S. dollar at the ratio of Bds. $2.00 to U.S. $1.00, we have as a commensurate policy to run small deficits, to be careful how they are financed, to have a sensible monetary policy that commits us to that objective and that we have, Mr. Speaker, to support all of that to impose upon ourselves the discipline to pay ourselves increases that bear a relationship to increases in productivity in the society and equality that bears a relationship to what is happening in the rest of the world.

Now, Sir, in the past Barbados has never had an explicitly stated Incomes Policy, although in the absence of a clearly stated Incomes Policy and to all intents and purposes, an Incomes Policy was in place, because all an Incomes Policy does in the final analysis is to set out the criteria that will be taken into account in determining the rates to apply to wages and the rates at which wages in the society will be allowed to increase. In the past, in the absence of a clearly stated Incomes Policy, the criteria such as the consumer price index and other criteria of a similar nature served as the basis upon which the growth of incomes in the society were determined. By the mid-1980's and certainly, Sir, by 1990, it had become obvious that if we continue to pay ourselves only in relation to the growth of prices but without reference to rates of growth of productivity in our economy and rates of growth of productivity elsewhere, we will be slowly but surely undermining the competitive position of this Barbados economy. A position emerged that was expressed very clearly in an Incomes Protocol signed in 1993, that hereinafter the criteria that should be taken account of in determining the basis for increasing incomes and wages in this country should shift to focus on matters pertaining to productivity, profits and the like with a view, Sir, to protecting not only the parity of our dollar but equally

so with a view to establishing sure and secure foundations for the sustainable development of this economy and for the ensuring of the competitive position of Barbados vis-a-vis countries in the rest of the world.

Sir, this debate will challenge every political party in this country to state clearly where it truly stands on the question of the purposes, the relevance and the execution of an Incomes Policy for Barbados. I want to lead this debate by speaking from the security of a consistent position on Incomes Policies for Barbados as a technician in the early 1980's, as a Member of the Opposition in 1992 even before there was a formal Incomes Policy in this country and now as a Leader of this Government.
11.35 a.m.

In 1982-83 I was requested by the Barbados Labour Party to present a Paper to a private sector organised symposium at which Mr. Warwick Franklin, a former Member of this House, presented a Paper on behalf of the Democratic Labour Party. I made the point then that I did not know of the experience of any developing country that subscribed to the practice of a fixed exchange rate; I did not, as a professional economist, know the experience of any developing country that believed in the efficacy of a fixed exchange rate regime that had ever successfully done so without having an incomes policy that linked the rate of growth in wages and incomes to the rate of increase in productivity. That was 13-14 years ago.

Mr. Speaker, in the Budget debate of 1992, even before there was a formal Incomes and Prices Protocol put in place by the previous administration, I had the opportunity to speak to the question of whether or not there should be an incomes policy for Barbados and whether I would give my support to it. I spoke on 31st March, 1992 and my words are recorded on page 1819 of Hansard. I want to repeat them, Sir. I was speaking then from the Opposition.

> "I subscribe to the incomes policy being pursued by the Prime Minister of this country, but he cannot explain it to the public. I subscribe to the incomes policy being pursued by the Government of this country in relation to the private sector because it is a simple incomes policy which says that a man's income in 1992 should be equal to what he was paid in 1991, plus a percentage of productivity in 1992, plus a share of the profits. In my judgement, Sir, that is a fair policy."

I then went on to say:

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

So that even before the Government of the day put an incomes policy in place, even before the social partners had sat down M &aft an incomes policy to bring it into effect in 1993, from the Floor of this Parliament, in a debate as important as a Budget debate, I was telling the Government that they had the full support for an incomes policy, more especially so if it was going to be the way in which we were going to avoid a devaluation in Barbados.

The House may therefore better understand why I am so very upset to have been charged with having entered into any secret deal with anybody to devalue this country's currency, Sir, because I was prepared to go as far as to say I would support the Government's incomes policy because I thought it was a fair policy, but more especially so because I thought that it was going to be a policy that would work. I was saying that in 1992. Then later in the year, Mr. Speaker, on 11th December, 1992, I brought to the House's attention again, and I quote:

> "I, perhaps, even have offended some of my colleagues on this side by telling the Government that I would support its position on incomes policy if it means that we, in Barbados, did not have to devalue the currency."

I understand, Mr. Speaker, how controversial an incomes policy is and how some people can make cheap politics out of it and seek to get cheap success out of it, but I said to this House in December, 1992 that I was prepared even to offend my colleagues on the matter if the execution of an incomes policy for this country meant that we would not have to devalue the Barbados dollar.

> "If we all in this House agree that we do not want devaluation of the Barbados dollar and that the alternative policy is that we will have an incomes policy then we should hold the incomes policy. You cannot be in church and chapel at the same time."

It is recorded on page 2717 of Hansard.

I speak, as I said, in this debate from the security of a conceptual as well as the security of a publicly stated position on incomes policy in Opposition, as a technician and now in Government. I want to repeat on this occasion, as we come as a Parliament to deal with the nature of an incomes policy to succeed one that was put in place

with the concurrence of the then Opposition, that I will never deviate from the precept that if we are in fact to hold our exchange rate in this country, if we are also going to underwrite an export driven approach to the improvement in the standard of living of this country, an incomes policy that links wage increases to productivity is something that all of us have a public obligation to support. I would put the matter as strongly as that because, the politics aside, there can be nothing in my view as fundamental to the future of this country as there being a clear and non-controversial framework that establishes the basis upon which we as a free people pay ourselves.

This debate will challenge the Democratic Labour Party to state where it truly stands on an incomes policy. There will be matters pertaining to the execution of the incomes policy that will raise concerns from time to time. There maybe differences on some of the arrangements that maybe entered into by Government, there maybe instances in which some of the things that the private sector seeks to do maybe of a disturbing nature to all of us, there maybe instances in which some of the things that the Trade Unions seek to do maybe of a disturbing nature to all of us, but in this particular debate Members on the other side would do well to remember that they sold the credibility of their economic stabilisation programme on the success of productivity based incomes policies for this country and we need in this debate, separate and distinct from any of the other tangential matters that we may have to deal with, to determine if the Democratic Labour Party still believes in the intrinsic relationship between wages, incomes and productivity as the basis of an incomes and prices protocol for Barbados.

Now, Sir, I have never heard where the NDP stands on the qaestion of incomes policy. Whenever any matter pertaining to the management of the Barbados economy arises, the Leader of the NDP is found to reduce everything to the level of taxes and to trumpet out what is now a boring monologue, that if only we were to cut taxes in Barbados all the problems of this country would evaporate. I will never call him Newt Gingrich, Sir, I will never refer to him as Mr. Forbes or any of the Republicans who believe that all there is to the management of societies is the manipulation of the tax rate. I should just say, only for the benefit of this House, Sir, that the management of an economy raises far more complex considerations, as he should be painfully aware, because he had his opportunity as Minister of Finance to carry out a fiscal policy and he brought massive cuts in taxes in one instance – and I am saying this for the record, because all of us here today will be challenged to stand up and say what we truly believe in relation to incomes policy – massive cuts in July of 1986 to be followed by the most savage increase in taxation ever in 1987.

11.45 a.m.

We have heard from him about the need for low energy prices, but he was the man who put in place an enterprising regime that allowed a monopoly like MOBIL a 15 per cent, after tax profit, on its capital employed. He was the man who spoke in terms of low interest rates, but he came into office as Minister of Finance in 1986 with interest rates at one level and the only interest rate that he ever changed was to reduce the minimum savings rate affecting the amount that the poor people of this country received when they put their money in the banks at that time. He never changed the lending rates or any other rate charged by the banking system to their customers.

Under him, we had a process by which the amount paid by banks as interest to their depositors was reduced, and the amount that the banks charged on the loans they made was allowed to remain intact while he preserved the right to criticise the interest rate that he inherited. So he, too, will have to stand up, Mr. Speaker, in this debate and be counted.

The public does not believe that the economic problems of Barbados can be resolved by just cutting taxes. If there were any doubt, the sad experience of the Member for St. Michael South Central as a Minister of Finance and the contortions that he was put to in order to rescue himself without success from the follies of his massive tax reduction in 1983 will stand out for ever and ever.

Aside.

Rt. Hon. O. S. ARTHUR: ... It is part of our records that he cut taxes in one dispensation with one hand and increased them massively with the other.

Sir, I have said enough on the first issue that we have a consistent position on incomes policy. I believe it is in the best interests of the country. I felt so in Opposition and I stated so in Opposition and I went out of my way in Opposition to seek a consensus for it at the political level. When the Incomes and Prices Protocol of the Democratic Labour Party came to this House, the Opposition voted for it, because I was part of a consensus that was consistently saying that we believed that it was in the best interest of the country, that it was a fair policy and that therefore we had an obligation to support it.

I want those who supported an incomes policy when they were in Government to tell the country where they stand now that they are in Opposition because it is the same country, it is the same means of implementation to come, sustainable development, competition and the management of all of our economic affairs. The Democratic Labour Party Administration stands challenged in this particular debate.

Mr. Speaker, I venture also that I have an obligation to spell out for the House what the new Protocol embodies and I could best do that by comparison with what was provided for by the original Protocol. The original Protocol was signed on August 24, 1993 by the former Prime Minister acting on behalf of Government and by a collection of workers' representatives and employees' representatives. We have, in this instance, a similar tripartite approach with the new Incomes and Prices Protocol subscribed to by the Government representative of all of the public and private sector institutions as well as representatives of all of the workers' institutions. Let there be no doubt of that.

The former Protocol established that one of the major objectives it was seeking was to safeguard parity of the Barbados dollar to address matters pertaining to the improved competitiveness of the economy, the establishment of an environment which could bring Barbados goods and services into a more competitive position at home and abroad, that it sought to meet the objective of having the economy restructured and to promote a national commitment to increased productivity and increased efficiency as considerations to be taken account of in determining the bases for paying increased incomes and salaries.

What was at the centre of the former Protocol first of all was that there should be a general freeze on increases in wages and salaries in both the public and the private sectors. This is critical, Sir. The former Protocol stipulated that there should be a general freeze of increases on basic wages and salaries in both the public and the private sectors except, in instances where wages were being paid in areas deemed by the social partners to be substandard. It was also specified in the Protocol that the freeze on increases in wages and salaries would apply to all pay, under all contracts of employment except, Mr. Speaker, where increases were as a result of job evaluation exercises or negotiated job enhancement exercises. Equally, Mr. Speaker, the Protocol went on to state that increases in wages and salaries during the life of the Agreement would be made only in the form of and in terms of profit sharing arrangements or productivity bonuses based on assessments of productivity or improvements in productivity.

In a way, Mr. Speaker, we have an obligation in this House to go back to the point that I made in 1992, because there is a lot of misunderstanding of what has happened. What Barbados had was a freeze in basic wages on the understanding that any increase thereafter would have to be shown to be warranted as a result of an increase in productivity of the enterprise concerned or some aspect of increase in profitability. I thought that was clear, Sir, and I supported the Protocol on the grounds that I felt that after 1992 all increases in wages in the country should be shown to be coming out of an increase in productivity.

Sir, the Protocol also went on to say that monopoly pricing would be kept under review by a monitoring committee, that the social partners would work towards examining ways of indexing wage adjustments and tax allowances and that the social partners would also support the introduction of a tax regime that supports the objectives set by the Protocol.

As Minister of Finance, I undertook a review of the functioning of the Income and Prices Protocol for the year 1993-1995 and I would have to concede that my statement to the House in 1992 that I felt that it could work was in fact borne out by the fact that it helped to stabilise the Barbados economy. There can be no doubt that the existence of an incomes and prices protocol was a considerable factor in establishing a devaluation-free process of adjustment in this society. So in broad macro terms, Mr. Speaker, there was a great measure of success to the execution of an Incomes and Prices Protocol at the time.

There can, however, be no doubt, Sir, equally that there are many ways in which the mechanisms of the Protocol were not always honoured and some of the commitments given were not always carried through for one reason or another. We very well remember, as we should, that in early 1994 the DLP Administration had an announcement made on its behalf by a leading spokesman that the Democratic Labour Party Government was intending to raise rents in this country. I came out and spoke against it, Sir. The social partners came out and spoke out against it and then we were told that this is something that was never under any contemplation, that somebody mis-spoke and things of this character. The truth eventually will come out, because to increase rents and to increase bus fares was contrary to the provisions of the Protocol. A price monitoring committee supposed to have been established to keep all such increases under review and any increases would have to be shown to be limited to legitimate cost increases in their entirety.

I am charging today, without fear of contradiction, that the direction on which the DLP was then set, contrary to the provisions of the Protocol, was as a result, notwithstanding the existence of that Protocol, of the tutelage to which the then Minister of Finance was subject by the IMF despite the fact that by then the Democratic Labour Party was coming out of an IMF programme. Sir, I speak very carefully in these matters.

11.55 a.m.

There was a meeting held in Washington between November 29 and December 10, 1993 involving a team of the Ministry of Finance and the Central Bank assembled to discuss with the staff of the IMF a medium-term macro-economic programme to be monitored under its

Enhanced Surveillance procedures. So we are clear. The stand-by arrangement that all the Members on the other side had committed themselves to as a Cabinet had to come to an end. The gentlemen were now speaking about the thing to follow, the Enhanced Surveillance Programme. The Government team comprised, Sir, public servants, and it is stated here that the team was joined by a Mr. David Thompson, Minister of Finance, and Mr. Calvin Springer, Governor of the Central Bank of Barbados, for the period December 7 - 9, 1993.

It is very interesting what the report of this meeting states, and I really have an obligation to read it for the benefit of the House:

> "The IMF staff expressed concern about the slippages which had occurred in the implementation of the measures which were intended to reform the structure of the economy. It was agreed that the Government would take action before the end of January 1994, to implement the following measures:-
>
> - the introduction of a stage fare system on Barbados Transport Board buses".

This came out of a meeting between the Minister of Finance and the IMF in Washington, Sir.

> "- implementation of economic rents for National Housing Corporation (NHC) units;"

These are facts, Sir. I will make this a document of the House, Mr. Speaker, because it is a matter of fact that when that statement was made on behalf of the Democratic Labour Party, the Government was intending to increase rents and bus fares because the IMF had expressed concern about the slippage which had occurred, and the Minister of Finance agreed that he was going to reverse the slippage because the Letter of Intent, Mr. Speaker, if you would recall, of 1991 had stated among its various provisions that bus fares should change and that economic rents should be charged at the NHC.

I have already said in this House, Mr. Speaker, that the relationship between Government and the IMF broke down without the Government giving commitment to these things and that part and parcel of the process of the Enhanced Surveillance Programme the Member for St. John was even then discussing with the IMF was how they were going to stop the slippage and carry through the introduction of the bus fares and the implementation of economic rents as set out in a study that was commissioned and done. We quarrelled about it. The trade unions quarrelled about it and there was a backing off.

I would mention, Sir, the document noted they would have to discuss this matter at some stage with the social partners. But it was agreed.

I go on as well, Sir, the 1994/95 programme.

> "Discussions here focussed on the fiscal deficit. After negotiations,..."

At this time Barbados was not anymore under any IMF programme. They were discussing the Enhanced Surveillance Programme to come.

> "...the target deficit was set at $37.3 million, with measures required to achieve that deficit totalling $45.5 million. This compared with the original target of $23.3 million."

So the Minister of Finance of the day said they were proposing to have a fiscal deficit and he is now telling people about who is under the tutelage setting a deficit of $37.3 million. The IMF staff said "No. You cannot have a deficit of more than $23.3 million."

The report says:

> "The IMF staff emphasized that the measures should include a reduction in the wage bill of about $7.2 million, which would have to be achieved through terminations or the withholding of incremental payments to certain categories of employees."

Now, Sir, I really have to repeat this for the benefit of this House, that in December 1993, the then Minister of Finance was in Washington discussing the proposals of a new Enhanced Surveillance Programme with the IMF under which the IMF was saying and - despite all that was contained in the Incomes Protocol, despite all the layoffs that had taken place in the country, despite the commitment of the Democratic Labour Party of the day to restore increments in full by September of the financial year 1994-95 - the then Minister of Finance was in Washington taking tutelage and agreeing to bring his deficit within limits of what the Fund told him he had to have, that there was going to be a $7.2 million reduction in the wage bill to be accomplished through terminations, contrary to the Incomes Policy, and the withholding of incremental payments to certain categories of employees.

Now, Sir, I want to deal with the latter matter in particular because you will very well remember, Sir, sitting in your Chair and having this administration bring to this House supplementary requests to provide for the payment of increments in circumstances where the amounts voted in the Estimates of the year for certain departments were net of the payment of increments, which would have been required to be paid if the Government of the day had carried through its obligations to restore all increments by September of that year. We sat in this House as a new Government and systematically brought to Parliament

requests for funds to pay all the public servants who would have been deprived of their increments if the Estimates we inherited as prepared by the Member for St. John had been allowed to take effect through the course of the new financial year. Mr. Speaker, it all arose from this meeting in December of 1993 when a Minister of Finance went to Washington, despite an Incomes Policy being in place, and despite a legal commitment on the part of his Government to restore increments by September, and agreed that to save on the wage bill some increments would have been withheld.

When I say, Sir, that there are ways in which the former Incomes Protocol was breached and breached savagely, I am referring to these matters which I will now support by making this a document of this House. And I am hearing talk about how this new Incomes Protocol by the Barbados Labour Party has been torn up and thrown into the dustbin. No greater violence had ever been done to an Incomes Policy in any developing country than that which was done by that Minister of Finance, the Honourable Member for St. John, going to Washington to agree to withhold the payment of people's increments in defiance of an Act of this Parliament which said that the increments were to be restored in full in September of the year.

The Minister also agreed, Mr. Speaker, that flat rates to be applied to hotels had to be determined, and this is a matter that a rate was set but the full effect of the rate on the hotel sector as set by the Democratic Labour Party in response to urgings by the IMF was not supported by full studies that would evaluate the effects of those rates on the sector. We have had in the process of preparing for a VAT, Sir, to carry out a comprehensive review of what those rates might mean and if there is a delay in implementation of the VAT, Sir, it is precisely because we had then a situation where the IMF was saying that a rate on the hotel had to be determined, and that rate had to be determmed without reference to sound empirical analysis. I make this, Sir, a document of the House.
12.05 p.m.

Mr. Speaker, Sir, the experience showed that in macro-terms, generally speaking, the objective of securing the competitive position of Barbados, and the objective of avoiding a devaluation were served and any objective analysis shows that. But there were aspects of the administration of the previous protocol that were not well done. Particularly, Sir, there were certain monitoring committees that were to be established that were not properly established and did not function.

I have checked very carefully to see if the then Minister of Finance did in fact faithfully discharge the obligation of introducing any taxation measures that would have linked tax allowances to increases in the cost of living or the like. All the income tax measures that were dealt with were those previously agreed to. There was no new tax regime established in 1994. In fact the Member for St. John introduced a budget that gave $2.3 million in relief to the productive sectors as the full extent of his tax relief. When I hear him speaking, Sir, about the fourteen objectives that he sought I say of them that I wish that it was as easy to bring about 14 major changes in the functioning of the Barbados economy by introducing a budget that gives **$2.3** million in relief. I have searched carefully, Mr. Speaker, and I can find no instance in which there were adjustments to the taxation regime that would allow any form of indexation to have taken place. If they were done, Sir, I would like to be advised as to where they were presented.

Mr. Speaker, the incomes policy also, I think, facilitated the setting up and the operation of a National Productivity Board. I want to say publicly, Mr. Speaker, that the establishment of a National Productivity Board and the functioning of that Board has been really a credit to this country. The Board has done yeoman service. The former Chairman of the Board, Dr. Andrew Downes, went above and beyond the call of duty to have put in place and to have carried out analyses that would allow productivity to be measured and the accurate assessment of productivity at the level of the enterprise to be a factor which so entered the negotiating process as to mitigate the range of issues around which controversy in the industrial relations field could arise.

I want, Sir, to salute the establishment of that Board and, as a consequence, this administration did not disturb the composition of the Board. Dr. Downes has now asked to be relieved of his responsibility and we have agreed to appoint Dr. Basil Springer and Mr. Darcy Boyce as the Chairman and Deputy Chairman of the Board after consultation with the Trade Unions and the Private Sector. I feel I have a responsibility to say that the industrial relations climate of this country has been enhanced in a massive way by the formation of that Board, that the officers have worked entirely in the national interest and that the institution is a credit to the society. Therefore when legislation is brought to this House soon that would not only institutionalise the functioning of the Board but give it a wider purpose in the industrial relations practices of this country, I trust that it will enjoy the instinctive and instant support of all sides.

Sir, the second protocol. Many of the objectives sought by the present protocol, Sir, have not departed substantially from those sought by the first because the need, for example, to safeguard the existing parity of the Barbados dollar is still with us and will always be with us. Equally, Sir, to safeguard the continued and sustainable

expansion of this economy to satisfy the need for improved competitiveness is still with us and is a matter that is accepted as one of the objectives of the protocol.

The protocol also, Mr. Speaker, speaks as well as the previous protocol did to link increases in wages and salaries to increases in productivity. There are however, Sir, a number of fundamental differences. This protocol stipulates in a very clear way that not only are we seeking to protect the Barbados dollar, protect the competitive position of the country, and broaden the base of the economy, but that we also have to establish a framework that protects workers' security of tenure and seeks to reduce labour disputes.

I really must come back to this matter, Sir, later in my presentation because this protocol is specific that an incomes and prices policy for Barbados, appropriate to our times, must seek to establish a framework that protects workers" security of tenure and reduces labour disputes. Then it goes on to say, and I must stress this point because this is not very well understood in the public domain, it says that labour shall not be required to vary benefits and conditions which it currently enjoys, unless it is for immediate general improvement, or unless by any such vanation, labour assists in effecting long-term improvement in the conditions of those employed and creates jobs for the unemployed.

Sir, I really believe that I must spell out this because this is fundamental to this protocol. Labour shall not be required to vary benefits and conditions which it currently enjoys, unless it is for immediate general improvement, or unless by any such variation, labour assists in affecting the long-term improvement in the conditions of those employed and creates jobs for the unemployed.

Sir, let me spell out what are some of the implications of this. In 1991-92 when the Democratic Labour Party faced the problems of the economic difficulties in this society it set out to travel 3 roads: to have a stabilisation programme with the International Monetary Fund, to have a structural adjustment programme with the World Bank and to have an investment sector reform programme with the Inter-American Development Bank. We are all familiar, Sir, with the measures set out in the stabilisation programmes with the IMF. Under the structural adjustment programme with the World Bank the then Government of Barbados was required, and it did put in place, to institute a number of far reaching reforms. First in the area of tax reform, the reform of all direct tax systems and the reform of indirect tax systems, are all pre-conditions of a structural adjustment loan with the World Bank that the Government of Barbados had never drawn on, the terms were put in place. It was required, Sir, to carry out a privatisation programme that it faithfully carried out. It was also required, Sir, to carry out a programme of far-reaching reforms in the labour market and the social security system of this country. I want to stress, Sir, that all of the adjustments in severance, in the unemployment benefits enjoyed by the unemployed, all of the convulsion experienced in this country arising from the disproportionate share that the working men and women of this country were forced to assume in the context of the structural adjustment of this country, arose out of conditions set by the World Bank in relation to labour market reforms and there were more to come. Studies were done which will be executed.

12.15 p.m.

Mr. Speaker, I have to stress this matter because I have heard coming from Opposition sources notions that the Barbados Labour Party is agreeing to further labour market reforms with other people. The IADB Programme never addressed the question of labour market reform of any nature and we have committed the Government of Barbados, Sir, that there can be no other variations in the benefits and conditions enjoyed by the labourers of this country no matter what might have been agreed to in previous *aide memoires* between the Democratic Labour Party and the World Bank. I have also given this House the assurance that as soon as we get the actuarial studies in relation to unemployment benefits those will be revised. But it is very important, Mr. Speaker, that the House understands that this Incomes Protocol requires us as parliamentarians to agree, and all of us in this country to agree, that labour shall not be required to vary benefits and conditions which it currently enjoys. The broader implication of this is that a constitutional case went to the Privy Council on the question as to whether or not the benefits enjoyed by the public servants of Barbados could be varied to their disadvantage. That was determined by the Privy Council in a manner, Sir, disadvantageous to the public servants of Barbados. We had to deal with that by law. What this Incomes Protocol is doing, Sir, is saying that what we agreed to by way of the change of the Constitution of the country should now be embodied in an Incomes Protocol. I am aware that the Democratic Labour Party voted against the constitutio,: ' amendment that said, Sir, that public servants terms and conditions of employment could not be varied to their disadvantage. I am challenging them, Sir, in this debate to say whether they now will agree to Paragraph C at page 7 of the Protocol that is now again giving them the opportunity to stand up and support the workers of this country and agree that the labourers and their conditions of service cannot be varied except to their benefit.

Mr. Speaker, the Incomes Protocol departs from the previous Protocol by replacing a freeze in wages with wage restraint and that is one of the essential differences. In fact, Sir, it is the fundamental difference. Between 1993

and 1995, the basic wages in Barbados could not be increased and were not increased although productivity bonuses were allowed. We are now entering a new dispensation where you can have both increases in basic wages as well as productivity bonuses paid upon the basis of documented increases in productivity. One of the fundamental differences, as I said, between the previous and the present Protocol has to do with that particular matter. We are in this context, Sir, urging a policy of wage restraint. Sir, I am not in a position to say other than that this policy will be applied flexibly, it will bear a relationship to the level of productivity in the respective sectors of the economy and that, in the final analysis what will determine the extent of the restraint will be the capacity of the entity to pay recent increases in its productivity and increases in the profitability of the enterprise. Now one important change that has been made on this occasion, Mr. Speaker, has been to simplify the mechanisms through which the Protocol is to be implemented.

Our review of the functioning of the previous Protocol established that too many cumbersome mechanisms were built for monitoring which did not work and that, if the Protocol could have been called into disrepute, the committee decided to have regular meetings to consult and to solve problems. There was not the carrying out of that commitment to the extent that would have allowed matters, for example, such as the commitment for bargaining with the IMF to increase rents, to be aired and dealt with at the level of the Protocol. This present Protocol, Sir, creates a new procedure and I will have to deal with it. What is now being established and has been established is a sub-committee of the Protocol comprising 2 Ministers, one of whom is Senator Farley who is the Chairman, the Head of the Civil Service, the Director of Finance and Economic Affairs, the Permanent Secretary of the Civil Service and the Chief Personnel Officer on the Government side and an equal number of representatives from the trade unions and staff associations in the private sector. A special sub-committee of the social partners has been established as the first line of consultation on all matters arising from the implementation of the Protocol and that committee is required by the Protocol to meet once a month and has been meeting once a month to have referred to it at an early stage all matters that could affect the successful execution of the Protocol on the understanding that those matters that are worthy of being dealt with at a higher level will be referred to a full meeting of the social partners on a quarterly basis and those that can be resolved will be resolved at the level of the sub-committee.

Now, Mr. Speaker, Sir, that sub-committee has been meeting and the House should be enlightened as to what are some of the things that it has had referred to it since it has been called into existence by this Protocol in August. It has dealt with the institutional strengthening of the Labour Department because all sides recognize that the strengthening of the Labour Department is an absolutely necessary task that has to be dealt with by all persons involved in this field in Barbados. It has dealt with the matter of the 5-day week at the National Conservation Commission and that matter has been resolved. Apparently, recommendation came forward from the sub-committee. It dealt with the suspension of salary negotiations in the private sector pending the signing of the Protocol and that has been resolved. Some sections of the private sector were holding up signing wage agreements with people because they said they could not sign before the Protocol came into place. That sub-committee resolved that matter.

The question of appointments to posts which have been vacant for considerable periods in the Civil Service was referred to the sub-committee. That has been resolved. The dismissal of a Mr. Gordon Haynes from the Sanitation Service Authority was referred to the sub-committee and a legal opinion was sought. Matters pertaining to the Transport Board were referred to the committee and are being dealt with. The closure of the St. Joseph Hospital and the re-assignment of staff, the inclusion of displaced groups within the Congress of the Trade Unions has been referred to the sub-committee. If I may explain, the existing statute on the face of it prevents some staff associations representing the dissident forces from participating in what can be interpreted as industrial relations. We believe that it is an antiquated nonsense and we want it changed. The Government has given its commitment that it should be changed. But that is the kind of issue that has been going to the sub-committee and is being dealt with.

The reduction of the work force at Sandy Lane and its implication for employment in this country have been sent to the sub-committee and clear recommendations have been sent to the social partners as well. Implications of the Barbados Tourism Authority's salaries for the Protocol and salary increases in the public sector have been referred to the sub-committee and matters referred to the full committee of social partners. The clarification of roles for Personal Assistants *vis-a-vis* public officers was submitted to the sub-committee of the social partners. A clear position was submitted thereafter to the full committee of social partners. The implementation of ILO Conventions again was referred to the sub-committee and a position was taken at sub-committee level and referred to the committee of the whole, and the sharing of IMF Reports with the social partners was a matter discussed and dealt with at the level of the sub-committee.

12.25 p.m.

We have put in place – and I want to stress this for the benefit of the House, but for persons who ought to

be within sound of my voice – a process within which a sub-committee, drawn from the public sector, the trade unions and the private sector, can function as the first line of consultation on critical matters that can affect the industrial relations practices of this country at the implementation of this Protocol. All of the social partners have been faithful to having matters affecting the implementation of the Protocol brought within the ambit of the functioning of the Protocol as defined to include a sub-committee.

I want, therefore, to say two things, Sir. I have been called upon over and over again by entities in this country to get involved, as Prime Minister, in industrial relations matters. I have been very careful and scrupulous to say that I do not intend to get involved in that process, for a number of reasons, because we have set up a sub-committee of the social partners as the first line of consultation, and entities who have signed the Protocol should respect the integrity of the institutions that they have helped to set up. Things I am being asked to get involved in are very often the same matters that are being referred to this sub-committee. If we set up institutions in this country, Mr. Speaker, and we want the integrity of those institutions to be respected, then all of us who support the establishment of those institutions have an obligation to allow them to function in the manner in which they have been prescribed. I just want to say that I have absolutely no intention, by taking any action as Prime Minister, to short circuit the ordinary process of collective bargaining in the country, or to assume to myself the functions assigned by this Protocol to the sub-committee of the social partners, which is intended to be the first line of consultation.

Mr. Speaker, I have just read out a fairly exhaustive list of things that have been referred to the sub-committee. It has worked reasonably well and I would urge all and sundry in the trade union movement to respect the measures to which they have been committed by signature in August of 1994.

Mr. Speaker, this Incomes Protocol also, very interestingly, at paragraph 3(e) says:

> "where increases are the result of job evaluation exercises or negotiated job enhancement exercises, wage restraint shall not be used artificially to suppress valid claims for increases in employee compensation;"

The previous Protocol also had such a provision. It also stipulated that all contracts were bound by the provision, but notwithstanding we had a situation arising under the previous Protocol where, in the case of a company established under the Companies Act, but operating under the Ministry of Finance, there were the most outrageous variations in the terms and conditions of employment of the Executive Chairman without any reference whatsoever to the integrity of the Protocol that the then Minister of Finance, the Member for St. John, negotiated on behalf of Government. I really do not want to go too deeply into this matter, because I am sad that I have to draw the terms and conditions of salary of an officer of a company established by the Crown and functioning under the Ministry of Finance into this debate, but we are now hearing the Leader of the Opposition inundating the air waves about this Protocol, that it is fit for the waste-paper basket, and he is supported by a former waitress of the Heywoods Holiday Village, as well as a former President of the League of Young Socialists, lambasting this Government for the salary increases paid to the officials of the Barbados Tourism Authority.

Mr. Speaker, the increase in wages paid and now being received by the executives of the Barbados Tourism Authority' was as a result of a job evaluation exercise commissioned, publicly undertaken within the full scrutiny of the public's glare, a clear series of recommendations arising from that job evaluation exercise and decisions taken on the basis of a job evaluation exercise. It was not a whimsical decision taken by a whimsical Government in defiance of provisions of the Protocol, the Protocol provides that if a job evaluation exercise says you are worth X rather than Y, you can proceed to pay the X rather than the Y without being in breach of the spirit of the Protocol. That particular matter was scrupulously and faithfully followed in relation to the Barbados Tourism Authority's payment to the executives. A job evaluation exercise was commissioned, a clear recommendation was given by people who had no vested interest in the matter in relation to the Government side or the executives side that the executives of the Tourism Authority should be paid X, and the decision was taken in that context.

On the other hand, Mr. Speaker, the salary of the Executive Chairman of the Barbados Agricultural Management Company, a company established under the Companies Act but functioning within the Ministry of Finance, was changed on 31st August, 1994 without there being any change, without any job evaluation exercise carried out, in defiance of what was provided for the Protocol. The Protocol covered all contractual obligations entered into during the period the Protocol was in place. I can only say that this Government is now being made the victim of the most rancid criticism by the entities least in a position to do so, because we were faithful in requiring a job evaluation exercise to be undertaken in relation to the Barbados Tourism Authority, but the former Minister of Finance in the dying days of the last administration committed what was perhaps the most monumental breach of that particular item.

I am not going to have to feel that I should tell the House, for example, that the man's salary moved from just under $75 000 basic wages to $96 000, more than a Minister, that it was agreed on 31st August that a housing allowance of $12 000 a year should be attached to the post – a Minister doesn't get this, Sir – that a domestic allowance of $8 000 should be attached to the post, that an entertainment allowance of $7 800 .....I don't want to have to say this, Sir, but I feel I have to, that on the completion of each year a gratuity should be paid, but that the gratuity should not be effective on 31st August, 1994 but that it should go back to February, 1993.
12.35 p.m.

We have here, Sir, a contract drawn on August 31, 1994 in which a man is to get a new contract, but the gratuity in the contract is not effective from August 31, 1994 but goes back to February 1993 for motor car expenses:

"The director shall be reimbursed for all travelling, out of pocket expenses..."

The whole works, and it has never been...

Asides.

Mr. SPEAKER: Let us proceed orderly, please!

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, if I were to add up the basic salary that is a substantial increase on what was being paid before, the housing allowance, the domestic allowance, the entertainment allowance, the implications of the gratuity, all the expenses to be met, we will have a situation here where the amount being paid to that one person is greater than that of the Chief Executive of the Tourism Authority, despite the fact that we have recognised the difference in the work load attached to the Tourism Authority.

I have been hearing the Leader of the Opposition on the call-in programmes saying that what has been paid at the Tourism Authority has destroyed the Protocol; but he is not telling the public that the Protocol provides that if there is a jab evaluation exercise you can have increases that are above the norm. He is also not telling the public what he condoned in the days of his administration as Minister of Finance. It is shocking.

I want Sir, to say to this House today that not only did the Government follow procedure in relation to a determination of a new wage structure for the Authority's executives that was in keeping with what the Protocol provides for. I also want, Mr. Speaker, to say to the House that it is the judgment of this Government that we have at this juncture to treat the executives of the Tourism Authority as an exception. As I said, Sir, the sub-committee of the social partners received representation about the course on which the Government would embark in relation to the payment of executives of the Tourism Authority. We understand and we respect the concerns raised, particularly by the private sector and its leaders, but it is the Government's position that the well-being of all Barbadians, the well-being of civil servants, the well-being of a large cross-section of people in the private sector, the well-being of all politicians, have come to depend increasingly on the performance of the tourism industry of this country. It generates in excess of $1.2 billion in foreign exchange which underwrites the standard of living that all of us enjoy to an extent that is disproportionate as compared with that of any other sector in the economy.

This year, Sir, the sugar industry may generate $80 million in foreign exchange. The Tourism industry generates $1.2 billion. Yet you have a situation where the previous side could agree to the basic wage of the Chief Executive Officer of the Agricultural Management Company who is not the only manager incidentally from 1994-96 and add allowances, and the Head of the Tourism Authority whose decisions are fundamental to the well-being of all of us is to be denied a package that can compare with the same.

Our position Sir, has been represented clearly to the trade unions in the matter. We understand and respect what they have told us about their concerns, but we believe that the procedures followed in arriving at a determination of what should have been paid were in compliance with the provisions of the Incomes Protocol. We feel that, given what we are as a nation expecting of the leadership of our tourism industry, the management of the public sector officials involved in policy formulation in that industry should bear some more sensible relationship to their responsibilities than has been the case in the past.

It is a clear, principled position adopted by this Administration. We can justify it, Sir. We have outlined it in great detail to the unions and when all is said and done, I am of the view that the people who are not in a position to be critical of the Government in this particular matter are those who, when they had the opportunity, not only breached the Protocol, but established a basic lack of equivalence between public officials in policy forming roles in certain sectors relative to public officials in policy forming roles in other sectors.

It would be disingenuous of me to say, because this is not the truth, that the wages paid to the Chief Executive of the Agricultural Management Company, if used as a benchmark, would far more than justify what is now being paid to the Chief Executive Officers of the Tourism Authority. It would be disingenuous because it was not

taken into account and I am not going to ask that it be taken into account at this last minute, but it exists as a fact that is incontrovertible and cannot be ignored and I would urge, Sir, that these kinds of considerations into this debate when the question as to if we are in compliance with the Protocol or not arise for discussion.

Mr. Speaker, I could not enter this debate without addressing the vexatious question of down-sizing. I do so because this Protocol is distinctive in relation to the Protocol that it is intended to succeed insofar as it specifically and explicitly sets out a clause saying that the Protocol is intended to establish a framework which protects workers' security of tenure and seeks to reduce labour disputes. It is therefore unmistakably clear that any set of policies applied at the level of the enterprise that are disruptive of the security of tenure of workers in this country are contrary not just to the spirit but to the letter of this Protocol.

Mr. Speaker, I am not going to get into what the Democratic Labour Party as an institution did after the election in terms of protecting the security of tenure of its employees. Down-sizing as a policy has not only been supported by the Democratic Labour Party but has been practised if we can read accounts of how former employees of that institution are now selling barbecued pig-tails by the wayside. They understand the practice and the precept of downsizing very well. But I want to make the point very Clearly that this Government does not support downsizing as a corporate strategy and that we have permitted ourselves to a Protocol which is specific that there must be security of tenure of workers in this country.

In instances where a company comes under grave financial distress and has, as a consequence of financial distress, to make adjustments in the scale of its operations and there are consequential changes in the level of its labour force, that are understood, but the corporate world is now embarked on a new strategy whereby it is increasingly utilising higher and higher levels of technology, automation and sophisticated high-tech processes and shedding more and more labour, despite the fact that their operations are not only profitable but sound at existing levels of employment. The notion of downsizing as a strategy to make enterprises leaner and more competitive even in instances where they are already making substantial profits is one that has been conceived of in an industrial culture where a man laid off by one company can easily find employment in a company that is carrying out a similar function. For example, we are'being told that AT&T is proposing to lay off 40 000 workers but there are a large number of companies providing a similar service for which people who have been trained and were on a greyer path equivalent to those engaged by AT&T can make recourse to find gainful employment.

12.45 p.m.

We have on the other hand, Sir, monopolies operating at the centre of our economy, people trained to function in highly specialised capacities within those monopolies, and it is not an equivalent to equate what happens when AT&T lays off people in search of greater efficiency with what happens in our society because there are no other companies of a similar nature waiting to absorb the people who are the victims of downsizing. That is the real socio-economic factor people must respect.

If I may put it in an easier way, a person trained to function in our telecommunications industry does not have a range of telecommunication employers from whom to choose. He has no way to go. It therefore behoves us as a country to look to training and retraining to ensure that workers are not made obsolete by technological advancement rather than to allow technological advancement to take the place and workers becoming obsolete in order to make companies more efficient.

It is equally true, Mr. Speaker, that our market does not readily admit to a situation where a man trained in one highly professional area can easily go into a new career path in another sphere of national endeavour because, in many instances, our market is too small to enable many highly professional services to function all at one and the same time. Therefore, by reason of the ease with which people can be absorbed into different labour forces in other contexts we believe that downsizing, if relevant in those other cultures, is not relevant to our purposes. It is a matter I have made a statement about. It is a matter other people in this country have spoken to, and quite properly so.

I have said in the statement I have issued that it is the intention of Government to have the matter of downsizing referred to, and quite properly so, as one of the issues to be dealt with through the consultative mechanisms that are there to support the execution of this Incomes Protocol. I want therefore today to take the opportunity to reiterate that the matter of downsizing which is not so current in this country will not be allowed to dive without a very clear position being taken by all concerned, and without the full weight of the social partners being brought to bear to ensure that this menace does not take root in this society.

The next meeting of the social partners will deal with this as a dclibcrate matter, and a very clear position 'adopted, and clear measures prescribed to ensure that what is provided for in this Protocol is followed in its entirety. But I must use the opportunity today, Sir, to say that downsizing as a corporate strategy does not enjoy the support of this administration and that we will be pressing with all the force of Government to make sure that it does not become a practice that is prevalent in this society because it is socially disruptive, but equally, so, it is entirely at variance with the culture of our marketplace

and at variance with the functioning of Barbados in its capacity as a small society.

Mr. Speaker, I believe I have covered most of the issues I wanted to cover on the occasion of the presentation of this Resolution. As I said earlier, there are a number of matters tangential to this Resolution. There are a number of matters arising from the implementation of the Resolution that can be the subject of discussion and division but what I do not feel should be the subject of division is the commitment of this country to have put in place a policy governing prices and incomes that has at its core the maintenance of a relationship between income changes and productivity.

The resolution of such matters through tripartite process of consultation involving trade unions, the private sector and the Government of this country and, equally so, the broadening of this process to deal with the preservation of the rights of the workers, are matters such as the security of tenure of the men and women of this country. I do not believe in this debate that the matter of a link between changes and productivity, or the need for an incomes policy, could be the subject of a debate. The House may want to deal with, as I said, issues arising from various perspectives how aspects of the process of implementation have been managed. That, Sir, is quite legitimate. We will have our position on this side. Members on the other side will have their position but the public of Barbados will not be able to repose any credibility in our management of the affairs of our country if we say in one breath that an incomes protocol has helped brought us here thus far and now we are going to oppose it. At least let us spare the public from that awful spectre.

I must also use this opportunity, Sir, to thank all those who contributed in the national interest to allowing us in Barbados to have a Prices and Incomes Protocol put in place. It is a credit to our maturity as a people that matters as controversial as an incomes policy can enjoy a consensus across the wide spectrum of the various interest groups of this country. I am deeply conscious of the very important role the leaders of the trade union movement played when they committed themselves to a protocol of this nature. We have not yet fully accepted that trade union leaders must not always be appearing as if they are willing to fight each and every issue on behalf of the workers as if the workers' interest and the national purpose do not coalesce and converge in many fundamental areas.

I want to thank the leadership of the trade union movement, and particularly the leader of the Congress of Trade Union Leaders, Senator Trotman, for having so determinedly seen the national purpose in this particular exercise. It has not been easy for the trade union and it will not be easy because even now we are now being subject to the charge that they alone are the only people respecting the Protocol and others are not, and a level of fermentation is being sought to try to see if we could not bring about some disturbance in the industrial relations field by isolating the role of the trade union from the role of the other social partners, so Sir, on this occasion, I must salute the maturity that has been displayed by the trade union in this process.

12.55 p.m.

I must also, Mr. Speaker, salute the leaders of the private sector, led by Sir John Stanley Goddard, who have worked through a large number of meetings, some of them contentious, to help us devise an important policy that has Barbados' best interests at the centre of its considerations.

I am aware too, Sir, that the leaders of the Private Sector will be from time to time subject to the most rough strictures, not only for their role in macro-economic policy formulation, Sir, but for even appearing as if they should feel that they should have an interest in the determination of policies in this country. I want to say, Sir, that not only do the leaders of the Private Sector have an important role to play not only in conceptualising the former protocol but carrying it into effect. They will have no less a role to play in this administration in dealing with a matter that is so central to Barbados' better interest.

The public service of Barbados, Mr. Speaker, has worked above and beyond the call of duty on this. They were required to undertake studies evaluating the scope and implementation of the previous exercise as the basis for making decisions as to what to include from the former protocol in the new protocol. The Committee led by Senator Farley has rendered a service to this country, Sir, that will be reflected in years to come, not only in the stability that Barbados enjoys but also, I believe, Sir, the increasing well-being of the people of this country.

I want to say, Sir, that we have come a long way. There was a time in the past when a debate of this nature would not have taken place in Barbados. We have come a long way in terms of the maturity that is now shown in industrial practices in this country and this debate, Sir, challenges each and every one of us in this Parliament to determine whether having come that long way, Sir, we would now falter or if we shall rise to the challenge of taking decisions that are fundamentally in the best interest of this country. I am obliged to you, Mr. Speaker.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that the House be suspended until 2.00 o'clock in the afternoon.

Hon. D. A. C. SIMMONS: 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: The Sitting is resumed. The Honourable Member for St. John. Sir, may I remind you that of course you will proceed following the arrangement with the other side, equal television time. You have one hour and 37 minutes of television time.

Mr. D. J. H. THOMPSON: Thank you very much, Mr. Speaker. I should like to begin by making it very clear to this House and to those who are within earshot that it is the philosophy of the Democratic Labour Party that the use of a prices and incomes protocol or an incomes policy forms one of the key tools in macro-economic planning and, to remove any doubt that any individual may have, that the Democratic Labour Party remains unalterably supportive of the concept of utilization of an incomes policy as a tool to achieve national goals.

In fact, Sir, in our Manifesto we did not shy away from such issues. We did not seek to dress up our philosophy in platitudes. We were very clear on page 11 in which we indicated under the Heading, "Incomes Policy" which was part of the list of economic achievements for 1991 to 1994:

> "Incomes Policy – A historic National Achievement
>
> The successful implementation of the Incomes Protocol is hailed as one of the most significant achievements of co-operation between the social partners in the history of industrial relations in Barbados. Such is the maturity of the Barbadian society that commitment to the maintenance of a fixed exchange rate parity is matched only by the understanding that other policy instruments are vital for the medium to long-term survival of the Barbados economy".

We do not resile, "back-back" or in anyway retreat from the clear position which we took.

Mr. Speaker, Sir, it would be well-nigh foolishness. There is nobody in Barbados who does not know that the Leader of the Opposition was the person who was the then Minister of Finance who together with a team of negotiators sat down for hours on end to knock into shape what eventually was signed by the Leader of the Government, the leader of the private sector and the entire negotiating team of the union and which became the first Prices and Incomes protocol in Barbados.

My remarks, however, Mr. Speaker, are not as blunted and misfocussed as those which preceded them. My focus in this debate has to be on the workers of Barbados. The private sector does not need me as their spokesman. I believe that they have adequately put before the public of Barbados, both in actions and in words, what their views are and they have the means by which to put their position before the public. The Government has unlimited access to the media and other paraphernalia which formed part of the state apparatus by which they can put their view to the public. There is no active trade unionist here on this side. There is none on that side. And Mr. Speaker, Sir, as an Opposition party I believe that it is critical for us to get back to basics. The Barbados Labour Party has a very long association with the workers of Barbados, but missing from the presentation which the Honourable Member for St. Peter put before this House, was a serious connection with the genuine concerns of workers in this country. Everything was defensible. Everything was explainable except the legitimate concerns of workers at the bottom, the legitimate concerns of the public servants, all of that, Mr. Speaker, would have been ignored in a presentation which focussed essentially, as I say, on a few platitudes and on a long excoriation of individuals in this House and outside of it. Mr. Speaker, Sir, our focus has to be on workers. While we are at it, Mr. Speaker, perhaps we need to remind the Prime Minister that his focus was supposed to be on jobs and, therefore, the question of the Incomes Protocol and the debate on it should have been another wonderful occasion for the Minister of Finance and Prime Minister to lay before the country, in justification of any promises he is purported to have made, whether he denies them or accepts them, that this country had within its power to create 30 000 jobs. Mr. Speaker, Sir, that is part of what this debate should be about and I will get more to the substance of that complaint shortly; because there is nobody who is unemployed in Barbados who would have found any solace whatsoever any message directed at them arising out of the contribution of the Honourable Member for St. Peter.

2.10 p.m

Mr. Speaker, Sir, there are many ways in which incomes policies can be introduced. Countries in Europe have had a long history of them since the 1950's and we did not claim in Barbados to be the first country. We claimed to be one of the first countries in which the incomes policy was successfully implemented. You have had voluntary incomes policies between unions and governments where both of them agree to certain approaches regarding wage settlement; and statutory incomes policies where governments set by statute certain parameters for wage determination and so on. There have been experiences with threshold agreements which seek to link improvement or compensation by way of nominal wage increases to rising commodity prices and inflation. Mr. Speaker, there have been social contracts which provide for wage restraint in return for commitment

by Government to enhance the social safety net and the introduction of pro-trade union legislation.

In Barbados, Mr. Speaker, the first Incomes Protocol came against a background where the Democratic Labour Party was concerned to implement a policy in this country which would curb the rate of increase of money wages from rising faster than the growth of national productivity in real terms. That was the essential argument.

Mr. Speaker, Sir, there were several occasions in this Chamber prior to the Incomes Protocol being laid that the matter was debated. In his presentation, the Prime Minister pointed out some of the key responses and reactions which he had to the Incomes Protocol. He did not set in context the basis on which the Government had introduced it. But a lot of what he said about planning in the economy and tools which are used to enhance competitiveness and about management of the fiscal deficit, these are mere parrotting of the same ideas which the Democratic Labour Party, prior to the signing of the Incomes Protocol and in the Letter of Intent to the International Monetary Fund, set out. I must praise the Honourable Member for St. Peter for his sudden conversion such that he can see it fit to extol the virtue of those policies with such accuracy and with language which is so similar to that which was used to justify the Democratic Labour Party's position on the matter. But, Mr. Speaker, that will not cause the Honourable Member for St. Peter to lose any sleep for the simple reason that he made it clear that he agreed fully with the implementation of a Prices and Incomes Policy in Barbados.

Mr. Speaker, Sir, the Government felt and it was stated in the Budget in the Budget in 1993 by the then Prime Minister that to move forward, however, there must be trust and confidence. Employers must feel confident that workers are not making inordinate demands which will be detrimental to the viability of business. Workers must feel confident that all relevant information for the bargaining process is being put on the table. I believe that if this confidence is built up we can make progress in labour market reform, in wages and price determination and on other issues.

Mr. Speaker, as I said, I led the negotiations relative to the first Prices and Incomes Protocol. I am aware of the formal stances which both the private sector and the trade unions took and I am aware of the informal stances which both the private sector and the trade unions took. While it is necessary for some people to grandstand and give the impression that their agenda is so lofty, sometimes when you look behind that agenda, and I must say that I am gratified that the Prime Minister is able to express that agenda so glowingly – I was never able to do it myself – it is not as altruistic and sincere as may appear at the beginning of the process. So I am aware of the formal and the informal stances. Mr. Speaker, there are few people in Barbados who would have not recognized the importance of reaching consensus at that period in our economic history.

Mr. Speaker, Sir, what was the role of the Barbadian private sector at that time? I think one has to recognize that, in the context of what was being constantly said in Barbados at that time, the objective of the Government and the response of the Government to the private sector's demands was to create a scenario in which there would be more room for the private sector of Barbados to grow. They asked for elbow room and a level playing field, consistent tax policy and a whole range of other features of economic planning in this country. They also asked Government to retreat from some of its activities to make room for private sector investment in Barbados. The argument was that it needed space and, Mr. Speaker, a level playing field to encourage investment and to create jobs. The theory was that there should be less Government and that the role of the private sector should be expanded. Mr. Speaker, Sir, that was their cry in 1986 as well and I believe the people of Barbados would have had an opportunity to observe the reaction of the Barbadian private sector, the traditional private sector, to policies which Governments undertake on their behalf, sometimes at their behest, and to judge whether the reaction in the private sector of Barbados has been consistent with the level of social responsibility, the level of creativity and the level of innovation which is required in a modern economy.

So the concept which was put before the Government and which I believe is being put before every Government of Barbados is that in return for a reduction in taxes, a reduction in labour costs, wherever Government could intervene to reduce them, and the creation of a level playing field would result in more investment and more jobs in the Barbados economy. Therefore, Mr. Speaker, the facts are before the public of Barbados to judge the strength of that commitment.

What was the role of the institutions? Mr. Speaker, I need to spend a little time on this. The Honourable Member for St. Peter cast most of the initiatives which the Democratic Labour Party took in institutional terms, either the dictates of the IMF, "under the heavy hand of the IMF" or whatever other language which has been used. Mr. Speaker, that approach could not be consistent with being supportive of an Incomes Policy. Because if you lump that policy into the general pot of policies which the international institutions say are desirable for Barbados and you criticize those policies, the public maybe of the impression that you are also critical of the concept of an Incomes Policy. So a lot of sleight of hand, Mr. Speaker, has been practised in the debate about the role of

the institutions. In that regard, Mr. Speaker, they have some views that are wrong. But they also were able in some cases to focus the attention of the Government on some critical issues and it is desirable we accept from a national perspective the concept of an Incomes Protocol. But, Mr. Speaker, it is very easy to deceive in circumstances such as this.

Mr. Speaker, Sir, you would not believe what is being said in Barbados today. The impression is being given that this country has been entirely freed of institutional tutelage and that this country has been freed from programmes which are devised by international institutions. I bet you if I left here today, Mr. Speaker, and went down on Broad Street and I stopped 10 people and asked them: "Do you know that Barbados is presently under a structural adjustment programme?"
2.20 p.m.

They would tell me no, because in this day and age the Government has been able to establish alliances to give the impression that this country is no longer under a structural adjustment programme, that it is no longer under institutional tutelage. But if you read the economic policy letter – because it deals with the question of incomes protocol, so I will deal with this – which the Prime Minister wrote to the President of the Inter-American Development Bank on October 16, 1995, which is a document of this House, this is what the letter says. That is not my writing, because I did not write it, I did not leave it in the office for anybody to take up, this was written with the full intent, the weight, the wisdom and the intellect of the Right Honourable Member for St. Peter, and his economic skills as well, Sir, and I quote:

> "The Government will continue to implement a comprehensive economic adjustment programme to lay the foundation for sustained real growth with price stability."

I want the Clerk to produce for me, if I can get it, the Letter of Intent to the International Monetary Fund, because I would like to read some of the language in that Letter of Intent. Let me go on, Mr. Speaker. Listen to this, *Mr.* Speaker:

> "The stabilisation phase of this programme will continue to manage aggregate demand through appropriate fiscal and monetary policies. These policies will be supported by an incomes protocol designed to reduce the real cost structure facing domestic economic activities and improve international competitiveness, by relating increases in employee compensation to measures of productivity and enterprise profitability."

Mr. Speaker, Sir, a loan was signed on Friday for Bds. $70 million, which loan, based on the contents of this letter, requires Barbados to be involved in a comprehensive economic adjustment programme. Let me go on to tell you, Sir, what some of the other elements are.

> "The stabilisation phase will be complemented by comprehensive and far-reaching structural reforms aimed at restoring sustained growth in the Barbadian economy. This is to be accomplished through measures that will increase efficiency in the economy and strengthen public finances. Tax reform is high on our agenda. Changes in the direct tax structure were approved in July, 1992."

Now, Mr. Speaker, it goes on to talk about trade reform, and listen to the latter part:

> Finally, the Government will rationalise public sector operations. There will be a review of public sector current and capital expenditures. The programme targeting public sector enterprises for privatisation, rehabilitation or liquidation...." [which means sale or closure] "... will continue."
>
> "We realise that a successful macro-economic adjustment programme will provide only the foundation for private sector led growth."

Then it goes on to talk about the reforms which are being undertaken.

Let it go abroad from this Chamber, *Mr.* Speaker, in case anybody is in doubt, that this country has not been rescued from any structural adjustment programme, that the lofty language which the Government is using constantly in the public domain gives the impression that Barbados is free and unshackled from the international institutions, but the elements of this structural adjustment programme which was signed on Friday, and which will govern Barbados for a period of time, are set out in this document and something called a medium-term macro-economic programme.

I have two Parliamentary Questions on the Order Paper, which the Prime Minister has not yet answered, and one of them relates to the elements of that macro-economic programme, because it is very important for the public of Barbados to understand clearly that all of this grandstanding which gives the impression that the incomes policy forms some instinctive economic philosophy which the Prime Minister had, and that he has been consistent over the years, it also forms pan of one of the

pledges which he has made in this document to the Inter-American Development Bank.

> "These policies will be supported by an incomes protocol designed to reduce the real cost structure facing domestic economic activities and improve international competitiveness, by relating increases in employee compensation to measures of productivity and enterprise profitability."

'So any attempt to case this incomes policy in a mode other than one which says that it forms part of the programme of the Inter-American Development Bank is to misplace and to misunderstand the reality in Barbados. Barbados is presently under an economic adjustment programme. Let us not doubt that.

Mr. Speaker, if you were to read the Letter of Intent and you were to look at the language which was used in that Letter of Intent to the International Monetary Fund, you will see the, same kinds of issues being openly addressed in that Letter of Intent. I think we need to face that reality. When we talk about international institutions in Barbados, the Right Honourable Member for St. Peter wants always to cast the debate in terms of secret deals. I want to say this to the public of Barbados. When I speak about the influence of the International Monetary Fund in Barbados' affairs, I am speaking from the point of view that it is necessary for us to be realistic about how the international institutions function, and any Minister of Finance who believes that an IADB programme is free of any influence of either the International Monetary Fund, or let us put it another way, that the same persons who make decisions in the International Monetary Fund at the highest level are not the same kinds of persons with the same kinds of thinking who make decisions at the highest level at the Inter-American Development Bank, then he is deceiving himself. The sooner the Prime Minister of Barbados comes to the realisation that it is necessary to be frank and realistic in the debate of economic policy in Barbados, Mr. Speaker, we will be better off. But let us have no doubt about it, this country is still under the tutelage of the international institutions. We had a debate in here which has glossed over that. Nobody would even believe that it formed a pledge in this economic policy letter. No reference whatsoever to it! It is as if the Prime Minister came in and is managing this economy so well, he formed a committee to analyse the former Protocol and as part of his deep commitment to economic planning and his consistency he decided to enter into a new incomes protocol.

Mr. Speaker, there are not seven clauses in that incomes protocol which are new. Read it for yourself. So when I hear about public officers sitting down for hours negotiating this Protocol and I read the language of it, I can only believe that they would have strained and brought forth a gnat, because the Protocol is no different in substance, except that it does not say there is a wage freeze. All of the elements of the Protocol and the language is the language which the trade union movement, the private sector and I sat down at Government Headquarters and put together in **1993.** So it is nothing new.

Mr. Speaker, we need to understand the kind of agenda which has been carried out in this country, because while the Prime Minister for the record is telling the public that he has been consistent, he is leader of a political party which on the ground took that same incomes protocol and used it as a tool of criticism, not the implementation of it, the elements of that protocol, to dislodge another Government from office, and used that Protocol as an example to the workers of Barbados of heavy-handed tactics by a disreputable Government which was seeking to take away all of their rights. Now for the first time as Prime Minister the Rt. Honourable Prime Minister is telling the public that he was always in favour of that, there are a few things that they didn't do and he set up a few committees that did not meet to find out what they were. This is what the Prime Minister's message in this Chamber is today, that what the Democratic Labour Party did to put in place a Prices and Incomes Protocol was right for this country. That is the message.

2.30 p.m.

Mr. Speaker, Sir, I want to go on further. While we are being told the Protocol is embraced by the Barbados Labour Party, it is not supported by the satellites on the ground, the paid columnists in the newspaper and others who, as I said, used it as an example of the wickedness of the Democratic Labour Party. It was deemed a burden on the backs of workers. The trade union movement was publicly abused on several occasions for capitulating, for ignoring its responsibility for workers, for sitting down in a sweetheart deal with the previous Government and undermining the concept of collective bargaining in this country. All of that was being said by the satellites outside. Some economists and businessmen were critical, but the Rt. Honourable Member for St. Peter says that he always supported it as an alternative to an exchange rate change by Government. I have heard him say that on several occasions but, Mr. Speaker, Sir, you wouldn't believe what else he said.

Hansard, February **23, 1993.** In that speech, he took his usual stance. I know I am always accused of being sharp in my criticism of individuals but, Mr. Speaker, he ended his speech by saying:

> "I will support the loan, but I can do no less than strongly condemn the messenger who brought it to this House."

Now sometimes when you condemn the messenger you destroy the message, but the Rt. Honourable Member for St. Peter decided that he wasn't going to deal with the Protocol because he wanted to keep his consistency so what he did was to come to the House and deal with the messenger to undermine the impact of the Protocol. This is what the Honourable Member on February 23, 1993 said on page 3000:

> "Now, Sir, the question of an incomes policy. One of the real outstanding points of difficulty between the Government of Barbados and the IMF is this question of an incomes policy. I believe that the divergent views expressed by Members of the Government in recent times indicate that there is a total confusion within the Government itself as regards the continued pursuit of an incomes policy."

And now the invective begins:

> "Now, the Prime Minister of this country prizes himself or so he believes that he is a political scientist. But when the economic history of this country is written it may well be said of him, Sir, that he bought for himself 18 months of political survival by putting the medium and long-term viability of this country at risk...."

Now we have heard about the impact of an incomes policy on medium-term planning, how it is a useful tool in economic planning, but the Prime Minister who was introducing it then was a person who was only buying political survival.

I will go on Mr. Speaker, Sir.

> "... I want to repeat the point that he has bought for himself 18 months of political survival because every decision that he makes is a pure political decision that acts and deals with only one issue, that is how can I in the short-term maximise the political..."

And then the Speaker intervenes because what was said was not worthy of publication and then the Rt. Honourable Member for St. Peter rejoins:

> "I agree with you that he is not a principal. He is nothing. He does not even understand the word, Sir, but he has gone on record as saying..."

I want to go on to say what the Rt. Honourable Member for St. Peter said then. When you condemn a messenger like that, you destroy the message and the message was about the efficacy of an incomes protocol in this country. Listen to the invective:

> "Mr. Speaker, I agree. He is not a principal, Sir. He is behaving like a joker. That is what he is and I agree with you, Sir, that he is not a principal. He does not understand the word "principle" either and it has to be said. He has gone on record as saying that he will not undertake economic policies that will allow him to commit political suicide. That is the point that I am addressing, Mr. Speaker. There comes a time when if you believe in something you have to follow through irrespective of the political consequences. There comes a time, Mr. Speaker, when the survival of a country is bigger than the political survival of anyone man. I am saying to you, Mr. Speaker, and this House that on the question of an incomes policy the only thing that has been of concern to this Prime Minister is his sheer political survival in his post and I will explain why, Sir."

If you can tell me, Mr. Speaker, that that is supporting an incomes policy, if anybody can tell me that that is consistent with saying that an incomes policy is a desirable economic tool in economic planning then, it means, Mr. Speaker, that something will have to be wrong with us as sane and sensible citizens of this country. So that lofty exercise which we had earlier today which sought to give the impression that somebody has always stood up in here and given these extravagant exhortations about the brilliance of an incomes policy, we can say to forget that because that does not bear itself out on the record.

Mr. Speaker, Sir. Page 3001. Listen to the Rt. Honourable Member for St. Peter in his previous incarnation:

> "Barbados' programme with the IMF was unique and different from all other programmes because Barbados is one of the few countries in the world that has ever gotten into a programme with the International Monetary Fund in which an incomes policy was set out as an alternative to devaluation. Mr. Speaker, an incomes policy notion as a substitute for devaluation was only accepted with the greatest difficulty by the IMF."

It is instructive to pause there as our English teachers would tell us at school. Do you know why we have to pause there, Mr. Speaker? The impression was given by the Rt. Honourable Member for St. Peter that when the then Democratic Labour Party went to Washington we accepted tutelage, anything the IMF said, we accepted.

In this statement, he is saying that the IMF accepted with the greatest difficulty a policy which was not consistent with the usual IMF stance. Now that could only be a tribute to the negotiating skills and the other skills of the Democratic Labour Party in bringing such a programme to Barbados and being successful in its implementation.

Mr. Speaker, Sir, let me tell you what the incomes policy was an alternative to, because the Rt. Honourable Member for St. Peter professed to know and he spoke about it then.

> " Indeed, at the very outset, it is a matter of fact that the proposals was that there was to be a 10 per cent in the public sector and a 10 per cent in the private sector..."

I believe he meant a 10 per cent wage cut.

> "That was the initial thinking on the matter, Sir..."

As a substitute for devaluation.

> "... If you are going to have an incomes as a substitute for devaluation, it has to not only be a public sector instrument but it has to affect the whole economy."

So, Mr. Speaker, Sir, we have dispelled 2 notions. The first is that the Rt. Honourable Member for St. Peter has been as altruistic as he suggests in supporting a prices and incomes protocol. The second notion is that the Democratic Labour Party went to Washington and accepted the dictates of the institutions in the way in which the Rt. Honourable Member for St. Peter suggested. So I dealt with that and I leave the Rt. Honourable Member to restore his credibility in whatever way is necessary.

I don't condemn the messenger. Mr. Speaker, as Leader of the Opposition, I do not condemn the messenger. I wish to say that if the Rt. Honourable Member for St. Peter came to the sober sane and sensible judgment that an incomes policy is a desirable policy tool for him, I congratulate him on succeeding in getting one signed in Barbados.

2.40 p.m.

We are not going to adopt those tactics where the emphasis on debate is on a personal attack and on a person's commitment to principles and things like that. We are dealing with the Incomes Policy and we have decided that these explanations to the public are necessary and critical in terms of our development.

Who was it that supported the Incomes Protocol? We had support from the private sector. We had support from the trade union movement and the Government by and large was in support of it. I do not condemn anybody for their non-support, but nobody would add the opposition in that equation.

Mr. Speaker, so anxious was the Honourable Member for St. Peter to take the praise for our Protocol that he said in a debate of August 24, 1993, that various viewpoints which he held found themselves into the Protocol and he was very happy that even though we did not ask the Opposition to formally participate that nevertheless, several viewpoints which he held, several stances which his party took made themselves into the Protocol so he took some credit, apparently, for the first Protocol as well. Therefore I am not any advisor to anybody except the Members of this Parliamentary group so I do not take credit for anything done by the private sector, and I take no credit for anything done by the trade union movement. I can say for the record that the Honourable Member for St. Peter was not my adviser so he cannot take credit for advising me on anything. He would have to advise either the private sector, or the trade union movement, and I leave the public to draw their own conclusions about where his advice went.

Now, Mr. Speaker, what was the outcome of the Prices and Incomes Protocol? It had its desired effect. You cannot hinge the success of an incomes protocol on whether a committee met, or on a whole host of other trivialities. The success of an incomes protocol has to be based on whether it achieved its objectives. If competitiveness was an objective, and if investment was an indication that the economy was returning to some level of competitiveness, the Central Bank will tell you about the performance in 1994.

Mr. Speaker, if controlling the fiscal deficit was an objective, and if the Government was able to maintain a small deficit and manage the economic resources of this country well, and that was achieved, the Protocol had some impact on that too. We must look at the larger picture. We must not be so ungracious and so nitpicking in issues of this magnitude and seriousness to hinge the success of an incomes protocol on all kinds of minor issues, compliance at a micro-level, and issues relating to whether a committee met or whether the Productivity Board got its formula in place.

By June, 1994, the Democratic Labour essentially had no political authority to do anything else in this country. There was debate in this House in which the Government as a result of that debate had to fall. Between the time when the Protocol was signed, which was on August 24, we had less than 12 months in which to implement anything flowing from that Protocol. That is well known so what could anybody carrying out any analysis of a Protocol for a Government which was able to implement policies for 9 months in a Protocol that was to last starting April 1, 1993 and effective to March 31, 1995, and for 6 of those months the Honourable Mcmbcr for St. Peter was responsible for the affairs of this country?

The Protocol was not signed by the former Prime Minister on his own bchalf. It was signed for the people

of Barbados, and if you believe in an incomes protocol the Honourable Member should have had the courage to take up this document when he got into office and implement the things which were unimplemented, not to come now 18 months after being in office to start nitpicking about small matters. Mr. Speaker, it helped stabilized this economy and it did help stave off an exchange rate adjustment. There were weaknesses. Nobody doubts that. The Productivity Board did not make the progress which was anticipated. The productivity formula for the public sector was not concluded, but by and large the spirit of the Protocol meant that there was some kind of economic advancement for the people of Barbados.

Now, Mr. Speaker, I want to deal with the issue of rent and bus fare increases. The Honourable Prime Minister made a document a document of the House and I recall very distinctly those meetings. Those meetings were held, not to put any new policies in place. Those meetings were held to follow up commitments which were given in the Letter of Intent. There is no doubt about that. There were conimitrnents relative to public transport. There were commitments relative to the efficiency of pubic sector corporations. I went to Washington and the Fund said to me these matters remained outstanding. I said I would see what I could do about it. What the Honourable Member for St. Peter can only refer to in terms of agreement were that we agreed to implement the matters which were outstanding. When I returned to Barbados, I can tell the public this because it is not a difficult thing being the youngest Minister in the Cabinet. My proposals were not accepted. Cabinet said "No. We are finished with that." Now, Mr. Speaker, we continued to have meetings to see if we could find a solution to the issue of the deficit in the Transport Board.

Aside.

Mr. D. J. H. THOMPSON: I have to accept older and wiser heads on that point and I accepted them.

The Transport Board continued to try and solve the problems of its deficit. The National Housing Corporation continued and we even got to the stage where we were seeking to implement a stage fare system for the Transport Board, housing rent and our position was this, "Okay, the Minister of Finance can take the matter to the social partners."

Mr. Speaker, when we were doing the Protocol, neither the issue of rent increases nor the issue of Transport Board fares came up in the course of those discussions. It must be made clear that after the Protocol was signed, the National Housing Corporation took steps to implement a programme for the collection of outstanding rents and the introduction of new rents. The Transport Board itself started its programme to determine whether there should be an increase in bus fares and the Cabinet must have considered that matter on at least 4 or 5 occasions.

Aside.

Mr. D. J. H. THOMPSON: I leave the Honourable Member for St. Michael East to expand on that. But, Mr. Speaker, there is no doubt in this country that the Democratic Labour party neither introduced the increase in housing rents, and there is no doubt in this country that the Democratic Labour Party did not introduce an increase in bus fares.

Mr. Speaker, the electorate has spoken to all of those issues. The Honourable Member for St. Peter is so caught up in that kind of trivia that every debate we have in this House finds him making some document a document of the House. The electorate dealt with that. Regardless of what my views are on bus fares now, NHC rents, wage increases for public officers, the public of Barbados said, "Listen, Skipper, you and your team have no further say on that matter. We have given the Honourable Members there on that side a mandate" and still 18 months after that mandate is supposed to be implemented we cannot hear about the next steps. What this country is still hearing about is that I was up in Washington on a cold winter meeting with the IMF discussing something which was never implemented. It cannot fall from the mouth of the Honourable Member for St. Peter to get up in an election campaign and subsequently to tell the public of Barbados that the relationship between Barbados and the IMF broke down on niggling concerns, those are his words, like bus fares and housing rents and still come to this House to tell a story about implementation of bus fares and housing rents.
2.50 p.m.

Mr. Speaker, Sir, all of that dancing around makes no difference. I have no say now. The person who has all of the say is the Honourable Member for St. Peter and I am saying to the Honourable Member for St. Peter that even if he wanted to he cannot get out of having to implement an incomes protocol because he has given commitments too. The only thing is he plans to meet all of them and I wish him well. I wish him well with the VAT in particular. God bless the Honourable Member for St. Peter and his team in relation to that issue.

Now, Mr. Speaker, Sir, when the Democratic Labour Party lost office there was no doubt that we would be able to implement those kinds of measures. No doubt about that. So what is all of this old talk about who was in Washington agreeing to something. That, Mr. Speaker, Sir, is as bad as to say that indexation was not implemented. I had the same technicians in the Ministry of Finance as the Honourable Member for St. Peter has. They have not

changed, Mr. Speaker, Sir. Which technician could have produced a programme for indexation in relation to income tax in the space of ***6*** months? The next budget after the protocol was signed was in March, six months after a protocol was signed and the Honourable Member for St. Peter says he saw no efforts at indexation but what he cannot say, Mr. Speaker, Sir, is that the Democratic Labour Party did not remove the iniquitous levies which the Barbados Labour Party had placed on the workers of this country. So while my Budget may not have referred to the levies the Government lost substantial amounts in that year as a result of the removal of levies. There is no point patting your back all the time. The budget was a budget about structural reform, not about niggling issues like the ones which the Honourable Member for St. Peter has highlighted to major national concern.

Now, Mr. Speaker, Sir, when a Minister of Finance goes to Washington....

Aside.

Mr. D. J. H. THOMPSON: I did not carry the Cabinet with me. The Minister goes on with the understanding that when he returns he reports to the Cabinet and the Cabinet takes a position one way or the other on issues. There is no document anybody can sign in Washington on behalf of Barbados which the Cabinet does not agree to. Mr. Speaker, Sir, if the Honourable Member for St. Peter can show that the two policies of which he was critical of the Democratic Labour Party were implemented, or that indexation was capable of implementation in this country in 6 months then I would stand corrected but I am saying that neither matter can be proved by the facts.

Mr. Speaker, I want to thank the members of the private sector and the trade union movement for negotiating the first protocol and for the hard work and it is a tribute to them that the same words in the first protocol have repeated themselves in the second after all of this debate. Mr. Speaker, it does not surprise me. My parliamentary representative, the Honourable Minister of Labour, was a member of that committee so I am not surprised he would have spent so much time trying to hold committee meetings and get something done. I only have one vote but I know I am speaking on behalf of the people of St. Philip North when I am analysing his' performance.

Mr. Speaker, Sir, let us get on to the 1995 incomes protocol. As I have said, the Honourable Member took the protocol up and read sections from it. He read sections which were no different to the sections that had been there before. The Honourable Member for St. Peter is not in a better position than me to know what clause 3(e) means. I am saying the Honourable Member's interpretation of that clause is incorrect and there are Minutes of the negotiaiions because the union insisted that the minutes should form an integral part of the protocol, which should disclose to the Honourable Member for St. Peter what that clause referred to.

I am very disappointed in the Head of the private sector whom I admit was not present at the negotiations and I am disappointed in the Prime Minister that this clause is now being used to give some substance to some claim that a little fancy footwork at the Barbados Tourism Authority to give people salaries of $150 000 that ***ex post facto,*** that is a rationalisation for those high salaries, that they did not offend the protocol but offended every single Barbadian. If the people of Barbados are to be bound by this protocol it must mean that the steps which Government takes must demonstrate some faith with the people, must be consistent and must be based on policies which are transparent and fair.

I want to say this, that when the public officers in 1991, October, took a cut in their wages that cut was imposed, Mr. Speaker, Sir, on the basis that the first beneficiaries of the fruits of the stabilisation or adjustment programme would have to be the public officers. Mr. Speaker, Sir, he took an 8% pay cut too. You had better check and see where he was working then. You see, you always have your facts wrong and laying documents and you do not have the facts.

Mr. Speaker, Sir, I apologise for that.

They took a cut, but who should benefit first? This is what we are saying on this side in the Democratic Labour Party. If you want to carry out a new public sector reform programme in which you announce as a policy that people at the top should be paid 5 times what the next person in line is to get that is something that you have to sell to the public of Barbados. Mr. Speaker, Sir, it must be inconceivable in the good society, as the Honourable Member for St. George would put it, that the people who make the sacrifice do not get any benefit. You know there is nobody in Barbados today who can tell me what the public officers will be getting. But we know what the President of the BTA and his two juniors will be getting, Mr. Speaker, within days of the protocol being signed.

Mr. Speaker, Sir, we have a Government in which the leader says that he will only support an incomes policy as an alternative to devaluation – introducing an incomes policy as a tool in national economic planning. Now, he has not recanted any of his previous stances. He does not apologise to the former Prime Minister for his personal assault on him when he introduced an income policy in here. Nothing has changed. But there is nothing on which the Honourable Member for St. Peter has not reversed himself and what concerns most of us in here is

the gumption with which he does it. Mr. Speaker, Sir, he has only once come here as if he was delivering an unsworn statement from the dock. On all of the other occasions he looks you full in the eye. You know, a fellow giving an unsworn statement puts his head down and says, "Yes, Sir, Your Honour .....I am sorry". Nothing so, Mr. Speaker. This is a new kind of politics. This is the kind of politics in which a man can openly reverse himself on fundamentals, can say he never said what he said and look you in the eye, head on. Well, Mr. Speaker, I used to sit down there so I was not the beneficiary of that kind of eye language. When he sat here, I was down there but I am now seeing what it is like and that concerns me, Mr. Speaker, Sir, because it speaks to the quality of leadership which this country is now enduring, consequent on September 6, 1994.

Now, Mr. Speaker, Sir, the use of a prices and incomes policy is an endorsement of the previous Government's policy. That could never fall from the Honourable Member's mouth. There is no graciousness in this. You would believe that this an entirely new document. It must be said openly that it is an endorsement and do not let the Honourable Member for St. Thomas get into the debate because he restricts himself to legal issues on these subjects. His debate here is legal, how do you comply with it, having looked at the philosophy of it. I am interested in the philosophy not compliance. Compliance is for technicians and people who are walking around looking for people to lock up and that kind of thing and I am not one of them. I am going to liberate people from their circumstances in life.
3.00 p.m.

Mr. Speaker, Sir, it is a triumph for the economic management tools of the Democratic Labour Party that the previous Government was able to introduce a Prices and Incomes Protocol. All the parties went to the bargaining table and we negotiated a new Prices and Incomes Protocol which is substantially the same as the one which is being brought before this House. I think, Mr. Speaker, Sir, we need a little less hypocrisy on matters of this sort. But you know what concerns me, Mr. Speaker, that while I am expected to be generous in here as the leader of a political party to say "yes" that an Incomes Policy is a good idea and go to the lofty heights, some of the people who went to the bargaining table to negotiate this Incomes Policy did not go with any lofty ideals in their mind. Because if they did what is presently happening in Barbados, particularly steps like the increase in emoluments for people at the BTA, the decision in secrecy – because the Prime Minister himself admitted that nobody seems to have known or commented on the fact – that at the Barbados National Bank, not that he was going to pay more because the Prime Minister made it very clear in here that he was going to link the pay of the Managing Director at the BNB to private sector salaries. He said it. That was the reason why we could not appoint anybody.

Mr. Speaker, when people start to tell you about how we did not honour the Protocol, the reason why we could not get a Managing Director of any seniority or substance in the banking system is because we felt as a Government that how could you agree to pay the Managing Director at BNB a private sector linked salary?

Mr. Speaker, Sir, let us go back a little further. When the private sector had their candidate to become the Director of the Board of Tourism, they were willing to take up $30 000 of their money to top up his salary. We said, "No, no. This Government is not walking around with its hand out begging for anything. He will conform to the standards which are set in the Public Service and by which everybody, until these aberrations, has been functioning. We are not adding any additional $30 000. Either the person we appoint will accept the present salary scale or forget it."

Aside.

Mr. SPEAKER: Please, please. Order please.

Mr. D. J. H. THOMPSON: It came to Cabinet as a proposal to pay and that the Tourism Development Corporation was offering an additional $30 000 to top up the salary, not any car.

Aside.

Mr. SPEAKER: Please.

Mr. D. J. H. THOMPSON: You are not going to side-track me. The public should know the truth about these things. Thank you. The Honourable Member for St. Joseph is confirming it as part of the record of this House because it is true. But it was because the Protocol was in place that the Cabinet said that we have to reject that approach until such time as we determine how the post adjustment benefits will be shared in this country. We completely rejected it. This Government comes in, Mr. Speaker, and can find it within a few days after signing a Protocol which does not speak in any specifics or otherwise to this policy and pay $150 000 to some executive and I will deal with the BAMC matter as well.

Now, Mr. Speaker, the Honourable Member for St. Peter must understand that the BNB salary was paid and this House has never been told what it was. I do not know if the trade union representative on the Board told the union people what it was. I do not know if the private sector told anybody what the Managing Director of the BNB is being paid. But I was hamstrung. I could not

bring the same gentleman from Canada even though we were discussing with him what would be a suitable level of remuneration because there was in place in this country a Prices and Incomes Protocol. The Honourable Member for St. Peter would expect us now to adopt a lofty stand and say, "Oh, yes. You are doing a wonderful job. We support you on an Incomes Protocol." When the stances which the Government is taking are inconsistent with rewarding those who made the greatest sacrifice in this country during a time of economic adjustment. Let me make it clear that I wish the Managing Director of the BNB well. He is exceedingly well qualified and I believe he is the right man for the job. However, those caveats which I have just had to enter are precisely because I had to be guided by an Incomes Protocol which we had in place at the time.

Now let us get to the Barbados Agricultural Management Company because the Honourable Member for St. Peter is always throwing this around as if it is some kind of issue. Mr. Speaker, Sir, by his own admission, the Barbados Agricultural Management Company is a private company established under the Companies Act of Barbados of which the Government is the only shareholder and the only act that I was required to do was to appoint its directors. I took it to Cabinet and I got the Cabinet's approval. On its board it has representatives of the private sector. On its board it has representatives of the trade unions. On its board it has senior public officers.

Mr. Speaker, Sir, the gentleman who is the Chief Executive Officer of the BAMC was a public officer on secondment to the BAMC. He was the previous Chief Executive at the BADMC when he was seconded. There is no need for a ministerial approval for a salary. This is a private company. The Minister's approval was not required for anything. Mr. Speaker, the decision relative to it was a decision of the directors. But I will go a step further, Mr. Speaker, and I will say that I have never participated in any decision relative to an award or remuneration at the BAMC.

Aside.

Mr. SPEAKER: Please, please.

Mr. D. J. H. THOMPSON: Well, you can say what you want. I have never participated as Minister of Finance either in approving or taking to Cabinet any decision relative to remuneration. Unless the Honourable Member is saying that during the last week of the election, I was so confident that the Democratic Labour Party was winning that I went down to the Ministry of Finance and approved this. No, he said that I was confident that I was winning because I was in the Ministry of Finance. He said that out on the highways and by-ways. Unless he is saying that, which is hardly what he would be alleging, it means that he would have to show this House when the Cabinet of Barbados approved a package of remuneration for the Barbados Agricultural Management Company.

Aside.

Mr. D. J. H. THOMPSON: Now the Cabinet met on the 8th. Well, we were not in Government on the 8th of September. Mr. Speaker, Sir, there was no requirement for the intervention of the Minister of Finance in any of these matters. The secondment of Dr. Brathwaite was something that was Ministry to Ministry. I want to say for the record that the whole reason why the person was appointed Chief Executive Officer and Chairman was because the Cabinet came to the decision that he should have full authority when dealing with the sugar planters in Barbados. So he did not have to refer anything back to the Minister. We gave him certain targets relating to subsidies and so on. We analyzed the management contract with Booker Tate and came to certain agreements. We entered into an agreement with CDB for financing, with ING Bank for financing. We started the process with CitiBank. Those things required ministerial intervention. But the purpose of making him Chairman and Chief Executive is because we felt in the period of transition that it was necessary to have a person who had full authority when he sat down at a meeting with the sugar planters. Do not forget a lot of foolishness had been going on before that and, therefore, you needed somebody of substance and ability.

3.10 p.m.

Mr. Speaker, Sir, the President of the BTA is not running a hotel anywhere in Barbados. When the man who the Barbados Labour Party said would devastate the tourism industry was Director of Tourism, tourism amvals increased. The tourism sector had millions of dollars of investment in 1994. The present President was not Director of Tourism then. You could have a Director of Tourism who is going in the opposite direction and it is possible for tourism to increase and boom in spite of him.

Aside.

Mr. D. J. H. THOMPSON: Thank you. The Honourable Member for St. Joseph knows his tourism even though they do not like to credit him as ever having been a Minister.

Tourism has more to do with the people on the ground. As soon as we get to a stage in this country where we stop believing that only executives and the upper layers of the private sector are determining the role of tourism and who wants to come back to Barbados, the better off we will be. It is those men and women on the streets that they meet that are having the greatest impact on tourism in this country.

Mr. Speaker, Sir, do you think they are receiving the salaries...Some of them do not even receive, on a yearly basis, the gross amount which the Director of Tourism receives. In some small hotels which may have 4 or 5 employees it does not amount to $150 000. But every morning when they get up they have to say, "Morning, Sir." "Good afternoon, ma'am." "How is your day?" What foolishness am I hearing? That after being educated in this country with a philosophy that when we get benefits they must be shared among the people who most need them, is now being replaced by a philosophy that those people are subject to a protocol. Nobody has done any job enhancement exercise for the maid. Nobody has done any job enhancement exercise for the barman, for the bell boy.

Aside.

Mr. D. J. H. **THOMPSON:** They Q not count in this system. I am glad the Honourable Member for St. George South accepts that point. The people who count in this system, according to the message which is being sent to us and endorsed by the private sector is that job evaluation and job enhancement exercise which have priority are those from whom much is expected. Let me tell you something. If you think that a tourist expects anything from the Director of Tourism in Barbados, you are wrong. If you think that he expects anything from the President of Tourism, you are wrong. The person who he is going to quarrel about is the last person he sees when he leaves the airport and the first person he sees when he arrives in this country. If we are not careful, we are going to be sending the wrong message in this country where we give the impression that we do not expect much from sanitation workers so keep them down there. We do not expect much from the maids so keep them down there. But you can come and give twice as much to one category of persons.

I am saying that, on that basis alone, this protocol cannot be accepted by us. Because as long as this protocol is used to shield those people at the top and as a sword against those at the bottom that every time the people at the bottom say, "We deserve some consideration," people are asking them, "Have you not read the protocol yet?" They are the least likely to read it. But the fellow at the top who is going down at the Government Information booth to buy a copy is looking to see how he can configure dividends, how he can get his productivity to push this thing. He looks through all of that and is working out his business. Who is looking for the one down there? If the debate is not about that, something is wrong.

All that the Prime Minister has said, what I think he needs to focus on is that while he is rewarding those at the top, what process is he putting in place to reward those at the bottom? He has not told them how he is going to provide the jobs for them. They do not even want to hear him on that subject because he cannot count as well as you or I. When they put statistics before him, when the rest of us see 2 700, the Honourable Member for St. Peter sees 10 000. Count him out on that one. When it comes to the BTA salaries, he can find all justification. But when the public workers were saying, "Listen, we went through an 8% cut, let us go backwards and give us a productivity bonus for that period", he said "They are raping the Treasury." The General Secretary of the National Union of Public Workers was accused of rape on the front page of a newspaper. I am not saying that what he was saying was right. How can you treat 2 categories of worker? If that is not what the Honourable Member for St. Peter meant when he said it, he should get up and correct the newspaper article.

Hon. Miss M. A. **MOTTLEY:** On a point of order, Sir. I do not think that the records of this House should contain a reference to the Prime Minister making an allegation against the General Secretary of the NUPW for *rape.* The first comment related to rape of the Treasury and if that is the comment the Leader of the Opposition wishes to communicate then he should communicate it in its entirety without seeking to slur and make slurs against the characters of people in this Honourable Chamber.

Mr. D. J. H. THOMPSON: If anything like that occurred, Mr. Speaker, Sir,...

Mr. SPEAKER: No point of order. Proceed.

Mr. D. J. H. THOMPSON: Thank you, Sir. You told me to proceed. I know you would know better.

Then you could hear from somebody on the Government side say, "If you pay peanuts, you will get monkeys." I asked myself, is this the Barbados that we grew up in under Errol Barrow believing that the gap between those at the top and at the bottom needs to be closed, not expanded, not widened?

Aside.

Mr. D. J. H. THOMPSON: If you want to add Grantley Adams, I will add that. Because it will perhaps demonstrate the point that I am making. What would happen if they were in the House now? What has happened to the O'Neal legacy, the Barrow legacy? And you say the Grantley Adams legacy. I do not know a lot about it but what has happened to that legacy? Those are men who fought on the streets. They could not avoid contact with those workers, the people who come out of the field with mud on their feet and so on. There was nowhere to hide. Ronald Mapp and M. E. Cox did not have anywhere to hide.

Asides,

Mr. D. J. H. THOMPSON: But in this day we have somewhere to hide. We can rationalize anything in this country. We will note it. But we cannot approve any incomes protocol against the background of those principal concerns.

I want to say that parties came to the table negotiating in bad faith. Because if the private sector can tell us today that down sizing is a feature of Barbados that is here to stay, I looked high and low to find where this protocol says that down-sizing is acknowledged by the social partners as being part of the economic reality of Barbados. I do not see anything like that. I am saying this to the private sector now, that I hardly expected that when this economy was being stabilized and restructured in the 1990s that, a mere 2 years later, anybody could have the effrontery to tell the people of Barbados that down sizing is part of the economic landscape of this country. I have to make the position clear. We made errors in the Democratic Labour Party. Nobody denied that. And I am not coming here as any puritan or any saint. I am saying there are decisions which we took some'of which, given other circumstances, we could not have taken. But we had to take them.

I am saying that I sat at the table with the unions and the private sector. Nobody told me, "well listen, after this protocol, when we get to the next one, if there is need or after the tax concessions we still have to talk about down sizing." The Prime Minister has referred it to a Committee. How could you refer down sizing to a Committee? Do you not have legislation for job security? Do you not have anything else, any other mechanism which can be used? What macro-economic tools can you use to avoid down sizing?

What is the Committee going to say, "Oh well, we have examined down sizing very carefully. We have analyzed it and all of the ramifications and we are equally as concerned." They may not tell you who because sometimes I wonder who is concerned about it. Everybody says, "Look, let me make it a document of the House." Because he likes that. He will make that committee report a document of the House. But the people who are being downsized after 30 years and so on. I want to say this.

Aside.

Mr. D. J. H. THOMPSON: Yes. Decisions were made about severance payments in this country. We cut back severance payments. Nobody could have cut back severance payments in Barbados contemplating that it would have resulted in major unemployment in this country. it would take the mind of a Philistine, a person who has a cold heart to cut back severance payments simply to produce more unemployment. If you could produce a politician in this country who likes unemployment and who has said so, publicly, in here although some do not like to talk about employment and jobs. I am talking about the ones who like unemployment. If you could produce one, Mr. Speaker, Sir, I should like to meet him because he and I will have a lot to talk about and I would like to know from whose loins he sprung. That is what I should like to find.

We cannot support this Protocol. It has nothing to do with the previous stances of the DLP. I am not dealing with that kind of hypocrisy. We are used to this in Barbados, a party saying this in opposition, that in Government and shifting back. That is not what this debate is about. What you focus or whose cause you are taking up, you can then deal with the issues clearly. The reason why the Prime Minister could not deal with the issues clearly is because he was not sure who he is speaking for at this stage in our national development. Whose interest is he representing? When I finished listening to his speech, whose interest is being represented here, in this Chamber, by the Honourable Member for St. Peter? Whose case did he put? If he could tell me that he put a case because he talked about the IMF or he put a case because he said that somebody is a waitress at Heywoods and a lot of remarks about individuals, if that is putting a case, he exercised his mind on things which were entirely within his competence, not mine. Who is selling pig tails? Who beats who with pig tail buckets? Who writes in what newspaper? Then he describes that as a disingenious speech. I looked in the dictionary for that word and the dictionary tells me that the word "disingenious" is an error for "disingenious". I would say that I believe his speech, at that point, was disingenious. It was disingenious for any Prime Minister to carry the debate to that level.

I am saying that the Protocol is being used now as a sword against those at the bottom and a shield for those at the top and that it makes no connection with economic reality. Because if you say that down sizing is a reality... Mr. Speaker, Sir, do you know that this Protocol...

Asides.

Mr. D. J. H. THOMPSON: ...does not deal with the economic reality as set out in this economic policy letter. It does not speak to any of the issues to which we are committed for the next few years in Barbados. That is the concern I have. If you parrot the old protocol, it means nothing has changed in Barbados. Are you telling me that nothing has changed between 1993 and 1995 which requires the ingenuity, the creativity, the seriousness of negotiators? Do you mean that the Honourable Member for St. George South is telling me that this protocol should say the same thing as the last one? That is the argument which is being advanced. But I am saying that economic

reality is changing and, therefore, the protocol needs to address those issues which have now come on the table and one of them is the question of remuneration for the top levels of the public service or in statutory corporations, as against those at the bottom.

An issue of concern must be the issue of down sizing. The protocol was signed and days or months after the NCC workers then got their commitment. They did not get it before the Protocol was signed. We are telling you that this Protocol did not have issues on the table which should have been there. I do not know who is negligent in that regard. But I would hope that future Protocols would address those kinds of concerns.

This Protocol does not speak about victimization in the public service. Some people say that we are glib when we talk about that. There are so many names that one could give. People sent on special leave. People dismissed from statutory corporations, the Sanitation Service Authority, NCC. Public officers sent on special leave by people who do not have the power to send them on special leave. All of this is part of the agenda. Why did the Protocol not speak to that too? The Government says it needs those kinds of powers. Mr. Speaker, Sir, empty vessels keep the most noise, especially those outside of the Chamber.

The commitment of the private sector in Barbados should be social responsibility. If that is not the commitment now, it meant that the whole exercise in negotiating this Protocol was a complete waste of time. Unless you have a commitment from the private sector that it would get back to the table and seek to put before the public, if it has a programme which involves down sizing and one which is not fraudulent and merely an attempt to let go workers to bring them back on under terms and conditions which are not as secure, then put that programme before the public of Barbados. Let it form part of the Protocol.

It is not what the Democratic Labour Party says. The Honourable Member for St. Peter has mixed himself up. He is concerned about what we are going to say, in this debate. What I say in this debate should not exercise his mind. I would like him to take a stroll down Broad Street, meet some people out there and ask them what they say about a prices and incomes protocol in Barbados, in the context of what has been happening relative to down sizing and those payments of salaries for bringing on Personal Aides and paying them at a level – that went before the Committee too – as I understand it of a Deputy Permanent Secretary. The Leader of the Opposition's Personal Aide is paid way down on the salary scale. They are using the fact that the Leader of the Opposition has a Personal Aide to justify their paying Personal Aides at the level of Deputy Permanent Secretary. That went to the Committee.

But, Mr. Speaker, Sir, it did not go to the Committee when they first appointed them. There were Personal Aides working in this country...

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, on a point of order for the record, since the House is being misled.

The only Personal Aides that are appointed, Sir, are the Personal Aide to the Prime Minister and the Personal Aide to the Leader of the Opposition. No other person has been appointed as Personal Aide by the Government of Barbados.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I am not going to let the word "appointment" confuse me. I never said appointment.

There were people working as Personal Aides. I travelled on a promotion to Canada, one Minister had a Personal Aide there too and the Honourable Member was at the reception that that Personal Aide was attending.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, on a point of order. A person in the position of a Business Development Officer went to Canada. No Personal Aides have been appointed nor no persons have been functioning as Personal Aides nor are being paid as Personal Aides. The employment of Personal Aides is a matter that is now engaging the Government.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I am not letting any of that sophistry stop me...

Mr. SPEAKER: The Honourable Member, please. You will have to withdraw that, please.

Mr. D. J. H. THOMPSON: What do you want me to withdraw, Mr. Speaker?

Mr. SPEAKER: The use of the term "sophistry".

Mr. D. J. H. THOMPSON: I withdraw the use of the term "sophistry".

Mr. Speaker, Sir, I am saying that persons were performing the functions which are associated with the functions performed by Personal Aides prior to the Prime Minister bringing to this House the supplementary for the appointment of Personal Aides. It is as simple as that.

Aside.

Mr. D. J. H. THOMPSON: I would assume that they were paid. But we will get to the bottom of that. Thank you for that clue. The Honourable Member for

St. Joseph gave me a clue there and I appreciate that. Mr. Speaker, Sir, it is what the workers on the street say. That is what is important.

As I come to the end of this debate, I have dealt with the Chief Executive of the BNB. I have dealt with the remuneration at the BTA. At no point did anybody say that it formed a special category of person. When tourism was growing in this country, people were being paid the same salaries which other public officers got. All of a sudden we are hearing you have to expect a lot from these people therefore pay them more.

The former Chairman and Chief Executive Officer of the sugar industry has been able to restructure and reform that sector.

Aside.

Mr. D. J. H. THOMPSON: That has not engaged the mind of the Democratic Labour Party. Mr. Speaker, Sir, I believe it is quite right. It was ingenuous. When the workers' union says, in another place, that it is uncomfortable with those salaries which are paid to the executives of the BTA, they were at the table. Do you mean the Government never told them that this was a policy that was being introduced? Do you mean the Government appointed someone at the BNB and never said this was a policy initiative? This is the point. People came to the table, either they knew things and concealed them or they did not know them or they did not want to put them on the table so that the public of Barbados would have a better understanding of what this exercise is about. The Government itself has not yet concluded a productivity related formula for the public service. Govemment has negotiated this Incomes Protocol against a background that it has not yet agreed on what salary increase it is giving the public workers in Barbados. So they really don't know if this prices and incomes policy is of any advantage to them. This prices and incomes policy does not speak to the impact of the introduction of VAT. You have a VAT coming in Barbados which is going to have a direct impact in relation to the cost of living in the short-term. It doesn't speak shut that. I don't think the people of Barbados r alise the immediate impact of a VAT. It is true that there are long-tern1 benefits but there is going to be short-term dislocation. Has that been addressed in this?
3.30 p.m.

That is one of the principal policy initiatives of the Government So, Mr. Speaker, I believe that we need to be serious about this particular debate. The Government has negotiated against a background that every single initiative it has brought here of any substance has been one to enhance the role of the private sector. We haven't had any labour legislation. We have not even had a major statement on labour policy.

You have a constitutional amendment, a lot of grandstanding, which still does not provide the level of protection which the Government said it provided. Mr. Speaker, they still have to come in here and legislate salaries. If they have a two-thirds majority, they can legislate them downwards. They can still do that with a two-third majority. That amendment has not changed that. You have a Labour Ministry which has gone to sleep and that is why people are appealing to the Rt. Honourable Member for St. Peter to intervene in everything. It is pointless telling the Minister of Labour anything. He doesn't even intervene in constituency matters. They will resolve themselves. If you are more busy handing out hampers from the back of a truck, you will never get to labour issues in this country, and we need some attention paid to the plight of workers in this country and if previous governments did not pay enough attention they have to stand the blame for that as well.

Mr. Speaker, Sir, not one step has been made to entrench the role of the workers in this country. No legislation, no policy initiative, no Labour market reform. So that is why people by-pass the Minister of Labour and that is a boost for the Prime Minister.

Mr. Speaker, most importantly no worker in Barbados can plan his day beyond tomorrow. He may wake up and see a letter saying we are restructuring and down sizing. But the private sector can sit down in the smoke filled rooms of corporate Barbados and can plan into the next millennium, because Govemment has guaranteed them consistent tax policies and a facilitative environment, new legislation, that the public says has to be more responsive to their needs. They can plan for the next 10 years, right into the year 2 000. Which worker in this country can tell you tonight that he knows that tomorrow morning he is not going to get a letter from his employer telling him, "Well, Skipper, thank you very much for your 30 years of service, Have the cheque." The BDB is shut down so he cannot leave and go anywhere for development loans. He can go and talk and have a little chat at BIDC to be told you have a wonderful project, but when it comes to the money the BDB is shut down. They shut it down in more ways than one.

The private sector can plan into the next century. But no worker can plan his life into the next century in this country. So Mr. Speaker, we will note the Protocol. We will not approve it. The private sector will have to recant some of its positions for us to agree and will have to agree to come to the table in future and lay all of its cards on the table openly and fairly. If down sizing is part of the process, then let us have a debate on it and let us decide how it is going to be carried out in this country to avoid the dislocation of families and people who have spent a long time in the service of companies.

What is happening is that trust is being broken down between employer and employee. Employees are being told that if they make a sacrifice in difficult times they will get benefits down the road; but after the sacrifice is made, profits soar and the companies say that they are re-engineering, thanks very much – severance.

Now something is wrong with that and it must not be put into the public domain that there can be such a callous policy. 1 thank the Prime Minister for his intervention on that point and I am glad he intervened. I am saying that I am not sure that his words carry as much weight as I would like the Prime Minister's words to carry in this country, because at the same time he is doing that the BDB is being shut down and there are other actions which the Government has taken which are inconsistent with a policy of attacking or not supporting down sizing.

The Government itself must revert to its stance in relation to the payment of senior executives at the Barbados Tourism Authority of personal aides and of the whole gamut of persons who are now about to benefit from this new policy which has been introduced. Until those things are done, we are saying yes, an incomes policy is a useful tool in economic planning. Yes, we support the concept of the use of that tool but that when the parties come to the table they must come in good faith and that they must come to the table on the basis that there are going to be real benefits at the end of the day to the workers. Not that the policy will be used as a shield. People talk about job evaluation exercises for those in one category and yet those at the bottom are being told to hold strain, competitiveness is the key, labour issues need to be addressed and that kind of thing. If that is the basis on which we are proceeding, the Democratic Labour Party is not with the Government on this and on that basis I am sending a very strong message that we know on whose behalf we speak. We think Government is the largest employer in this country and must have an active and sensible Labour policy; that the private sector must be sensitive to the fact that tax concessions and other concessions are given to it and that workers have committed their lives sometimes to the development of their companies and that the labour movement in itself has to come to a realization that in this age of change it is going to need to have a more active partnership with its own membership to help them to understand what these issues are all about.

With those words, Sir, I wish to say that we will not be supporting the Motion to approve this Prices and Incomes Protocol.

Dr. R. C. HAYNES: Mr. Speaker, thank you for giving me this opportunity to address this Honourable House....

Mr. SPEAKER: Order, please! Proceed, please.

Dr. R. C. HAYNES: ... on this occasion. I listened very intently to the presentation of the Rt. Honourable Prime Minister earlier today. I heard him recite a number of beliefs on several occasions: I believe, I believe, I believe and inviting all to share in those beliefs. Sir, if he were reciting the Apostles' Creed or something like that I would have no difficulty whatsoever in standing and declaring openly that I share in those beliefs. But I will not be deflected by certain comments which he made this morning, although I will deal with them in some detail, but my role here is to speak through you, Sir, to those who clearly have been forgotten in this exercise, the workers and the people of Barbados and the impact of a series of measures on them in the past and those projected now, which I can only say, were hatched in hell as far as the workers are concerned.

Sir, during this debate the name of a person called Newt Gingrich was introduced earlier today.
3.40 p.m.

Sir, he was a full-time University Lecturer of Economics at one stage. He later became a part-time Lecturer of Economics when he got into politics. He is very much of a different stature to me. I am very much taller than he is and his complexion is a bit nearer to that of the Honourable Member for St. Peter than it is to mine. Therefore, Sir, when we think in terms of Newt Gingrich, we can begin to assume who is more reminiscent of Newt Gingrich and the policies which he espouses.

Now, Sir, I spoke of policies hatched in hell in relation to the working people of Barbados. Whatever policies the Democratic Labour Party put in place and proved to be unpopular with the people of Barbados, the people spoke to those policies and they are no longer the Government of Barbados. The Barbados Labour Party undoubtedly is continuing those same policies in many ways and the people of Barbados will speak in due course. I want to indicate what I am talking about.

You take, for example the policy of privatisation. Intrinsic to that is the transfer of people's properties and wealth to a few individuals in a society. I speak in the area of down sizing, and now we are going to talk about Newt Gingrich. The other day on television I heard him say that he has no problem whatsoever with executives in the United States earning 375 times more than the lowest paid workers in a corporation. Does that remind you, Sir, of a long 4-hour presentation that we heard in this Honourable House not so long ago, endorsed by the Honourable Prime Minister saying that there was no problem whatsoever, and introducing all kinds of specious arguments why people at the BTA should be earning those exorbitant salaries

in relation to the lowest paid workers in this society? But this is the kind of philosophy which I said was hatched in hell, promulgated by the religious right in the United States which, unfortunately, is dominating the thinking of economists and advisers to Governments throughout the Third World countries, and destroying the lives of a lot of poor people, and an end must be put to it now.

I am not at all surprised that the whole business of down sizing has crept into Barbados and is going to continue so long as that kind of philosophical complex continues to confuse the minds of legislators who were sent here to defend and promote the interests of the vast majority of people but, in fact, are doing something completely different.

Mr. Speaker, the whole concept of free trade is part of that philosophy, endorsed quite unwisely by a whole lot of people around the Caribbean, and in Barbados, and in due course is going to create more unemployment in Barbados and is going to do the same thing to Barbados as it did in a short period of time to Mexico. You mark my word, if you get involved in that nonsense here in this country.

The whole question of lay-offs, pay cuts, reduction of welfare benefits, cost recovery in social services, reduction in social security benefits and escalating high unemployment, these are all products and will continue to be products of that kind of philosophical system which, as I said, had its origin in right wing religious groups in the United States endorsed by the International Financial Agencies, the World Bank, the IDB, IMF, then translating itself into conditionalities for developing countries, which should be addressing the social development of the poor people in the society, and the elimination of unemployment; these are the kinds of things we should be dealing with, not wasting time dealing with issues which other people are using to subvert their own societies and will destroy developing societies. So I do not even want to get into the area of a position on the IDB, the IMF, the World Bank. My position has been quite straightforward, that I want to see this country put in a position once again when it does not even have to deal with those considerations. That is my position on that matter.

This policy is not linked to the economic policy which the people of Barbados swallowed, as articulated by the Barbados Labour Party in the last election, the creation of 30 000 jobs, and nowhere in the entire speech did you hear a word as to the linkages between this and job creation in Barbados. As far as I am concerned, the Government has now 3½ years to fulfil that promise of creating 30 000 jobs. Unless they do that, then they have failed in their mission, if it was ever their mission.

The second point I want to deal with, Mr. Speaker, is some serious allegations made about policies in 1986 and 1987. I do not want to waste time with that. All I want to let the public of Barbados know is that in the 5 years of Barbados Labour Party stewardship between 1981 and 1985 this economy grew by minus 1.6%. Thirteen thousand jobs were lost in the private sector alone, escalating unemployment, 2 mini budgets, all sorts of levies and taxes imposed on the people of this country. Nineteen hundred and eighty-six was a response to that for the people of Barbados and the result was 5% economic growth in the first year, wiping out the minus 1.6% growth over the previous 5 years, and 2 years in the following years. Sir, these records are found in the Central Bank of Barbados Annual Statistical Digest, 1995, along with over 7 000 jobs created in this country in a very short period of time. However, we all know the facts and I will not want to get involved in that.

This nonsense about Mobil! Everybody knows that was a one-shot one-year response to meet Mobil's legitimate demand in response to their documented claims of under recovery over the previous 3 years. Whatever Mobil got, the point is that gasolene, diesel, electricity and all forms of energy were substantially reduced by me in June 1986 to all consumers in Barbados whether they were industrial, commercial or the private sector in Barbados. That is the reality. We will deal with this propaganda but will not be deflected by it. I really do not wish to be deflected by that.

The final point is that whatever the tax position translated into in 1986 and 1987 the fact is that there was a drastic reduction in the tax effort of this country when you look at the amount of taxation raised by Government in relation to the Gross Domestic Product, and I consider that to be a legitimate objective of Government and a fundamental requirement for rapid development of this country. I do not wish to get into the area of taxation today. That will be another matter.

It is the other part of this Protocol I want to deal with, and this is why the National Democratic Party has been consistent from the very beginning, under the Democratic Labour Party when they formed the Government and we will be consistent today. It will be a consistency that relates to the question of prices policy. Mr. Speaker, you have listened to this debate, I have listened to it. This claims to be a Prices and Incomes Policy. You have heard a whole lot of talk about the merits and demerits of an incomes policy in relation to the stability of the Barbados dollar, in relation to stabilization and so on.

What I am saying, and I have always said is that we will not agree to any incomes policy being imposed on the workers of Barbados unless there was a credible

prices policy. Now, Sir, what is a prices policy? This is how it reads. "Any price increases should be related to unavoidable or legitimate cost increases subject to the terms of the existing and regulatory agreements." What does that mean, Sir? The second one. Professionals, artisans, tradesmen shall seek to control increases in their fees and charges. What monitoring? Who monitors what? The next one. Government will seek to minimise the impact of its monetary, fiscal and commercial policies on prices. They are the three things.

3.50 p.m.

In this protocol there are all kinds of provisions for monitoring wage increases, all kinds of provisions for controlling wage increases, all kinds of provisions for influencing wage increases and a whole lot of waffle. Three paragraphs on prices. The truth is, Sir, Mr. Speaker, that there is no mechanism in this country for the monitoring of prices. The truth is, Mr. Speaker, is that there is no intention of paying the slightest attention to the prices component of this protocol. As far as I am concerned they either go together or they cannot get my support.

I have listened, Sir, to all the arguments in terms of an income policy as an important point of macro-economic policy in Barbados. I have listened to all of that. What about the prices component of the policy? I will tell you why 1 said at the beginning that I want to speak on behalf of those who have been forgotten, because those people who have got no wage increases in the past, those who have had wage cuts, those who have had minimal increases, those who have been on a 4-day week, all those people along with those who got the exorbitant salaries at the BTA and elsewhere, when they go to the supermarkets they face the same prices, the same prices for the same items. I have not heard a single person in Barbados, be he poor, be he rich, be he male or be she female or otherwise do other than complain about the escalating prices in the supermarkets over the past 5 years or so. What we are asking the workers of Barbados now to do is to go through another two years of hell where incomes are controlled and there is no control on prices.

Mr. Speaker, bring me a credible prices component policy and we can begin to talk. Do not come and quote to me figures on rates of inflation, do not come and talk to me about figures on the rates of inflation because we all know the extent to which they are skewed, we know the problems in relation to the statistics in Barbados and we also know the areas in which there have been significant increases for someone who is taking home $200/$300 a week or less as compared with someone who has extra disposable income. So let us hear about what the Government proposes to do about the price component of this policy. When I go into Carrington Village, when I go into Brittons Hill, when I go into Clapham, when I go into any part of this country people are complaining about jobs, they are complaining about prices and they are complaining about persistent and prevailing and increasing hardship in this country. We can fool ourselves when we underwrite and underpin economic programme that create an apparent superstructure of prosperity whilst at the same time people are sucking salt in Barbados. We must do something about it. Worst yet, we see how the social services have been progressively crumbling and the problems that people are facing when they come in contact with critical social services in Barbados. I do not want to deal with the issue of health and others today, that will come at another time in a more substantive debate.

Sir, this too is silent about profits. This is silent about dividends. I have perused several financial statements of several of the major private sector companies in Barbados and there is a clear unmistakable trend which was adverted to in fact by one of the Chairmen in his statement within the document that the profits have increased largely as a result of the reduction in their wage bill rather than as a result of an expansion of economic activity or expansion of the firms.

The point I am making is that if we are going to seek to control the amount of cash that goes in the pockets of ordinary people, the guy who is earning $200 a week, $150 a week, then you have to have a comprehensive situation where we have to look at profits and dividends as well, particularly where they occur, not as a result of any expansion in the activity of a corporation, but as a direct result of reduction in the wage bill.

Sir, we talk of down sizing but we know not the kind of horrors that have been going on in this country. Two weeks ago I saw a man, he is in his late forties now, who had put in about 30 years of work in a firm in Bridgetown, walking down Culloden Road as though he was going mad. I think arrangements have been made for him to see a psychiatrist now. He was called in one morning. He was dismissed. It took him a year and a half before he got any compensation. His house has been sold. He had one child at University. That child had to return home in the middle of a course. This is what has happened to people and you are hearing the outcry now because it is creeping up to middle and lower upper management.

I can speak of another situation, Sir. This was a lady who had worked in a company as a secretary. Her husband had died six months earlier. She was called in one evening at 7.00 o'clock and sent home. She was so distressed she went back to the company the following morning to find someone occupying her chair at half the salary and she broke down in tears. She hied to speak to the boss and he would not speak to her and she insisted and she said

"My God, if you had a problem, if you had asked me I would have worked for half or one-third". This is the kind of brutal heartlessness that is involved in this exercise and these are just two examples. We must not tolerate this. The reality is that the macro-economic policies being pursued by the Government of Barbados is facilitating this kind of conduct.

I believe the Prime Minister when he says he objects to it. But he must understand and he must clearly understand that there is a continuum of these policies which he has chosen not to change or is unable to change. That is not my problem. It is up to him to bring about policies, to bring about the result of 30 000 jobs which he promised the people of Barbados. The point is this, that this continuing process is breaking the backs of the working people of this country and I am not in the business of allocating blame to either the Democratic Labour Party or the Barbados **Labour** Party in this situation. I am speaking to the substance of the issues and the consequences of these measures as far as working people are concerned.

If we are not careful, Mr. Speaker, we are reshaping this country in a direction where, in the early twenty-first century, workers in Barbados will be fighting the same kind of issues that they fought in the early part of the 20th century because on the one hand we are getting a reinforcement, a fortification, a refortification of certain elements of this society whilst we see a progressive destruction of the workers of Barbados. Is it true?

4.00 p.m.

There is no way, Mr. Speaker, that after a prolonged period of down sizing, lay-offs, shorter work weeks, pay cuts, the cut backs in Social Security Benefits, cost recovery in the social services and increased unemployment that has gone on for five years and now looking at another two years that it will not result in a serious reduction in the standards of living of the working people. The reality is, Mr. Speaker, that I believe there is a better way. There is a way in which we can create more wealth for everybody in this country but we must reject totally and completely most of the concepts which I described earlier as being hatched in hell, promoted by these international agencies, when they impose them on Governments in the Third World countries. Because those policies have nothing to do with people as their ultimate objective. The ultimate objective is to put these countries in a position for a persistent transfer of wealth and capital to the industrial countries that finance those bodies. Here, Mr. Speaker, I take a complete departure because I know deep within me what I believe and all the evidence is there now that this Government is now 1½ years into their 5-year period. They are not making any dent whatsoever either in improving the lot of the unemployed, improving the lot of the working people in this country and they are trapped in the same way.

Mr. Speaker, I want to invite the Prime Minister of Barbados to abandon his technocratic position for a while, to sit back and take a global view of what these policies must mean in the short and long-term to the people whom he professes and says that he wants to defend. Now if he does that, he must come to the same conclusion that I have come to and I am not the only one who would have come to this conclusion. This is well-known. But we get ourselves trapped in the governance of these countries for the benefit of others and I also will tell you something else too. **A** lot of the people who are advising Third World governments are people who see their destiny and rewards in life in trying to find employment with one of those international agencies, with a generous tax free salary and **tax** free pensions. That is their greatest ambition in life. We need a new generation of people in Barbados who are prepared to put the people of Barbados first in our economic thinking and begin to recognize that unless we do this we have a major problem.

In my judgment, Sir, regarding all of this business about the Prices and Incomes Policy, when taken in conjunction because this policy must not be separated from all of those policies that are already in force or those policies to which the Government has made commitments to the IDB, I want to know what is going to happen since the Barbados Development Bank has closed. I want to know about the $300 million debt or whatever it is to the sugar industry. If that has been taken out, I am quite sure the Bank will be put in a position to privatize. I want to know what is going to happen when our people go to the other commercial banks and they cannot get any help. Anyhow, we will see. I will tell you something, Sir. We have a private banking system in Barbados which I note is not becoming **anymore** kind to the small man in terms of helping him to get off the ground. I can repeat several horrors of the way they **turn** people around and the kinds of problems they have even with small loans. The commercial banks are not going to meet the needs of the small man in Barbados in terms of any kind of enterprise development. If you do not believe me, you ask any small businessman in Barbados, whether he is doing well *or* not doing well, the kinds of problems that he has. If we believe that we can hand over the total banking sector to private banking interests and that is going to meet the needs of small Barbadians, we are making a big mistake. So I am very interested in hearing from the Government what will be the successor to the Barbados Development Bank. I am also going to caution the Government that when they are wiping out people who owe money to the Barbados Development Bank make sure that they do it fairly. The receivers and those people who increase people's debts by three times more than when they took over the com-

panies should give some consideration to those persons. I know what I am talking about because I know exactly what happened.

Mr. Speaker, I urge this Government to recognize that all of this stuff we are hearing about Prices and Incomes Policy, let us hope, and I have said it before, that by 1997 we will not have this kind of debate in this Honourable House dominated by the views of the IDB, the World Bank and the IMF. I think we have an opportunity now to make sure that we remove ourselves from the clutches of these organizations and place Barbados once again in a situation where it can negotiate with them without any conditionalities except to those relating to the particular loan and not conditionalities relating to the management of Barbados. So long as we continue to function with those conditionalities we are not going to meet the interest of the people of Barbados.

That is the beginning and that is the end. That is not their purpose. That is not their function. That is not the reason for this deadline and it will not be the reason for which they lend. The reason why people elect governments to office in this country is in the hope that those governments will put their interest first. It is not surprising, therefore, when unemployment was a major issue in Barbados, the Barbados Labour Party came to the people of this country and told them that we are going to create 30 000 jobs. The people believed them and 1½ years later we are having a televised debate and the word "jobs" is not mentioned, 30 000 was not mentioned. The linkage is supposed to be a fundamental, major piece of economic medicine as described by the Honourable Prime Minister. So fundamental, Mr. Speaker, that it bears no relation to what should be the primary economic mission of the present Government as set out clearly by the Barbados Labour Party in its manifesto and as articulated up and down the country by the Honourable Prime Minister.
4.10 p.m.

He said he could do it and that there was no problem. The funny thing is that I too believed that it can be done. We are committed to full employment. But you are not going to do it with these kinds of policies because all these policies are anti-worker, anti-employment and, ultimately, destructive of working people in this counhy.

Thank you very much, Mr. Speaker.

Mr. SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I rise in this debate to support the Protocol for the implementation of an incomes and prices policy, as reached, under a tripartite agreement between the Government of Barbados, the trade unions of Barbados and, indeed, Sir, the private sector of Barbados.

The history of this protocol has been adequately recited in this Chamber by the Right Honourable Prime Minister in his opening speech in this debate where he sought to address the issue of this incomes and prices policy being an integral part of the macro-economic policy of the Government of Barbados. His position then was as consistent as it was in 1993 when he spoke in the Budget debate and in 1992. We believe, as we did then, that if we are going to be committed to a fixed exchange rate in this country that the question of a prices and incomes policy is central to our ability to maintain that commitment.

It is therefore with some degree of disappointment that I listened to the speech of the Leader of the Opposition particularly as he sought to be both in church and chapel. He stated that he was supporting the philosophy of a Prices and Incomes Protocol while, at the same time, seeking to say that he was not supporting this debate which sought to endorse the protocol because of difficulties that:

(1) he had with the BTA salary agreement; and:

(2) with the private sector not coming to the table with all of the facts..

It is significant, Sir, that those are two of the reasons that the Leader of the Opposition sought to use to justify his failure to support this prices and incomes policy, particularly since it was the same Leader of the Opposition who, in the same Budget debate of 1993, went so far as to say that the incomes policy in Barbados should be one that should be legislated, that he felt so strongly that it should be an integral part of the tools used for the macro-economic management and the economy.

It is therefore interesting that the only thing that has changed between March 1993 and today is that he is no longer a Minister of Finance but he is now Leader of the Opposition and he has so faithfully taken his role as Leader of the Opposition that he must oppose at all costs. Let us look at the reasoning used. When the Honourable Member for St. John sought to respond to the allegations raised against him as to his breach of the Prices and Incomes Protocol in August of 1994, the only defence that he could raise in this Honourable Chamber was that the Barbados Agricultural Management Company was a private company.

If you want to talk about speaking the total truth in here, let us talk. Because all of us are aware that

the Barbados Agricultural Management Company is a company in whom **all** of the shares are invested in the Government of Barbados, in whom the Minister of Finance has played a vital role in the direction both at the policy and the management levels of that company and in whom he, the Honourable Member for St. John, played a significant role in setting the levels of remuneration for board members, in which he played a significant role in determining who should be seconded from the Barbados Agricultural Development Management Company BADMC to head up, as he said, as Executive Chairman of the Barbados Agricultural Management Company.

If his only defence, as has been adumbrated by him, is that it is a private company, he clearly still has not read the terms of the Protocol over which he said he had a significant role to play in its drafting. Because that Protocol also said that its application should be to all remuneration whether under **contract** or employment or otherwise.

But what is more significant, Mr. Speaker, Sir, is that the same person was seconded from a Government statutory corporation, was a public servant of Barbados and so remained until the latter days of August, 1994 in the dying days of an election campaign when his **salary** was taken from $75 000 to $96 000 plus allowances bringing a total package almost to the tune of $150 000 in relation to the sugar industry of this country.

But we are to hear in this Honourable Chamber today that the Barbados Tourism Authority's salaries which, by the way, Mr. Speaker, were not simply an upward adjustment in **salary** for an existing holder of the post, as was the case with the gentleman at the Barbados Agricultural Management Company, but were as a result of a consultancy which was given Terms of Reference to restructure the management of the Barbados Tourism Authority, to do a job evaluation exercise as part of their Terms of Reference and, after that job evaluation exercise, the structure of the BTA changed so much so that we implemented a President and **2** Vice-Presidents, one Vice-President for Marketing and one for Corporate and Financial Affairs. So much so did it change that the Shadow Minister for Tourism, the Honourable Member for St. Michael East came out in the public and made a big hullabaloo about the fact that we had changed the posts at the BTA and that we were doing it in contravention of the Barbados Tourism Authority Act. We had said...

Mr. J. O. TUDOR: Mr. Speaker, Sir, on a point of order. As Shadow Minister of Tourism, I clearly pointed out that the naming of the posts of the persons as President of the BTA, Vice-President, ***et cetera*** was contrary to law and that those posts did not exist in law. An amendment had to be made to the Act before they became law.

Mr. SPEAKER: No point of order.

Hon. Miss M. A. MOTTLEY: That is what I just said, Mr. Speaker. What is even more is that that came as a result of the job evaluation exercise done by **2** firms for the Barbados Tourism Authority. If therefore there is **any** clear evidence as to the fact that that falls within the direct contemplation of this protocol, it is in the reading of clause **3(e)** where the protocol clearly states:

> "Under the incomes policy, where increases are the result"
>
> and I am quoting, Sir:
>
> "of job evaluation exercises or negotiated job enhancement exercises, wage restraint shall not be used artificially to suppress valid claims for increases in employee compensation."

The statement by the Honourable Member for St. Michael East as to the changing of the posts in main was also backed up by a changing of the posts in substance because of that job evaluation exercise. Therefore there was no breach of this protocol. If the Leader of the Opposition seeks to use that as his reason for not supporting this protocol, he is standing, as usual, without a foundation.

I want further to refer to something because when one looks at the treatment of how they raised the salary, the Minister of Finance then was still the Leader of the Opposition and he can talk all he likes about it being a private company. It was a private company in which all of the shares were held by Government and one in which he acted in relation to policy direction and management instructions while being Minister of Finance.

If there were nothing funny and untoward about it, why rush in the dying days, less than a week before elections, and get this arrangement in place? And not only put it in place, but seek to provide him with a gratuity that does not start from the date of the implementation of the contract in August, 1994 but seeks to **carry** back the gratuity to February, 1993. If I were not in this Chamber, that would have to be termed as dishonesty of the highest order. Because there was no consideration, at the time, that that was a breach of the Protocol that they had in place.

But now today, for one to hear that in spite of a job evaluation exercise at the BTA, in spite of new posts being created with new job descriptions and, hence, amendments to the legislation not just even an administrative agreement creating a new post but amendments to the legislation creating these new posts that this was outside the **ambit** of the Protocol. It is a desperate attempt by a desperate man.

We also went on to hear, during the course of his speech... You know, it is funny because the Leader of

the Opposition spent a long time quoting the Right Honourable Prime Minister in a speech in 1993 talking about incomes policy and about the Right Honourable Prime Minister attacking the messenger and therefore attacking the message giving the imputation to this Honourable Chamber that the Right Honourable Prime Minister, the Right Honourable Member for St. Peter was waffling and was not clear as to his position and sought, by reference to his attack on the then Prime Minister, to distance himself from the incomes policy.

Sir, do you know what is so unfortunate about those comments? It is that when you look in the same Hansard at page 3000 and 3001 the Right Honourable Prime Minister, the Honourable Member for St. Peter was not even referring to the incomes and prices policy, but was referring to the commitment given by the then Prime Minister to the IMF as to the 18 months old 8% pay cut and then a commitment given to the Cabinet and to the trade unions of this country, and that the commitment given to both parties was a different commitment. In other words, the IMF was led to believe that that 8% pay cut would have been permanent and that the Cabinet and the trade unions of this country were led to believe that it was for only 18 months. That is what the discussion on page 3000 and 3001 is about, not about a Prices and Incomes Policy.

So that when you say that the messenger was attacked, it was to give a false impression as to the Prime Minister's position on the incomes policy because the record of Hansard is extremely clear as to the Prime Minister saying that he, running the risk of offending his colleagues, was supporting the first Prices and Incomes Protocol and that, further, that he could not continue to play politics on the matter. Do you know what is so significant about that statement? Because I can only believe today that when an Honourable Member starts off his speech by saying, "I support in principle a Prices and Incomes Protocol" and then can find only 2 reasons to distance himself from that Protocol in respect of the BTA salaries and in respect of the private sector not coming with clean hands to the table – I dealt with the first and I will come to the second reason – that, were I not in this Chamber I would have to describe as an exercise in being two-tongued almost.

What is significant about it is this, Sir, that when we even look at the second reason about the private sector not coming with clean hands to the table, the private sector cannot be supported in their actions in relation to down sizing in this country. We have been very clear about that. We have been clear inside and outside of this Chamber. What is also significant is that when you look at the very same Protocol, you will see that the Protocol addresses itself to the question that labour shall not be required to vary benefits and conditions which it currently enjoys, unless it is for immediate general improvement or, unless by any such variation, labour assists in affecting the long-term improvement in the conditions of those employed and creates jobs for the unemployed. It then also says that they will establish a framework which protects workers' security of tenure and seeks to reduce labour disputes.

At the end of the day, that last part that I just read about the protection of workers' security of tenure in a way contemplates the use of downsizing as an instrument where you seek to take away the security of tenure from workers in this country on the flimsy excuse of re-engineering particularly in circumstances where persons enjoy monopolies and where the cost of those monopolies must be a commitment to the security of tenure developed by the workers since those workers cannot be gainfully employed with the same skills in too many other places, if any at all.

This same Protocol which is the same Protocol in that regard for that term that the Leader of the Opposition spoke about, that he said he was a part of drafting also reflects the need to protect workers' security of tenure, in this country. I agree that this matter has to be addressed in its broadest and most direct circumstances before the implementation mechanism.

But do you know what is so sad about all of this, Sir? It is that this is the Government, the one in which the Honourable Leader of the Opposition was a Minister of Finance that, apart from sending home thousands of public servants – where there can be no greater act of down sizing – apart from cutting people's salaries by 8%, apart from introducing the 3-day week in this country, that they did nothing about it when they introduced the Prices and Incomes Protocol in 1993 to address the measures that were introduced in 1991 in respect of many of the areas complained of.

But, instead, they would have us believe that this Prices and Incomes Protocol is something to shield those at the top and to be used as a sword against those at the bottom. Listen to the language. A Protocol which he says differs from the one that they draft differed in not even 7 clauses but yet, he describes it as a shield for those at the top and a sword for those at the bottom. There was no greater admission of guilt from any dock in this country. You know, Sir, all of that really are the comments of a person who does not know how to stand in this House and defend himself. Because up to this morning, on the radio, he told the public of this country that he could not support it. When he realized that in 1993 he had taken such a strong position that led to his saying that an incomes policy should even be legislated, that he had to explain out today his position in relation to the use of a Prices and Incomes Policy, in this country.

I want to add to this because one of the significant differences between the Protocol implemented by the last Government and the one implemented by this Government is the mechanism for dealing with difficulties encountered under the Protocol. It may not seem like a lot to persons. but it is significant, Sir, because there is no use having a piece of paper to which you all agree and no proper mechanism by which you can ensure there is proper implementation of that Protocol.
4.30 p.m.

Sir, already that sub-committee has met on numerous occasions and in a very large way that subcommittee contributed to the NCC workers being carried back from a 3-day week to a 5-day week. The 3-day week was enforced by the last Government. The 5-day week would have started from just before Christmas. What is significant is that the sub-committee among other things addressed its mind to that question of the 5-day week. That was not all that the sub-committee has been doing and the Prime Minister outlined earlier today more than 10 matters of substance to which that sub-committee has been addressing its mind.

It is significant, Sir, that it has formalised the process of consultation on the tripartite basis in terms of the regularity with which they meet and the manner in which they address issues not only concerning workers in the sense of people going to work but structural difficulties, for example, the structure of the Labour Department and other matters as wide as the role of the personal assistants.

So, Sir, in the circumstances, really and truly that has therefore to go down as one of the major differences in the implementation of this Protocol from the last Protocol of that Government. Not only was the Leader of the Opposition part of signing a protocol which he then went on to breach, he got up in here with such ease today and admitted that he committed and agreed with the World Bank on the question of bus fares and NHC rents. Not only did he commit...

Mr. D. J. H. THOMPSON: On a point of order. I very much regret interrupting any Honourable Member, but I have not uttered the words World Bank for the entire period of my debate this morning. I have said nothing about any negotiations with the World Bank.

Hon. Miss M. A. MOTTLEY: My apology, Sir. It was a meeting with the IMF on the policy determination of the enhanced surveillance programme which they were going to put the Government of Barbados in. If he wants to stand on those fine points again, let him stand. But the point is that he went to Washington, went into a meeting and he agreed by his own admission to an increase in NHC rents to an economic level and to bus fares on a stage fare basis and then told us that the rest of his Cabinet disagreed with him on his return.

I will say 2 things first, Sir. I don't know about Ministers going without policy remits to meetings and then coming back and committing but, even so, Sir, I am going to leave him to the Rt. Honourable Prime Minister because he will have to explain to the public why certain decisions were taken in respect of those same NHC rents and bus fares prior to his going to Washington, because he has now made the central issue of this debate lack of credibility and all of this was in the midst of a Prices and Incomes Protocol which he can now come in here with a level of self-righteousness that is not even backed up by facts to tell us that while he supports the laudable philosophy of an Incomes and Prices Protocol he cannot support this Protocol which is before the Honourable Chamber today. Sir, you cannot be in church and in chapel too. You either support the Protocol or you do not.

What we have heard here is grandstanding of the highest order in my submission because, at the end of the day, let us examine what are the objectives of the Protocol. The objectives of the Protocol are to ensure a level of competitiveness that is designed to improve the overall standard of living in this country. It is designed to ensure that Barbadian producers, Barbadian workers and persons from any sphere can have their standard of living improved through the development of a strong macro-economic policy based on a strong fixed exchange rate.

We heard today, Sir, that this Government would ensure that the businesses of this country are protected and that they would be able to plan into the 21st century. Mr. Speaker, what greater protection can there be for the workers of this country than to bring a constitutional amendment that seeks to protect them from having their wages cut. If we are being honest with the people of this country, you will admit, Sir, that there is no greater protection that is available from this Parliament than the constitutional protection in respect of anything. Sir, it is the same Democratic Labour Party that stood up in this Chamber last year and refused to support the constitutional amendment to protect the workers. Yet we can hear them in here now today having a record that sent home workers, took away 8%, with a record that refuses to protect constitutionally the right of workers to have their wages protected from reduction, saying that they are speaking on behalf of the workers of this country.

Sir, it was a speech that was completely void of any substantial analysis of the Protocol that is before this Chamber today. Do you know what is sad, Sir? When we look at parts of the Protocol – the Honourable Member for St. Michael South Central talked about the Protocol

not addressing profits. Sir, at Clause 3(g) the Protocol clearly states that:

> "employers shall be encouraged to consider ownership sharing agreements including Employee Share Ownership Plans (ESOPs) as well as other incentive arrangements for workers;"

Those employee share ownership programmes in addition to other mechanisms have all been put there to be available to the workers of this country to ensure that there is a level of economic enfranchisement in respect of the companies in this country.

Do you know what is sad, Sir? When the Honourable Leader .of the Opposition was Minister of Finance, all of the privatisation efforts- over which he presided saw divestments to entities and persons who did not reflect the workers of this country, and what is significant is that the single privatisation effort that this Government has been engaged in to date, with the Pine Hill Dairy has seen the Pine Hill Dairy...

Mr. D. J. H. TI-IOMPSON: On a point of order. The Honourable Member is misleading the House. In fact, all of the privatisation which I did there were formal agreements in which the workers within a specified time would be entitled to purchase shares in the entities. The Pine Hill Dairy privatisation was for the workers in the first instance. In Heywoods, 10 per cent of the share holding is to be sold to the workers within 18 months and in Arawak Cement Plant, shareholding, I believe, may have already been sold to the workers as part of the agreement for the sale of the plant.

4.40 p.m.

Hon. Miss M. A. MOTTLEY: Sir, I go back to what I said that the controlling interests of the company were all sold to persons who were either from major corporate support groups or from interests outside Barbados. The mere fact that in 2 or 3 years' time the workers of Heywoods are to benefit from a small percentage of the company does not deflect consideration from the point that the Leader of the Opposition when he was Minister of Finance saw to it that the controlling interests of companies privatized in this country went to persons other than the workers, and if 10% is a controlling interest, then I do not understand percentages.

Mr. SPEAKER: The Honourable Member has one minute to conclude, please.

Hon. Miss M. A. MOTTLEY: Sir, what is more, in respect of the Pine Hill Dairy the point is, when we just put the shares in the Pine Hill Dairy in the market, yes, some of the shares went to workers before, but we made sure that the majority this time was going to the workers. That is the fundamental difference.

Sir, this is the same Minister of Finance who presided over the Bridgetown Port and the sale of the Bridgetown Cruise Ship Terminal Incorporated to the major companies of this country, that presided over Heywoods being sold to one of the major companies of this country, when he was in Government – he was not Minister of Finance then – but sold the shares of BarTel and BET ...

Mr. SPEAKER: Could you conclude, please. Your time has expired.

Hon. Miss M. A. MOTTLEY: I just want to say, as I sit down, Sir, that we are very clear in our minds why this Prices and Incomes Protocol is required. We believe that it is an essential part of the management of the economy of this country, and we believe that the level of implementation has to be managed as carefully as the words written in the document itself, and that is why we sought to clarify and simplify the mechanism which will reflect those matters that must come before the sub-committee in terms of breaches of the Protocol.

I believe, Sir, that where we have considered not only the philosophy of it but the actual implementation mechanisms that it is one that can work. It is one meriting the support of all persons in this Honourable Chamber and all persons in this country because it commits us to a code of action and a code that will lead only to a more effective management of this economy and eventually to the improvement of the living standards of the people of this country.

I thank you, Sir.

Mr. J. O. TUDOR: Mr. Speaker, I certainly would not want to use my half an hour in a rabble rousing fashion. I sincerely hope that the Honourable Members to follow will not jump around the debate as the last speaker did on this occasion. I do not think it is necessary for me to rebut anything she has said because, clearly, she is in the realm of politicking and seeking to dig up old hat about who laid off what, or who did not lay off that, and we could go back to 1971. We could go back to the 1950s. We could go back to the 1960s. We could tell you everything the Barbados Labour Party did, but we are living in 1996, Mr. Speaker, and today we have to examine the policies of this administration as they relate to the present-day economic debate in this country.

This debate today is taking place almost one year after the so-called date of implementation of this present Protocol. It is my understanding that the date for the implementation of this Protocol was somewhere

around April 1, 1995. Almost one year has passed and we are now debating the introduction of this Protocol. During the hiatus, action on behalf of the present administration has brought into question the viability of this Protocol and whether it is, in fact, necessary at all.

I think that for us to be debating the Protocol today, we must debate against the background that it is meaningful and is in support of the social development of the people of this country. I do not think it is fair for me to oppose the implementation or the general understanding that there is a Prices and Incomes Protocol that is part of a structural adjustment or an economic enhancement programme. I take the lead from my Leader that even though we brought a Prices and Incomes Protocol to bear on the political landscape of this country, I think because of the attitude adopted by the then Barbados Labour Party where they sought to confuse the masses of people in this country rather than for the Prime Minister as he did today to come into this Honourable House and explain to the public and give to the country his economic skills and explain the advantages of a prices and incomes protocol, if we wanted to effect competitiveness in the system.

I have no difficulty basically with what the Honourable Prime Minister said today because he outlined that for Barbados to be competitive there need to be constraint regarding the prices that are impacting on the people of the country. There needs to be some adjustment or controlling of the wage bill, ***et cetera.*** What 'he said today makes sense because the competitive nature of Barbados will be completely out of hand if there is not responsible constraint put in place by any administration.

What did we have? We had the Sandiford administration, that up until today, and what is so significant is that every single policy, every single decision that was made by Lloyd Erskine Sandiford and his administration, today every single person in Barbados is recognising that they were indeed successful and are bearing fruit, including the appointment of a Governor-General which everybody lauded as one of the most brilliant choices ever in this country. Every decision that was made by the Sandiford administration was made in good faith so I believe, as the Democratic Labour Party did when we were confronted with an economic crisis, that we negotiated and implemented a Prices and Incomes Protocol as part of the Structural Adjustment Programme for the period 1993-1994. I believe that was done in good faith.

I stand by the leader of the Democratic Labour Party today when he said he would find difficulty in supporting the Barbados Labour Party's call today. He would have difficulty in supporting them today because when this country needed a balanced approach, when we were into a crisis situation in this country, they sought to score cheap political points by suggesting that we were disadvantaging the workers in this country, cutting their salaries, doing everything that was against the interest of the social development of the masses of people in this country.

Mr. Speaker, for us to progress our development must be organized and sustained through honest debating and we must not seek on one occasion when we are in Opposition to be taking a position, not assisting the Government, when we know that the position the Government is taking is in the interest of sustained development of people. That is where I have to divide with the present administration. I too would have difficulty in cooperating with them today and their appeal for light because of the attacks on them by the trade unions and the other social partners in this country. I would feel badly, Mr. Speaker, if I had taken swipes at an administration and now found myself in 1996 having to do exactly what the administration of 1992 did. I would feel cheap because I feel that if I take a position today, I must be able to take that position in all seriousness 5 or 10 years from now.

Aside.

Mr. J. O. TUDOR: I did not try to do anything.

Mr. Speaker, this Barbados Labour Party Government has absolutely no shame whatsoever. In fact they have developed the skill of introducing policy position by the former administration and now playing them as if they are original and are their very own policies when they argued and said in a frame work and mind set of the Barbadian public against the Democratic Labour Party administration to make the public believe that we were the worst kind of administration that ever was created on earth and that we were devastating the interest of the workers. But today, this same administration who promised, as the Honourable Member for St. Michael South Central quite rightly said, promised 30 000 jobs. Not one question, not one policy, no statement, nothing related to the creation of jobs. Nothing at all, Mr. Speaker.

4.50 p.m.

I am amazed that this administration who said that they were the Government of change, that they would today identify with any policy at all the Democratic Labour Party brought to this Parliament. I expected, Sir, that when they took office on the 6th September 1994 that they would have thrown all of those bad policies out through the window because they convinced the public to the extent that the public threw us out, that the policies that we had put in place were bad, were wicked and were against the interest of the development of the people in this country, yet they today can stand and identify with those policies. Mr. Speaker, I really am somewhat amazed.

We were also told, Mr. Speaker, that as soon as they took the reins of Government that confidence would return, investment would be pouring in, jobs would be created, money would be flowing, in fact Barbados would become a real paradise. That is the good feeling that was brought to bear from the public relations consultants and the actual mouthing of the Members of the Barbados Labour Party that the public accepted. They said that the Democratic Labour Party were doing all of these policies against the interest of the masses of people of this country.

There was no talk at that time about developing a competitive base because the Sandiford Administration sought carefully to stabilise the economy because we knew that if the economy was not built on a solid base then, in the near future we would have a situation where the economy would collapse completely and there would be no growth effected for the development of the people.

The Sandiford administration, Sir, did what I believe very few administrations would ever attempt to do. The kinds of measures that were adopted during the period 1991-92-93 were draconian, they were tough and on occasion, Sir, as a parliamentary representative, I took issue with the leadership of the administration because I felt the pressure of the measures. But the point is, we, at the end of the day, had to recognise that this country was operating in an international environment that produced serious implications for the economies in these countries and the action taken, including the implementation of a protocol was as such as to keep the Barbadian economy under a tight rein so that our expenditure did not run away and we did not have these high wage levels that would certainly make Barbados uncompetitive when we got into the productivity side of our development. But the Right Honourable Prime Minister today, he led the attack against the Democratic Labour Party, recently boasting that his administration has created the economic environment for the private sector to achieve growth which would have the effect of creating jobs, jobs, jobs. They, Sir, claimed the private sector groupings for themselves. They said that the private sector, as it stood then, had no confidence in the Democratic Labour Party administration but once they took the reins of office then all of this confidence would flow back and jobs, *et cetera,* would be created overnight.

We were told in this Honourable House that proper forecasting was an error from the Democratic Labour Party's point of view. We had to come back in here repeatedly for supplementaries that we lacked forecasting, that supplementaries would be a thing of the past. I do not have the actual statistics but I am sure that that is not true and in recent times we have seen large supplementaries come back to this House. I wonder if the Right Honourable Prime Minister of accountability is aware that the forecasting that he said was bad in the Democratic Labour Party is now worst under the Barbados Labour Party and in fact we are going to have to take whatever he says with a pinch of salt. And that is the whole point of this debate. Here you have a public relations exercise where you are trying to project yourself as Mr. Right, Mr. Clean. I am going to do what is right for the workers, I am going to defend them, that administration is unfairing you. When I get into office I am going to do what is right. I am going to clean up all of the mess of the Democratic Labour Party and you are going to enjoy everything.

What we have today, Sir, is an administration coming into office making no significant changes to the policy positions held by the Democratic Labour Party, making little or no significant changes to those positions and yet they can come into this Honourable House and talk in terms of what they are now doing is right and proper and this whole question of accountability and so on.

Mr. Speaker, it really makes a mockery of the political system and I believe that if we are to develop our people that we have to be honest. I believe this protocol and these policies are the policies that were put in place by the Democratic Labour Party. Even though they are hard, I think, Sir, that we have to recognise that Government comes under serious economic constraints. We do not have unlimited money in this country and rather than having to seek political office by pulling down an administration on issues as important as policy, I think that we, as an opposition, even today should stand up and say let that foolishness stop, let us go on and press on with what is right and proper in the interest of the people of this country.

I am somewhat disappointed by the contribution from the Honourable Member for St. Michael South Central because he is seeking to replicate a position taken by the Barbados Labour Party against the Democratic Labour Party and I think that must stop. We have to say to the people of this country that we have a problem. We had a problem in 1991-92. If the situation was allowed to continue without a prices and incomes protocol put in place, this country today would be in a collapse mode. What we are not going to do, Mr. Speaker, is to continue that divide but what I would like the public to appreciate is that the policies of the Democratic Labour Party are again being used and recognised as the correct policies and that is so stated in the Resolution before us today where it says in the final paragraph of the Addendum, that the Protocol is based on a renewed commitment of the social partners to the broad principles set out therein as a successor to the protocol for the period 1993 - 1995 it seeks to consolidate the progress made towards enhancing Barbados in external competitiveness. A clear recognition that the Democratic Labour Party had taken positions that were in the interest of the future development and to effect growth in this economy.

What do we really have today, Sir? Even though this administration has claimed that they set the framework for growth and development and immediately there would be these jobs, jobs, jobs, the whole question of downsizing, right-sizing, cross-sizing, layoffs, shutdowns, put-outs - a new category is put-outs, Sir, because persons who are indebted to the Barbados Development Bank are now being put out. Not everybody, not the privileged few.
5.00 p.m.

Mr. Speaker, I think it is important for me to restate some of these objectives at this time that the Democratic Labour Party sought to achieve. Some of the objectives that we set out to achieve I will state for you. We set out to save the exchange rate of the Barbados dollar to avoid a devaluation. That was achieved and I believe that is still an objective today. So when the Members on that side seek to talk about the massive lay-offs that occurred in the private sector and so forth, yes, they were painful, but had serious constraints not been implemented at that time I wonder whether, in fact, we would be able to boast today that the Barbados dollar would not have been devalued. It is as a result of those harsh economic measures and I applaud the public servants who bore the brunt of those measures. Every degree of urgency should be used to make sure that they re-enter the system and that they are the beneficiaries of the progress that was made over the years.

We have been allowed by these measures to recover and be able to invest which will allow the economy to grow. That is one of the objectives and we achieved a significant growth level between the period of 1993 and 1994 where we saw the advent of a *6* per cent decline in the unemployment level. We demanded in the last Protocol that the existing levels of jobs were to be maintained and not reduced. That was a stipulation and an understanding of the last Protocol and I believe that between the period of the last Protocol that position was honoured and we did not see a drop in the levels of employment. Last year as we compared 1995, there was only a 2 per cent drop even though the economy had grown significantly during the period of 1993 and 1994. Mr. Speaker, today as we look at the economy we still cannot identify where the new investment is. The private sector partners welcomed the 1995 Budget which gave them concessions. However, the investment after the 1995 Budget was significantly less than in 1994. This is amazing after this Government indicated that they are the Government of confidence. What has happened, Mr. Speaker? Why all this downsizing? Why all the profit maximization at the expense of the people of this country? What is the rationale behind it? Have they lost confidence in this administration already, Mr. Speaker? There must be a reason. Suddenly people are not going to start protecting their interest and being careful and downsizing. If you are comfortable, if you are part and parcel of the social development of people in this country and if respective Governments have given you a chance to play a leading role in investing and creating opportunities for other people to come into the system and you are taking the opposite position to the concessions that were granted to you, what has gone wrong, Mr. Speaker? What are we afraid about? Why are we afraid to invest? Why are we afraid to recognize that both as a Government and as a private sector grouping we have a responsibility to the thousands of people in this country who are unemployed? There seems to be no degree of haste by the private sector or the present administration to clearly understand that people are hurting. The Honourable Member for St. Michael South Central referred to cases and I would not want to call any names in here. But people in this country, Mr. Speaker, are bellyaching. They are in serious pain and they gave their trust to this administration expecting that policies would have been put in place that would immediately create the environment for jobs, expansion of the economy, growth that would see the creation of these new jobs. But we do not see it, Mr. Speaker, and something has to be fundamentally wrong.

There is a lot of talk about the Protocol and the Protocol being breached and whether the administration had, in fact, breached it. I am saying that they breached it significantly. Before the Government could take office, they introduced an interest regime in this country which had an impact on the average home owner where mortgage interest rates increased almost immediately after they took office. That to me was a breach. In addition to that, many people will talk about the BTA salaries and that the Barbados Labour Party did not breach the Protocol. But I am submitting, Sir, that when they speak in terms of this clause (e) which states:

> "Where increases are the result of job evaluation exercises or negotiated job enhancement exercises, wage restraint shall not be used artificially to suppress valid claims for increases in employee compensation."

I am submitting, Sir, that even though this clause is in here the intention was that this evaluation be done by the respective partners. It should be brought to the committee that was established under the same Protocol for examination so that they will be able to examine the impact that those increases at the Barbados Tourism Authority on the whole industrial climate. So to say that there is a clause which is an escape route is a poor excuse. The fact remains and, if we base it on what the Prime Minister of whom much is expected, that much must be paid. The evaluation was done for 3 top executives at the Board. Now do you mean that an industry as important as tourism which incidentally was earning $1.2 billion not in 1995 but since 1989, Mr. Speaker, and they have held that position consistcnlly for the last *6* years where they have

been earning around $1.2 billion. They are not now earning that because the new Lotto high fliers. There was no evaluation of all of the other workers in the industry including the overseas managers in New York and the U.K. and the overseas manager in Canada. How can you have a system where you only evaluate the 3 top Lotto high fliers and the rest of the staff you leave at the mercy of the Protocol? I understand the Government's argument very well that they want to seek justification for having made the decision. But they must not seek justification by seeking to hide behind clauses that were set up. If the Government wanted to set it up and they brought their position and felt strongly about paying the members of the Barbados Tourism Authority a lot of money, I think they should have taken their position to the social partners, certainly to the unions and private sector, and articulate a position there. But we had a situation where the Trade Union Movement came out against the high salaries that were paid, yet they are part and parcel of a Prices and Incomes Protocol.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Mr. J. O. TUDOR: Okay, Mr. Speaker. So the unions now have to continue to negotiate very significantly and demand what is right and proper for the rest of the workers in the system.

Mr. Speaker, the situation in Barbados, apart from the fact that this Government is struggling to deal with the wage negotiations currently going on and I do not want to comment on that, is that recently we have a scenario which is very worrying in the sense, Sir, where our hospital has run out of drugs. There were no drugs at the hospital for sometime.

5.10 p.m.

Doctors cannot be paid for overtime. Police are still to be paid. Mount Stinkeroo that became Mount Pleasant has gone back to Mount Stinkeroo. A complete change around. All kinds of breakdowns. Everything is breaking down in the country.

Mr. Speaker, I know that I have to wind up and I will say that the Barbados Labour Party, by their actions, came to this country and suggested to this country that they had the answers to all of the problems that were confrbnting the people in this country. They said that they 'will be correcting all of the wrongs of the Democratic Labour Party and that they will be improving the situation.

Mr. SPEAKER: Could you conclude.

Mr. J. O. TUDOR: I will conclude. There is no evidence whatsoever to support that things have improved in this country, Mr. Speaker, and they are now pinning their hopes on 3 individuals at the Barbados Tourism Authority. I hope that if those 3 gentlemen do not produce, that sooner or later, we do not find them in a submarine trying to prevent themselves from drowning. I really hope that we do not have to be confronted with that situation. Put them in a submarine and drown them.

Mr. SPEAKER: I do not think you will make any point finding it now because your time has expired.

Mr. J. O. **TUDOR:** But, Mr. Speaker, the public can judge the Barbados Labour Party once again. This year 1996 was the original election year. If they want to find out how the public feels about them and if they still have a mandate to govern, let them call an election today. They will not be reduced to 3. They will be sent packing for good.

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

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I am grateful for that little interlude of levity. At least the Honourable Member for St. Michael East had the grace to begin his speech with very high compliments for the Prime Minister and, on the Prime Minister's behalf, since he is not in his seat, I should like to thank him for his comment.

Aside,

Hon. D. A. C. SIMMONS: He said the Prime Minister was making sense today. I hope I see that as a headline tomorrow as attributed to the Honourable Member for St. Michael East.

One understands the process of opposition. Opposition is about asking awkward questions, making awkward statements, trying to destabilize a government. In the spirit of the well-known and accepted role of the Opposition, I have taken a lot of what they have had to say today with the proverbial pinch of salt.

Mr. Speaker, I will come to the question of jobs, in due course. But perhaps I should, straight away – in answer to the Honourable Member for St. Michael East, since he was talking about how bad things are – early in my speech make the point that, so far as I am aware, in the Central Bank's yellow book will be seen that every quarter since we have been the Government, the unemployment statistics have come down since September, 1994.

To those who have concerns about the creation of 30 000 jobs or whatever, I point them to the Central

Bank's yellow book. In addition to that, I saw a statement in one of last Friday's papers with an article researched by, a writer at the NATION now I think of it, in which he was pointing out that research has shown that the claims for unemployment benefit had reduced substantially in the last 6 or 8 months. Again, that is some evidence of a reduction in the level of unemployment.

I only speak to that tangentially because what the Prices and Incomes Protocol does is to cause us to reflect, almost philosophically, on the position that Barbados finds itself in today, indeed the position that Barbados finds itself in, in the context of a changing global environment. A changing global environment in which communism has collapsed and almost everybody is now committed to the development of the free market. Many - I do not include my son - are seeing a reduced role for the state. These new strategies which govern much of what is happening in the developed world are somehow expected to be imported without adaptation in the developing world.

I wish to issue a word of caution, that I am not convinced that in peculiar societies such as ours, small, developing with open economies that the role of the state must be so down sized, if I could use contemporary jargon, as not to have a significant place in the creation and the maintenance especially of employment That is my personal position at a philosophical level, that I have concerns about the contemporary trend that seeks to reduce the role of the state. I will tell you why, Sir.

Technological change in particular automation presents great social and economic difficulties for a country. Employment policy, in an age of technological change must be more than just planning for economic expansion. If the kind of structural unemployment that we have seen in the Caribbean and, indeed, in some developed countries too caused by technological change is to be overcome, I think other measures are necessary. One of those measures surely must be to have a solid background of social security.

Secondly, I think that the time is at hand, given the changing nature of global activity, when there must be a policy of bringing employment to the unemployed. In that regard, I think that implies steering employment opportunity, far example, to rural areas. That employment can be channelled through the private sector. But in our particular peculiar circumstances, there is a role for government sponsored economic activity in rural Barbados. Those two strategies, I think, are essential in the kind of volatile situation that we are in. I say nothing about trade liberalization and what that will portend for a country like Barbados.

The Barbados Labour Party has not been unmindful of its responsibility in all of this. On November the 29, I was the subject of much criticism at the Democratic Labour Party's large meeting in Independence Square of 283 persons. Those who are talking, on the other side, about having an election now should recall that on November 29, they could only raise 283, after they advertised a candlelight procession and, at the end of the meeting, they did not have enough people to walk with them.

But be that as it may, I have explained in this House already. I have had meetings with the Chairperson of the Law Reform Committee and the Chief Parliamentary Counsel about developing a comprehensive employment protection Bill modelled after the English Act of the same name of 1978. But at the same time as we were discussing bringing the drafting of such a Bill, I received 3 or 4 pieces of model legislation on protection of employees rights and termination of employment from the CARICOM Secretariat. I have said in here that I sent the models of those Bills to Senator Trotman of the Other Place in his capacity as head of the Coalition for them to study them for them to get back to me with their comments and proposals.

One of the matters, clearly, on which I need to get the feeling of the unions is whether we will continue with the common law system of wrongful dismissal or whether we shall move to the statutory system of unfair dismissal with provision for reinstatement of the worker. I have to hear from the unions what they want. I have not yet heard. But I was pillored in Independence Square because I have not yet brought a Bill about which there is consultation going on. Anyhow, Sir, I hope that today that clarifies that aspect. We are putting ourselves in a position to enhance the security of the workers, in terms of their rights to employment, rights against unfair termination and so on.

Secondly, an aspect of the Rural Development Commission is that activity will now be more speedily concentrated in rural Barbados, not only in terms of the povision of social amenities but, in due course. I do not mean in 5 years, I mean mare like within next year, we will be trying to create enterprises within rural Barbados to stimulate economic activity and provide job opportunities in rural Barbados.

We are sensitive to the realities of structural unemployment and the trends in the world that are wanting to dictate a smaller role for the state. But, at the same time, some of us believe that the state has critical role to play in setting a pace and in giving direction and focus for economic activity.

Mr. Speaker, when we discuss the protocol, I think we have to be frank, fair and honest. No one is quarrelling with having the Barbados economy private sector driven. But at the same time, one is asking the private sector

to have a social conscience because to do less than have a social conscience is going to create additional trouble for this country in terms of potentiality for increased crime and so on.

I remember 1986 very well. I will never forget it. On May 25, 1986 the Honourable Member for St. Michael West spoke to this country on behalf of the Democratic Labour Party and ended his speech to the people of this country by saying "A vote for the Democratic Labour Party is a vote for a job." The Honourable Member for St. Michael South Central then in the bosom of the Democratic Labour Party paraded across the country a fiscal package out of this 1986 Manifesto that was attractive. He gave all kinds of tax cuts and put money in the hands of everybody, especially those who already had it.

There was significant economic growth in Barbados in that year, near 5%, some of which was attributable to our part of the year. We were there until the end of May. I do not want to quibble over those kinds of things, Sir. I think it is a little bit childish to get into that. There was significant economic growth. The private sector profited handsomely from the largesse of the Government for that period up until April, 1987 when the then Minister introduced all these. I cannot read them out, Sir. It would take up all of my time. Some heavy taxation. I will give a little indication of the type of taxation.

What did the private sector do with those profits which were made in late 1986? Lay-offs. When did DaCosta...

Aside.

Hon. D. A. C. SIMMONS: Nineteen eighty-six, nineteen eighty-seven. Lay-offs started steadily after the private sector had received handsome profits. Not only that. A trend also started in this country for the development of malls. People were sent home, To think of DaCosta, it was redesigned and malls started to develop in there. One of the first things that Banks (Barbados) Breweries did having made handsome profits was to put a big wall around the brewery.

Let us agree that all of that happened and let us agree that the policies then pursued by the private sector were wrong. I am saying the private sector has now had 10 years. I am asking the private sector, as one of the 3 parties to this Protocol to be careful with the policy that is now being called by this new word downsizing. This is lay-offs, sending home, redundancies and dismissals. That is all it is. Throwing people out of work because the social consequences for this country, in the medium and the long-term can be catastrophic, while in the short-term, they may enhance their profits.

5.30 p.m.

It is a wrong-headed policy. We have the experience of 9 to 10 years ago and we should not go down that road, because after 1987 this country went through its worst experience with crime. I am not blaming any government. Let us look at the figures. From 1988 to 1992, there was over a 400% increase in crime. We were at the point where we had to arm the police and we had to call in the Defence Force to assist the police, and what I am saying is that - I can't go so far as to say there is a direct link. It would be unscientific to say that, but there is direct link between what happened in the private sector and the rising incidence of crime - it is a coincidence that it happened and it is possible that the rise in the increase in crime had to do with the rising unemployment which was a consequence of the lay-offs and shortsighted policy where people were almost engaged in a short-run...

Mr. Speaker, the problem of unemployment in this area is almost structural in Barbados and in the Caribbean. Having told the public on May 25, 1986 that a vote for the DLP was a vote for jobs, one of the very first things the Democratic Labour Party did was to set up a task force on unemployment. They did not have an idea in their heads how to solve it. They got the government and then set up the task force, and the task force produced a report with no innovations whatsoever. The report of the task force notwithstanding, unemployment in Barbados spiralled under the Democratic Labour Party to as high as 27 per cent.

Aside.

Hon. D. A. C. SIMMONS: I said spiralled. It was a relentless thing, Sir. Every year it went up. It reached 27 per cent in 1992. There is little elbow room for the relief of unemployment, but in the absence of massive foreign investment the relief of unemployment has to be systematic but it will not be dramatic in a society like Barbados.

We must remember again in relation to the role of the state and the private sector there is only so much that the private sector could do in Barbados in terms of providing jobs. The private sector in Barbados is not like the private sector in the States or in England. We are operating within a limited market. There is only limited capital available to the private sector, Sir. So to say that the private sector must create all those jobs, there has to be a limit to their ability to create jobs and therefore, to that extent, the Government itself has to be the other agency for the creation of employment.

Mr. Speaker, I am sure the Prime Minister will wind up and reply to those who have spoken critically of the Government, but when we talk about breaching the Protocol, there was one in existence on September 6, 1994 and you come across in the course of things instances where the Protocol was breached. You come across

cases where you cannot logically justify situations. How can you logically tell anybody that it is right 6 days before an election for somebody to write what purports to be a contract but really is a 3-line letter giving a man a contract for 5 years at $70 000 a year to be Secretary to a Board?

Aside.

Hon. D. A. C. SIMMONS: You don't know about it? No. You wouldn't know about it. I hear the talk about the BTA and the salaries. Let me find this one here.

The Honourable Leader of the Opposition, no less, was saying not to worry about the people at the top in Tourism. It is the people at the bottom who matter in Tourism. They are the workers and they are the people who matter.

Dr. R. C. HAYNES: On a point of order, Mr. Speaker. The Honourable Member has launched on a programme of misinforming this House about massive layoffs in 1986-87. The truth of the matter is that there were 2 000 people employed in 1985. In 1986, there were 96 000 people employed. In 1987, there were 98 000 people employed and there was no additional employment in the public sector. Those 6 000 new jobs were all in the private sector between 1986 and 1987.

Hon. D. A. C. SIMMONS: So when did the first set of people go home from DaCosta?

Mr. SPEAKER: Let us proceed orderly, please.

Hon. D. A. C. SIMMONS: We will discuss that later. I will find the clippings for it.

Sir, I have the Leader of the Opposition saying that the people who matter in tourism are the workers and the people at the bottom. When he said that, I had to make a little note. I wonder why then if they were so important the Democratic Labour Party went through 3 board changes, 2 changes of Chairmen and lost a whole No Confidence Motion and then a whole Government. If the CEO at the Tourism Authority was not important, I have to ask why go through that charade. I don't understand the argument.

I agree with the other side that we should not talk too much about the fact that the Democratic Labour Party sent home a lot of people because, in a way, the people spoke eloquently on that by implication on September 6, 1994. But at the same time, it is important to remember that 4 000 or 5 000 of the public servants were sent home. They arc the ones who started the 3-day week.
5.40 p.m.

Aside.

Hon. D. A. C. SIMMONS: The people at Mangrove remember me and they will always be indebted to me and you must all must stop purveying lies. It was the Democratic Labour Party who sent home people. At the end of last year you were hearing them calling for people to go back to work. You know that of the 8 000 or 9 000 people that went home between 1991 and 1994, I have no doubt that there are still some out there who are unemployed that we will have to get back in the system.

Mr. SPEAKER: The Honourable Member has 2 minutes to conclude.

Hon. D. A. C. SIMMONS: So we are having to create opportunities and repair damage for the nonsense that was done by the Democratic Labour Party between 1991 and 1994, and they are coming in here and saying there were harsh economic times. Yes, there were harsh economic times and you must tell the world that those harsh economic times were self-induced because of policies deliberately contrived against the best possible advice, but in the interest of winning an election.

Aside.

Hon. D. A. C. SIMMONS: I have already spoken about jobs when you were outside.

I am speaking about the Protocol, Sir. They have said that we did not talk about the question of employment. I dealt with that. I would just draw their attention to page 11, paragraph 4. It says "The Social Partners" that is all 3, Government, private sector and unions.

"The Social Partners shall support and promote:

(a) schemes to foster employment through the development of small-scale enterprises and the economic enfranchisement of workers;"

Aside.

Hon. D. A. C. SIMMONS: If I believe it? You do not believe that the leader of the trade union, Senator Trotman meant this when he signed it? You do not believe it? You, the Honourable Member for St. Lucy? You are casting doubt on the integrity of Senator Trotman? Shame on you.

Mr. SPEAKER: Please, please.

Mr. D. St. E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member for St. Thomas is giving the impression that I am saying that the leader of the trade union movement would not create jobs. What I am saying is that I am aware that the trade union movement, as he is implying, is the same thing as the private sector.

Hon. D. A. C. SIMMONS: You are saying that?

Mr. D. St. E. KELLMAN: I am not saying that.

Hon. D. A. C. SIMMONS: I am glad that you clarified it but you must not jump in like that because you would jump in head first and drown.

Sir, the Protocol says:

"The Social Partners shall support and promote:

(b) dynamic programmes for training and retraining in the public and private sectors in order to enhance labour productivity;

(c) the formation and development of consumer groups and associations."

On that last point, Sir, I wish to say that we also have a draft Bill for Consumer Protection sent to the Ministry of Industry and Trade and later on this year we will be in a position to circulate that to political parties and all interest groups.

The Government is putting itself in a state of readiness to do what it can in fulfillment of the objectives and pledges in this Protocol. You cannot ask for more. We only call on the other 2 parties to play their part. I have already spoken at length about how I expect the private sector will behave in recognition of the new role they have to play given the contemporary global situation for driving the Barbados economy but, at the same time, they must have a social conscience.

I am obliged to you, Sir.

Mr. D. St. E. KELLMAN: Mr. Speaker, I would first like to congratulate the Honourable Member for St. Thomas for admitting that we were right in not supporting this Prices and Incomes Protocol because one of the main reasons why we came out against the Prices and Incomes Protocol is because we believe that the private sector is not doing what it should do. We have a situation in this country where the Honourable Member for St. Thomas has stated that from 1986 to 1996 all the Ministers of Finance gave concessions. He even said some downsized. He even admitted that the private sector said: "Cut back on your expenditure and we will create the jobs". But what are we getting today, Sir? The Government gave them concessions. The Government downsized and what are they doing? They said leave it to them. They are the experts. They would provide the jobs but instead of providing the jobs they are downsizing today.

I want to go back to the month of December, Sir, when we had a debate in this House and the Honourable Member for Christ Church West would remember this well when I reminded the House that in times of crisis you can always depend on the small man because he will go through problems but yet still he will stick with you, but do not care how much concessions you give to the large business people at the end of the day they will run away from you.

1 was sitting here today, Sir, and I heard the Prime Minister and the other speakers on that side talking about the problems they are having after giving so many concessions to these people, and I said in December when I was saying that everybody criticized me, but now they are admitting on that side that what I said in December was quite correct.

Mr. Speaker, I also want to make another admission because, after listening to that side, I am convinced that we have unfaired, yes, we the members of the Democratic Labour Party, Dr. Atlee Brathwaite and let me tell you why. They admitted that we paid that gentleman $75 000 a year and I am saying we have unfaired him because if prior to August we were only paying him $75 000 a year we have unfaired that man. Let me tell you why. I cannot see how any chief executive could have accepted a job in the sugar industry for $75 000 where people before him were working for over $130 000 and only had to manage 3 factories and now this man took a job not only managing 3 factories but managing all the indebted estates and you are going to tell me a man like that only deserves $75 000? There were people before him who worked for more money just to manage 3 factories and he took a job like that for only $75 000 to manage over 40 indebted estates along with 3 factories.

Asides.

Mr. SPEAKER: Please, please.

Mr. D. St. E. KELLMAN: I am saying, Sir, that if the former Minister of Finance reflected on a previous decision and agreed to increase his salary I must congratulate him for correcting the error he made previously. They have congratulated him too because they took 3 people and gave them over $120 000. You know something, Sir? You cannot run the sugar industry without a chief executive officer but you can get rid of the whole Tourism Board and you would not lose one tourist.

Mr. Speaker, let me tell you something. The little man on the beach that owns the jet ski, he is more important to the tourism industry in this country than the 3 executives you have down there. I will tell you why. I can show you people that they have brought to this country but nobody in this House, I do not care what is said over there or otherwise, can show me anybody that the 3

executives at BTA have brought to this country. I can show you the beach vendors, the jet ski operators, and all those people. I can show you people they have brought to this country and who are still coming back to this country because of those people. So this argument about Dr. Attlee Brathwaite and the BTA salaries let us forget it and let us get on.

5.50 p.m.

Mr. Speaker, I have another problem, Sir. My problem is this. We have a serious problem in this country because we are depending on people. We go to bed with people we cannot trust. That is right. Mr. Speaker, how can you justify a situation where people can ask you to reduce the number of people whom you employ in Government so that they can get revenue to run their businesses and that in return they will employ the people because they can operate more efficiently than you can and instead of employing the people they send them home?

Sir, I have another problem and I want to see something happening about this. We have a situation where the shares in BET were sold with a buy back option and I think the time is right for us to play that trump card because if they feel that they can influence the Board because they control the Board now and send home people just like that, I am calling on the Government to use the buy back option. We can stop them from downsizing, Sir, because when they were sold to them they were given the option that in a couple years the Government could buy back and I think the time is right to repurchase those shares so that we could protect the employees because it is a monopoly. Sir if it was not a monopoly I would not force this argument.

I know, Sir, that we also have another problem in the private sector where people believe that they could increase prices as they like but a little place in Haggatt Hall opened and all of a sudden people could tell you now how they can cut by 20% but we cannot do it to BET because it is a monopoly.

Getting back to the Incomes Protocol, Sir, people would like you to believe there is something amazing about this document. This document is supposed to be a prices and Incomes Protocol but we have never heard about the prices policy. You are always hearing about the incomes policy. The whole day, every person on that side, Sir, could be heard talking about the prices and incomes policy and they are refemng to it as the incomes policy. We cannot deal with incomes unless we are going to deal with prices too. We must protect the consumer. We must protect the workers and I am very clear that there are people in this country who are not prepared to look after the interest of the consumers and the workers and it does not make sense when people refer me to section 3(e) about employees share ownership plans because the employees do not have time to get shares in the company because by the time the profitability is up they are getting rid of the employees. These are the same employees that in the early nineteen nineties would have gone through the hardship of these companies and now, Sir, that they are looking profitable they are downsizing. So how can I go to my constituents in St. Lucy and tell them that I will be supporting this? Do you know what they will say to me? They will say, but Skipper, in the crisis time we suffered and would you believe that now that things are good that we must suffer too? Do you know that I would not get a vote next year because what they are saying is right and I would be going against what is right. I cannot go against my constituents because they are right so I have to support them.

Mr. Speaker, my same constituents, Sir, will have to pay the increased interest rates and up to now, Sir, I have not heard one word about how much they will be getting, whether it be 5%, 2%, 3% or 20% because if you rate it from 1991 to 1996 and you multiply by 2 you might be able to get 10%, or if you multiply by 3 it might be 15%. So, Sir, I am saying it is difficult for me to support this for the simple reason that if you have 3 parties, the Government on one side, the Trade Unions on one side and the private sector on one side, and the private sector not behaving the way it should, then I can only support one side and that is the side of the workers.

I have always supported that side and the Honourable Member for Christ Church South would tell you that I have always supported the workers and I have always fought their battle and I have always looked after the interest of the small man because I will always remain a small man in statue believing in the interest of the small people at all times because I will tell you something, Sir, it is those people in crisis times that rally around Government. They let their collective interest be the same as Government. But those large companies, as soon as the crisis is on, they start shipping their money out and they even start shipping themselves out so I am saying, Sir, that now you are telling me that the foreign reserves are up, that the deficit is down I want to hear something about the employment being up in a higher proportion.

Sir, when they start to employ people I know that my constituents will benefit but when they downsize my constituents do not have anything to gain from it. They tell me the profit line is good and I agree that companies should be making profits but at the same time there is a connection between labour and capital,

Aside.

Mr. D. St. E. KELLMAN: You would not want me to discuss that. There is a connection between labour and capital and that labour and capital connection must go

hand in hand and if capital is important labour must be more important than capital at some times. The private sector must understand that when workers work for them and they work well they should be compensated. It is true that there are some workers who do not always give their full support to businesses and we must be able to devise a scheme where workers who perform better than others we should be able to compensate those workers in some way without other workers getting jealous. I honestly do not believe that at sometimes all workers should get the same salary increase. I am saying that the ones who perform should get the salary increase. It does not mean that because you are a chief executive that automatically you perform. Sometimes it is the one who greets the tourist, that says "Good moming, M'am, Good moming, Sir, how are you today? How are you enjoying your stay," that makes the difference. Sometimes that person is the one who encourages the tourist to come back to Barbados and the Honourable Member for the City will tell you that that is very important in tourism and if she had everybody doing that in Barbados the numbers would increase.

Mr. Speaker, there is another thing of which I have already spoken and I will speak about it again. This belief that you could only judge growth by units, I am not a supporter of that.
6.00 p.m.

I believe that growth should be judged by the dollar value. I am a strong believer in that. Sir, you take a country like Barbados if we decide to go after a particular type of tourist some smart person in the private sector might argue that the number of tourists coming to Barbados might be down when in truth and in fact the total revenue earned would have increased. They will use that argument to make sure that workers do not get their fair share of the cake. I am saying that, when you talk about unit growth, it means nothing to workers in certain specialized areas I think at the end of the day it is the total amount of money earned that is important. This brings me also to another point, Sir. That point is that on Sunday I observed that the Sanitation Service Authority is advertising for a Financial Controller. Am I to believe, Sir, that Government is adopting the accrual system of accounting, Sir? Why I asked that, Sir, is that we have a Prices and Incomes Protocol and we have an ad advertising for a financial controller for $55 000 for the Sanitation Service Authority at the same time when the workers that they are fighting to get an additional allowance and cannot get it. I am saying as a former member of that Board I do not see any justifiable reasons for having a financial controller at the Sanitation Service Authority for the simple reason that they do not have any money to invest, they are not practising the accrual system of accounting, and I do not know whether the gentleman who is presently doing the job as the accountant is not capable of doing that job. I do not see the need for the new change of title, Sir. The only reason that they can give me is that they are moving now to the accrual system of accounting so that they can truly find out the amount of money owed by the Sanitation Service Authority. But at the same time in dealing with the man at the top I would expect them to also look after the workers. You would appreciate, Sir, that the Sanitation Service workers do work very hard. You will agree, Sir. Right.

Sir, when we listen to people in this country, you get the impression that employment has always been bad under the Democratic Labour Party Government. That is not me, Sir. Nobody will believe that we took the employment figures from 96 000 to 105 000 in less than 4 years. Everybody will give you the impression, Sir, that we did nothing to look after the unemployed people of this country, but that is not true. It is true, Sir, that when we were at a crisis time we had to make decisions and out of that crisis time brought this Prices and Incomes Protocol. I am saying that there were justifiable reasons for this Protocol at that time but 1 am not sure that the conditions are the same. If the conditions are the same as when we did the first one; Sir, I am prepared to support this one. Sir, I put a challenge to the Government that, if the conditions are the same as when we did the first one, I am prepared to support this one. If they can tell me that the conditions are the same then, Sir, I am also prepared to sit down because I will have to support this one without criticizing it.

Sir, we also have a situation where we were told today that VAT would be coming soon. Sir, as you would know on food items that the taxes are not very high but when VAT is introduced the story will be different. I would like to know, Sir, if the private sector will say to the unions when VAT is introduced that you know we broke the Protocol and we are prepared to give an additional increase to the workers in this country. I know, Sir, that when VAT is introduced the Government of the day will call back the unions and say that we will give you an additional increase because I will be looking forward to that. Because if there is going to be an additional cost to the consumers and the workers, we would expect them to be compensated when there is a breach of this Protocol. Sir, if they can guarantee me that they are prepared to make adjustment to the workers' salary whenever they breach the Protocol, I am prepared to support this. I cannot support this one until I get the assurance that these things will be done.

Sir, I also would like the private sector to understand that when they decide to give them concessions it means my friend, the Honourable Member for St. Andrew, cannot get money to repair roads in Barbados. I am saying that the private sector must decide whether they are prepared to employ more people so that we can get more revenue or whether the Government is going to keep the money

and give it to the Honourable Member for St. Andrew so that he can repair the roads in Crab Hill, Rockfield and those areas because those people are affected by the Prices and Incomes Protocol. I feel, Sir, once the Protocol is affecting them that the private sector should be prepared to give back something or they may be prepared to repair some of the roads that they have deprived us of because the concessions went to them and did not go into the Treasury of Barbados so that the Honourable Member for St. Andrew could get some money to help repair some roads in St. Lucy and also in Barbados as a whole. Thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. Philip North.

Hon. R. N. GREENIDGE: Mr. Speaker, as I rise to make my contribution, I am baffled really by the position taken by the Opposition. In fact, this debate reminds me of one which we had here in relation to the Personal Assistants when the Opposition concluded that they will not be objecting to it but that we will have to sell it ourselves. The Opposition continues, Sir, to be like a rudderless ship, not'knowing exactly what position to take on many of the issues that come before this Honourable House. Indeed, the more the Leader of the Opposition speaks the more I am convinced that he is extremely confused. The Leader of the Opposition said, Sir, that this is their Protocol. This is the 1993 Protocol just rehashed and yet he is telling us he is not supporting it. The Leader of the Opposition points to us of how much he loves the workers of this country and how much they care for the workers of this country. Yet, that is the same party which sent home thousands of people, thousands of the very workers he cared so much about. That is the same Opposition that cut the workers' salaries for he loves them so much. It is the same Opposition, Sir, that slashed the unemployment benefits and slashed the severance payments, yet he loves them so much.

6.10 p.m.

This whole thing about downsizing, as I said, sending home thousands of people, the Opposition should be experts at it. They are saying it is their Protocol. I want to say that I see no reason why this present Administration should have shorn that last Protocol of every clause and come up with a brand new document altogether. I see no reason why there should not be some continuity of Government.

Taking this argument to its logical extreme, I believe that you would be asking us when the Administration changes to amend every single piece of legislation that that other Party had brought, that we should have destroyed Sherbourne because they put it there. But as I said there must be some continuity.

I recall the Honourable Member for St. Michael West saying that when the idea of the Tom Adams Highway first came up, he was bitterly against it and now he wants to know how Barbados would have existed without it. There has to be continuity. If we in this Administration can see that there is something good to a Prices and Incomes Protocol, I see no reason why we should dispense with it. It seems as though that is what they are asking us to do. I am not trying to pull any political point.

I want to say, Mr. Speaker, that whoever it was that conceptualized the idea of a Prices and Incomes Protocol, whether the idea first came from the private sector, from the unions or from the Government itself, whoever the person was I want to commend that person. I see it as a very positive step. I see it as something in the national interest of this country. I think it was a good idea. I do not see it as a BLP thing or a DLP thing.

I think it is a very sensible and a very realistic way to deal with what could very well be potential industrial unrest. It acknowledges the fact that industrial action is not always the way to go. That is the way I see the Protocol. Why should we abandon it?

Mr. Speaker, history will record that very often, disputes between countries used to be settled by wars and that in the days of the wild west, you used to settle them by a shoot-out on the highway. But nowadays that is not the case. Mankind the world over is looking at the way to resolve disputes by talking rather than by disruption. This is just another such initiative. We commend it. On this side we are in full agreement of having a Prices and Incomes Protocol. I do not see any reason why Barbados should be different when it is something which can enure to the benefit of the country.

The Protocol is based on the *bona fides* of the parties. It is accepted and we all know that if one of the parties breaches or falls away from the agreement, it is not going to result in a lawsuit similar to breach of contract. On this side we believe the parties. We believe them because we consider it to be a treaty of good faith and we believe that when the parties sign it, they are saying to us that their word is their bond and that they are going to carry out all of the agreement and carry out the Protocol itself.

When we look closely at the substance of the Protocol, Mr. Speaker, I believe that everybody's interest is represented in it. Let us take the employer. The employer knows that his operating cost will not escalate unduly where wages are concerned. He feels assured that the unions will not have cause to agitate on his door steps. The workers feel convinced that Protocol will give them some form of job security because the workers realize that the employer could very well be telling them on one hand, "I will give you everything you are asking for with this hand but I will lay off on the other." To some extent, they

can take comfort in the fact that there should not be lay-offs and there should be job security instead.

Government, Sir. Government is assured of a stable environment since there should be no disputes between the competing parties at least during the period the Protocol is in existence. We must remember always that things like strikes have a very negative effect not only on the business concerns but also on the country itself. The Protocol obviates the need to be adversarial. It gives us a chance to breathe for at least 2 years.

The signatories to this Protocol are no different from the signatories of the 1993 one. We believe, like the Opposition, that it is not a good thing for one party to say that we agree to it and .then do something else. Any deliberate attempt to derail the process will not be countenanced on this side.

I do not think that the Honourable Member for St. Michael South Central set out to blame Government when he gave 2 examples of people who were sent home. We do not countenance it. The whole thing about downsizing causes us as much concern as it causes those on the other side. We believe that downsizing is something that should occur only in very exceptional circumstances, only in instances where it is a measure taken to save the collapse of the business. It should be a survival mechanism and a survival mechanism only but it should never be done to make a bigger profit. We are opposed to that. We believe that if it is done in that way, it is really and truly flying in the face of an agreement which you have signed. We feel that profit making goes against the grain of the Protocol.

I want to say that I, at this point, should commend the union concerned and commend the executive of that large telecommunications company for having settled what was a very sensitive issue where the whole thing of downsizing and laying off was the central issue. We believe that everything should be done to assist the worker. We ourselves have already put the NCC workers who were given 3 days by the last Administration back to a 5-day week. Our unemployment figures, as the Honourable Member for St. Thomas pointed out and the statistics show, are coming down by the quarter, but we believe that with downsizing all that would happen would be that we would be marking time. In other words, whenever we gave 100 jobs, 100 people would have been laid off by the downsizing process. All we would be doing is spinning top in mud and marking time.

6.20 p.m.

As the Attorney General also pointed out, the Employment Protection Bill should soon be coming on stream and we are hoping to get comments from all interested parties in time. I also hope, Mr. Speaker, that what we are hearing about companies downsizing because workers want to exercise their rights to join unions of their choice is not true, because the Ministry of Labour sees itself as the guardian of the rights of the workers and the guardian of the rights of the employers as well. In fact, we always have to point out to employers that workers have rights and we have to point out to workers very often that employers too have rights.

The point which I also want to address concerns methods of obtaining what could be determined as an increase in pay, but I believe it has already been dealt with pretty adequately by the Prime Minister and also by other speakers where the Protocol may appear to be restrictive in a blanket way. Indeed and in fact, if the valuation exercise comes on a particular job or particular job description and it is felt that that particular job should be up-scaled, that increase is worthwhile and indeed it can be allowed. I salute that provision and as we all know the whole exercise in the Barbados Tourism Authority was done in that fashion. There was an independent exercise carried out before the salaries were given.

On another wavelength, Sir, the Protocol also seeks to address galloping prices and I agree with the Honourable Member for St. Lucy, the last speaker, because certainly if my salary is being increased over a period of time I think it is only fair that prices would be kept in some restraint over that same period of time as well and my purchasing power should not be reduced. It is only fair. We, therefore, appreciate the efforts by the social partners to keep prices down. Personally, I do not agree with the Honourable Member for St. Michael South Central when he said that prices were galloping and there was this escalation in prices in Barbados. I don't agree that there has been any real significant price increase in foodstuffs over the last 3 or 4 years in Barbados. At least, Sir, not when we compare it with neighbouring countries.

If you look at prices in Jamaica, Guyana and so on, we cannot say that we really have had any significant increase in prices, and I believe to a large extent the success story of that has rested on the Prices and Incomes Protocol. The prices of a few things may go up occasionally. This is understandable and I believe the Prime Minister dealt with it when he touched on the whole question of the foreign exchange cost of labour in other territories and other parts of the world. In essence, Sir, the increase in prices to my mind over the last 3 or so years was pretty negligible.

In conclusion, Mr. Speaker, the Protocol helped to create a very stable environment where business could be carried on and where we hope business would flourish

and people would know exactly what to expect when they invest in Barbados, because the first question people always ask when they want to invest in a country is what is the industrial climate like. I believe that this Protocol has assisted us to a tremendous extent and we must remember that the Protocol of 1993 came against a background that was very turbulent when thousands were sent home and their salaries slashed and the labour force was crying out for some help.

If there was one good thing which that particular exercise had in Barbados it is this. It taught the workers in this country and the employers in this country in layman's terms that an economy can take so much and no more. Mr. Speaker, you can ask for the biggest raise, but if you do the wrong thing, the economy may hemorrhage and you will have to send home people and there will be salary cuts again.

I believe that the people of this country have come to realize that a mechanism like the Prices and Incomes Protocol is one that has been put in place because the Government thinks that it will be their salvation. I believe it has helped to keep a large number of jobs in place. I believe that the workers in the country can still put bread on the table, and perhaps without this Prices and Incomes Protocol would not have been able to do so. I join with the others who asked the private sector to do the best they can to have a social conscience and let us not have a derailment of this particular process.

I am obliged to you.

Mr. F. J. STUART: Mr. Speaker, the Honourable Member for St. John has put the case of the Opposition and the Democratic Labour Party as fully as I think it needed to be put. He has with daunting eloquence and exemplary clarity set forth the position of the Opposition and therefore I do not intend to traverse temtory which he has so admirably covered. I prefer to intervene at this stage to clarify, hopefully, an issue which has recurred in this debate which is the issue of urging the private sector to have a social conscience and to exercise social responsibility.

The Protocol which is the subject of this debate is signed by 3 parties – labour, capital and State. These parties describe themselves as social partners. The concept of a social partnership between labour and capital is for me a very baffling one because, as a student of history, I know of no stage in human history when there has been any meaningful partnership between capital and labour and for the very simple reason that the objectives of capital and the objectives of labour are fundamentally opposed and contradictory. The objectives of capital in 1996, as it was in 1796, is profit; and the objectives of labour in 1996, as it was in 1796, is wages and salaries. That is why as recently as today the General Secretary of the Barbados Workers' Union is complaining that employers in Barbados are still victimising workers for joining trade unions, because becoming a part of organised labour has always been labour's response to this insensitivity on the part of employers.

So I have a philosophical difficulty with the concept of partnership between capital and labour. I think only a worker with a very keen sense of humour would believe me if I tell him, a worker in Barbados in 1996, January 23, that when he leaves home on mornings to go to his place of work he is going there pursuant to a partnership with his employer, for his experience at the workplace contradicts any concept of partnership. The work place for him is a hostile place in Barbados today, and it has been for some time. It is a place of tension, a place of uncertainty, a place at which sometimes he has to give up his legal rights in order to keep his job. So I do not think the average worker can grasp the concept of social partnership contemplated by the expression "The Social Partners" to the extent that that expression is intended to describe any reality in Barbados today. I think the expression, "Social Partners," for many workers is something of an ideological illusion that bears no reality to their everyday experience at the workplace in Barbados. Let me concede, of course, that the concept might very well describe a partnership between a labour bureaucracy and capital, persons speaking on behalf of labour or acting on behalf of trade unions and capital; but for the actual worker at the workplace from day-to-day, the experience contradicts any sense of partnership.

6.30 p.m.

In this debate I think we have to start from that position. Therefore, when one talks about appealing to capital to exercise social responsibility, I think one has to focus on how capital has evolved. I suppose the best place to start is in Britain where the Industrial Revolution would have taken place around the middle of the 18th Century and when capital came to full flower around that time. All historians agree that that was a period of torment of workers and in fact of child labour. Children 6 years old worked in coal mines in the ambience created by the Industrial Revolution, and pregnant women worked in very oppressive conditions, all in the context of capital pursuit of profit unrelentingly.

The poet, William Blake, for example, despaired about building Jerusalem amongst what he described as the dark satanic mills that disfigured the English landscape at that time, and the dark satanic mills then were the dark satanic plantations in the Caribbean where capital was acting out its violence again against the workers of the Caribbean through slavery. Proof, if any were needed,

that if an employer can get away with employing labour without paying labour at all, the employer will do it and then, of course, today the dark satanic plantations have become the dark satanic work places, the theatres of downsizing and rightsizing. For the worker, Mr. Speaker, the concept of partnership is an illusion. Partnership with an eniployer is an illusion.

The State is also a party to this Protocol. Now, say what you like about the State, the State is still, in my view, the best employer in Barbados. It is the most humane employer in Barbados. Workers employed by the State get the best deal of any set of workers in Barbados. They can plan their lives better. There is more certainty at the work place and, on the whole, there is a greater evidence of a partnership between labour and the State than there has ever been between labour and capital.

One of the distressing things of politics is to listen to the managers of the State, people who manage the largest business in Barbados, the entire country, embrace the rhetoric of businessmen who say that the State is wasteful and inefficient while the private sector is thrifty and efficient. That the managers of the State who operate the largest operation it is possible to manage in Barbados could join their critics in accepting that they are incompetent while their critics are competent, is something that has always baffled me.

I do not accept any argument that the State is anymore wasteful or anymore inefficient than is the private sector. In my view, having regard to the size of the responsibility which the managers of the State have to exercise, the State in Barbados is managed well and efficiently, and I do not accept the disparaging remarks made by businessmen about how nothing the State does succeeds and that things are only well done if they are done by private businessmen. I do not accept that. I reject it out of hand.

I think that whole situation has to be put in context. Appealing to the private sector to exercise social responsibility is really to appeal to the private sector to act against how they perceive their interests, for their interests is usually the bottom line, profit. For them wages are a cost that erodes into profits, and wherever they can keep that costs down to a minimum, they will keep it down to a minimum to maximize their profit regardless of what the social implications are. The floors of history are littered with examples of this where the private sector businessmen act in that way only to reap the whirlwind later, and only to say "if we had known." But they still go and do it all over again.

I think we get a little sentimental here when we appeal to businessmen to exercise social responsibility. They do not see it that way. Therefore I agree with the Honourable Member for St. Thomas that there is a role for the State in the development of employment strategies in Barbados. I could not agree with him more. I have heard him give expression to this view more than once in this House. It is a view which I share.

The view has gone abroad that ever since the dismantlement of Stalinism in Eastern Europe and the Soviet Union that the cause of workers is dead, that the market has now taken over and life now reduces itself to letting the fittest survive. I do not believe that in a society like Barbados which has always had a surplus of labour and which, like most other English speaking Caribbean countries, has only enjoyed full employment during slavery, can afford to mortgage the interest of the working class to the private sector of Barbados. I think the State has to maintain an essential role in the job creating strategy if we are to keep this society stable and if we are to ensure that social dislocation does not happen.

6.40 p.m.

It seems to be absurd and preposterous politics for me, and I have said this already on a political platform, for me to go on a platform and shout into the ears of workers, "Vote for me and I will get you a job." "Give my party power and we will create jobs for you." Once we get that power, once the workers take us at our word and give us that power then we step aside and pass the power over to businessmen and say, yours is the responsibility now to create jobs for the people to whom I appealed. I do not think that is politics that make sense. It is not credible politics, it is preposterous and I can have nothing to do with that.

Sir, while I accept there is a role for the private sector in Barbados I do not believe that that role should be a total role; that Government should go asleep and just concern itself with security and perhaps running a few schools and a few polyclinics and picking up garbage while businessmen run the country. I do not accept that. I believe that there is a responsibility that devolves on the shoulders of those who manage the state machine to look after the welfare of those who have given them the power to do so. Therefore, when I look at this protocol I have to judge it in that context.

I approve entirely of the protocol which was signed in 1993 because at that time there was a resounding consensus in Barbados that the economy was in a desperate situation and that if something had not been done then the country's currency would have been devalued. There was a tripartisan consensus on that issue. We were told how inept the then Government was, how the economy had been run down and that something had to be done. I agree

that had a devaluation taken place all the gains registered by the workers of Barbados would have been wiped out and therefore when that protocol was signed, it was a holding measure designed to recapture the stability for which Barbados was well known. It was a measure designed to bring about a stabilisation of the national economic situation.

Ever since the 6th September 1994 I have got the impression that the bad old days are at an end and that the good new days are with us. I have got the impression that whereas jobs were being lost before September 6, jobs are being gained now. I got the impression that where little or no growth was taking place before September 6, growth is taking place now. In fact in a moment of euphoria the Honourable Member for St. Peter delivered himself of the statement that in one year's time 10 000 jobs have been created. I well recall the anguished question of a resident of Brereton in St. Philip, "If 10 000 jobs have been created in Barbados in one year, how comes it that I have not missed anybody from Brereton?" That situation was happily corrected.

I do not understand why there is the need in 1996 in the month of January for another Protocol in the same terms. When the state intervened in relations between labour and capital and 1993 it was to correct a situation of panic, panic that existed both amongst the spokesmen for labour and the spokesman for capital. Both sides feared devaluation and the state feared devaluation as well. Today those fears do not exist. There is no threat of a devaluation in Barbados. In fact the Government is on top of the situation. The Prime Minister has boasted about how easily the country is paying its bills and paying its way. All seems to be sweetness and light but the state has intervened again, not to protect labour, because when I look at the Protocol I do not see the evidence I need to see to satisfy me that labour is being protected.

The Honourable Member for St. Lucy makes a very good point that this debate has centred on the incomes aspect of the Protocol but very little attention has been paid to the prices aspect.

The last few weeks on my way home on evenings I have constantly heard callers into the call-in programmes complain about the prices madness that they are encountering in the country's supermarkets and stores. I have heard moderators commiserate with them and identify with what they are saying. I do not believe that there is all of this price stability that I hear the Honourable Member for St. Philip North talking about. If you are not hearing businessmen complain about prices it means that there is no price control in Barbados.

Between 1971 and 1976 when effective measures were being taken by the Democratic Labour Party and by the Honourable Member for St. Michael West to introduce a serious price control regime there were howls of protest because pain was being felt, not by the workers, but by those who benefit from high prices. If they are keeping quiet now, if they are saying, let us get back into another protocol and another and another, then it seems to me that the price situation is satisfactory to them.

You have to forgive me, Mr. Speaker, I am very suspicious of these matters. I take my cue and I have quoted it in this House already, from the Scottish philosopher and economist Adam Smith on this question that it is not because a butcher loves you that you get meat. It is not because a baker loves you that you get bread. It is not because a brewer loves you that you get beer. It is out of his regard for his own profit. And where business is getting profits, business will be happy. Where those profits are being eroded you can expect business to be unhappy and to make its unhappiness known. The absence of any howls of protest similar or equivalent to what I heard in Barbados between 1971 and 1976 satisfies me, and I plead guilty if I am called a cynic, that the price situation is quite satisfactory to those who benefit from high prices. The howls of protest are coming from those who do not benefit from high prices, that is, the workers, the unemployed and those who have to encounter the supermarkets and the stores, not as friends but as enemies from week to week, from day-to-day.

So I cannot add much, Mr. Speaker, to what Honourable Members on this side have said about this Protocol. We note it but we do not approve it. We believe that the objective conditions in which the first Protocol was signed have changed and that the present objective conditions do not justify the signing of another Protocol in the terms which we have here today, and there the case of the Democratic Labour Party rests.

There is no need for me to go much further than that, Mr. Speaker. As I said, the Honourable Member for St. John has adequately expressed the sentiments which I have always known to be the sentiments of the Democratic Labour Party and this Opposition. Therefore he has spoken adequately for me. I cannot improve on what he has said but I indicate to the House, as did the Honourable Member for St. Michael West and the Member for St. Lucy, that I will not be supporting this Bill. I am obliged to you, Sir.

6.50 p.m.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 8 o'clock tonight.

Hon. Miss M. A. MOTTLEY: I beg to second that, Sir.

The question that this Honourable House be suspended until 8 o'clock was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly.

RESUMPTION

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

Mr. W. C. C. CALLENDER: Mr. Speaker, I rise to support this Prices and Incomes Protocol. Now this agreement signals the cooperation between the Government, private sector and the workers' representatives. I think what is significant about this is for the first time we are seeing cooperation between these three sectors. What it means, Sir, is that we are into a stage where we are seeing consultation in this country. But, Sir, this has come about because the country was under threat. One remembers well the situation in 1991 when there were massive lay-offs and when there was an 8 per cent cut. One also remembers the threat of devaluation. Looking back on those days, Sir, when it seemed as if this country would grind to a halt, one can appreciate the need for cooperation between the Government, the private sector and the workers. Sir, despite what historical perspective one might want to bring on these discussions and despite one might want to go back and criticize what has happened before, the reality of the matter is that at this point in time in Barbados' history there needs to be cooperation between key sectors. It is only a spirit of cooperation that we can go forward. As they say, Sir, unity is strength and one must remember, Sir, that even if there are attempts at unity it does not mean that the parties to this agreement will not have their differences. It does not mean that they will not bring their own prejudices to bear on'any negotiation. But one would expect, Sir, that in this enterprise that the Government will. provide a regulatory function to ensure that when there is disagreement between the workers and the private sector the Government will step in in the interest of the people of Barbados. Sir, once the Government steps in in the interest of the people of Barbados we will expect that the national interest will come first.

I will therefore expect, Sir, that when Government steps in it will be stepping in to protect the majority. It will be stepping in to protect the poor, but not only the poor it will be stepping in to protect but those who are not so poor and those by means of educating themselves and acquiring certain skills who have been able to build houses and educate their own children whether it be locally or overseas. It will be stepping in to protect these people who have worked hard to acquire something in this beautiful land. Therefore, Sir, when I hear of the call of the private sector for a programme of lay-offs which run counter to our policy of jobs being No. 1, I believe the time has come again for the Government to step in like a man stepping in to part two fellows who are about to fight. Because once the private sector begins to talk about downsizing, Sir, they are looking for a fight. That means they are looking to send home people from Ealing Park and Chancery Lane who have built houses and will not be able to pay for their mortgages if they are sent home, Sir. What it means, Sir, is that those who are looking for jobs will not be able to get jobs because, if you are sending home, what is going to happen to those who are looking for jobs? Sir, we cannot entertain in the spirit of this Protocol any expressions of talk about downsizing.

Sir, this Protocol is set in a framework where we are looking to earn foreign exchange. We are looking for industries to become more competitive. We are looking for workers to become more productive and at the point of productivity, Sir, I think that we need to give this greater attention. We need to understand that productivity is not only relevant in the public sector. It is also relevant in the private sector. Although some people might think that public sector workers are not, producing as much as they could, Sir, there are lots of instances where in the private sector people need to produce more and that their attitudes towards work need to change generally in this country. I believe as a united body, whether we are on this side or that or even the other side, we need to look at improving attitudes towards work so that we can produce more as a country.

I am also concerned, Sir, about the level of creativity being witnessed in this country or lack thereof. We have had since 1991 for businesses to look at new ways of investment, to look at new ways of diverting away from traditional ways so that we can employ more people. But instead of looking for these new ways, instead of looking for creative ways of finding employment, we are hearing talk about sending workers home as if that is the only answer, The only way we can think of solving this economic problem is by sending home workers. Well, I would say that we would have been wasting all of our years in educating our people if that is the way. So the challenge is to find creative ways, to find ways of getting into niche markets around the world. This is our challenge, not any talk about downsizing. I do not care who it comes from whether it is the private sector or from lending agencies. I think the important concern for us now, Sir, is to find new ways of finding work for the masses of our people. It is about time that the workers' unions, private sector and the Government begin to look feverishly at finding new ways for our people to be employed. The old ways will not rescue us.

I am happy, Sir, that this Government has been supporting the small businesses in this country and for the first time we have a Government which is providing

funding to the Small Business Association in Barbados. It is providing a Secretariat for them, Sir, but not only that we have a Youth Entrepreneurial Scheme which is training young people to become entrepreneurs so that they too can help to provide employment for people in this country. Sir, we have a Government which understands the importance of manufacturing and, therefore, we have provided them with duty free concessions. We have understood the importance of agriculture and are therefore providing duty free concessions in order to create more jobs. This is a Government that understands that in the face of this Prices and Incomes Protocol we need to find ways of creating more jobs. We have not got 30 000 jobs yet, Sir, but we are on our way. We have driven unemployment down beyond the 20 per cent in just one year. Give us a chance. We are doing what we can for this country and once we unite together, Sir, we will get there. I am asking the people of Barbados to put confidence in this Government. We have driven the unemployment figure from 27 per cent down to 19 per cent in just one year. Please let them have a conscience, Sir. Please let them understand that this is just the beginning. Look at the big private sector. Since 1991 when they marched in the street and when they understood that cutting by 8 per cent was not the thing to do, now they want to cut and send home people. It has taken them since 1991 and they have not been able to look for the creative ways of finding work. They should be spending their time in finding creative ways to find work instead of trying to spread propaganda about downsizing. We will not take it, Sir. We understand our commitment to the masses of this country and not only the Government of this country. But I am sure that those on the Opposition side understand the commitment of the people of this country to represent the masses by looking for employment opportunities for them and providing the incentives not only to the big businesses but to the small man and to let the youth know that there are entrepreneurial opportunities for them and to seek them out. We will provide the necessary support.

Sir, with these few words, I thank you.

8.15 p.m.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, no'other Honourable Member of the House has indicated an intention to speak and I therefore rise to close the debate. I want, in closing the debate, to thank all Members for their contribution to what has been a spirited debate on issues that can have far-reaching consequences for the development of this country.

I have taken note of what is set out as conditional support by the 2 Opposition Parties for this measure. Both Leaders of the Opposition parties couch their representations to this House in terms of the conditionalities they would attach to their support for an incomes policy. I believe that fairly represents the substance and tone of what was discussed in Parliament today.

In relation to the Leader of the NDP, the Honourable Member for St. Michael South Central, he called for a policy on profits, a policy on prices, as being among the major matters that he would wish to see elaborated in an incomes policy before the NDP can commit itself to giving wholehearted support. One has to presume that those matters were put before this House in good faith.

Mr. Speaker, it is obviously not always a safe thing for Government to commit itself to giving assurances about profits. Profits are generated as a result of the activities of businesses. In fact the last time that a Minister of Finance gave an assurance on profits, it was to tell MOBIL that the policies to which that Minister subscribed was that monopolies functioning in Barbados should enjoy profits amounting to 12½% after tax on the capital employed. If that policy were to even begin to become the policy adumbrated and put in place by the Public Utilities Board in relation to all other entities going before it, if this Government of Barbados were to adopt the policy implied by what the Member for St. Michael South Central thought was desirable, in relation to MOBIL then, in point of fact, Sir, we will have a situation in this country where rampant profiteering will become the order of the day to the detriment of the very working class that he purports to want to represent.

Dr. R. C. HAYNES: Mr. Speaker, Sir, on a point of order. I am quite sure that the Honourable Member for St. Peter is fully appraised of the extent to which he is misleading this Honourable House. He knows quite well that there was no such policy put in place, that that was a one-shot commitment in 1986 or 1987 which took into account a reasonable presentation by MOBIL of significant under-recovery during the years 1983, 1984 and 1985. It was no policy position because, at that time, each year the matter of MOBIL was dealt with on an ad *hoc* basis not on any policy basis.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, since the Honourable Member for St. Michael South Central had but one year in which to be responsible for policy we can only read into what he allowed in that one year as a position of profits as what he would regard as reasonable profits to be realized, in this country, by monopolies. I say that it is a scandal that anybody could have agreed that any monopoly in Barbados could have been allowed a tax profit of 15% of capital employed. If that is the road the Honourable Member for St. Michael South Central wants us to follow in relation to setting a policy on profits, I say, "Thank you for your advice but no thank you."

What we have done in this Incomes Protocol is to prescribe that profit sharing arrangements must be part

and parcel of the payments to workers for their contribution to the productive process. Arising out of that commitment the Government has already lent its assistance to the settlement of disputes where profit sharing has been the issue concerned. An Incomes and Prices Protocol, Sir, therefore is properly designed if it puts in place a framework within which profits realized can be appropriately shared between capital and labour. This Protocol like the previous Protocol has that precept as part of the measures to be respected and I do believe that, to that extent, the concerns raised by the Honourable Member for St. Michael South Central have been answered.

The Democratic Labour Party's spokesmen ranged much further afield. I thought that the most astonishing contribution came from the Leader of the Opposition himself who, at one and the same time, told the House that this Protocol is not different really from the Protocol put in place by the Democratic Labour Party but that it was intended and its purpose is to provide a sword to beat those at the bottom as well as to provide a shield to shield those at the top. If that is his perspective as to what were the purposes sought by the Democratic Labour Party's Protocol, I want to disassociate the Barbados Labour Party's Administration entirely from those objectives. I am glad that he has confirmed that their Protocol was intended, like so many other measures put in place by the Democratic Labour Party, to be a sword to beat the people at the bottom. Let us never forget, Sir, that downsizing, as a practical matter, gained great currency and widespread application when it was directly applied by the Democratic Labour Party's Administration as the appropriate policy to be applied in relation to the size of the public service. Three thousand people went home from the public service of Barbados in the interest of so-called efficiency in much the same way now that some sections of the private sector would want to send home people in the interest of efficiency.

Our Protocol departs substantially from what was brought to this House by the Democratic Labour Party and approved by this House. At the centre of it is the question as to whether we would have continued with a wage freeze or whether we would move to a situation where the workers of Barbados can get wage increases in addition to productivity bonuses and to being part of product sharing arrangements.

The Members of the Democratic Labour Party who have spoken and particularly the Leader of the Opposition would have us believe that the workers of this country are better served by a Protocol which freezes wages, and that we are in some magical respect hurting the workers of Barbados when we replace a Protocol that had a wage freeze at its centre with one that says that we can now have wage increases together with productivity bonuses and parts of profits. It truly defeats me, Sir, first of all how you can equate a Protocol that has wage increases as integral to it with one that has a wage freeze as its centrepiece. I refuse to believe that there is anybody in Barbados who feels that the workers of this country are worst off by being party to a Protocol that allows for wage increases as compared to one that said that they had to have their basic wages frozen for 2 years.

I say that to make the larger point that the Democratic Labour Party's standing with the people of Barbados has been substantially eroded from the party that used to command 82 000 to one in which, at the last election, they commanded the support of only 48 000. Nobody in Barbados now believes the threadbare rhetoric and propaganda of that Party to the effect that they are the Party that likes small people and stands up for the workers of this country. The record is too replete. Three thousand small people sent home, the 8% pay cut, the Democratic Labour Party's position on severance making small people pay for their own severance, the Democratic Labour Party's relationship to the poor people of this country in relation to the Port, duty free shopping and a whole range of other things have caused the people of this country to understand that they must look beyond the foolish rhetoric that issues from the leading spokesman of the Democratic Labour Party and assess them in relation to the their policies.

8.25 p.m.

Other people know, Sir, that it is not the Barbados Labour Party which created a 3-day work week. People know that the Democratic Labour Party left that as one of the enduring legacies of its 1986-94 stewardship. The people of Barbados understand that the reason why over 30 000 jobs still have to be created is that over 30 000 people were left unemployed because of the policies of the Democratic Labour Party.

Therefore, this argument that they are so much in love with the small, black people of this country, is an argument that has been discredited by experience; and in this particular debate the small; black people of Barbados are going to ask the Democratic Labour Party to explain how it could have carried to Parliament an incomes policy that says that people at the NCC working for 3 days had to have their wages frozen but they cannot come and support an incomes policy in this House for the same people that work for 5 days and now are going to get a wage increase. That, in the final analysis, Mr. Speaker, is precisely what this debate is about, whether we retain an incomes policy that says that we must freeze people's wages or we will replace it with one that allows people in this country to have the benefits of wage increases. So all the talk and sophistry about not having the interests of people at heart...

Aside.

Mr. SPEAKER: Please, let us move on.

Rt. Hon. O. S. ARTHUR: ... Sophistry is unparliamentary? I withdraw it, Sir. But only if you allow me to use a stronger and more graphic term.

Mr. SPEAKER: Go on, please.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, the point here, Sir, is that it is a falsehood to cast the impression that in this incomes policy which allows for wage increases as a successor to one that had a policy that froze the wages of workers in the context of a situation where there were small people in this country working 3 days a week, we are setting out to hurt the working class of this country, and I say that it cannot stand public scrutiny.

Sir, the question of downsizing has entered this debate, largely as result of something else that is happening at a telecommunications company. I want to refresh the short memories of this House. When the question of the privatisation of BET and BARTEL arose, I spoke to the issue in this Parliament and I pleaded with the Government of the day to retain a golden share in those companies. The experience of other companies where privatisation has been practised is that in order to be able to continue to influence the policies to be pursued by companies that were being subsidised, governments involved in privatisation retain what they call a golden share that enables the government to re-intervene to be able to set policies in circumstances where the practice of the companies after privatisation departed from the norms that the Government regarded as in the public interest. That is the concept of the "golden share". It is particularly wholesome as a policy device in circumstances where the privatisation of Government leads to the entrenching of the position of a monopoly in the country.

It was clear to us on this side, Sir, by putting BET and other monopolies in a position where the Government of the day would not be in a position to influence the policies of the companies that were conceived from a corporate point of view, that any Government of the day would find itself in problems in its future relationship with BET and BARTEL.

I regret, Sir, that the advice tendered on that occasion was not followed. I hear now the Leader of the Opposition, who could have been a Minister of Finance in a position then to carry out that policy to set clear conditions governing the operation of those companies, now telling this Government that we now have a bark but no bite, when it fell to them to lay down very clear conditions to govern the operation of the monopolies whose position they were entrenching in this country.

I believe, Mr. Speaker, Sir, that this matter can be addressed properly within the context of the process of consultation that is enshrined in this Incomes Protocol. This Incomes Protocol departs from the previous Protocol because, insofar as it speaks to the security of tenure of workers as a matter deliberately set aside to exercise the attention of the social partners whenever that security of tenure is breached, it is not an idle matter. This Government commits itself to consultation on these issues. We believe that a tripartite approach to the problem of privatising a company commanding the support of the private sector, the Government and the unions would serve as a solid foundation upon which entities in the corporate sector who would want to employ these tactics will know that they will be ostracised to begin with. I also believe that arising out of those consultations that will take place as a matter of deliberate policy we will get a very clear line of direction as to how the private sector could proceed in this critical area.

The Government of Barbados, however, does not now have control even as a minority interest in BET nor BARTEL. The Democratic Labour Party in the manner in which it has sold those shares has put us in that condition and we now have to use means other than representation at the level of the Board of Directors to set government policy. I give Government's assurance that in relation to that company and all others which are enjoying a profitable status in this country but would want to lay off Barbadian workers in the interest of increased efficiency that the stemest, strongest struggle will be waged on the part of the enlightened private sector of Barbados, the trade unions and the Government working together to ensure that this doesn't become a permanent feature in this country's industrial relations.

Increasing their licence fees has been proposed as a penalty but is not the same thing as all of the welling up...

Asides.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, the Members on the other side know that I will never refrain from using fiscal measures to bring about desirable national objectives and if they want to put thoughts in my head I am open to any suggestion that comes from the Opposition benches as to how the Treasury may be enriched at the expense of companies that want to take advantage of the workers of this country.

Sir, a number of impressions were cast in this debate that have obviously to be corrected. An Incomes Policy cannot be all things to all people. It cannot address all of the economic problems of a country. It even addresses some indirectly by the nature of the objectives that it seeks to accomplish. There can be no doubt that a more

competitive Barbados is a Barbados that is going to be capable of generating jobs with export sectors. Therefore, to a thinking mind, the relationship that is sought between the use of an Incomes Policy and the improvement of the competitive position of this country so far as it can lead to a stimulation and expansion of export activity obviously is a relationship that expresses a position on support for and expansion of jobs in Barbados. The Incomes Policy can indirectly deal with the matter.
8.35 p.m.

I think it has already been brought to the attention of the House that what is novel about this particular Incomes Policy on this occasion is that the Social Partners have committed themselves by way of a deliberate policy statement to the promotion of-such schemes and measures as are designed to create employment particularly at the level of small enterprises. Those, therefore, who I thought improperly criticized the Protocol for not addressing the matter of job creation either did not read what the Protocol provided for, or if they read it, chose to ignore it with a view to being mischievous.

I just want to say on this occasion again, Sir, that I listened carefully to the advice rendered by the gentlemen on the other side, particularly those who had the experience of being Ministers of Finance, and who have a track record both in relation to the efficacy of the policies they have used to bring down unemployment and the policy statements they have issued, and I would have to say again for the record that the Honourable Member for St. Michael South Central, the leader of the National Democratic Party, came into office in 1986 as Minister of Finance with a package of fiscal measures that were supposed to solve unemployment in Barbados and the Democratic Labour Party of the day thought so poorly of it that they had to set up their own task force on employment creation because his measures were not likely to be successful. The records themselves bear out the fact that the track record of the Member for St. Michael South Central in creating jobs in this country is a dismal one because he presided over a situation, page 91, in which unemployment under him rose from 17% to 19% in December- and be ieft office with unemployment at a higher level than when he assumed. No wonder the Member for St. Michael South has had to confess that he had to intervene to take the ship off the rocks.

The Honourable Member for St. John has' a more illustrious record in his inability to even conceptualize a realistic approach to the resolution of unemployment in this country. He has distinguished himself in the history of Barbados politics by recommending a bus fare and lunch money approach to what is now generally regarded as one of the most serious problems ever to face this country, and the public of Barbados when they hear him speak on unemployment remember that it was under his stewardship that the 30 000 unemployed became part and parcel of our economic landscape in the first instance requiring new policies to be brought to bear.

We also remember that his solution to it was the schemes and the grand schemes, the K-Marts, the Kingslands and the other large projects that would have sought in this country to deal with the problem of unemployment without coming into contact with the so-called small men on whose behalf he now sheds many convenient tears. I did not see him in the election campaign speaking in terms of any small man approach to the problem of unemployment in Barbados. I heard him speak night by night about K-Mart, Kingsland and so on. We can dismiss, as the public continues to dismiss, the nonsense that he perpetrates about this concern for the small black man in this country. He must, however, cause himself to rise above the level of presentation that would just throw concepts loosely in the belief that an unthinking public is going to be taken in by things he says, given his track record in relation to the use of the concepts.

Now, Sir, the Honourable Member for St. John came to Parliament and read this statement. This is a statement contained in a letter on October 16 that I sent to the President of the Inter-American Development Bank. My letter said:

> "The Government will continue to implement a comprehensive economic adjustment programme to lay the foundation for sustained real growth with price stability."

Mr. Speaker, to try to cast the impression that every time the concept of an adjustment programme for an economy is mentioned means that you are under the tutelage of an international institution is to – I cannot use the word "sophistry" because sophistry does not apply here, Sir – the notion that a country cannot itself have its own adjustment programme, or that an adjustment programme can only come for a multilateral institution suggests the utter extent to which the mind of the Member for St. John was taken captive by the multilateral institutions. It says to us that so supine was the Minister of Finance that he could not himself conceive of a situation where a Democratic Labour Party administration could have had its own adjustment programme, and the public should not be taken in by the notion that once you have an adjustment programme it has to be an adjustment prescribed for us by a multilateral institution. The notion of adjustment just simply means that you intend to change the way in which the economy is structured and functions. It has nothing to do with being imposed by a multilateral institution. For that to be the burden of the Member for St. John' s contribution to this debate just indicates how seriously the intellectual strength of the Democratic Labour Party is being eroded.

The Honourable Member also made a very unreasonable assertion, Mr. Speaker, that by once attacking the messenger in a debate in Parliament in February of 1993, I was attacking the precept and operation of an incomes policy. Now, Sir, what the Member for St. John did not do was say that my strictures against the then Prime Minister of the country, a matter that was supported by a Mr. H. A. Blackman in the same debate, arose from the fact that the then Prime Minister apparently gave the multilateral institutions the impression that he was going to keep the 8% pay cut in existence indefinitely but that he gave the trade unions, Cabinet and the House the impression that it was going to come to an end after 18 months.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise on a point of order. I have listened to this debate and I have kept out of it, but I am not going to sit idly by and hear distortions of the position which I have taken publicly on these matters.

Mr. SPEAKER: What is your point of order, Sir?

Rt. Hon. L. E. SANDIFORD: I rise on a point of order, Sir. You did not hear that?

Mr. SPEAKER: So could you proceed, please.

Rt. Hon. L. E. SANDIFORD: You interrupt me to tell me to proceed. What is this coming to?

Mr. Speaker, the Honourable Member for St. Peter is misleading this House and I wish for purposes of the record to make it abundantly clear that I never gave any international institution or any other kind of organization or individual to believe that I was going to keep something in place which I had no authority to keep in place because the Letter of Intent spoke about 18 months and that was the law of Barbados. I never gave any other impression to anybody and could not have done it within the framework of the laws of this country.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I was very careful to say that a certain Mr. H. A. Blackman who was the Minister of State in the Ministry of Finance also spoke in the debate and his words are recorded on page 3009 of Hansard. He said, and the "you" refers not to you or the previous speaker but he was then lambasting from the back seat of the Democratic Labour Party administration. The point I am making is that you promised the civil servants on the one hand that you would give them back the 8% in 18 months and at the same time you led the IMF to believe that the cut was permanent or that it was a long-term cut. Sir, that is in Hansard represented by a Minister of State in the Ministry of Finance and Mr. Speaker, it was a continuing issue between the then administration and the International Monetary Fund.

8.45 p.m.

The point, Sir, is that when I was criticising the then Prime Minister in the Hansard debate to which the Leader of the Opposition referred I made the statement that he did not read today, Sir, and I will quote:

> "The Prime Minister knew that he gave the multilateral institution his commitment that his holding of an incomes policy as a substitute for devaluation was a long-term commitment that if he devalued he would not come 18 months later and reverse a decision".

Having given those institutions that commitment, Sir, he gave the trade unions, Cabinet and this House a commitment that he was going to reverse it in 18 months. Therefore, Sir, I was not, in that debate to which copious reference was made by the Opposition, attacking the notion of an incomes policy to the extent that I was attacking, Sir, the Prime Minister of the day. It was in relation to what was purported to have been a statement given by him to the country in relation to the 8% pay cut and an entirely contractual statement given to the International Monetary Fund. And, Sir, I find it re-assuring that a Member of the Democratic Labour Party of the day in whom I have nothing but the fullest confidence was in a position in the same debate to confirm that what I was saying about the Prime Minister was his understanding of the situation. So that the Member for St. John, Sir, by not entering those material considerations into the debate, misled the House because the whole purpose of his contribution today, Sir, was to suggest that because I attacked the messenger my commitment on incomes policy was not a total and complete commitment.

I want, Sir, to divest the House of that impression. I stand in the same position on an incomes policy as I stood in the Opposition and as I stood, Sir, when I was a person whose interest in economics was only that of a professional economist.

The final matter, Sir, on which ...

Dr. R. C. HAYNES: Sir, before the Honourable Member makes his final intervention I must say that I tended always to believe that the Honourable Member would not misrepresent information to this House on vital statistical matters. Since he has the same document that I have, Sir, it is unfortunate that I have to inform you and inform the House that it was a deliberate misrepresentation when he stated that unemployment rose between 1985 and 1987 to over 21%. The facts are that in 1985 there were 92 000 people employed in Barbados. In 1986 there

were 96 000. In the 1987 there were 98 000 and in 1988, 100 000 and the actual rate of employment dropped from 18.74 to 18%, to 17.2% between 1985 and 1987 despite an increase in the work force by over 8 000 people.

Mr. Speaker, as you know, I normally do not rise in televised debates on matters of this kind but I am extremely upset, Sir, and I must say that I have lost confidence to a significant extent in the fact that the Honourable Prime Minister looked at the figures and deliberately misquoted them.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, it is wonderful when people get on the Floor of the House and tell what are obviously unbelievable lies. I never, and I am going to be very deliberate here, I never at all referred to him during 1985 and whenever else. I said that under the Member for St. Michael South Central unemployment rose to 19% and I am citing the published information of the Economic and Financial Statistics of the Central Bank of Barbados for March, 1988 giving a quarter by quarter representation.

Mr. Speaker, Sir, at the end of June 1986 the unemployment rate was reported to have been 17.5%. This is in the public domain. At the end of September it had risen to 19.1%.

Mr. SPEAKER: Please, please. Just one minute please. Could we hear the Honourable Member? Continue, please.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, at the end of the third quarter it had risen to 19.1%. At the end of December 1986 it was at 19.0%. The Member for St. Michael South Central left office in July 1986 and the unemployment rate then was 18.8% and this is reported. All I have said, Sir, is that the unemployment rate rose to 19% under the Honourable Member and that he left office with the rate of unemployment at a higher level than when he assumed office. These are borne out by the facts, Mr. Speaker.

Dr. R. C. HAYNES: Mr. Speaker, the Honourable Member knows that it is quite wrong to be quoting those quarterly statistics unless he is comparing them with previous quarters. I have the same document for 1995 that gives the consolidated and accurate statistics over 10 years ago. It is all here.

Asides.

Mr. SPEAKER: Order, please. Could you proceed, please? Order, order, please!

Rt. Hon. O. S. ARTHUR: Mr. Speaker, if he was in fact using the 1995 statistics which do not set out the things in quarters but sets them out, Sir, in y e . , it would show that the rate of unemployment in 1987 was higher than the rate of unemployment in 1986. That is what the same document shows.

Dr. R. C. HAYNES: On a point of order, Sir. The Honourable Member is misleading the House. I have the document here. He said that if I had the 1995 document it would show that it was higher. I have the document here, Sir, it does not show that. It shows 1986 ...

Mr. SPEAKER: Honourable Members, am I to understand you are both reading from the same document? Please! Please! Order, order, please!

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, the tactic here, Sir, is obviously to cast aspersions on credibility but the numbers are here. Mr. Speaker, there is nothing to hide.

Mr. B. M. TAITT: On a point of order, Sir. The Honourable Member is now misleading the House. The Honourable Member said the tactic is to cast aspersions on credibility. Mr. Speaker, I feel it is unfair to this Honourable House. Two distinguished Honourable Members reading from what purports to be the same document and giving this House two separate sets of figures. Mr. Speaker, it is only reasonable that we should seek to find out which one is correct. Who is trying to question whose creditability?
8.55 p.m.

Mr. SPEAKER: Your point has been made. Could we proceed please? The Honourable Prime Minister, have you concluded, Sir?

Hon. Miss B. A. MILLER: Mr. Speaker, Sir...

Mr. SPEAKER: On what do you rise?

Hon. Miss B, A. MILLER: On a point of order, Sir, if I may assist the House.

Mr. SPEAKER: Proceed.

Hon. Miss B. A. MILLER: This is the Central Bank of Barbados Economic Statistics, November 1995. I am reading, Mr. Speaker, Sir, at page 91, Labour Force and Employment, Rate of Employment. The unemployment rate for the year 1986 totalled 17.8 per cent, 1987 totalled 18 per cent. Thank you, Sir.

Rt. Hon. O. S. ARTHUR: Sir, it is sad that the House has to be reduced to this. If you would bring the Hansard now, it would indicate that I made the point, Sir, that unemployment under the stewardship of the Member for

St. Michael South Central rose at one stage to 19 per cent and he left office with the rate of unemployment at a higher level than when he assumed office. That is all that I said in this debate.

Aside.

Rt. Hon. O. S. ARTHUR: It is sad, Sir, when this Parliament has to be drawn into matters such as this with a view to distorting a very serious matter. The serious matter has to do with whether or not this House will support an Incomes Policy and I was about to make a concluding remark in relation to an issue that was raised...

Aside.

Mr. SPEAKER: Please, please. The Honourable Member for St. John, let us do it orderly. Please.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, one of the fundamental issues raised by the Democratic Labour Party regarding their disinclination to support this Incomes Policy has to do with their presentation that the position taken by the Barbados Labour Party in relation to the Barbados Tourism Association's executive wages was such a distortion of the practice of the Incomes Policy and so at variance with anything that had obtained in the past that they could not give support to it, Sir. The Member for St. John went on record as saying that the charge that was laid, that the Democratic Labour Party has presided over a fundamental breach in the previous Protocol by allowing contracts to be signed on behalf and in favour of the Executive Chairman of the Barbados Agricultural Management Company that amounted to a substantial increase and improvement in his terms and conditions of remuneration, was discounted by the Member for St. John on the ground that it was a private company and that he had nothing whatsoever to do with it. I have to report to the House that the records of the Govemment of Barbados, Sir, are very much to the contrary. The Member for St. John, Sir, not only was actively involved in the setting up of the Barbados Agricultural Management Company but as Members of the previous administration know Cabinet papers went to the previous Cabinet in which the Minister of Finance of the day prescribed even the fees to be paid to the directors of the company. He took an active interest in the matter.

Mr. D. J. H. THOMPSON: On a point of order, Sir. All of that is true. The Cabinet made decisions about the secondment of the individual and fees set for board members in accordance with the Schedule which existed. But, Mr. Speaker, I did not set any salary for any Chief Executive and Chairman of the BAMC nor did it require ministerial or Cabinet approval and it did not receive my approval because the decision was made when I considered myself to be *functus officio* in the sense that I was not in an active pursuit of any policy decision because after June the Government had almost collapsed. No charge can be laid against me, Mr. Speaker, that there was any decision taken by me as Minister of Finance relating to the appointment or setting salaries. We were in the final days of the administration. What the Prime Minister described to me was a minimalist Govemment and no major decision could be taken by the Cabinet.

Mr. SPEAKER: Okay, please. Proceed, please.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I have on a previous occasion had cause to say that the behaviour of the DLP as it was about to leave office reminded me of the behaviour of the Iraqi Army as it was about to leave Kuwait – pillage, havoc, last minute eleventh hour action, Sir, designed to undermine. Mr. Speaker, we saw in this country a situation where the most outrageous contracts were entered into at the last minute to favour supporters of the Democratic Labour Party. We had a situation where on two days before the election campaign was ended the Minister responsible for Establishments was agreeing to the appointment of certain people in School Meals to established posts and not others who might have been there long before them, Sir. What was happening in relation to the BAMC was consistent with a general policy being pursued by the Democratic Labour Party, that when once it was clear that the writing was on the wall they had to leave their people or who they perceived as their people in possession of golden parachutes. I am saying that a Minister who could come to this House and tell us that he went and checked the reserves the day before election...

Mr. SPEAKER: Order please.

Rt. Hon. O. S. ARTHUR:...would have been in a position to know. I believe, Sir, that no company established under the Companies Act in which the Government of this country is the sole shareholder should contemplate an action as far-reaching a fundamental change of a massive nature in the salaries to be paid to the Executive Chairman of that institution, Sir, without their Minister being in the know. It has never before happened in the history of this country. Mr. Speaker, Sir, there is no condition under which the Barbados Agricultural Management Company would today seek to increase the salaries and terms of employment of its Executive Director without letting the only shareholder of the company know. This House has to be told that this same Minister who set the fees of directors, who wrote to this Cabinet asking for Letters of Indemnification of those same directors would have been thereafter so entirely uninterested in what was happening in this country and to that company that he would not want to know what new salary one week before election, Sir, was being proposed for that Executive

Director. The fact, Sir, is that there was a fundamental breach of the incomes policy insofar...
9.05 p.m.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. I was waiting for the Honourable Member to make that point. The present Chief Executive of the Barbados Agricultural Management Company – that post is the successor post to the Chief Executive of BSIL and associated sugar companies – is receiving remuneration commensurate with the previous office holder and that falls entirely within the terms of the Incomes Protocol. That is the point which the Honourable Member for St. Lucy was making. He was one of the persons who was employed with the previous sugar companies and therefore was in a position to know.

I wish only to add this point, Mr. Speaker. When the person was seconded to the BAMC, until the Board was in place temporary arrangements were made for him to be paid at the rate which he was receiving as the Chief Executive Officer of the BADMC. There was no Board to set a salary at that stage, the salary had to be set at a later stage when all of those things were put in place, so what we are hearing is foolishness from the Prime Minister and he should know better.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, again I say this House ought not to be laboured with matters like this, but the records are clear. The Executive Chairman of the BAMC was in that post on secondment for a year on conditions that were entirely different trom those agreed to between himself and two Directors of that company, signing on behalf of the company, on 31st August, 1994. The point is that the Incomes Protocol did not make provision for anybody's salary to be increased, whether it was as a result of a general agreement governing wages and salaries in the country, or by way of a specific contractual arrangement between that person and some entity. An exception was made in relation to the case of the Executive Chairman of the BAMC, a corporation owned entirely by the Government and reporting to the Minister of Finance.

Mr. D. J. H. THOMPSON: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. Clause 3(d):

> "Employers shall not pay remuneration for work at a higher rate than that paid for the same kind of work before the coming into force of this Protocol."

In view of the kind of work which the present Chief Executive Officer of BAMC which is the successor to BSIL is now undertaking, as well as the management of estates, his present remuneration is consistent with that of the person who was previously responsible for the operation of BSIL and those other estates, and he has a much larger portfolio. It falls entirely within the terms of the Prices and Incomes Protocol.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, it is very much to be regretted that the Member for St. John conveniently forgets that it is in fact Booker Tate which has a management contract to carry out the functions that were really performed by the BSIL. The essential point in this matter is that the Executive Chairman of the BAMC was engaged under one set of terms and conditions that were radically changed in his favour in contravention of the incomes policy, and that is the only thing that is above dispute in this particular matter. That is a fact.

As I said, I want to close this debate, Sir. I do not believe that this House should be belaboured with the details. When they are raised we should respond to them. What is at issue here is whether we believe that an incomes policy, structured in the way .....

Asides.

Mr. **SPEAKER:** One minute, please. The Honourable Member for St. John, please. We need to hear the Honourable Member's speech. Will you continue, please?

Rt. Hon. O. S. ARTHUR: Mr. Speaker, the issue in this d.bate is whether an incomes policy, structured in the manner in which the present incomes policy is structured, a policy that replaces the notion of a wage freeze with wage increases, a policy that institutionalizes the notion that we should all work towards security of tenure for workers, a policy that specifies that there must be an end to arbitrary reforms at the expense of the rights and the terms and conditions of the working people of this country, the issue is whether this particular incomes policy is worthy of the approval of this Parliament.

Mr. Speaker, this Protocol was entered into in good faith by Government, the Trade Unions and the private sector of Barbados. It is in every respect a more generous protocol than the protocol that passed this House in 1993, and on the strength of its capacity to get the job done, on its scope, on its protection of the rights of the workers and its careful attention to making sure that the rights of the workers of this country converge with the national interest, it is on those specific grounds that I have the honour to commend this Resolution to this House and beg I to move that this Resolution do now pass.

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

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

Ayes: Rt. Hon. O. S. ARTHUR, Hon. Miss B. A. MILLER, Hon. D. A. C. SIMMONS, Hon. G. W. PAYNE, Hon. R. N. GREENIDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Hon. R. St. C. TOPPIN, Mr. W. C. C. CALLENDER, His Honour R. D. MARSHALL, Mr. L. R. TULL, Mr. D. CARTER, Mr. H. DeB. FORDE, Hon. Sir Harold St. JOHN, Mr. J. M. EDGHILL and Dr. R. L. CHELTENHAM – 16.

Noes: Mr. D. J. H. THOMPSON, Mr. F. J. STUART, Mr. B. M. TAITT, Rt. Hon. L. E. SANDIFORD, Mr. L. A. WEEKES, Mr. J. O. TUDOR, Mr. D. St. E. KELLMAN and Dr. R. C. HAYNES – 8.

ADJOURNMENT

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House do now adjourn to Tuesday, the 30th day of January, 1996 at 11 o'clock in the morning.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

9.15 p.m.

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