



THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Monday, September 29, 1997

Pursuant to the adjournment, the House of Assembly met at 4.20 p.m. on Monday, September 29, 1997.

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.

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

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)

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

Sir HAROLD St. JOHN, Q.C., LL.B.

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

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

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

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.), LEG (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

Hon. R. St. C. TOPPIN, LL.B., (Minister of State, 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)

Mr. C. A. MASCOLL, B.Sc. Econ. (Hons.), M.A. (Public Finance)

Prayers were led by Rev. Canon Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of the meeting of Friday, August 8, 1997.

Hon. Miss B. A. MILLER: Mr. Speaker, the Minutes of Friday, August 8, 1997 have been circulated. I have not found any errors or omissions and I move that these Minutes stand confirmed.

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

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

ANNOUNCEMENTS BY HIS HONOUR
THE SPEAKER

Mr. SPEAKER: I am to report that I am in receipt of the Accounts and Statements for the month of March 1997 from the Auditor General.

I am also to report to this Honourable Chamber that I am in receipt of a letter from the Honourable Member for Christ Church East. It is dated September 29, 1997 and addressed to the Speaker, House of Assembly, Bridgetown, Barbados. It reads:

"Dear Sir,

I write to inform you that I have resigned from the Barbados Labour Party effective September 24, 1997. I have indicated to the Clerk of Parliament that arrangements should be made for me to sit as an independent on the Opposition benches. In view of these changes and in keeping with precedent, I will be relinquishing my post of Chairman of Committees to facilitate any arrangement which the Government may wish to make in this regard. Your usual efficiency in dealing with these matters is anticipated.

Yours faithfully,

Wendell Callender."

The House accepts the wish of the Honourable Member and at the convenience of the House, we will proceed to an election for Chairman of Committees.

PAPERS

Hon. Miss B. A. MILLER: Mr. Speaker, I am commanded to lay the following:

1. The Representation of the People (Expenses) (Amendment) Regulations, 1997.
2. Duties, Taxes and Other Payments (Exemption) (No. 14) Order, 1997.
3. Duties, Taxes and Other Payments (Exemption) (No. 15) Order, 1997.
4. The Excise Tax (Rate of Tax) Order, 1997.
5. Sugar Industry (Sugar Workers' Provident Fund) Order, 1997.
6. Annual Report on the Operations of the Severance Payments Scheme for the period January 1 to December 31, 1996.

7. Report on the Operations of the Sugar Workers' Provident Fund for the period January 1 to December 31, 1996.

8. The Barbados Economic Report, 1996.

Hon. R. St. C. TOPPIN: Mr. Speaker, Sir, I am commanded to lay the following:

9. The Annual Report and Audited Financial Statement of the Barbados Port Authority for the period January 1 to December 31, 1996.

Hon. R. N. GREENIDGE: Mr. Speaker, Sir, I am commanded to lay the following:

10. The Annual Reports of the National Assistance Board for the years 1993-94, 1994-95 and 1995-96.-

GOVERNMENT NOTICES

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

1. Resolution to approve the compulsory acquisition of land at the corner of Hill Road and Dash Road, Bank Hall, St. Michael for the establishment of a recreational facility.
2. Resolution to approve the compulsory acquisition of land at Six Men's Bay, St. Peter for housing development
3. Resolution to approve the compulsory acquisition of land at Codrington, Spooners Hill and Long Gap, St. Michael for road improvement.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that the Sitting be suspended until 4.55 p.m. this afternoon.

Hon. R. N. GREENIDGE: I beg to second that.

The question that the Sitting be suspended until 4.55 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

RESUMPTION

Mr. SPEAKER: This Honourable House is now resumed.

Rt. Hon. O. S. ARTHUR:

FINANCIAL STATEMENT AND BUDGETARY
PROPOSALS

INTRODUCTION

The timing of the presentation of this year's Financial Statement and Budgetary Proposals has largely been determined by the commitment given - and being honoured - to review, after nine months, the impact of the new system of indirect taxation which was introduced in January this year.

There would have been few occasions in our history when a Minister of Finance would have approached this annual presentation plied with more advice rendered by anxious colleagues, clerics, calypsonians, commentators, pundits and social critics, the social partners, members of the Opposition, and just about every member of the public.

What we have seen played out, Mr. Speaker, is the process of participatory democracy; the process whereby those who govern recognise the obligation to have the decision they make subject to the critical scrutiny of those they govern, and subject to being modified in the light of advice rendered by the public at large.

I should therefore wish first, from the floor of this Parliament, to thank everyone who has contributed to the enrichment of our system of governance by participating in the spirited and enlightened public discourse on a critical economic issue that will affect the way the people of Barbados live well into the next century.

You are, of course, aware Mr. Speaker, that I am not an adamant man. My commitment to review the value added tax after nine months was inspired by the determination to ensure that the conduct of public policy in this nation is influenced not just by advice rendered by experts in reports and conference rooms, but is also made sensitive to the experience that can only be drawn from having policies translated into reality.

I will today do what experience and the best judgements have now established should be done to set things right with the VAT.

In all of this, Mr. Speaker, were the only challenge facing us, that of reviewing the Value Added Tax, the life of Barbados' Minister of Finance would be a very easy one. I have a responsibility to say to this Parliament and to our people that we should not so allow our preoccupation with the value added tax to so narrow our focus on our economic affairs as to cause us to misrepresent the true nature of our economic circumstances and challenges and

to obscure what needs to be done in other spheres to secure hard won gains, and to grasp unfolding opportunities.

Today's presentation, Mr. Speaker, cannot therefore only be about the value added tax*/it has also to be about Barbados' future, and how we will get there, and the appropriate economic and financial policies that must be pressed into service to secure our economic progress.

My first responsibility to this Parliament and our people is therefore to set our economic and financial circumstances in the broader and more appropriate context.

In this respect, the presentation of the 1997 Budgetary Proposals takes place within the gloss of a buoyant world economy, the happy experience of recent strong economic growth in Barbados, rising investment, ample foreign exchange, declining unemployment and the happy augury of better days ahead. The easy temptation, Mr. Speaker, is simply to tell the people of Barbados that we never had it so good.

I rather wish to see our circumstances in a more balanced and realistic light

For me, as Minister of Finance and the Leader of our nation, the crucial perspective that I have of our circumstances is that in 1996 I presided over the management of an economy which, despite heroic efforts on many fronts in recent years, was functioning at 1989 levels. On that hangs a tale of what we are facing, what we must do and where we must go.

The facts are that eight years ago, in 1989, Barbados attained the highest ever level of economic activity up to that point, and a level of activity, which has not been surpassed since.

However, despite the record production in 1989, within the space of two short years (1990 and 1991) the value and benefits of that record production were swept away and our economy found itself hobbled by the gravest recession and the most debilitating crisis in its entire history. In the 5 years which followed, a massive effort has had to be made to rebuild our economy and to secure the foundations of our society. Every man, every woman, every firm, every institution has been called upon to make a supreme and often painful sacrifice to help pull Barbados up from the disastrous depth to which this nation was plunged by the cold, calculating economic and financial mismanagement and irresponsibility of late 1989 and 1990. 5.05 p.m.

In short, Mr. Speaker, it has taken Barbados fully 5 years to restore itself and to recover from 2 years of economic folly and decline.

Amidst the gloss of prosperity in 1997, the augury of better days to come, Barbados would therefore do well to remember how very easily and swiftly our economic fortunes can be swept away, and how very, very difficult it is to restore them.

On at least 3 occasions since Independence, this country has flirted with economic and financial disaster. On each occasion, Sir, sad to say, the mismanagement of our public finances was the root cause of our near disaster. On each succeeding occasion it has proven more and more difficult to rebuild our economy.

Should there be a next time, should Barbados ever again flirt with economic and financial calamity, we will find that we have already exhausted all of the easy options, and ahead of us would lie a future of unspeakable horrors. It is now for us therefore, Sir, to ensure that there is never a next time.

We must now ensure that the economic recovery, which has finally been realised, is made secure. We must now also ensure that those policies which have had to be used to bring about the recovery, and which are vital to our building on that recovery are carried with us into the future, and refined and embellished in the light of changing and unfolding circumstances.

We must also see to it that now that there is more than a glimmer of a new prosperity on our economic horizons, those who have been asked to shoulder the greatest sacrifice to rebuild Barbados must now participate most amply in our new prosperity.

We also have an obligation to ensure that Barbados makes up for the lost and wasted years of the early 1990's; that on the eve of a new century and a new millennium we institute such policies as would succeed in building a modern, competitive economy, capable of affording a high quality of life to its people, without compromising our commitment to sound economic and financial practices which only can stave off Barbados having to stare again into the face of the kind of economic catastrophe that was our recent lot. This, Sir, is what this budget debate must be about.

Mr. Speaker, for me the VAT itself is important, but it is best understood as a part of a larger cause.

In the early 1990's, speaking from the benches of the Opposition, I called for, and supported measures to reform and restructure the Barbados economy. I then supported trade reform, financial reform and liberalisation. I supported the prices and incomes protocol, privatisation, public sector reform, measures to increase productivity and enhance competitiveness, without a devaluation as part of

an initiative to reposition this country in the new international economy in the last part of the 20th and on the eve of the 21st century.

Above all, Mr. Speaker, I understood only too clearly that tax reform was crucial for our purposes then and tax reform is crucial for our future progress.

As such, I supported, in Opposition, the introduction of a value added tax not only as a mechanism to reform the existing archaic and arcane system of taxation which had done so much damage to Barbados because of its high rates and low base, but as an essential aspect of our endeavours to erect in this country structures that can succeed in building in this time and in the future, a modern and a competitive economy.

I have not resiled from that position, and such adjustments as I will make to the VAT will be designed to ensure that Barbados becomes more just, more modern and a more competitive society.

I regret, Mr. Speaker, but I have to say it, that they are among us those driven in this matter, as in so many others, by a most vulgar and cynical political opportunism, who have and will continue to claim credit for the measures, including the conception of a VAT, which has been used to restore Barbados' economic fortunes, but in the same breath will wish the public to believe that they stand in opposition to these very measures, including the VAT, that they now will claim are doing so much damage to our economy, and especially the poor and the disadvantaged in our midst.

I earlier alluded to the fact, Mr. Speaker, that the introduction of the value added tax was an exercise in participatory democracy, in which all had a chance to express their opinion. It is a matter of fact that when the VAT legislation was debated in this Parliament in late 1996, it was passed in this House in the form proposed, including VAT on food, without division, and without dissenting voices from members of the Opposition.

I must therefore say, at the outset of this debate, Sir, that I fully respect the dissent which has been expressed outside this Parliament, by members of the public who obviously were not in a position to vote, in this Parliament, for the Value Added Tax and to give it a structure that is different from that which has been given to it by all members of this House.

I must also say that the public should entertain no regard for those members of this Parliament who have sought, subsequent to late 1996, to exploit for opportunistic reasons, the legitimate dissent of members of the public to the VAT as approved by the members of this Parliament.

I have listened carefully, Sir, to the people on this matter. But I must confess that, in all the public debate on the VAT, I have found the utterances of the DLP Opposition to be that of a mob and without redeeming features. The present Leader, who marshalled the resources to introduce a VAT to Barbados, and who advised his Cabinet colleagues that a VAT on food is highly desirable, now wishes food to be zero-rated. Not surprisingly, and in splendid opposition, the former leader now wishes a 5% tax on food. Equally less surprisingly, Sir, the main spokesman on Finance wishes a 10% tax on food.

I say to you, Sir, that this debate is about the future of Barbados. I fear that I must also have to say that it is also about Men and Mice.

It is against such a background that I now evaluate our economic circumstances and prospects to thereafter outline the policies to secure our stability, to reinforce our recovery, and to keep Barbados on the move. 5.15 p.m.

Mr. Speaker, the year 1996 was a very good year for the Barbados economy. The main characteristics of economic activity in the country were the strong growth in output, falling unemployment, a vibrant export performance, a low level of inflation, a very substantial increase in our international reserves, large capital inflows, a strong surge in liquidity in the financial sector and a stable fiscal position.

The economy recorded its fourth consecutive year of growth in 1996 and its strongest rate of growth for the past ten years. Real income rose by 5.2 percent over 1995 to reach \$903.6 million, the same level of income as in 1989 signalling a full recovery from the earlier severe recession. It is estimated that the value of goods and services measured in current prices increased to \$3.377 billion in 1996, some 7.7 percent over the figure of \$3.173 billion in 1995. Per capita income is estimated to have increased to \$12 800 in 1996 an \$800 increase over the 1995 figure.

The sharp rise in output was a result of a strong recovery in sugar production, a favourable tourism performance, a surge in exports in the manufacturing sector and generally good performance in other sectors of the economy.

Sugar production benefitted from favourable weather conditions in 1996 and was assisted by Government's policy of granting incentives for increased planting. Output of sugar was therefore 52 percent higher than in 1995. In an output level of 59 114 tonnes, allowed the country to satisfy its commitment of 54 000 tonnes to the European market and to sell some 5114 tonnes on our local market. The output of non-sugar agriculture rose by 5.1 percent

with the output of livestock and dairy products showing an extremely large increase. However, root crop production declined.

Real economic activity in the manufacturing sector for 1996 increased by only 0.8 percent over 1995, slowing from the high growth of the last two years. Although the growth in output was small, exports of manufacturing goods for 1996 rose by 26.8 percent over 1995 to reach \$356.5 million.

Value added in the tourism sector increased by 6.7 percent over 1995. For the fourth consecutive year long stay visitor arrivals increased. Although in 1996 the increase in arrivals amounted to 1.1 percent over 1995, however, the length of stay increased from 7.6 days to 7.9 days.

With the deployment of larger ships, while the number of ships calling fell, the number of cruise ship passengers increased by 5.2 percent over 1995. It is therefore estimated that the overall expenditure for 1996 by long stay visitors and cruise ship passengers totalled \$1 369.9 million, 3.1 percent greater than 1995 when all visitors spent \$1 329.2 million.

The construction sector also continued to expand, with growth in its value added up 4.5 percent over the 1995 levels. The consumption of cement rose by 13.8 percent to 85 000 tonnes and the imports of construction material were up by 2.7 percent over the 1995 levels. Importantly, Sir, mortgage lending for home construction increased by 14.3 percent to \$75.9 million in 1996.

The output of the mining and quarrying sector was no higher than in 1995. The output of crude oil fell by 21.1 percent, natural gas fell by 21.1 percent and liquefied petroleum was down by 15 percent. However, the output of quarry products rose by 32.2 percent to meet the higher demands of the expanding construction sector.

In relation to the other sectors of the economy, Sir, output in the wholesale and retail increased by 6.3 percent spurred on by strong import growth in the first half of the year, but slowed in the second half as imports slackened with the impending implementation of the Value Added Tax in January 1997.

The output in electricity, gas and water rose by 2 percent, transportation by 4.4 percent, and business and general services by 5.1 percent as this sector responded to the growing demands of the offshore sector.

I am pleased to report, Sir, that Barbados' offshore financial industry continued to register very strong

economic growth. The number of international business companies grew 25.6 percent to reach 2 269. Licensed foreign sales corporations increased by 14.9 percent over 1995. There were 38 offshore banks registered in 1996 compared to 34 at the end of 1995. The number of exempt insurance companies remained unchanged. Earnings from offshore transactions were estimated at \$110 million, 10 percent higher than in the previous year.

The buoyancy in the economy was translated into job creation. The unemployment rate fell from 19.7 percent to 15.6 percent. For the last quarter of 1996 the rate of unemployment was 14.3 percent down from 16.4 percent in the last quarter of 1995.

Retail prices grew by 2.4 percent in 1996 compared to 1.9 percent recorded for 1995. It is noticeable, Sir, that food and beverages were the major cause of the increase in index with food prices rising by 3.9 percent in 1996 compared to 3 percent in 1995.

The fact is that confidence in the management of the economy was restored as evidenced by the large inflows of long term capital and increased investment activity. Private sector capital inflows were estimated at approximately \$130 million during 1996. Most of the inflows represented investment in the hotel sector as well as the utilities sub-sector.

The rate of expansion in domestic credit slowed considerably in 1996. Credit to the private sector of \$1 583.8 million reflects an increase of \$107.4 million over the 1995 level, when the increase in credit was \$180.8 million. The slow growth in domestic credit has been largely attributed to lower demand due to the availability of foreign capital as well as the pending introduction of the VAT, and the consequent running down of the stocks.

The liquidity levels in the commercial banking sector rose rapidly in 1996 as a result of the increase in domestic deposits coupled with the slow down in credit growth. The excess liquidity ratio almost doubled to reach 12.8 percent of deposits at the end of the year. The increased liquidity, Sir, drove down the treasury bill rate to 5.61 percent in December 1996 from 8.31 percent in January. The other rates remained virtually unchanged as the Central Bank kept the minimum savings rate on deposits at 5%. 5.25 p.m.

Mr. Speaker, Barbados recorded a very strong balance of payments performance in 1996. For the fifth consecutive year a current account surplus was realised, estimated at \$196.1 million or 6% of GDP. Earnings from domestic exports rose by about 26.4% to \$428.5 million, following a 25.3% a year earlier.

Retained imports slowed somewhat after a rise of 23.5% in 1995 increasing by only 9.4% to total \$1 534.5 million in 1996. Consumer and capital goods were mainly responsible for the increase in the retained imports.

The capital and financial account of the balance of payments also recorded a surplus of \$92 million in 1996 following a deficit of \$132.8 million in 1995. It is noteworthy that net public sector capital flows were positive for the first time in five years, rising by \$81 million, while net private capital inflows increased by \$2 million.

As a result of these developments during 1996 the Net International Reserves of the Central Bank of Barbados rose by \$171 million compared to increases of \$79.8 million and \$117.7 million in the two previous years. Indeed, Sir, at the end of March, 1997 Net International Reserves of the Central Bank stood at some \$610.8 million, some \$97.1 million more than at December 1996. This represented a foreign exchange reserve cover equivalent to 18 weeks of imports, compared to the standard recommendation of 12 weeks.

I respectfully submit, Sir, that these events in the Barbadian economy indicate strongly that the economic recovery from the great recession of the 1990s has been attained and that the economy is on the path to sustained and sustainable economic growth. I am fortified in this view because preliminary evidence also indicates that the strong performance of 1996 has been carried over into 1997.

ECONOMIC PERFORMANCE, JANUARY TO JUNE, 1997

The most recent information, Mr. Speaker, suggests that real economic activity may have expanded by as much as 4.6% during the first six months of 1997 as compared with 5.4% for the same period in 1996. The tradeable sector expanded by 4.3% and the output of the non-trading sector was strong, led by activity in the construction sector and the wholesale and retail trades. Our net international reserves reached \$649.9 million by June, increasing by \$148.5 million over June of 1996 and by \$136.2 million since December, 1996. The level of unemployment declined to 14.0% by June. However, there was a surge in consumer prices, particularly in January, resulting from the introduction of the Value Added Tax.

Sugar production reverted to a normal growth path while activity in the construction sector increased by 6.1% as this sector remains buoyant. Output in the manufacturing sector increased by 3.1% with domestic exports, other than sugar, rising by 10%.

Within the manufacturing sector, beverage and tobacco exhibited strong growth with production

rising 16.9%, food processing was up by 11.2%, chemicals up by 20.2%, petroleum products increased by 22.5% and non-metallic mineral products rose by 8.0%. The performance of the non-tradeable sectors was led by construction and the wholesale and retail sectors. Activity in the construction sector may have increased by at least 8.5% as cement consumption rose by 9.6% and the output of quarry products expanded by 23.5%. The wholesale and retail sectors have expanded by nearly 8.0% as imports rose by 10.9% in the first half of the year following a slow down in the last six months of 1996. Output of oil has declined but with the strong rise in the output of quarry products, the mining and quarrying sectors have expanded by 3.2%. The output of electricity, gas and water have also increased by 3.2% with the other business sector, communications, also expected to exhibit growth at the same rate as the overall Gross Domestic Product.

As I said, Sir, with the strong economic growth, the rate of unemployment fell to 14.0% at the end of the second quarter of 1997 down from 16.2% a year earlier. The rate of unemployment for the first 6 months of the year was 15.0% as compared to 16.2% for a similar period in 1996.

The increase in consumer prices experienced since the Value Added Tax was introduced, has not been reversed, although some slight fall in prices was observed for the first 3 months of February to April, 1997. On a point to point basis, prices rose 8.6% at the end of June this year compared to 3.5% at the end of June, 1996. Based on the 12-month moving average, prices rose by 5.2% at June 1997 as compared with 2.6% a year earlier. The strongest rise in prices was for food, alcoholic beverages and tobacco, fuel and light, educational, recreational and miscellaneous services.

The net international reserves of the Central Bank reached \$649.9 million and at the end of June, and as I said earlier, the reserves were sufficient to cover comfortably 18 weeks of imports.

Our current account on the balance of payments was slightly lower as imports for the first 6 months of 1997 were strong following a slow-down in the latter half of 1996.

The financial sector continued to be highly liquid, a factor which has contributed to the decline in the Treasury Bill rate from 5.1% at the end of 1996 to about 1.5% in June 1997.

OUTLOOK FOR THE REST OF THE YEAR 1997 AND FISCAL YEAR 1997/98

For the rest of this fiscal year Real GDP is therefore projected to grow on trend with the average rate of growth

over the last 3 years. The foreign exchange using sectors are expected to expand. Construction should continue to expand as well because of Government's capital works programme and a whole wealth of private sector projects. Indeed, Sir, we also expect that the net international reserves of the Central Bank will increase by \$172.5 million for the year 1997.

Mr. Speaker, in addition to this information, I would also wish to call attention to certain qualitative aspects of our economic performance which presage that the future of our society will be strong and prosperous.

First, our external debt profile has improved. Indeed, at the end of 1996, Government's external debt obligations were lower than at the end of 1987, and there has been a fall in our external debt service ratio.

Secondly, in recent years our economy has been driven largely by foreign exchange earnings realised from the export of services, however, over the past two years our exports of goods have also grown to the point where foreign exchange earnings from such trade which languished below \$300 million each year in the late 1980s and the early 1990s topped \$400 million in 1996. 5.35 p.m.

This, Sir, is indicative of an improvement in the competitiveness of one of the areas of the economy which has been most vulnerable for more than a decade and it signals that we are well on our way to building a genuine export culture in the fashion of the really successful emerging middle income economies.

I also have a responsibility to say, Mr. Speaker, that a very important element of the successful development and management of our economy has had to do with the fact that we have removed the ruinous dependence of the Government on Central Bank financing of its operations from the management of our economic affairs.

The Government has not needed to make use of the overdraft with the Central Bank, and has, in fact, maintained the status of being a net lender to the Central Bank with the salutary effects on our foreign exchange reserves.

It is also important to note, Sir, that for the second successive year Government has not raised commercial loans on the international capital market to either support our foreign exchange reserves, to repay debt or to support the Government's capital programme.

I am pleased to report, Sir, that Barbados has been paying its way in the world. I am even more pleased to report that we have met our debt repayments

including repayment of almost all of the loan from the International Monetary Fund, with proceeds from our exports and from private capital inflows.

I should also wish to draw attention to the fact, Mr. Speaker, that the major proportion of the recent increase in the country's import bill has been on capital goods to be used for investment and job creation purposes.

Indeed, Mr. Speaker, economic activity in Barbados is poised to be substantially expanded this year, in 1998 and in the years beyond by a large number of public and private investments which are ready for implementation. Many of these hold the promise of adding significantly to the country's capacity to generate thousands of new jobs, and to boost in a very major way our foreign exchange earning capabilities. Barbados therefore stands poised to go into the 21st century as one of the developing world's most robust and successful economies.

For me, Mr. Speaker, the most pleasing aspect of our performance and our management is that we have laid to rest the spectre of "jobless growth." A few years ago, Sir, there were the haunting voices suggesting that the policies which could bring about economic growth would not necessarily translate such growth into a reduction in unemployment.

We felt otherwise. We have felt that once an appropriate climate was created to support new investments, to boost exports, to grasp the new opportunities in the international business arena, to upgrade the skills and productivity of our people, and to maintain strong, sound macro economic fundamentals, Barbados could succeed in realising sustained and sustainable economic development and by that process, Mr. Speaker, reduce unemployment in this country to negligible proportions.

I have a respectful duty to report to this Parliament that after three years of strong and imaginative management by this Administration, which dared to believe that it can be done, we are very far advanced towards realising our goal.

Once Barbados stays, Mr. Speaker, on its present course, it will only be a matter of time before we are able to report, "Mission accomplished."

ECONOMIC CHALLENGES

Experience has regrettably shown, in 1980 and again in 1989, that whenever there is the appearance that Barbados is poised to realise substantial economic prosperity an urge seems to overtake us to indulge in economic and financial folly.

I need therefore to underscore that there are yet major developments and management challenges that have to be faced if we are to succeed in harnessing the economic energy that is now driving us forward, Mr. Speaker.

In this regard, it is within our capacity to launch a major onslaught to eradicate poverty and to do so without encouraging a handout mentality, but by building enterprise and skills among the marginalised, integrating poor people and small business in a real way and not a token way in the mainstream of economic activity, and affording the poor and dispossessed sustainable livelihoods.

We also have to deal with fundamental issues as to how fast and how far we should go, and by which mechanisms we should seek to adjust our trade regime, our financial markets, our exchange control regime, to better integrate Barbados into a fast changing global economy.

Mr. Speaker, despite the improvement in our external debt profile, we yet have to be judicious in managing the growth and the servicing of our domestic debt to ensure that future fiscal problems do not arise from domestic debt servicing.

Related to this, Sir, we have to manage very carefully Government's financial commitments and guarantees to statutory and quasi governmental institutions, to ensure that their investment plans are rooted in sound financial fundamentals and that where necessary, early and appropriate structural reforms are undertaken to put the affairs of such enterprises on a truly sound footing.

As we face the immediate future, we have to so carefully manage the boom in the economy to avoid the creation of a shortage of critical factors of production, particularly skilled labour, and the associated cost push inflation that such factor shortages could induce.

In relation to the financial sector, we have to employ measures to manage the build-up in excess cash reserves and liquidity so that it does not lead to capital flight. In addition there remains a challenge ahead of us of building a strong and diversified capital market to support higher levels of domestic investment.

Above all, Mr. Speaker, we simply must not succumb to the silly season of politics. Elections are constitutionally due two years hence, but already calls are being made for impossible levels of tax relief, accompanied by equally impossible levels of increased public expenditure.

Let us remind ourselves, Mr. Speaker, that it has taken Barbados fully five years to recover from the bout of fiscal and financial folly of 1990 - financial and fiscal folly which was deliberately indulged in to prevent a political party from committing "political suicide."

It is against this background that I now proceed to present the Financial Statement for the fiscal year 1996/97 and the projections for 1997/98.

THE FINANCIAL STATEMENT

Very low overall fiscal deficits were realised for the fiscal years 1994/95 and 1995/96 - 0.3% and 0.1% - to assist in consolidating the recovery of the economy from the recession of earlier years.

However, to spur on the growth of the economy, to accommodate an expansion of the capital programme and to meet the wage settlement of 1996, fiscal policy for the fiscal year 1996/97 was designed to allow for an overall fiscal deficit equivalent to 2.5% of the Gross Domestic Product

The fiscal out-turn for the year 1996/97 shows that this overall fiscal objective was met.

On March 22, 1996, Parliament approved a financial programme for the year 1996/97 based on a projected current revenue of \$1 220 million, current expenditure of \$1 264.6 million, and capital expenditure of \$239.3 million, giving a deficit of \$283.9 million. During the course of the year supplementary provisions totalling \$108.5 million were approved by Parliament. The financial out-turn for the fiscal year 1996/97 shows:

1. Current Revenue - \$1,232.1 million
2. Current Expenditure - \$1,308 million
3. Capital Expenditure - \$225.6 million
4. Overall Deficit - \$301.5 million.

Mr. Speaker, when the deficit is calculated on the basis used by international financial institutions, it amounts to \$87 million, or 2.5% of GDP. 5.45 p.m.

CURRENT REVENUE 1996-97

In comparison to fiscal year 1995-96, current revenue increased by 5.5%, to \$1,231.7 million. Tax revenue rose by 6.4%, to total \$1,160.6 million. Non-tax revenue and lending fell by 7.3% to \$68.7 million.

Taxes on goods and services grew by 8.4%, or by \$38.0 million to \$488.5 million. The VAT, in association with the new excise duties on motor vehicles, alcoholic beverages, tobacco products and petroleum products, generated \$96.0 million in the fiscal year. Consumption tax, the main tax replaced by VAT and excise duties, fell to

\$255.7 million in the year, a \$53.3 million decline from \$309.0 million in 1995-96.

Stamp duties on imports, one of the significant taxes replaced by VAT and excise duties, fell by \$21.5 million to \$69.2 million.

Barbados' implementation of a reduction of the Common External Tariff in April of 1996 had a dampening effect on import duty collections in the year. The \$91.4 million raised was just \$1.7 million less than collected the previous year.

Growth in taxes on incomes and profits was relatively strong in the review period, rising by \$21.2 million to \$385.4 million. This growth however, was lower than in 1994-95 and 1995-96 which saw revenue gains of \$37.4 million and \$39.3 million, respectively. The benefits of higher employment in the economy and increases in basic pay in the private and public sectors was evidenced by a \$16.7 million increase in taxes on incomes to \$229.6 million. Corporation taxes however, grew by just \$2.7 million in the review period and amounted to \$136.2 million.

A revaluation of Barbados' holdings of Special Rights with the International Monetary Fund in April 1996, was reflected in a \$17.0 million windfall gain for the tax category of special receipts. This event largely explains the \$27.6 million increase to the tax category, which realised \$50.2 million in the fiscal year. The environmental levy, introduced at mid-year of 1996-97, contributed \$4.6 million to the overall increase in special receipts.

Taxes on property increased by \$6.2 million to \$75.9 million. Land tax, the main element of property tax, declined however, to \$52.3 million from \$54.1 million in 1995-96. It is to be noted that while new land and property valuation for the triennium 1996-97 to 1998-99 were issued in September 1996, the land tax rates applied to the valuations were reduced to equate the 1996 land tax assessments to those of 1995, in keeping with the Manifesto pledge of the Government.

Property transfer taxes grew by \$7.9 million to \$23.5 million, principally on the strength of the sale of 6.3 million shares of Maple Leaf Foods Inc., owner of the local flour mill, to ADM Milling. The Corporate Affairs and Intellectual Property Office collected \$3.7 million in property transfer tax from the share sale.

CURRENT EXPENDITURE 1996-97

Current expenditure increased by 5.2%, or \$64.7 million, to total \$1,308.0 million in 1996-97. Amortisation repayments excepted, higher outlays occurred in every category of expenditure when compared to 1995-96.

Expenditure on wages and salaries rose by \$26.8 million, to total \$451.1 million, however it is to be noted that this expenditure does not include the \$10.5 million incentive award made to public sector workers in March of 1997. This is because the award was made under the expenditure item of "Contingencies" which is an element of the "Goods and Services" economic classification of expenditure.

Expenditure on goods and services totalled \$138.2 million in 1996-97. Excluding the incentive award of \$10.5 million, the underlying expenditure of \$127.7 million represents an increase of 6.8%, or \$8.1 million from 1995-96.

Current transfers increased by \$13.2 million to \$313.4 million. Rising pension costs, the payment of arrears associated with the support of Barbadian students attending tertiary institutions outside of Barbados and greater support of tourism promotion were principally responsible for the increase.

Total debt payments in 1996-97, of \$373.0 million, were virtually on par with the \$371.4 million expended in 1995-96. Total interest costs increased by \$12.7 million to \$200.5 million. Total amortisation decreased by \$8.1 million to \$175.5 million.

Domestic interest costs rose by \$18.0 million due to the need to service a net increase of \$30.0 million in Treasury Bills and \$124.0 million in Debentures issued in 1996-97.

Domestic amortisation fell primarily as a consequence of an unexpected early redemption of Government Savings Bonds issued in 1995-96. Both foreign interest and amortisation payments fell in the year as a result of favourable exchange rate movements and the retirement of a number of foreign loans.

CAPITAL EXPENDITURE 1996-97

Capital expenditure and lending rose by \$86.9 million, to \$225.6 million. Increased outlay occurred in all categories of capital expenditure.

Capital formation in 1996-97 totalled \$157.8 million. This outturn was \$65.9 million higher than in 1995-96.

The upturn in the implementation of the public sector investment programme was also reflected in disbursements for the acquisition of property. Expenditure in this area of capital activity increased by \$6.3 million in 1996-97 to \$11.5 million.

Capital transfers rose by \$11.6 million to total \$50.1 million for the year. The increase in expenditure reflects

the \$11.6 million transfer to the Barbados Development Bank to assist the Bank in redeeming two tranches of National Development Bonds which matured on March 31, 1997.

DEFICIT FINANCING 1996-97

High levels of domestic liquidity in the fiscal year allowed the local financial market to finance 71.8% of the deficit in the amount of \$216.7 million. Consequently, the Government found it unnecessary to source the international capital markets in 1996-97. 5.55 p.m.

Instead, all of the \$85.0 million in foreign financing sourced during the year was related to project inflows. The Government accessed \$60.3 million from the Inter-American Development Bank, \$10.4 million from the Caribbean Development Bank and \$8.5 million from the European Investment Bank. The sum of \$4.9 million was obtained from the World Bank.

NATIONAL DEBT

The National Debt at March 31, 1997 was \$2704.1 million. The domestic component was \$1976.8 million and the foreign portion was \$727.3 million. The details of the Domestic Debt at March 31, 1997 are as follows:

Treasury Bills	\$ 625.5 million
Ways and Means Account	
Central Bank of Barbados	\$ 0.0
Debentures Local Loans Savings Bonds	\$1 274.2 million
Tax Refund Certificates Tax Reserve	\$ 10.9 million
Certificates PUBLIC FINANCE	\$ 60.6 million
1997/98	\$ 0.7 million

I turn now to the Public Finances \$ 4.9 million for this fiscal year 1997/98.

As you are aware, Mr. Speaker, Parliament in March this year approved current expenditures of \$1379.1 million and capital expenditure of \$267.3 million, making total expenditure of \$1,646.4 million for the fiscal year 1997/98.

The current revenue for the fiscal year was originally estimated at \$1,297.6 million, leaving a deficit of \$348 million which, when converted on the basis used by the international institutions was equivalent to 3.0% of GDP.

The fiscal performance to date has been much better than originally projected and all indications are that without adjustment current revenue will be \$ 1,441.3 million, current expenditure \$1,398.6 million and capital expenditure \$237.0 million, resulting in a deficit of \$185 million which when converted to the method used by the international financial institutions represents a surplus of \$20.3 million or 0.5% of GDP.

Later in my presentation, Mr. Speaker, I will go into greater details on the estimated outturn up to the end of September, 1997 and the implications for the conduct of fiscal policy for the balance of the year.

ECONOMIC AND FISCAL PROPOSALS

I now turn to the economic and fiscal proposals for 1997. Mr. Speaker, I indicated at the very outset of my presentation that in addition to dealing with the VAT, I propose to institute new measures to strengthen our economy in vital areas, including the development of the small business sector and our capital market, measures to properly manage the pace at which and the manner in which we integrate into the new global economy. Measures to add further impetus to Government's initiatives to eradicate poverty and measures to fine-tune certain aspects of the operation of the financial sector. I now turn to these measures, dealing first with the Small Business Sector.

ECONOMIC MEASURES

The Small Business Sector is seeking to establish itself as a vibrant economic force in our country. Over the past 15 months some 67 new businesses were established with a total initial investment of just under \$1 million. In addition, some 800 clients have received training, counselling or consultancy services from the Small Business and the New Enterprise Centre of the Barbados Investment and Development Corporation, the Youth Entrepreneurship Scheme of the Ministry of Education and the Rural Development Commission.

In order to send a clear commitment to the sector, Government has continued to provide a subvention to the Small Business Association to assist it in meeting the expenses incurred from its day to day operations. We propose to increase the subvention in the light of the Association's needs. There are, however, a number of matters that need to be addressed to put the development of this sector on a more solid footing.

One area of some concern has been the long delays by the Small Business Association in getting the Small Business Venture Capital Fund fully operational. This delay was caused by changes in the directorate within the Small Business Venture Capital Incorporated, and by a prudent

decision by the company to ensure that professional and efficient financial processes were put in place before funds were disbursed. Arrangements to deal with these matters have been made. Consultants have already begun their work, a Fund Manager is being appointed and offering Memoranda are being prepared for investors. The first equity investment is therefore expected to be made soon, thereby ushering in a new era in the financing of small businesses in Barbados.

Similarly, consultants are completing the final phase of establishing the National Commercial Innovation Fund as a legal entity to provide funds to finance the transformation of ideas regarding new products and services into bankable and viable projects. This Innovation Fund will ensure that feasible business ideas will no longer flounder on the rocks of disappointment simply because the promoter does not have access to development finance.

Government has already granted an income tax allowance of up to \$10,000 for investments in both the Venture Capital Fund and the Innovation Fund, or either of the two.

In addition, Mr. Speaker, over the next year, Government will implement Small Enterprise Development Initiative. In this regard, the construction of the Small Business Centre at Fontabelle and the first phase of a redeveloped Pelican Village are scheduled to commence within a few weeks time. Both of these facilities along with the Palmetto Street Vendors Mall will substantially improve the market environment within which our small business sector operates.

Government has also recognised that these infrastructural improvements alone will need to be supported by appropriate legislation. The Government, having already sought the views of interest groups in both the public and private sectors, will therefore bring to Parliament a Small Business Development Act. Such legislation will provide a package of incentives to further stimulate growth in this sector, including, Mr. Speaker, a special tax regime for the small businesses of Barbados. 6.05 p.m.

It is however recognised that the future of small enterprise in Barbados will depend mainly on the nature of the institution we put in place to succeed the Barbados Development Bank (BDB) and I therefore now turn to this matter.

In 1995, the Government decided that the operations of the BDB should be terminated because of the significant cumulative losses of over \$70 million incurred by the Bank since its establishment.

This left a void in the country's supply of development finance, particularly to firms in the small and medium-sized enterprise (SME) sector. Thus, my Government has proposed the establishment of a new Development Financial Institution (DFE), but under a different institutional arrangement to that of the old BDB. For this reason the determination of an appropriate legislative, regulatory, and a fiscal framework under which a new institution could efficiently and effectively provide growth financing had to be carefully considered.

To this end, a study was undertaken to establish the main characteristics such an institution should assume.

The major findings were that, firstly, lending practices of the major financial institutions favour established firms, and larger firms. Thus, micro-enterprises and firms at the lower end of the small business sub-sector continue to experience difficulty in securing credit.

Secondly, the establishment of a Development Financial Institution to replace the old Barbados Development Bank is necessary, but the role of the Government in such an institution should be limited.

Thirdly, there is a need for funding for technical assistance which should rank equally with the supply of loans in the stream of things and for businesses in this country.

Against this background, Sir, I therefore see the role of Government as one of putting in place the institutional and regulatory framework that would create the enabling environment for mobilising domestic and foreign financial resources for the development of the micro enterprise and small business sectors in Barbados.

Micro enterprise in the Barbadian context can be defined as self or family-owned enterprises employing between five to ten persons with assets under \$20,000. Financial needs typically include short-term credit for working capital and capital investment and, possibly operating leases. Loans to this sector usually range from \$2,000 to \$20,000. Based on the recommendations of the Barbados Development Bank's study, I am therefore proposing the establishment of a Micro Enterprise Lending Institution, to reach and serve these entrepreneurs and small enterprises that are not now being reached by our traditional financing institutions. Established as a market-driven, private sector controlled entity, applying generally accepted business principles, techniques and attitudes can play a vital role in fostering the growth of this sector.

The capitalisation of this institution will be \$7.5 million of which the Government, through the BDB will provide \$1.5 million, through the Central Bank of Barbados

will provide \$1.0 million from the Industrial Credit Fund and the remaining \$5.0 million will be raised from the private sector. The maximum contribution from any one private sector entity should be \$1.0 million. The par value of shares issued by this institution should be \$100 and the minimum purchase of shares is 100.

In return for investing in this new institution, businesses will be entitled to a tax write-off of 120 percent of the amount invested. If individuals invest, then they can claim the \$10 000 allowance provided by the Income Tax Department.

The maximum loan to be provided by the institution should be \$50 000. In addition to the provision of loans, the institution will also provide technical assistance to borrowers. This technical assistance will be provided to borrowers as a stipulated condition of access to the loans to ensure effective and efficient use of the funds borrowed. The Ministry of Finance will provide the funds to meet the cost of the technical assistance programme of the new institution for the next five years.

Mr. Speaker, my Government also believes that in addition to the loan facilities outlined above much can be gained by promoting equity-based financing to fund the growth, expansion, modernization, marketing activities and other initiatives necessary to enhance the competitiveness and market-share of Barbadian small companies.

We have identified the target market as those emerging firms for whom such initiatives are difficult if not impossible given their thin capitalization and lack of tangible security. Typically, these will be smaller firms seeking risk capital in amounts from \$50 000 to \$500 000. This market niche, we believe, should be the investment focus of a new Venture Capital Company which we shall call the Barbados Enterprise Growth Fund, so named to indicate its investment perspective and emphasize a commitment to fostering the growth of young dynamic, export-oriented firms with strong profit-making potential.

As in the case of the proposed Micro Enterprise Lending Institution, I recognize the necessity of providing technical assistance and, in this case, educating prospective investments in the areas of business valuation, shareholder or subscription agreement, *et cetera*, relating to the sales of shares in their companies. Additionally and of equal importance are the often sensitive areas of participation in company direction via the Board of Directors, and the role of the investor representatives in "added value" to the business.

In the light of the perspective of the Barbados Investment Fund whose average size deal, I understand, is some \$400 000 and other existing or proposed venture

capital activities whose investment thresholds are higher, I believe, that the above indicated measures of lending represent the appropriate niche for this new facility.

With appropriate investment incentives, this Venture Capital entity should attract substantial investment interest, both locally and from foreign financial institutions.

The proposed capitalization of this institution will be \$12 million of which Government through the BDB would provide \$2.0 million, the Barbados Central Bank, \$1.0 million from the Industrial Credit Fund, the Inter-American Investment Corporation of the IADB \$2.0 million and the remaining \$7.0 million will be raised from the private sector. The maximum contribution, again, from any one private sector entity would be \$1.0 million. The par value of shares issued by the institution should be \$100 with a minimum share purchase of one hundred.

Again, Sir, in return for investing in this institution, businesses will be entitled to a tax credit write-off of 120 percent of the amount invested and individual will be able to claim a tax allowance of \$10 000.

Equity/Quasi-equity investments to be provided by the institution should range from \$50 000 to \$500 000. The range we have suggested would capture both small and medium-sized enterprises.

The Barbados Development Bank, Sir, will make all of the necessary arrangements to have these two institutions in place and functioning on the 1st January, 1998.

I turn, Sir, to the development of our capital market. Last year I focussed on the need to increase savings and I outlined the number of measures aimed at encouraging individuals to save.

These measures included:

- (1) An increase in the deduction for savings with a Credit Union from \$1 800 to \$3 000 per annum.
- (2) Exemption from Withholding Tax on dividends resulting from shares in lieu of dividends.
- (3) An allowance of 15 percent of assessable income or \$4 000 whichever is lesser for contributing to a registered Retirement Plan.
- (4) Legislative frameworks and allowances for Registered Savings Plans.
- (5) A deduction of up to \$10 000 per annum for the purchase of new shares in a public company.
- (6) A deduction of up to \$10 000 per annum for shares in a mutual fund.
- (7) An increase in the allowance for bonus shares granted to employees from \$5 000 to \$7 500 from January 1, 1997.
- (8) Investment of a portion of a bonus in a mutual fund or Government securities in cases where employers are not offering shares to their employees.

6.15 p.m.

Mr. Speaker, the appropriate legislative amendments have been put in place to accommodate all of these measures except the following:

- (a) Registered Savings Plan
- (b) Portion of bonus to be permitted for investment in a mutual fund or Government Securities.

In the case of the Registered Savings Plan, extensive consultation has been undertaken with the Social Partners and a draft legislation is at the stage where it will be ready for introduction into this Parliament by the end of the year.

In the case of the Bonus Plan consultations have also been held with the Social Partners and it is expected that the amendment will be in place within the next 2 months.

As regards the Mutual Funds, the appropriate amendment has been made to the Income Tax Act to allow the claims to be made, but because of the growing significance of these as a vehicle for savings, Government has decided to prepare separate legislation to deal with the regulation of both domestic and offshore Mutual Funds in Barbados. This legislation is in draft and has already benefited from inputs from interested parties.

Mr. Speaker, there has been a positive response to these measures. Credit Unions continue to do well, Mutual Funds have started to grow and deposits with the commercial banks continue to rise.

However, the measures I introduced last year were phase 1. Having created the tax incentives, it is now necessary to create new opportunities at the domestic level for investment by fund managers and individuals alike.

I am fully aware, Mr. Speaker, of the significant role which a well developed and regulated capital market can play in the future economic development of our country.

I accept that a healthy and liquid market will provide businesses with access to capital at relatively low costs

to facilitate their expansion. In addition, opportunities will be created for savings to be channelled into productive activity in response to market signals and companies will have a more realistic choice between equity and debt financing.

However, it is my view, particularly in light of recent developments in my own country, but especially in certain Asian countries that markets must be well regulated so as to avoid the damaging or otherwise adverse impact of speculative action by unscrupulous investors. That is why, Mr. Speaker, the new Take Over Bid Code is so important. But we need more than that if the stability and the integrity of the system are to be maintained.

Therefore, it is my intention, Mr. Speaker, to introduce into this Parliament in the near future a new Securities Act which among other things will provide for adequate disclosure, protection against insider trading, protection against conflict of interests and protection from minority shareholders.

In addition, specific provision will be made for the establishment of an independent commission to ensure that transactions on the Stock Exchange are executed with regard to the utmost propriety.

In this connection, the Government fully supports the Security Exchange Board's application for membership in the International Organisation of Securities Commission and will provide any financial assistance that this membership may necessitate.

This institution provides a major international forum for mutual consultation and collaboration on regulatory issues relevant to the securities business, including cross border trading which will take on an even greater importance as we fully implement the project which will seek to integrate us into the regional security exchanges.

Mr. Speaker, the Securities Exchange of Barbados is a private sector organisation and should remain so. However, because of its importance to the orderly development of the capital market and by extension the development of the country, I am prepared to give it as much assistance as possible to ensure that it achieves the efficiency which is necessary for the successful functioning of such an organisation.

Therefore, as indicated in the 1997-98 Estimates of Expenditure, a subvention of \$100 000 has been provided and will continue to be provided in future years to support the operations of the Exchange. That subvention was used to make the initial payment which was necessary to secure the Security Exchange Board's participation in the IDB funded project which seeks to upgrade and harmonise the

operations of the securities exchanges in Barbados, Trinidad and Tobago, Jamaica and the Bahamas.

This project has two phases. The first phase which is currently being implemented in Jamaica and Trinidad and Tobago involves the use of an electronic trading platform. The second phase will see the establishment of a Central Securities Depository. At present, Mr. Speaker, as you know, when a person purchases a share he is given a share certificate. You can imagine therefore the number of pieces of paper that have to be issued and retained as the market develops and transactions take place.

In addition, as more cross-border trading takes place in the region and international investors get involved, the need to pass a mass of paper will become a major irritant. Thus, the Central Securities Depository is the institution which keeps records of the movement and ownership of shares and it will issue £ statement periodically in the same way that a commercial bank issues statements to notify customers of the state of their accounts.

This does not mean that investors who still wish to receive a share certificate will be denied that privilege, but the others will be able to have theirs deposited with the Central Depository which will keep the records as the shares change hands without there being the need of a physical passing of the certificates.

The total cost to the Securities Exchange Board for participating in this project is US\$1 million. It is recognised that the present Securities Exchange Board with only 19 listed companies out of a possible 40 obtains only a small amount of fees from its members and is in no position to increase them to the level which would be necessary to finance its participation in this crucial regional project.

In this context, therefore, Mr. Speaker, Government is fully committed to supporting this project and will provide additional appropriate financial resources to the Securities Exchange to support its full implementation.

It is against this background of an improved regulatory financial tax incentive framework and the upgrading of the Securities Exchange of Barbados that I think it is appropriate for the Government to use its privatisation programme to provide additional opportunities for investors and to increase their activity on the Securities Exchange.

As you are aware, Sir, the Government has indicated that the entire Carlisle Bay area will be developed in partnership with the private sector. This includes the expansion of the Hilton Hotel which has already started.

A new company will be formed and the area will be vested in that company which will then use them in joint ventures with the private sector. In due course, Government will divest its interest in these ventures by selling some of the shares to the public.

In addition, both the Airport and the Port will be corporatised and at that stage a number of shares will be sold to the staff and the public in general so that the mass of the people of this country can have an opportunity to own a share in one of the most important operations in our nation.

Mr. Speaker, similar steps will be taken to sell some shares in the Barbados National Bank, the Insurance Corporation of Barbados, the Caribbean Broadcasting Corporation, the Barbados National Oil Company, the National Petroleum Corporation and the Barbados Mortgage Finance Company.

In every instance, Mr. Speaker, the approach will be as follows:

- (a) a block of shares for the staff
- (b) a block of shares for Credit Unions, Trade Unions and Mutual Funds
- (c) a block of shares for individuals
- (d) Government to retain a small portion, and
- (e) where necessary shares to be offered to strategic partners.

6.25 p.m.

A privatisation programme used in this manner will not only provide additional activity for the Securities Exchange but will also create important new opportunities for the broad masses to have a share in some of the most valuable aspects of our economic landscape.

THE UNLISTED SECURITIES MARKET

I now turn, Mr. Speaker, to the unlisted Securities Market. This market was introduced in January 1992, but it has been singularly unattractive to the companies it was intended to serve - young, emerging companies seeking growth financing. While the criteria for the Unlisted Securities Market listings are described as being less onerous than for a full listing, clearly they are not sufficiently attractive. These criteria are:

- 1. A minimum acceptable track record over two consecutive years;
- 2. A minimum entry capital of 100 000 shares with a value of not less than \$200 000;

- 3. Subordinate loan capital of not more than 25% of equity capital;
- 4. Not fewer than 25 public shareholders holding a minimum of 20% of the equity;
- 5. Market introduction and continued sponsorship by a registered member of the Exchange; and
- 6. Adherence to all listing requirements, with a lower scale of fees.

Mr. Speaker, it is instructive to note that the Securities Exchange of Barbados Listing Information Package makes no reference whatsoever to the existence of an Unlisted Securities Market or the above-referenced criteria. It is my considered opinion that this situation needs to be corrected if Barbados is to develop a "vibrant and liquid market"* in equity as well as in debt instruments.

We need to make the Unlisted Securities Market more attractive to young firms to raise capital on the Stock Exchange of Barbados and, more importantly, Sir, to provide an existing mechanism for individuals and institutional investors in junior companies.

Towards this end, the Government will make representation through its members that the Securities Exchange considers changing the existing criteria for membership on this market. An examination of the fiscal incentives necessary to enhance the effectiveness of the market to investors is also being undertaken, and die specific tax incentives to make this Unlisted Market Very vibrant will be outlined in due course.

Mr. Speaker, the putting in place of the institutional and regulatory framework to support the development of a capital market of any worth in Barbados will require the drafting of new and the reform of many important pieces of legislation.

It will entail the reform of the Property Transfer Tax Act, new Insolvency legislation, a new Securities Act, a new Mutual Funds Act, the Small Business Development Act, the fine tuning of the proposed Take Over Code Legislation, legislation to bring the Retired Savings Plan into operation, and appropriate amendments to the Companies Act

The Government will not offer excuses for not having these crucial pieces of legislation in place at an early date.

I therefore propose to supplement the vote of the Attorney General's Office by \$500 000 to enable that office to engage such legal drafting services as will suffice to get the job done.

SOCIAL INVESTMENT FUND

I turn, Sir, to a new Social Investment Fund. Mr. Speaker, my Government is committed to the eradication of poverty in Barbados as the chief and the highest goal of social and economic development.

To this end, we have already put in place the Urban and Rural Development Commissions, each commanding funds of over \$5 million a year to lead the assault on poverty at the community level.

We have also created a Poverty Alleviation Fund, specifically to address the needs of individuals living in conditions of abject poverty. I am pleased to announce that already over \$1.6 million of this Fund has been disbursed, benefitting needy persons in every parish of Barbados.

But, Mr. Speaker, the eradication of poverty is not about giving people charity; it is about giving them a chance.

It is about providing poor people with the means to help create their own economic opportunities, to develop their skills, and to be able to enjoy sustainable livelihoods. It is about eradicating poverty by replacing it with enterprise.

Recently, the Pinelands Creative Workshop presented me with a poverty eradication project which included all of these dimensions, and the Government was pleased to approve the release of \$1.5 million for its implementation.

Cabinet has also recently been presented with a proposal to help persons who have developed skills while in prison, to better integrate themselves back into society by translating those new skills into some form of enterprise. This initiative will receive support of \$500 000.

To ensure that initiatives such as these do not flounder for the lack of resources, I now propose to create a new Social Investment Fund of \$10 million to begin with.

This fund will initially be supplied with resources from the \$22 million unexpended balance of the Public Enterprise Investment Fund. Its resources will be specifically geared to supporting projects and programmes which are designed to eradicate poverty by the creation of enterprises.

Two million dollars of the Fund's resources will be used to create the Rural Enterprise Fund and the Urban Enterprise Fund, to support the efforts of the Rural and Urban Development Commissions, to help develop enterprises at the community level.

Another \$1.5 million will be earmarked to develop market and other community based economic facilities to the Club Randall site at Gall Hill, Christ Church as a model, Mr. Speaker, of the manner in which communities can be transformed by converting derelict or abandoned facilities into new enterprises in the midst of such communities.

Plans for this project have already been prepared and approved, and activity will begin very soon.

An appropriate amendment will be made to the Public Enterprise Investment Act to effect the transfer to the Social Investment Fund.

FOREIGN EXCHANGE MANAGEMENT

I deal next, Mr. Speaker, with our Foreign Exchange Control Management. Government is often rendered advice that we should dismantle our system of foreign exchange controls, fully liberalise our trade regime and remove all controls on interest rates as part of the process of preparing Barbados to participate more effectively in the global market.

Mr. Speaker, Barbados cannot stand in splendid isolation from the very dramatic changes that are being made to international capital markets, trade regimes and the like. Neither can we be foolishly unmindful of the very severe damage and dislocation that have been and are even now being done to some emerging economies which have taken a headlong leap into full liberalisation in a very short period.

The acute turbulence in the Asian currency market and economy is a timely reminder as to what can be found on both sides of the liberalisation coin.

I propose therefore that Barbados should approach further liberalisation of our financial market, our trade regime and our foreign exchange control market in a gradual manner, consistent with our resource endowment.

I deal first with the matter of the liberalisation of exchange controls.

Full liberalisation of our exchange controls would require large stocks of foreign exchange reserves as an insurance against the eventuality of sudden and massive capital flows, as have occurred recently in South-East Asia and Mexico. 6.35 p.m.

While at present, the stock of foreign exchange is relatively healthy, it is still far short of what would be needed to withstand the full impact of full liberalisa-

tion, particularly the impact on the sustainability of our fixed exchange rate.

I also take the view that reporting on and monitoring of capital flows are important and essential aspects of our policy to maintain an unsullied reputation as a centre for the conduct of legitimate and untainted international business and financial transactions.

For these reasons we will continue to have some measure of monitoring and reporting on foreign exchange transactions and will require that some transactions be approved prior to their execution. However, in keeping with our regional commitment to develop a Caricom Single Market and Economy, and in keeping with our desire to create an enabling environment for business, further liberalisation of the existing exchange controls will be undertaken. As such, effective October 1, 1997, further authority will be delegated to the commercial banks in respect of current account transactions between residents of Barbados and residents of other countries.

Currently commercial banks are delegated authority to deal with current transactions ranging from BDS\$5,000 to \$250,000 for non-trade outflows, and advance payments for merchandise imports up to a maximum of BDS\$ 100,000. They may also approve payments for merchandise imports against invoices and customs entries. Except for cash gifts (delegated authority up to BDS\$1000 per year), and funds utilised in the purchase and sale of shares listed with a stock exchange in a Member State of Caricom up to a value of BDS\$1.0 million, all capital payments continue to require approval from the Central Bank.

With respect to the operation of foreign currency accounts, commercial banks have been authorised to open such accounts (a) for non-resident individuals without limits, (b) for resident individuals earning at least BDS\$50,000 in foreign exchange a year and having regular payments to make abroad subject to limits on the accounts and (c) companies operating in Barbados earning a minimum of BDS\$100,000 in foreign exchange, also subject to limits on the accounts.

The changes which the Central Bank will be putting into effect from October 1 are as follows:

Current Payments

Commercial banks will be authorised to allow current transactions supported by adequate documentation, including advance payments for merchandise imports, ranging from BDS\$7,500 to BDS\$250,000.

Change in foreign currency to visitors

Visitors who are making payment in foreign currency often request change in foreign currency. To reduce

inconvenience to such persons, retail outlets will be permitted to issue change in the same foreign currency in which the purchases were made.

Foreign Currency Accounts in the names of Non-Residents.

Withdrawals from foreign currency accounts for remittance by non-residents still require approval from the Central Bank. This is a frustrating requirement which is no longer necessary. Therefore, non-resident holders of foreign currency accounts will no longer be required to obtain the approval of the Central Bank to remit funds abroad where the funds are not the result of payment for trade or non-trade transactions.

Cash Gifts

Commercial banks will be allowed to approve cash gifts of up to BDS\$5,000 per donor per year instead of the current amount of BDS\$1,000 without approval of the Central Bank.

Purchase of Shares listed with the Stock Exchanges in Caricom States.

The Securities Exchange of Barbados has been granted delegated authority to approve the purchase and sale of shares listed with Stock Exchanges in Member States of Caricom up to a value of BDS\$1.0 million per transaction. In keeping with the commitment of the Government of Barbados to the Single Market and Economy, this amount will be upgraded to BDS\$2.0 million per transaction.

Export of Foreign Currency Notes and Barbados Currency Notes.

The Exchange Control (Travellers) Order, 1984, provides that any person travelling from Barbados to a place outside Barbados shall not export on his person or in his baggage:

- (a) notes of a class that are or have anytime been legal tender in any place outside Barbados, exceeding in value an amount equal to five hundred dollars; or-
- (b) Barbados currency notes exceeding two hundred dollars.

These limits have been in place for over twenty years. Therefore, in order to accommodate travellers, from October 1, the Central Bank will increase these amounts to BDS\$1,000 in foreign currency notes and BDS\$500 in the case of Barbados currency notes.

Pension Funds

In 1989, approval was granted for the investment of pension funds abroad by an institutional investor at the rate of the lesser of BDS\$125,000 or 25% of local funds available for investment each quarter. The investment of other funds by trust companies was not allowed.

The rationale for this policy was the need to allow institutional investors of funds to spread their risks, and to enable the local managers of pension funds to obtain a somewhat higher rate of return. These applications are not delegated to commercial banks.

The present level of reserves permit some relaxation of the 1989 policy on pension funds. In addition, it is prudent to allow some portion of these funds to be invested outside of Caricom as a cushion against a substantial fall in our reserves as happened in 1991 and 1992 when the Central Bank accessed funds held by local fund managers to assist in shoring up our reserves. Against this background, the Central Bank will permit the investment of pension funds abroad by an institutional investor at the rate of the lesser of BDS\$250,000 or 25% of local funds available for investment each quarter. These applications will continue to be reviewed by the Central Bank.

MONETARY POLICY

Over the past 20 months, the financial system has been marked by exceptionally high levels of excess liquidity. This accumulation of liquidity is attributable to strong deposit growth resulting from foreign exchange earnings and favourable private sector capital inflows. In addition, demand for domestic credit has been relatively low. Since the level of credit demand was initially linked to the postponement of private sector spending, the Central Bank of Barbados avoided any precipitate change in interest rates during 1996. To mop up liquidity in the financial system, the Bank accelerated the pace at which it issued new government securities, issuing \$188.3 million in net new debt in 1996.

Despite these efforts banks continued to hold large sums of cash and during the early months of 1997, the Central Bank intensified its efforts to regulate the level of liquidity by increasing the stock of medium term securities. However, with deposit and credit trends not changing substantially, liquidity continued to rise quickly. Accordingly, the Central Bank on May 1, 1997, reduced the minimum savings rate by one percentage point to 4%, and lowered the discount rate to 9% from 12½%. At the same time, the Bank also lowered the cash and securities ratios from 6% and 23% to 5% and 20% respectively.

To supplement these measures the Central Bank withdrew public sector deposits under its management from the financial system. These measures have contributed substantially to the reduction of cash balances of commercial banks held with the Central Bank. Excess cash balances fell from \$187.6 million to \$52.0 million at the end of May 1997.

The most recent data from the Central Bank indicate that the liquidity problem has virtually been brought under control. 6.45 p.m.

The Treasury Bill rate, which had fallen well below the minimum deposit rate has begun to stabilise: In addition, a number of projects in both the public and private sector are set to be implemented, and are of a nature that will require significant funding from both domestic and external sources.

As such, the Central Bank will continue to use the minimum deposit rate as the signal of the appropriate level of interest rates in the economy, given international interest rates and public and private sector credit demand. Any further reduction in the minimum deposit rate at this time will send a wrong signal to depositors. It will merely result in negative real savings and will undermine Government's effort to boost the level of savings in the Barbados economy.

With the liquidity situation now under control, no further changes in monetary policy nor interest rates are needed at this time. Government will therefore continue to create the environment whereby excess liquidity will be used to support domestic investment, with a salutary effect on job creation, rather than tinkering with interest rates as a solution to this problem. I turn next, Mr. Speaker, to our trade regime.

THE TRADE REGIME

As part of the effort of complying with the rules governing international trade, countries have converted non-tariff barriers into temporary tariffs, to be phased out over a set period, as a means of enabling domestic producers a period within which to gear themselves to face the full effects of international competition.

As such a surtax of 100% was introduced by the previous administration consequent upon its decision to remove licences on a wide range of extra-regional imports. This surtax was to be reduced in phases and to be entirely removed by March 1998.

In the presentation of my budgetary proposals of 1995, I decided to slow down the phased reduction of

this surtax to give local manufacturers increased scope to adjust to extra-regional competition.

In addition, recognising that the introduction of the VAT would reduce the price of extra-regional imports further and increase difficulties for our manufacturers, I signalled last year that Government would re-visit the phasing out of the surtax to provide further breathing space for local manufacturing producers.

As a result, earlier this year, Government decided to allow the surtax to remain at 75% of the applicable customs duty, when it was due to be reduced to 35% for the period April 1, 1997 to March 31, 1998, after which it was to be removed completely.

The surtax is now to be reduced to 35% on April 1, 1999 and to be removed by April 1, 2000.

Elements in the distributive sector have been advocating for this surtax to be removed so that Barbados can be flooded with cheaper extra-regional imports. It is, however, the considered position of this Government that Government has carefully to balance the interest of competitive local production against the desire of some to make larger profits from selling other people's goods. This explains the revised schedule for the phasing out of the surtax.

Local producers must now, however, appreciate that they cannot look indefinitely to the protection provided by the surtax to avoid facing international competition. There will, therefore, be no future changes to the proposed structure of the surtax.

CHANGES IN THE GLOBAL TRADE AND ECONOMIC SYSTEMS

There are a number of changes taking place in the international arena which require a major alteration in the conduct of our external economic and trade relations and in the organisation of our domestic arrangements as they apply to market access, conditions of investment, intellectual property regimes and environmental standards.

The member states of CARICOM have agreed to a co-ordinated approach to negotiations which will lead to a successor agreement to LOME IV and to the preparations for participating in the Free Trade Area of the Americas (FTAA) as well as in the activities of the World Trade Organisations.

As a result, all member countries have agreed to contribute to a fund to meet the costs of these negotiations which are expected to go on over a sustained period and will therefore be quite expensive. Barbados has already

made a contribution of some \$300,000 and will continue to play its part.

In addition to the contributions from the member Governments, it is expected that the Caribbean Development Bank, the Inter American Development Bank and the regional private sector will make contributions.

I have had discussions, Mr. Speaker, with the local private sector which is willing to make a contribution and to employ people who will be allowed to develop expertise in World Trade Organisations and other such matters so that Barbados will be well placed to take advantage of the opportunities which will become available.

Therefore, I have decided that effective October 1, 1997 I will allow an Income Tax deduction of 150% for any contribution made to the Regional Negotiating Fund by the private sector and for any expenditure incurred in engaging local expertise to man our local private sector institutions.

FISCAL MEASURES

Mr. Speaker, I turn now to the fiscal measures, dealing first with the Value Added Tax.

We have come today to a defining point in a process of tax reform which has had a very interesting history.

As far back as 1992, the decision was made to reform the indirect tax system of Barbados. From the outset it was decided that this reform should entail the abolition of a large number of taxes, eleven of them, of which some bore very high rates exceeding 20%, and to replace them by 2 taxes, a VAT and an Excise Tax, to yield virtually the same amount of revenue.

From the outset, it was agreed that to reduce the rate of taxes from over 21% (as in the case of the old consumption tax) to a 15% VAT would mean that goods and services then not caught in the tax net would have to become subject to VAT.

In addition, Mr. Speaker, from the very outset, the question as to how food should be treated was recognised to be the crucial issue. For unlike most other countries, Barbados did have a tax on certain foods, before the VAT, in the form of the 20% stamp duty on foods imported from extra-regional sources.

As such all of the studies done prior to 1994 estimated that it would have been difficult to realise the purposes sought by the tax reform; namely to raise virtually the same revenue by a tax with a lower rate applied on a broader range of goods, if food was excluded from

the items to be subject to the new VAT. This was the information which was presented to the Democratic Labour Party Cabinet in June 1994 by the then Minister of Finance in support of his recommendation - accepted by the then Cabinet - that a VAT on food was "highly desirable".

Indeed, the then DLP Cabinet decided that the VAT should be applied to food and that any excess revenue realised from the tax should be passed back to the poor through spending on welfare programmes.

The studies done after September 1994, and used as the basis of the decision by this present Cabinet regarding the structure of the VAT, came to the same empirical conclusions as those done previously. The VAT legislation was therefore brought to this Parliament against this background and supported by all sides in this House in August 1996 - including a 15% Value Added Tax on food.

Mr. Speaker, it is alleged that the law of aerodynamics implies that in principle, a bumble bee cannot fly. We know, however, that bumble bees have been flying from time immemorial. The point in all this Sir, is that some things are best left to be decided on the evidence gained from real life experience rather than from the presumption and the inferences of theories and models, no matter how well conceived they may happen to be. It is for this reason that, in introducing the Value Added Tax in January 1997, I gave a commitment to review the tax at this time. I am now in a position to report to this Parliament that 4,492 registrants have so far registered with the VAT Office. I am also now in a position to report that indications are that the VAT and the associated Excise Tax have succeeded in bringing more economic activity into the net than was initially projected.

Mr. Speaker, compared to the first half of 1996-97, current revenues from all sources, including income tax and import duties for the period April to September 1997 is higher by \$109.5 million. The increase is from \$559 million at mid-year 1996-97 to \$668.7 million at mid-year 1997-98.

In the April-September 1997 period, VAT and excise duties have contributed an estimated \$226 million and \$81 million respectively to the current revenue.

Our current projections therefore, Sir, is that the VAT is projected to yield without adjustment, in this fiscal year - almost \$107 million more than was initially projected. Projections of the excise duties are on target to realise \$171 million.

Mr. Speaker, the better than projected tax yield is being closely monitored. A number of reasons have been

suggested for this unexpected out-turn: imports have grown at about twice the level projected - 14% as opposed to 7.4% and both nominal and real GDP have exceeded projections. Underlying all of these in particular, is the indication that our estimates of GDP have been and continue to be under estimated. 6.55 p.m.

It is also recognised, Mr. Speaker, that the higher than projected growth in imports might merely represent a restocking of inventories by businesses after they had been run down in the latter part of last year to reduce the incidence of double taxation, the introduction of the Value Added Tax, and that the growth of imports may therefore not be sustained indefinitely.

Our judgement about the new system at this early stage also takes account of the fact that a full gauge of the effectiveness and efficiency of the tax system is not its performance in times of economic growth, but must take account of its performance in times of recession. We are fortunate that the Value Added Tax has been introduced in a year when the Barbados economy is experiencing a boom.

But, we must not lose sight of the fact that this new system of taxes must serve in the good years as well as in the lean years, and hence we must exercise some care as to how we adjust its structure in response to the appearance of an initial boom.

In this respect, Mr. Speaker, we must also be aware that as the Caribbean Community moves inexorably toward becoming a member of the Free Trade Area of the Americas there will be a phasing out of import duties which now yield about \$100 million a year. Consequently, as the future unfolds, we will be confronted with a fewer number of options for raising revenue.

Now and increasingly so in the years ahead, complex option will continue to have to be made about the nature of the social contract between the state and the citizens. Barbadians have determined that there should be no direct payment for the education of their children from nursery through to tertiary stage, that homelessness and poverty are scourges that should be wiped away from the face of our land, that our infrastructure of social services should be of a first world quality and available and accessible to all.

These all carry a cost for which the society has to pay. Therefore, as we have sought to simplify and improve tax administration in this country, we have endeavoured to fashion a tax system that will so respond to economic activity as to allow us to cover these high social costs without regularly having to make adjustments to the tax rates. I think that we will have achieved this with

the system of VAT introduced in this country in January this year, taking into account the adjustments which we are about to make this evening.

We always expected that as we developed experience in working the system, some adjustments to its operations would be necessary. Apart, Mr. Speaker, from genuine concern about the VAT on food, the general consensus has been that the care and time we took in implementing the system has paid off. Consequently, our experience in introducing a Value Added Tax so far has been less traumatic than that of other countries in similar circumstances. Indeed, Sir, far from destroying the economy as some predicted, the introduction of the Value Added Tax has facilitated an economic boom.

Thanks must go to the Barbadian public for its patience and understanding in giving us this time to work out the initial kinks and to allow the system to settle. Refunds were initially a problem, but at the end of September \$17.6 million had been distributed as VAT refunds. It must be stated, as well, Mr. Speaker, that this process was not helped by claims being made for sums not paid.

I am aware, Mr. Speaker, that the predominant area of concern for the public involved issues of pricing. Some of these are unrelated to VAT and have to do with the seasonality of supplies. Of particular concern however, has been the way prices are displayed or not displayed.

The VAT legislation requires that registrants display VAT inclusive prices for all goods and services. Breaches of these provisions are still occurring. I therefore propose to amend the existing legislation to provide for the imposition by the Comptroller of Customs of a penalty of \$5 000 for such breaches, with an additional penalty of \$2 500 per day or part thereof or three times the value of the goods or services for each day the breach continues.

Mr. Speaker, there is also the issue of markups. I am aware that prior to the introduction of the Value Added Tax the costs of businesses and the dollar value of their profits were determined on product costs which included high levels of taxes. With the removal of the stamp duty and the consumption tax and the lowering of the import duty top rate from April, businesses have sought to maintain the same dollar value of mark up. Therefore, the prices of a number of items either have not fallen at all or have not fallen to the extent envisaged. Indeed, Mr. Speaker, the evidence is that where the VAT should have given rise to a reduction in prices, the full price reduction has not been passed on to the public, and where it was designed to cause prices to increase, more than the intended increases have been passed on. 7.05 p.m.

The Price Control Division has a role to play in this process and the Division has been monitoring prices. Their information as well as that of the Statistical Department have revealed that the rate of increases in prices has slowed significantly since January. The all items category of retail price indices which stood at 114.4% in January increased only marginally to 115.5% in July. This rate of increase of 1.1 points or 0.96% was the same as that for the corresponding period in 1996 when the index moved from 104.3% to 105.4%.

However, Mr. Speaker, the concern has been focussed principally on food which represents approximately 40% of the consumer price index. Here the index moved from 113.0% in December, 1996 to 131.0% in July, 1997, a 15% increase.

Mr. Speaker, in the light of the revenue performance and the movement in prices, I now propose to make a number of adjustments to the Valued Added Tax. I propose to remove VAT on a basket of goods commonly used by the poor. Effective October 1, 1997 a zero-rate of tax will therefore apply on the following basket of food items:

VALUE ADDED TAX ZERO-RATED FOOD ITEMS

Fresh Milk
Condensed Milk
Evaporated Milk
Fresh Fruit
Fresh Fish
Fresh Vegetables
All Ground provisions
Unsweetened Bread
Cane Sugar
Rice
Cooking Oil:
Soya Bean and Corn Oil
Margarine
Fresh Eggs
Unsweetened Biscuits
Macaroni, including Spaghetti
Noodles and Chow mein
Flour
Corn Meal
Cheese
Salted Meat
Salted Fish
Corned Beef
Luncheon Meat
Sardines in Tins
Tuna in Tins
Mackerel in Tins
Fresh Meat
Chicken, whole and in part
Chicken Livers and Gizzards

Table Salt

Chocolate and other food

preparations including cocoa

Dried leguminous vegetables

Milk based baby food.

Mr. Speaker, fresh as used for the purpose of this exercise refers to fresh, chilled or frozen. Classifications are to follow the General Rules For The Interpretation of the Harmonised System as provided in the Barbados Customs Tariff. This measure will, in a full year, reduce VAT collection by approximately \$45 million.

The Government is determined that the consumer should benefit from the full extent of the price reduction occasioned by the removal of the VAT from this basket of food items. In a perfectly functioning market, the reduction in price would be automatic and in direct proportion to the level of the tax reduction.

Unfortunately, Sir, the experiences of the past 9 months, as relayed in the survey of prices conducted by the Price Control Division of the Ministry of Industry, have shown that some market exploitation does exist. Grave concerns were expressed by consumers about unconscionable price increases. Additionally, it was found that in several instances the reductions in prices were much less than could reasonably be expected given the reduction in import duties and other taxes, whilst the price of local and regional goods increased at a level over and above that due to the imposition of the VAT.

As a consequence, in addition to the decision to remove the VAT from some basic foods I propose to re-institute price controls on some of these items, under the provision of the Miscellaneous Controls Act, Cap. 329. The items are:

Fresh Milk, Rice, Corned Beef, Macaroni, Chicken, Fresh Meat, Sardines, Tuna, Mackerel, Luncheon Meat and Flour.

These price controls will be implemented for an initial period and will be kept under review. The procedures for implementing this measure will be initiated shortly and the level at which the prices are set will be informed by the extensive price monitoring exercise which was undertaken between December 1996 and the present time. That survey of prices for the 43 selected food items was conducted across the island and in a wide range of retail establishments. We are therefore satisfied that the regime to be put in place will be fair to all.

Mr. Speaker, I now also wish to introduce additional amendments to the Value Added Tax to remove additional difficulties that it might have posed to certain sections of the society.

Books

Apart from food, Sir, one of the other major contentious issues raised on the introduction of the Value Added Tax related to the effect of the tax on educational literature. At present, books intended for primary and secondary education on a prescribed list published by the Ministry of Education are zero-rated. This system has proven cumbersome to administer. The opportunity is now being taken to relieve the Customs Department and book sellers of this tedium and the restrictive nature of the present system and to extend the concession to all educational material. I, therefore, propose to zero-rate the supply of all literature of an educational or scientific nature recorded on either electronic or printed medium, with effect from October 1, 1997.

Housing

Mr. Speaker, one of the principal issues which has engaged the attention of the VAT Office and the Tribunal thus far has been the application of the VAT to the supply of dwelling houses. In essence, the issue revolved around whether a contract for service between a housing developer and a client for the construction of a dwelling house was exempted from the tax.

Whereas the existing legislation makes it clear that the tax is exempted from a transaction where the developer owns the property or land, constructs a dwelling house thereon and sells the real property involving the land and house to a purchaser, some doubt existed about the taxable status of the transaction if the land is owned by the client for whom the house is being constructed as is the case of houses at Cane Garden, Bourne's Village, for example. Indeed the VAT Office has been advised that the services rendered under the latter transaction were in fact taxable.

However, the Solicitor General subsequently advised that the legislation, by virtue of paragraph 2(4) of the Second Schedule of the Act, 1996-15 does exempt from the VAT contracts between a developer and a client for the construction of a dwelling house. Therefore, Mr. Speaker, I do not propose to make any change in this regard at this time. I wish merely to confirm that it was not our intention to subject to the VAT the services rendered in the construction of dwelling houses on land owned by the purchaser of such services.

Potential home owners at Cane Garden, Bourne's Village and elsewhere should therefore proceed to conclude the arrangements for the acquisition of their homes, safe in the knowledge that the construction services rendered in the building of their homes are exempt from the payment of VAT.

Goods on Consignment

Mr. Speaker, the introduction of the Value Added Tax apparently has created some hardship for local manufacturers, craft persons and small businesses who sell goods on consignment. The consignment option provides, perhaps, their best and sometimes the only opportunity to have their products displayed in the shops of the big Broad Street retailers. However, under the existing legislation, the supply of goods is deemed to have taken place when the goods pass from the producer to the retailer whereas the small business person or manufacturer is paid after the goods have been sold.

I propose, Mr. Speaker, to accede to the several requests made to remove this hardship. Therefore, Section 16 of the VAT Act shall be amended accordingly. 7.15 p.m.

De Minimis Rule

As you are aware, Mr. Speaker, while most supplies or transactions involving goods and services now are subject to VAT, some of them have deliberately been excluded or exempted from the tax. This essentially means that such registrants are unable to claim any input tax on these exempt transactions. However, the general practice is to ignore exempt transactions whose share of the value of the total supplies of the registrant is minimal, in our case less than 2%.

At the moment this provision which is known as the *de minimis* rule is restricted to income from financial services only. I have agreed that this rule should no longer be so restrictive and all exempt supplies should be included. Since the 2% rate will apply still I do not expect that there will be any serious erosion of the tax base from this concession.

Complimentary Rooms

A strong and somewhat compelling case has been put for sometime now for eliminating the VAT on what the hospitality industry calls complimentary rooms. As I understand it the provision of rooms free of consideration to travel agents and others in the travel trade is an integral component of the marketing strategy of the industry. I therefore propose to accede to the request and zero-rate the supply of such rooms particularly since it seems that such a policy should result in net gains to the economy.

Mr. Speaker, the VAT office as well as the VAT Tribunal have submitted a number of recommendations for amendments to the existing legislation which would improve the administration of the VAT system. Some of these have been dealt with already and I wish to use this opportunity to address even more.

Charities

I deal first with charities. This administration supports the varied roles non-governmental organisations have been playing in this society. Several of them are registered as charities and render valuable assistance to the needy and persons at risk. To facilitate their work we zero-rated unconditional gifts of goods and services made to them and exempted from any tax and any supplies made by them where those supplies were not made on a regular basis.

I have accepted, Mr. Speaker, the advice tendered by the VAT Tribunal that goods imported by a registered charity be zero-rated. Therefore, I propose to amend the Third Schedule to the VAT accordingly. I also propose to amend paragraph 6 of the Second Schedule to remove the confusion the words "on a regular basis" currently are posing to the VAT Office and the charities involved. The amendment will make it clear that a supply of goods or services to a charity is exempt from the tax where the supply is not made in the course or furtherance of a business.

The Tribunal, Sir, has also determined that public officers posted on diplomatic services are disadvantaged on their return home by having to pay VAT on their motor vehicles. The recommendation of the Tribunal has been accepted and the necessary amendment is being made to the Third Schedule of the Act.

Transportation

I turn as well, Mr. Speaker, to the issue of the application of the tax on local transportation. Apparently, as the Act is currently drafted, route taxis performing charter services are subject to the tax in respect of such services. It was never our intention to levy the tax on local transportation and therefore I propose to amend the Second Schedule to the tax accordingly.

Registration of Applicants

The Act, Mr. Speaker, presently makes no specific provisions for persons who are not yet suppliers to be registered prior to making supplies. This has created some hardships to those persons who are starting business, since they are unable to claim credits for input tax incurred prior to registration.

I therefore propose to amend the existing legislation to enable persons who are in the process of setting up business to be registered and therefore to be able to claim appropriate input taxes prior to making taxable supplies.

Remissions

Mr. Speaker, existing legislation provides that recommendations of the VAT Appeal Tribunal once

accepted by the Minister of Finance are subject to affirmative resolution which does not necessarily facilitate the speedy resolution of these matters.

I therefore propose to amend the existing legislation to provide that once the recommendation of the VAT Tribunal has been accepted by the Minister of Finance, the Minister may give effect to these recommendations through publication of an order in the Official Gazette.

This amendment is intended solely to expedite the accepted recommendations of the VAT Appeal Tribunal.

Amendments to Legislation

Mr. Speaker, the authority of the Minister under the Duties, Taxes and Other Payments (Exemption) Act, Cap. 67 and the Special Development Areas Act, 1996, appears to be circumscribed by paragraph 8 of the Third Schedule of the VAT Act.

I therefore propose, in the interest of clarity, to amend the paragraphs of the VAT Act to remove ambiguity.

Set off or Deductions Under The Customs Act, Cap. 66

There is presently as well no provision under the Customs laws for set offs or deductions from persons indebted to the Crown and for whom the Crown has monies.

Given the size of the arrears of consumption taxes (approximately \$6 million), I propose to amend the Customs legislation to provide for set offs or deductions in the interest of reducing the outstanding debt.

As you would appreciate, Mr. Speaker, the Ministry of Finance continues to be bombarded with requests to make adjustments to the VAT beyond those announced today.

We will give such representations the considerations they merit. I should, however, again wish to grasp this opportunity to remind members of the public that a VAT Appeal Tribunal has been established, and is functioning to consider individual cases of hardship.

I do believe that the amendments announced today will take most of the hardship out of the execution of the VAT and we should allow the tax structure as amended to remain in place. All of the amendments will take effect from October 1, 1997.

Mr. Speaker, this country has been particularly fortunate in implementing this new system of indirect taxation. The Government has received critical support from all sides of the social partnership and for this we are

grateful. My appreciation is extended particularly, Sir, to the Chairman and the members of the VAT Tribunal. Principally, though, I think we would all agree that the Comptroller of Customs and the Director of the VAT Office, Mr. Merton Moore and his staff, are deserving of the highest praise for their sterling service in educating us all about the VAT and their supervising its implementation.

Other Measures

Mr. Speaker, I turn now to other fiscal measures. Among the other measures I announced in December, 1996 to alleviate the impact of the introduction of the VAT was the payment of a grant of \$350 to minimum wage earners. Instead of asking potential beneficiaries to register to receive this benefit, we sought to identify this category of workers by other means. Pending finalisation of this process, a provision of \$4 million was voted in this year's Estimates to this effect.

The National Insurance Department has advised us that there are approximately 11 000 minimal wage earners in Barbados. Cheques shall be posted to these workers shortly. All persons who fall into this category of workers earning less than \$170 a week and who do not receive a cheque should contact the Welfare Department with the appropriate documentary evidence attesting to their weekly wage.

The increased pensions and welfare payments introduced in January as a substitute for a basket of goods will, however, remain in effect.

Income Tax Adjustments

Mr. Speaker, I turn next to Income Tax adjustments. I believe that you will agree, Sir, that now is a good time to make some adjustments to the Income Tax as well.

Mr. Speaker, the basic personal allowance claimed by taxpayers has stood at \$13 000 since 1992. I therefore propose to increase this to \$15 000 effective January 1, 1998. This measure will result in approximately 14 000 persons no longer having to pay Income Tax.

Similarly, Mr. Speaker, I propose to increase the personal allowance for pensioners from the present \$23 000 to \$30 000. These measures will cost the revenue \$17 million in a full income year. 7.25 p.m.

Development of the Film and Music Industries

Last year in my budgetary presentation, I indicated that incentives would be identified for encouraging the development of the film and music industries. During

the course of the year relief from Import Duties on equipment and special purpose vehicles for the use in the film industry were granted and consideration is being given to other fiscal incentives for the industry following representation from interested parties.

The music industry in Barbados has grown considerably over the last five years and more young people are becoming involved in the various aspects of the industry as a means of making a living.

We need to encourage this trend and I propose that from October 1, 1997 all equipment and materials for use in the production of records including compact discs will be allowed into the country free of Import Duty.

In addition, all Barbadian material recorded outside of the country will be allowed in free of Import Duty.

Wage Related Matters

Mr. Speaker, I propose to make the adjustments announced this evening conscious that sometime during the course of this fiscal year the full cost of the first year of a new wage settlement will have to be brought to account. Obviously, something has to be kept in hand to meet that increase.

I am sure that the negotiations will take account of today's measures which will both reduce prices in the supermarket and increase the take home pay of civil servants.

I have also made the adjustments to Government's revenue in the light of certain changes which will be made in early 1998 to the status of two categories of persons employed by the Government of Barbados.

At present some 2,400 persons are employed in the Central Government and another 1,100 at Statutory Boards that depend on the Consolidated Fund financing as Casual Employees. Many of these Casual Employees have functioned in that dubious capacity for extended periods, without ever enjoying the benefit of the security of an appointment.

On retirement at age 65, Casual Employees are entitled to a NIS pension. In addition, under the Employees Pension Act, they receive a gratuity payment equivalent to one year's salary.

A General Worker employed as a Casual Employee who has worked for 33Y₃ years at a retiring salary of \$4,253 would receive that amount as a gratuity and an NIS pension of \$8,852 per year.

If that General Worker were a Public Officer, his retirement benefits would be \$29,695.42 as gratuity and \$7,126 per year as a reduced pension or \$9,502 per year as a full pension. Barbados has for too long treated the casual workers in its public service as an under class. It is also unconscionable to have a person remain in casual employment for 30 years. We have an obligation to end this shameful condition.

It is proposed that the position of Casual Employee should be converted to the post of Public Officer, and appropriate amendments to the Civil Establishment Order made to establish all existing posts as well as the number specified.

This proposal will cost the Government \$1.69 million in gratuity payments as compared to the \$840,000 if they were to remain as Casual Employees.

There are also currently 819 temporary posts in the Civil Service, of which 754 have been in existence for more than 5 years.

It is proposed to establish these posts as well, although this action will not result in additional costs to the Government since anyone holding these posts for 10 years or more (the qualifying period for pension) would receive retiring benefits as though they were public officers.

Mr. Speaker these proposals will allow us to create an employment dispensation in the public service, and I trust will serve to induce higher levels of productivity.

Fiscal Impact

With this package of measures, I have gone as far as I can prudently go in balancing the provision of relief with the preservation of a stable fiscal position and with due regard to obligations that are sure to arise in the near future.

It is projected that excluding the wage increase, these measures will in a full fiscal year result in the following:

Increased Expenditure

Special Project- Attorney General	\$ 500,000
Gratuity to Casual Employees	\$ 850,000
Trading System for SEB and CSO	\$2,000,000

Reduction in Revenue

VAT (All measures)	\$45m
Income Tax	\$17m
Total Net Adjustments	\$62m

They will serve, without prejudging the expected cost of the wage settlement, to convert a projected surplus to a manageable deficit.

CONCLUSION

Mr. Speaker,

Last year, I spoke to this Parliament in terms of having taken the road less travelled.

This year the notion of the road less travelled assumes a significance that goes beyond anything I could have imagined.

For the debate about to ensue will be made interesting and colourful by the speculation as to what others might have done were they in the position to make the decisions and exercise the judgements that have recently fallen to my lot. We know, Sir, what the other side would have had to do.

Speaking in his first and only presentation of Budgetary Proposals to this House on March 28, 199[^], the then Minister of Finance and the present Leader of the Opposition set out the course he planned for Barbados. He spoke then in the following terms:

"We have a mutually satisfactory relationship with the International Monetary Fund. They understand us and we understand them. They clearly know what we are prepared to do, and when, and we know what they want us to do, and when. On the basis of that understanding we hope to conclude our discussions on an Enhanced Surveillance Programme with them shortly".

The road that the DLP had chosen for Barbados was a road under the IMF direction.

We know that it would have entailed increased rents at NHC estates, increased bus fares, the abolition of free university education and the like but I will stop short of referring to those things as constituting the "real secret deal".

Mr. Speaker, recently in August this year the IMF carried out an Article IV consultation on the Barbadian economy. Arising from that consultation, the IMF has proposed that the Government of Barbados should retain the VAT on food. To us, it was just advice coming from another source which I have rejected. Under an Enhanced Surveillance Programme such as was about to be concluded by the DLP Minister of Finance in 1994, it would have become the policy to be carried out at all costs. I will therefore, Mr. Speaker, prefer to stay on the road less travelled. 7.35 p.m.

Mr. Speaker, the people of Barbados have made a heroic effort to rebuild our nation. The measures I have introduced today are to allow Barbadians to reap the dividends from their huge investment in our nation's reconstruction.

This task of reconstruction is however unfinished. But there can be no doubt that there has been the restoration of confidence; that creative initiatives have been set in train, and major new investments are on the way to build a stronger economy and a more just society.

I have, Sir, a great and abounding faith in the future of this society. It is a faith arising not so much from the volume of investment nor the attractiveness of projects nor the finesse of our management nor the size of our GDP; it is a faith in the ordinary man; the ordinary woman; the ordinary Barbadian. For years, Barbados in its statistics on employment include*! a class of citizens termed the voluntary idle. These are those whose confidence in the economy and society have been so weak that they prefer to remain idle rather than look for work. For years, the voluntary idle among us have numbered in the thousands. In June 1997, the voluntary idle in Barbados had fallen to less than one thousand souls, and were at the lowest level ever.

It is that affirmation, Mr. Speaker, by the ordinary Barbadian of his and her confidence in the conduct of our affairs that fortify me as I undertake the tremendous challenge of holding this country to a stable and prosperous course. And the times have been challenging. No Minister of Finance has ever before been faced with the task of abolishing 11 taxes and replacing them with virtually one tax. In such uncharted territory, Sir, the scope for error and miscalculation was enormous.

I, however, made the resolve that in the judgements I had to make, I would not expose Barbados once again to the possibility of fiscal and financial disorder of the kind that has, as recently as the early 1990s, so weakened the fabric of this society. I now take full, comprehensive and utter responsibility for the consequences of the judgement that I made.

But you must believe me, Sir, when I tell you that amidst all the criticism, the ridicule, the concerns, and the advice rendered as I have sought among the vagaries and uncertainties for a solution that will last for the ages, I drew strength from the words of the Psalms "weeping may endure for a night but joy cometh in the morning".

It is in this spirit, Sir, that I am pleased to commend these Budgetary Proposals to this Honourable House and support them by the following resolution: 7.40 p.m.

WHEREAS, by its judicious and creative management of Barbados' economic affairs, the Government has succeeded in bringing about and securing a full recovery from the debilitating recession of the early 1990s;

AND WHEREAS the outlook is for a continued, strong performance of the economy in all of its sectors and spheres presaging an improvement in the standard of living of all Barbadians;

AND WHEREAS the Government has also instituted measures to translate these economic gains into lasting social improvements, and into expanded opportunities for the economically marginalised and the socially disadvantaged;

AND WHEREAS the Government has carried out a comprehensive reform of the indirect tax system, and has by these budgetary proposals, done so in a manner to avoid working a hardship on the people;

AND WHEREAS all of these have contributed and will continue to contribute to the building of a more just, a more caring, and a more prosperous society;

BE IT RESOLVED that this Honourable Assembly, takes note of the 1997 Financial Statement and Budgetary Proposals and congratulate the Government highly for its skillful and effective management of our economic affairs.

AND BE IT FURTHER RESOLVED that this House commend the passage of this Resolution.

Mr. Speaker, I am obliged to you. Hon. Miss B. A.

MILLER: I beg to second that. *Asides.*

Mr. SPEAKER: Order, order please.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 5.00 p.m. tomorrow afternoon, the 30th of September, 1997.

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

The question that the Sitting be suspended until Tuesday, 30th September, 1997, at 5.00 o'clock in the afternoon was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly. 7.45 p.m.

RESUMPTION Mr.

SPEAKER: This Sitting is resumed.

The Honourable Member for St. John. May I remind this Honourable House the Honourable Member for St. John has unlimited time. He has equal television time as the Prime Minister. The Honourable Member for St. John.

Hon. D. J. H. THOMPSON: Mr. Speaker, I wish to begin in my traditional way by thanking the people of St. John for giving me the opportunity to serve in this Chamber and thereby to be able to perform this important public function.

We were treated yesterday to a rather lengthy presentation at the end of which I was fortified in my view of the need in societies like ours for opposing views, for if we were to believe everything that was said by the Minister of Finance and he was almost tempted to say it himself, Barbados never had it so good.

Of course, Sir, the last time that the Barbados Labour Party uttered those words we all know what happened. I cannot accuse the Honourable Member of fair and flattering words to deceive the hearts of the simple minded because though not strictly speaking unparliamentary it would be untruthful. His words were cold, hard and brutal and they were delivered as if from a dungeon to calm his tormentors.

I Avant to assure the Minister of Finance that we are not his tormentors and despite all of the apologies and the pleas about hardship of the job he is performing that it is the people of Barbados, at the end of the day, whom he is required to serve.

As I prepare to respond to the Budget itself I believe that I have heard mixed emotions in Barbados. As a result of the mixed views that were expressed I have options open to me and choices to make and all of the members on this side have options open to them and choices to make.

Mr. Speaker, Sir, I do not make quick judgement. I do not recommend them to anybody and I urge Barbadians to put on their thinking caps and to reserve their judgement on yesterday's exercise for of course there were some people during the course of the day who would have appealed to members of the Opposition and encouraged us to join the chorus of encomiums and the litany of praise that came from the traditional groups who are consulted after every budget and who always receive more than they really expect and received more yesterday than they had expected. They may feel that after yesterday's presentation that we on this side should close down our tent, pack our bags and head home. Those who hope for that, Mr. Speaker, Sir, hope in vain.

Others would expect us to set about to describe what the Democratic Labour Party did in the 1990s to rescue and restructure the Barbados economy such as to lay the foundation for growth which we now enjoy in Barbados. They would want us to say, Mr. Speaker, Sir, that having changed nothing the Minister of Finance should be contrite rather than effusive in his praise of himself. Of course that would have been until yesterday.

But, Mr. Speaker, Sir we live in 1997 and not in 1991 and in the Democratic Labour Party we are acutely aware of that. There are others still who would wish us to launch into one of those traditional attacks on the presentation, highlighting only its flaws and avoiding praise where it is due. That, Mr. Speaker, Sir, has never been my approach and it has never been the approach of the Democratic Labour Party. When we agree with measures we say so. We do not hide and dodge as has sometimes been the case with our opponents, particularly those who want to say they agree with all the reforms the Democratic Labour Party implemented. It is very difficult for us to find the support which they gave to those major structural reforms. Mr. Speaker, Sir, when we do not agree we also say so and that will be the position which I believe all Members on this side will adopt in the course of this debate.

So none of the three options excite me today, Mr. Speaker, Sir. And I hope that the only accusation which could be made of me when I finish this particular presentation is that on behalf of the Democratic Labour Party, on behalf of the people I represent and the people of Barbados as a whole, that I have made a balanced analysis.

In that regard, Mr. Speaker, Sir, sometimes I wonder if some of us have a vision of ourselves. In 1986 Errol Barrow called it a mirror image at a public meeting which was held in Independence Square. He made just a few points in that speech 11 years ago which bear repetition as I reflect on the events of yesterday. He asked the question and I quote, "Which group is the wealthiest in Barbados then?" "And who has the most money to spend?" There has never been anybody in the history of Barbados with \$6 million at his disposal. The Tom Adams Government had \$600 million in each and every year at its disposal to bribe you with your own money and then spit in your face.

He went on, Mr. Speaker, "When a Government steals from people in the way of consumption taxes and takes that money and spends it on their own high lifestyles and unnecessary buildings then that Government has not only contempt for you but what is most unfortunate you have contempt for yourselves because you allow them to do it". And Mr. Speaker, Sir, he went on in that presentation to make a distinction between a country like Barbados and Singapore. An important distinction, not because I necessarily agree that all of the elements of the

Singapore model are worth pursuing but there are some very interesting parallels which we have to consider.

He said in that presentation, "But you know the difference between Barbados and that country", and I am quoting from the speeches of Errol Barrow a book by Yusuf Hanif printed shortly after his death. First, Barbados has 250 000 people. Do you know how many Singapore has on 40 more square miles, over 2V₂ million on an island just a little larger than Barbados. They do not have any sugar plantations. They do not have enough land to plant more than a few orchids on. It is one of the orchid centres of the world. They grow orchids in Singapore. They do not have enough land to plant a breadfruit tree in their backyard. And nearly every Barbadian, even in the metropolitan area of Bridgetown would have some kind of fruit tree in their backyard. Sixty percent of those 3 million people have been housed by the Government of Singapore. They do not have any oil for Ministers to steal. They do not have any beaches like we have. They are people here in this audience, Barbadians who have served in Singapore who can tell you about Singapore. There is no unemployment in Singapore. They have developed an education system but they are teaching people things that are relevant to the 21st century. They are not teaching people how to weed by the road. They are in advance of the information age.

He went on to say to the audience, but you know the difference between you and them? They have a mirror image of themselves. They are not looking to get on any plane to go to San Francisco, too far away. The Government does not encourage them to emigrate unless they are going to develop business for Singapore. They have a mirror image of themselves. They have self respect. They have a desire to move their country forward by their own devices. They are not waiting for anybody to come and give them handouts and there is no unemployment. Is that the mirror image you have of yourself? And that was the question he asked.

He was in an asking mood that evening, Sir. And, Mr. Speaker, Sir, it is strange that in this day and age that there were so many parallels 11 years ago between the practices of the Barbados Labour Party of that time and some of the practices that we are seeing creeping back into the public affairs of Barbados at this time. And I really commented, Mr. Speaker, Sir, and drew reference to that quotation because I am going to get a little further on to describe how it is relevant to what happened yesterday in the course of the budgetary presentation by the Honourable Member for St. Peter. 5.10 p.m.

Mr. Speaker, Sir, I cannot view this Budget except from the point of view of the mirror image which

the Democratic Labour Party had for Barbados. Therefore I am going to start so as to dispose of the business where some people would want me to start. Let me start with the congratulations.

The first congratulation is that would have been the first Budget in over 30 years to be conceived of in London. Not since colonial times, has a Budget come from that distant land. We had accusations about Washington in the course of our economic history ^md Budgets coming from Washington, but no leader, no Minister of Finance has yet had the courage to steal away from his people to send for an entourage of high officials, simply to avoid the legitimate pleadings of the constituents, interest groups and the people who elected him. But, that is not the worst thing about the Budget. I congratulate him nevertheless.

The second point, Mr. Speaker, Sir, relates to the delay, a September Budget. The Minister has admitted in a public statement how taxing and difficult this exercise has been, despite his five or six economic advisors. I can think of no other Minister of Finance who has had that many in the history of Barbados. This exercise of working out what happened yesterday has been a monumental task for the Minister of Finance. But again, that is not the worst thing about it and therefore, I would congratulate him for that too.

He has also asked that we view him, this is the Right Honourable Member for St. Peter, as a reasonable man. He said he is asking the people of Barbados to view the Budget against the background that he is reasonable, that he is fair and that he is just. On that premise hangs a tale and we will get to that very shortly. Having regard to the facts and circumstances of yesterday's presentation that is not the worst thing about the Budget, either, Mr. Speaker, Sir, and I congratulate him.

Another feature of this Budget has been its predictability. The Minister of Finance has done exactly what the pundits, counsellors and commentators said he would do. That is why he would have gotten so upset when the private sector released a list of goods which was about to steal his thunder in this particular Budget today. That is why we could read about tax relief in a foreign newspaper, even before the people of Barbados were consulted, or presentation of the Budget was made. Mr. Speaker, Sir, for its predictability we would also congratulate him.

There is also in this Budget the "better late than never" theory. Apparently there are those who think we should congratulate the Minister of Finance for taking \$107 million more than he needed from January 1, 1997 and giving back what amounts to \$22 million in fiscal year 1997-1998. So what he gets are the dollars and what the people get are the cents. That is what this Budget is about.

I want that to be noticed, Mr. Speaker Sir, \$107 million in a fiscal year and what he is giving back in this fiscal year amounts to \$22 million. I say that for the benefit of all those who were commenting during the course of the day as if \$45 million was going to be given back to the public during the course of this fiscal year which we all know ends at the end of March, 1998.

Mr. Speaker, Sir, apparently we are also to congratulate the Prime Minister for bringing a budget in September but treating us to the same information that we would have had, had he brought it in March.

He published an economic report last Friday. It is dated September, 1997 and this information relates to 1996. Had the Budget been in April, we would have had access to that same economic report and in the course of his analysis, yesterday, in about three pages he sought to update Barbadians on what had happened in the Barbados economy between 1996 and September, 1997.

We go into this budgetary exercise without the kind of information, which in the public concept is desirable and necessary to have a full and proper debate.

The outlook which he sets out in his Budget for 1997 would bereft of a sectoral analysis. No figure was given for GDP, he said it would be on average. No projections on inflation, prices would tail out. A lot of gobbledegook. No specifics. Coming as it did, from a Minister of Finance who said he is an economist, a forecaster, and who has special skills to bring to the economic debate in Barbados, Perhaps this is a new level of performance.

Finally, Mr. Speaker, I want to congratulate the Honourable Member for bringing a visionless Budget, once again devoid of a job strategy, which fails to address critical deficiencies in the social sector and throughout Government's operations.

I want to take a look at that economic scenario based on the information which was given, scant as it is. The economic growth in 1996 in terms of the traded sector, the contribution of sugar production to growth in GDP was very strong. There was a 59 percent improvement and the contribution of sugar moved from \$15.6 million to \$26.4 million. In the coming year, which is 1997, sugar will either not grow at all or there is also the possibility that it might decline slightly.

Growth in tourism is not commensurate with the investment that Government has made, despite all the talk. In 1993 and 1994, tourism grew at rates of 7.3 percent and 9.4 percent respectively. In 1995 and 1996 it grew by 1.0 percent and 5.8 percent respectively. For 1997 tourism output is expected to grow very moderately.

The European markets on which we are depending are expected to remain weak. In that regard, I should remind one person who I heard commenting on the Budget that tourism output is measured by bed nights and not by spending. Therefore, stronger performance from the U.K. market would lead to increased output since you are dealing with longer stay and not necessarily higher spending visitors. It is a very important point that needs to be made. Tourism spending is down despite the arrivals and that is a fact that cannot be contradicted.

In the offshore sector, Mr. Speaker, Sir, the impression the Government would like to give is that it is robust. Of course, we would like it to be robust, but the truth must be told. You cannot measure the offshore sector's contribution by the number of registrations of either IBCs or offshore banks. It is not the basis of registering or standardizing it. This is why many of the accountants and so on say they cannot easily measure the contribution of the offshore sector to the Barbados economy. In fact, if you were to look at the Annual Report of the Central Bank for 1996 on page 8.

It says:

"Activity in this subsector has expanded rapidly since the mid-1980s,"

[this is the 1996 report]

"especially during the last five years ..." [That

would have to mean between 1991 and 1995]

"... as reflected in the growth in employment and the number of licensed companies recorded by the financial services unit of the Ministry of Foreign Affairs, Tourism and International Transport."

And it goes on, Sir, in this box, to make the point that over the last 5 years the data processing services have been a growing proportion of IBCs activities.

"There are currently thirty five such companies in Barbados, employing over 2 500 persons, more than triple the number employed in the industry in 1991. However, employment in this subsector declined somewhat in 1996, compared with the 1995 figure."

I can think of no factor which could lead the Right Honourable Member for St. Peter, his 5 economic forecasters, the Central Bank or anybody else in Barbados that could produce optimism about major growth in the offshore sector in 1997. So we have to discount that. 5.20 p.m.

If we look at exports, Mr. Speaker, Sir, and this is where the real test of the Right Honourable Member's

analysis comes to the fore. What is said on page 19 of the Economic Report defies explanation at first blush, but if you do some investigation about what is happening in exports in Barbados on the ground you will discover some useful information.

The Report says:

"Notably exports of drink concentrates to Venezuela constituted a significant share of exports of food and beverages. The earnings of this subsector increased by some \$54.3 million during 1996."

Mr. Speaker, Sir, that is also repeated in the Central Bank Report on page 18 where it is set out that:

"Food and beverages rose steeply, by over 50% for the second consecutive year. This was due primarily to a sharp increase in receipts from drink concentrates which were estimated at \$32 million in 1996, following a mere \$4.5 million in 1995."

This export of juice concentrate would have contributed substantially to the export performance during 1996 by the company which was producing drink concentrates in Barbados. That performance will not be recorded again because we understand from information received that that company will not continue to operate out of Barbados and be exporting those drink concentrates into Venezuela, that it in fact will be done out of Brazil or some other Latin American country. So we cannot depend on further major growth in that area.

Inflation doubled between mid-1996 and mid-1997 and this was a direct result of the implementation of the Value Added Tax. On the issue of unemployment statistics, Mr. Speaker, Sir, this is very important. In 1995, the Right Honourable Member for St Peter journeyed to his constituency to speak to his constituents at -a public ceremony, his constituents with whom at least he should have a bond of trust. He told them that the Government had created 10 000 jobs.

Maybe he tried to create 10 000 in St. Peter. That has not been my experience and none of the Honourable Members on this Side can say that it is their experience and I do not wish to question you on that point at all, Mr. Speaker. And were it not for the vigilance of the Democratic Labour Party, that misleading statement might have gone unchallenged in Barbados. It was as a result of the Honourable Member, who was then a Senator, the Honourable Member for St Michael North-West, who with a trained economist's eye, looking carefully at those statistics, came to the conclusion that that statement could not have been correct.

It was an utterly misleading statement made by the Minister of Finance and for which he later apologised to the public of Barbados at a ceremony at the Barbados Workers¹ Union Headquarters on V ^ .rmony Hall.

The truth is that we are in September 1997 and this Government has not even yet Created 10 000 jobs in the Barbados economy. Not even yet, and we are in September 1997. And the fascinating attempt to manipulate statistics has continued.

We heard the figure of 14% unemployment bandied around in here yesterday. Mr. Speaker, Sir, I want you when you get a chance to turn to page 69 of the Economic Report, if you have not read it already, Sir. I know this would be of great interest to you.

The fourth quarter of 1996, it quotes the unemployment rate at 14.3% and Mr. Speaker, Sir, unsuspecting Members on that Side have been running all around Barbados quoting that unemployment rate and that the Barbados Labour Party had achieved that unemployment rate in 3 short years.

Mr. Speaker, Sir, there is a footnote which a few people may have missed and I want to draw it to the attention of Members on that Side. It goes like this:

"Figure for the unemployment rate in the fourth quarter of 1996 is low due to problems incurred in the survey process."

But that was bandied around in here yesterday as some authoritative figure.

Mr. Speaker, Sir, the Right Honourable Member for St. Peter is the last person I wish to hear from on anything to do with unemployment statistics in Barbados. Almost every source that he has quoted in relation to unemployment statistics and even when he has not quoted sources has been erroneous, misleading and calculated to mislead. I withdraw "calculated to mislead", Mr. Speaker, Sir. I do not want anybody to interrupt me on this point, accusing me of unparliamentary language.

Mr. Speaker, Sir, those statistics have been entirely misleading from beginning to end and the only person that I have heard quoting them is the Right Honourable Member for St. Peter. So the figure for the unemployment rate for the 4th quarter of 1996 is low due to problems incurred with the survey process. That was the same survey process on which the Right Honourable Member for St. Peter was relying to say in this debate that he is almost at the point of "Mission Accomplished", when it comes to jobs. Mission Accomplished. I will get to that.

It is interesting too, that between 1994 and 1996, the numbers in the labour force have declined. If you take a look at those statistics, you will see it. There is a lot of manipulation going on and, as I said at the beginning, Mr. Speaker, Sir, I did not want to get in this debate to the stage where I found myself accusing the Right Honourable Member for St. Peter of seeking to flatter people with language when at the end of the day it is fair and flattering words to deceive the heart of the simple-minded. I do not want to accuse him of that.

Mr. Speaker, Sir, let us look at how the reserves have been built up in Barbados, the reserves for which the Right Honourable Member for St. Peter boasts so much. It is our view, Mr. Speaker, Sir, and there is evidence to support it, that a lot of that reserve accumulation has come from the correction of the fiscal deficit which began in about 1991.

Since then the Right Honourable Member has remained committed and fixed in his view that the most appropriate approach to fiscal matters is to maintain a very low fiscal deficit. And it is that that has contributed more than anything else to the reserve accumulation.

It has not come from any spectacular performance in the trading sector of the economy and, Mr. Speaker, Sir, even if you look at a recent Maxwell Stamp study on a support programme for the industrial sector, a 1997 study, and this is talking now to the future of whether this so-called growth of which the Right Honourable Member for .St. Peter speaks can be sustainable. It points out that industrial and export competitiveness in Barbados are based on these scenarios.

- (a) real wages have remained stable in the industrial sector since the early 1980s;
 - (b) export prices have decreased relative to those of competitors and prices in the export markets; and
 - (c) labour productivity has significantly improved.
- 5.30 p.m.

Now, that is important, Mr. Speaker, because like all of the other reports that you analyse, the question of the sustainability of growth in the traded sectors of the economy of Barbados is coming up time and time again. I am saying that the Government cannot boast this significant improvement in the economy based on the figures* which we have available to us in relation to the trading sectors. Much more would have to be done to increase exports.

The Honourable Member cannot grow manufacturing, as they say in the *American Newsweek*, on the basis that real wages will remain stable or decline in the

industrial sector. I am assuming that is not the basis for the Honourable Member's theory which he put in the course of his Budget presentation, that we are well on the way to building a genuine export culture in the fashion of the really successful emerging middle income economy. Obviously the Honourable Member for St. Peter does not understand how those emerging middle-income economies grew and what was the basis of their sustained export competitiveness. So, Mr. Speaker, the Honourable Member for St. Peter has not in this Budget, or in any other presentation that I know of, put any alternatives on the table to boost exports.

In 1995 duties were removed and other imposts on raw materials that were imported amounted to a concession of about \$5 million. At that time, caught up in the euphoria, as some people are caught up today in the euphoria of the Budget, we heard that it would have created 18 000 jobs in five years. The removal of \$5 million in imposts would have created 18 000 jobs in five years, Mr. Speaker. That is what this country was told.

Now, Mr. Speaker, the manufacturing sector is not going to register appreciable growth for 1997 and the Honourable Member for St. Peter was very careful, as I said, to avoid any sectoral analysis. So all he talked about was the build-up of the reserves, and all he talked about was some of the very general principles about the possible performance of the Barbados economy in 1997.

There was no vision articulated on how he would arrest whatever slowdown there has been in the growth of manufacturing in Barbados. Therefore, Mr. Speaker, we need to hear from the Honourable Member for St. Peter on matters such as this.

We also want to ask the Honourable Member for St. Peter whether he believes that continued growth in the export sector will come from increased labour productivity because if he believes that, Mr. Speaker, he would also believe that downsizing is having no effect on workers in this country, that uncertainty in the workplace is having no effect on workers in this country, that poor public transport is having no effect on workers in this country, that reduced nutrition as a result of the imposition of the Value Added Tax has not had an impact on workers in this country, that unemployed families in which one person may be working and supporting 4 and 5 others is having no effect whatsoever on labour productivity in Barbados.

Mr. Speaker, I know that the Honourable Members on that Side cannot believe any of that. Therefore, it cannot fall from the mouth of the Honourable Member for St. Peter, in this particular Budget, to believe that we are well on the way to building a genuine export culture in the fashion of the really successful emerging middle income

economy. This does not yet characterise Barbados, neither in 1996 nor in 1997 and nothing that the Honourable Member has said yesterday would suggest that it will happen in 1998. Therefore, we must not fool ourselves, Mr. Speaker.

To cap all of what I have just said, the Honourable Member for St. Peter indicated in the Budget that the increase output in 1997 will come from the foreign exchange using sectors. Now, Mr. Speaker, having spent just 4 or 5 paragraphs ahead of that warning the country about how quickly you can lapse back into the situation that we were in in 1991 and 1992, the Honourable Member for St. Peter had no concerns to raise with the people of Barbados, had no strategy to outline to the people of this country on how he was going to reverse that particular situation. Does that give the Honourable Member for St. Peter comfort and can he truly say that we are on the correct path?

Now, Mr. Speaker, that gives the scenario in which this particular Budget was presented to the House. But, Mr. Speaker, we cannot forget one of the most important aspects of the Barbados Labour Party's election in 1994. No one is saying that every budget should address all of the relevant issues in our society but one has to be alarmed, Mr. Speaker, that this Administration, despite the many promises made in the last election campaign, Job No. 1 is jobs, 30 000 jobs will be created in Barbados, that the issue of jobs still remains substantially unattended by the Barbados Labour Party and in a Budget which was preceded generally by pathos - The Honourable Member was begging people not to be too hard on him. He was tired after working in London and going to the World Bank and all over the world so he wanted us to sympathise with the great issues of State which he has to deal with - a Budget which was without wit altogether.

The funniest part of the Minister's allegation was that it will only be a matter of time before the Government will be able to report "Mission accomplished" and Mr. Speaker, somebody yesterday asked what was the mission. For in 1976 the Barbados Labour Party promised 25 000 jobs. A lot of people are forgetful but we have not forgotten, they ran all over Barbados in an election campaign and said that they were going to put in place the policy to create 25 000 jobs so this is not the first time, Mr. Speaker, and when it was leaving office in 1986 there were actually some members of the Barbados Labour Party who were boasting that they had created 25 000 jobs.

Mr. Speaker, independent evidence of trained economists and others proved that allegation to be absolutely untrue, a shameful untruth uttered throughout Barbados, so when we reflect now, we have to find out what the mission is, whether the mission is really to create the jobs or to fool people. What is the mission? To fool the public of Barbados?

This Government would have to create 22 000 jobs over the next two years before it can even get near to saying "Mission accomplished." What the people of Barbados voted for in 1994 were jobs and what they got in return was smoke and mirrors, tricks, Mr. Speaker, an attempt to fool the public by manipulating statistics and, as I say, walking around Barbados and quoting figures out of the air.

In 1997, despite its rhetoric, this Government has not been able to point accurately to where jobs have been created on the basis of the Leader's premise - I am not talking about jobs created in ^Government because the Honourable Member for St. Peter said that there were two ways to create jobs. I sat and heard him more than once saying, and there are other Members who have documented this, that there are two ways you can create jobs, expansion of existing businesses or creation of new ones. I want to know where under those two headings this Government can point to major job creation in Barbados since 1994. 5.40 p.m.

It has abandoned that theory and to this day, Mr. Speaker, Sir, the Minister of Finance and the Minister of Economic Affairs together with its trusted associates and its five economic advisors have not been able to design a job strategy either in collaboration with the social partners or on their own for the consideration of the social partners. The private sector believe that job creation is Government's responsibility and the Government has already said that it is the private sector's responsibility, that is the theory of the Honourable Member for St. Peter. Of course, the Government does not want to run out of time without creating some jobs and it would be very silly if it did run out of time without creating some jobs. So what we had in recent times, Mr. Speaker, is the Government of Barbados taking up the slack by satisfying some of its supporters and creating jobs in various Government Departments in Barbados. Even when they lay off people in one Government Department, when they lay off people in one Statutory Corporation, they set up another Commission and they do not even have the decency to offer those persons jobs in that new Commission which they established, that is the character of the Government which the Honourable Member for St. Peter leads at this time.

Mr. Speaker, I am still to meet the young people from St. Philip, the young people from St. John, the young people from St. Michael East who have been liming on the block. Where were the jobs created for them? The Members on this Side go into their constituency. We heard the Honourable Member for St. Joseph in the course of this session indicate the great difficulty he was having because of the selectivity in the employment practices and the fact that his constituency was being ignored. We have had another Member on the Barbados Labour Party side make almost the same kind of allegation.

Mr. Speaker, Sir, we have to ask where these jobs have been created. To cap it all, that is why if you were looking for the wit close enough you would have found it, if you were looking for the humour in the Honourable Member's presentation, you would have found it. When people told me that it was humourless, I said, not really. You have to take it up and read it again because he said that the voluntary idle are disappearing. I would have to ask whether they are retiring and whether they are receiving pensions now, Mr. Speaker because there was a previous Minister of Finance, who took great pleasure in advising, who established the category called voluntary idle, and that is about 20 or 25 years ago so by now they should be retired, Mr. Speaker, Sir, and that is why the Honourable Member for St. Peter is finding it difficult to detect where they are - the unemployment statistics.

This is the record of the Barbados Labour Party today. They do not want us to talk about the creation of jobs, Mr. Speaker, they do not want us to talk about it. You would think that the answer to that would have been to create a job strategy for Barbados in which we could identify how we are moving forward in relation to jobs in this country. It is fine to talk about the VAT and Income Tax deductions but they are thousands of people in Barbados who get up every morning with one equation in their mind 'nought from nought leaves nought'. They are not working anywhere and therefore the equation in their life is nought from nought leaves nought.

Unless the Honourable Member for St. Peter and his Government can stop playing around with the smoke and mirror and treating Barbadians to this diet of misinformation about the true unemployment situation in this country, we will continue to point out that the mission has not been accomplished and it is not even near to being accomplished. We will scrutinise every single unemployment figure which this Government puts before the public of this country.

Mr. Speaker, I wonder if we still genuinely believe that it is possible to have growth, increase the standard of living and create enough jobs. The Honourable Member for St. Peter talked about those haunting words about 'jobless growth', as if the kind of growth that we have had has produced so many jobs in Barbados that he can forget that there was joblessness.

Mr. Speaker, this is still one of the very critical and important aspects of life in this country, the sector of unemployment. The story from the Barbados Labour Party to those persons who have been carried along in the excitement of the promises of 1994, has been this - late 1994 and early 1995, the Government was saying that they did not know where the promise came from and until a reporter in New York documented who made the

promise and where, the Government was trying to deny that anybody had promised 30 000 jobs. That was the first screen or the first set of smoke. Then when they realised that they could not deny it because the facts were incontrovertible, like the fact that 10 000 jobs have not yet been created in 1996 they then started to say that job No. 1 is training, not jobs anymore. So they set up all these training programmes and that became Government's priority in the Budget of 1996.

Mr. Speaker, Sir, by late 1996, the Honourable Member for St. Peter had a chance to reconnect with the people of Barbados because he drove through St. Michael North West and then came to the conclusion that poverty alleviation is job No. 1 and not jobs. So he then structured a whole series of programmes to tackle poverty alleviation and not jobs.

Mr. Speaker, Sir, the story unfolds and in 1997, I have to find the page because I do not wish anybody to believe that I was misleading the Honourable House even though when they hear it they would be likely to come to the conclusion that somebody would have to be misleading the House to say it. Turn to the Budget, Mr. Speaker, at page 25. Mr. Speaker, Sir, I told you there was some wit in the Budget.

"Once Barbados came on its present course, Mr. Speaker, it will only be a matter of time before we are able to report, 'Mission Accomplished'.

Capital M, capital A and in inverted commas. Mr. Speaker, Sir, that is the message that the Honourable Member obviously wishes to deliver to the people of Barbados. Now has he started to believe that propaganda and has the Government started to believe its own propaganda? In one debate one Minister said that the Government created 19 000 jobs already. Then a Senator who is a statistician said it was only 9 000. I believe that it was how the Honourable Member for St. Peter got somewhere in between there and you know that he likes to err on the side of caution so he went to 10 000 rather than 15 000 at that time.

As Errol Barrow said, Mr. Speaker, are we going to allow the Government to steal our money and spit in our faces? Are we going to allow them to do that? How can you alleviate poverty without creating jobs? At no point in this debate on poverty alleviation has anybody established that the most important and fundamental way in which you can alleviate poverty in any society is to create jobs. A job gives a man self-respect. It gives a woman self-respect. A job gives a youngster self-respect. It gives them motivation, not handouts. Every country in the world is moving from welfare to work and Barbados is moving from work to welfare. This country is moving from work to welfare.

Millions of dollars set up in poverty alleviation funds to dispense and people are now being told that if you do not see your cheque in the mail, line up at the Welfare Office with evidence. If your \$350 dollars do not come home at you, go and line up at the Welfare with supporting evidence. So Bill Clinton, a Democratic President, is trying to move his country from welfare to work. Tony Blair, a labour government is trying to move the British economy and the social matrix from welfare to work and, Mr. Speaker, Sir, in Barbados the Honourable Member for St. Peter is moving Barbados from work to welfare. That trend goes against international economic theories of this age. But at the level of morality we are saying in the Democratic Labour Party that the creation of jobs in Barbados must be the prime impulse of any Government at this time in our economic history. That is the only point we need to make about jobs. 5.50 p.m.

What you have in Barbados, Mr. Speaker, Sir, is an economic environment that is not secure for individuals. The private sector was given concessions on the basis that they would create jobs. The jobs did not materialise so the taxpayers had to pay twice. You pay in concessions, for every dollar in concessions is a dollar that could be spent elsewhere by the Government on social programmes, education, training, whatever. And then you pay because the Government increases the wage bill by taking on workers because of the pressure which it is under, it creates jobs in this economy. So the few who are working also have to pay twice, Mr. Speaker, Sir, for joblessness in Barbados.

The second point that we want to make about this budget relates to the question of redistribution and this is a very important consideration because this issue of distribution, Sir, comes at two levels and I think the people of Barbados understand it very clearly. If you listen to their comments you would understand that they understand it clearly.

Now that we have gone through the period of sacrifice, now the Honourable Member for St. Peter is alleging that we are on to a path of sustained growth in Barbados, now we are moving into the scenario where he is able to say that we are going to get to the stage where we can mimic the emerging middle income countries of the world, now we have got to that stage, Mr. Speaker, Sir, who is to benefit from the sacrifice which is taking us there? And that is a very important question.

In the Honourable Member's presentation he said to this Chamber that the Government is paying its way in the world. They must be paying back the IMF, paying back the World Bank, paying back the IDB, paying back private banks which have lent Barbados money, paying back all

of those institutions. But, Mr. Speaker, Sir, there was a group of people in Barbados who made a sacrifice in 1991. They probably did not expect that the Government so soon after 1991 would have reaped a windfall from its tax policies, but the Government has and they advanced money from thousands of public officers on behalf of this country by way of an 8% pay cut, Mr. Speaker, Sir, to assist Barbados in difficult times. And, Mr. Speaker, Sir, now that the Honourable Member for St. Peter, in his calculations has worked out that for a full fiscal year he would be raising \$107 million in excess revenue from the Value Added Tax the Government is going to pay everybody else, but the persons who made that contribution and that sacrifice in 1991 are not even being considered for repayment.

Now, Mr. Speaker, Sir, this is a very important factor because in that period productivity in the Civil Service was maintained at almost the same level. I think it is very critical that we have to understand where the Democratic Labour Party is coming from. This Government was elected on the basis that it was going to right wrong things in Barbados. The Honourable Member for St. Peter said that he was not going to build any monument to his ego, that he was going to deal with the little niggling concerns that Barbados has. They said it was immoral for the Democratic Labour Party to withhold the 8% pay cut, so their answer to it was simply to move a constitutional amendment. That is all, Mr. Speaker, Sir.

Mr. Speaker, Sir, we believe on this Side that in circumstances such as this where the Minister of Finance indicated that the introduction of the VAT, he did not say it would be revenue neutral. He said the introduction of the VAT in Barbados would reduce taxation. He did not say it was revenue neutral and we will get to that. But instead of that he will raise, if the VAT were to remain on food for a fiscal year, \$107 million and Mr. Speaker, Sir, those persons who advanced that money to Barbados in that difficult time do not number among those for whom he is concerned in 1997. Everyone else is being paid back. What about them? If you said it was wrong and were elected to right wrongs, why is it that the public officers of Barbados cannot get back their 8%.

So, Mr. Speaker, Sir, much song and dance has been made about the lightness of the pay cut, but what about the pay back.

We had a meeting with the trade union recently, Mr. Speaker, Sir, and the Democratic Labour Party had made a pledge to the public officers of Barbados at the time in 1991 that if they had won a case at any stage in relation to the pay cut that we would honour the decision of the court and pay back the money to them. The General Secretary himself, the President of CTUSAB himself reminded me

that that pledge was made by the Honourable Member for St. Michael South at a meeting which he held with him. That is what he said. That if the trade union won any of the cases. That is what he said, that is his understanding of the Democratic Labour Party's pledge. 6.00 p.m.

Mr. Speaker, Sir, all of that is irrelevant because the Barbados Labour Party by 1994 was elected and the Right Honourable Member for St. Peter has totally forgotten his responsibility to those persons who made the greatest sacrifice with no conditions in 1991.

It is what the Democratic Labour Party's position, very clearly is on this matter. When the 1995 debate took place in here on the constitutional amendment, the Democratic Labour Party took the position then that if it was so moral and so just to amend the Constitution that the Government had to go a step further and should pay back the public workers the amount which had been deducted from them during the time of economic crisis.

Mr. Speaker, Sir, that does not move the Right Honourable Member for St. Peter and I am not surprised that in circumstances such as these that it does not move him. But, we are going to continue to press in that regard particularly against a background of the wage negotiations which are going to be taking place in Barbados in the coming months. The Right Honourable Member for St. Peter has said that he has put aside a sum of money significant enough to meet the legitimate demands of the Trade Unions in relation to the wage settlements whenever it comes. We shall wait and see what happens at that time.

There is a second more important level in relation to this question of distribution. This Budget is not just about the distribution of tax largesse. It is a question of the distribution of real resources which would secure Barbadians in their own economy. At the center of this debate should be issues, Mr. Speaker, Sir, like secure sustainable jobs, ownership of land, access to resources, not welfare," so that people can secure the foundations on which their families are being built. It is what this Budget debate has to be about.

What transpired yesterday, in the form of the gyrations of Members on that Side, as the Right Honourable Member for St. Peter made his tax recompense, alarmed me. They were thumping the tables with glee. Mr. Speaker, Sir, were these Members of Parliament not aware that without a strategy to create jobs the security of every citizen of Barbados is compromised? Crime, mendacity, lack of self-esteem, all of these will continue to plague unemployed youths. Is the Government happy about job creation in Barbados?

Mr. Speaker, Sir, were these Members of Parliament not aware that despite the economic growth, thousands of Barbadians still cannot find even a small lot of land, 5000 square feet even, on which to site a house. A young lady called me this morning on the telephone. She saved for three years to buy a chattel house. She bought the house. It was required to be removed from the lot, so it was dismantled. She propped it against her mother's house and it has been there for 14 months. She cannot get a house spot in Barbados. She has been to the National Housing Corporation about 15 times and she is a low income earner. She cannot get a unit, even if she wanted it. So, she did the next best thing. She bought a chattel house and went and searched for a lot. She cannot find a lot of land anywhere in Barbados.

Meanwhile, and it must be said in this debate, there are people who can book house spots, villas, houses, mansions from as far away as Germany, having never visited Barbados. They can buy plantations even from the Government's related companies. We are not saying that people should not engage in those kinds of developments.

What we are talking about is balanced development in Barbados, such that Barbadians can also get access to land to build houses on, if others are being allowed to come here and access land to build houses on. Barbadians must have access to some houses provided by Government, rented from Government. If others are able to come here under all kinds of arrangements and access apartments and houses and villas, that Barbadians living in low income circumstances should not feel as though they too have to pick up a magazine and look for a house spot in some other country in the world because in the land of their own birth, they cannot find 5000 square feet of land, in some cases, even less, to put a house on.

The Right Honourable Member from St. Peter is right to laugh or yawn, as he has been doing in the course of this debate. He said he was tired and I accept he is bound to be tired. The Members on that Side, as well as some who have recently come on this Side in the past couple of days, not on this Side as in the Democratic Labour Party, this Side of the Chamber, have been constantly criticising their own Government for its failure to deal with some of these basic issues. The fact that the Right Honourable Member for St. Peter seems totally oblivious to the plight of thousands of Barbadians living in low income circumstances in this country.

What priority is this Government placing on the access to land resources in Barbados? Right now, of every 20 people that I may see at my branch office on a Saturday morning, ten of them are looking for house spots. It is the experience of almost every Member of Parliament in

Barbados. There are more people who come now to Parliamentarians for house spots than come for assistance in getting jobs.

Asides.

Hon. D. J. H. THOMPSON: The Right Honourable Member for St. Peter has made the deduction that means therefore jobs have been created. Only he would make that deduction. They are so despaired about jobs, they do not bother to go to anybody about them. Perhaps I should inform the Right Honourable Member for St. Peter of that. So you do not need to get gleeful about the fact that they do not come for jobs.

Asides.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, they cannot get a house spot. The Honourable Member for St George North has had to lament that fact about the number of applications at the National Housing Corporation and the back log of applications for house spots in Barbados. It is a major problem.

The Government can fast-track marinas, fast-track all kinds of developments in this country, but it cannot fast track access to land or housing by low income Barbadians. The hurtful part is that these are the same people that a Government turns to in times of difficulty. When other people can return to their home lands, we have to depend on the salt of the earth Barbadian to make sacrifices to rebuild Barbados. It is what happened again in 1991.

Mr. Speaker, Sir, when things are going well it seems as though the Government forgets that these people exist. Nothing can be fast-tracked for them. No concessions can be offered to them, because they would have been paying the same VAT on building materials while a law called the Special Development Areas Act was passed in this Chamber before the VAT was introduced in Barbados. Mr. Speaker, you told me that I could not speak about it, because I was anticipating the House, then. But I am not anticipating the House now because the VAT exists.

That legislation exempted investors in certain areas in Barbados from the VAT before it was introduced. Six months before the VAT was introduced, they were already exempted. The pensioners had to wait until Old Year's Night when the Prime Minister felt that it was appropriate for him to come on the television screen to tell them what relief they would be getting, and the people who were to get \$350 from the Government have not got it yet. It was to be posted to them in due course, and those who do not get it in the post have to go and line up at the Welfare Department. 6.10 p.m.

This is the kind of Government that we are dealing with in Barbados today, Mr. Speaker, Sir. Special Development Areas were exempted up front. All categories of people can be exempted up front. The people who in this Budget are going to benefit from the zero-rating on food, on things like sardines and corned beef and ground provisions and cane sugar and rice and cooking oil, he could not exempt them 6 months before. Oh, no, Mr. Speaker, Sir, he had 5 economic advisers who were working prudently and carefully on the designing of a VAT which would give tax relief to Barbados, not impose more taxes. Mr. Speaker, they were not in his reckoning then. The people investing in special development areas, the people in the marinas and so on they were all getting the concessions, but Barbadians who make the sacrifice when this economy is in its most difficult period, they had to wait until yesterday, 9 months after the VAT was introduced, nearly \$100 million in money collected from their pockets. They had to wait all of that time for the Right Honourable Member to zero-rate.

You know what advice he gave to them? "You see the problem with all you?" - this is the Right Honourable Member for St. Peter telling the people who elected him to this Chamber not the people who visit here for 2 weeks a year, not the ones that would be coming in a boat in a marina or buying houses, from Alaska or Germany, the people who elected him, he told them, "You know what you all's problem is? All "ah wunnah" want to go to heaven, but you don't want to die." That is what he told the people who elected him to serve their interest in this Chamber. He did not say that to anybody who was going to benefit under any Special Development Areas legislation. So he would help them die.

Mr. Speaker, Sir, when I think about what has happened to Barbados under the leadership of the Right Honourable Member for St. Peter in this regard, it is amazing. As they were thumping their desks and being prompted to get excited about this relief for food I kept asking myself as I looked across at the men, because they said they were men and we were mice, I said to myself, were these Members of Parliament not aware that all is not well in Barbados?

If the only issue in Barbados was the removal of VAT on some foodstuff or income tax adjustment, why am I in Parliament? Why are they in Parliament? If that is the crowning glory, and one Member of Parliament as soon as the Budget was finished jumped up and she said, "Call elections now! That is an election budget."

Mr. Speaker, Sir, did that Honourable Member mean that if elections were called now the only issue would be VAT relief in Barbados?

Hon. Miss M; A. MOTTLEY: Mr. Speaker, the Honourable Member indicated that there are only men in here. I interrupt the Honourable Member not lightly, but I take very serious exception to a blatant lie being told. I am one of 3 Honourable women in this Chamber and I have every intention of setting the record straight. I never did that and to my certain knowledge, neither of the other 2 women did that. As usual, it is just an extension of the fanciful imagination of the Leader of the Opposition.

Hon. D. J. H. THOMPSON: Maybe I just heard a mouse.

Mr. SPEAKER: Honourable Member, please could we proceed orderly.

Hon. D. J. H. THOMPSON: Mr. Speaker, Sir, does somebody over there believe that if elections were called now in Barbados that the only issue would be VAT relief, that the only issue would be income tax relief?

Mr. Speaker, Sir, a constituency in St. Michael in this country went to the poll in December, 1996 before the VAT, not after. I wonder if the Honourable Members on that Side remember the result. I am not surprised at that intervention. Obviously somebody had a copy of my speech because they would be in the best position to remember that result having managed that campaign.

I remember it and that was before the VAT. So do not walk around with your heads in the clouds in Barbados believing that removing the VAT on food stuff is a major act of social engineering which has made anybody a martyr or saint in the political and economic history of Barbados.

I have to ask another question, Mr. Speaker, Sir, were those Members of Parliament thumping the tables in support, not aware that even the minimal wage, where if exists for certain categories of workers in Barbados, is barely enough for them to survive?

There are agricultural workers in my constituency, agricultural workers in other rural constituencies carrying home less than \$100 a week. There are workers in industry in Barbados - the Maxwell Stamp study without giving the figures can point to that - whose wages have not changed in real terms since the 1980s, who are carrying home less than \$120 a week. Mr. Speaker, Sir, when they get home they have unemployed brothers and sisters, they have elderly parents or they may have children who they have to take care of on those salaries. As I heard the Honourable Members thumping their desks on that Side I had to ask, "Were these parliamentarians? I must admit I did not see the Honourable Member for St. Joseph thumping his desk. I do not wish to impute improper motives."

Were they aware that the \$350 welfare grant which the Prime Minister has again referred to in this Budget, having referred to it on Old Year's Night 1996 that it has taken 9 months to effect payment of that grant; \$350 to 11 000 people. As I said, he is beforehand letting you know if you do not get the money, go down to the Welfare Department with documentary evidence. That sounds like the commercial banks when they tell you bring supporting evidence, a deed, house deed, insurance for your car and life insurance, *etc.*

The Right Honourable Member wants supporting documentary evidence for means testing. You have to carry your wages slip, your pay packet and show the Welfare Department that you are not getting more than the minimum wage and then for one whole year the Government is going to give you a cheque for \$350, a princely sum, I am certain the Right Honourable Member for St. Peter would wish to say.

Mr. Speaker, Sir, in that same by-election that I spoke about earlier, I met many young people, many people, who felt that this House of Assembly and politics are a complete waste of time. I met more than I usually meet. They believe that the men and women in here, the Honourable Members, Sir, have spent the first 2V₂ years doing things which impacted very little on their lives. 6.20 p.m.

I met public service vehicle owners who felt like pariahs in their own country, and who were almost taxed out of existence by the Minister of Finance, who also wanted them to go to Heaven so he decided to help them die.

I met public workers who felt that despite the sacrifice they made that others were reaping the sweets and the rewards. I met hundreds of young people who scoffed when they were handed weed whackers - of course, I told them to take them - and wheelbarrows and all kinds of equipment and other inducements. All of them felt that Barbados is not for them. Much of that exercise told me that the credibility of this Government is on the line. The question arises, can you trust this Government?

I am not talking about him, Mr. Speaker, from the point of view of victimisation in the public service. I am not talking about the vendettas the Government has raged even against its own Members. I am not dealing with that today, Sir. I like how you look at me though. I think you understand just what I mean.

Mr. SPEAKER: I just listen.

Hon. D. J. H. THOMPSON: I know. I agree. It is always better to let me make the point for you, Sir.

This brings me to the issue of the Value Added Tax which is what we need to debate in here today. It is very, very important. I want to start by saying "Oh what a tangled web we weave, when first we practise to deceive."

Mr. Speaker, I was not here for the debate in August on the Value Added Tax so I had to examine the records and I had to get information from Members on this Side about what transpired in the course of that debate. I have made some copious notes about what they said happened. I am not going to quote from Hansard but I am going to quote from those notes that I have made.

It was an interesting contribution from the Honourable Member for St. Peter and as I tell the story, I hope that Barbadians will bear in mind credibility. I hope that Barbadians will bear in mind forecasting skills. I hope that Barbadians will bear in mind a concept known to law - I am not accusing anybody of it - called malice aforethought. They have to bear in mind those three things.

Mr. Speaker, the Honourable Member for St. Peter said that his policy and the policy of his Government, that is during that debate, which he said was represented in the VAT legislation, is that given that we all agree in all the political parties that indirect taxes in Barbados are too high, that a revenue neutral approach, which means that the new tax when introduced will not raise more money than the taxes which it was replacing, that that would merely institutionalise the status quo.

He said he was not going for revenue neutral. That did not go far enough so that when he was removing 11 taxes, that when he replaced them with the VAT his concept was that the VAT should bring in less money. That was the Government's policy. That was the Government's pledge to the people of Barbados, that in introducing the VAT that it would not be revenue neutral. He accused the Democratic Labour Party of talking about revenue neutrality. He said: "No, No. I do not believe in that I want to reduce taxes. I want to ensure that when I replace it with the VAT that there is a tax ease in Barbados." He said he is not just using tax reform to simplify the tax system, but he wants to bring tax relief. That is what the Honourable Member said. Who would believe it?

He said he wanted to stress that point, Mr. Speaker, about tax relief because he said the essential difference between what was proposed by the Democratic Labour Party and what he brought to Parliament in the Tax Bill was some element of tax relief. So he said he built tax relief into the structure of the rates. All of this the Honourable Member for St. Peter promised just over a year ago.

He said that the policy issue therefore that arose in the debate was that if we all agreed in this House that

you need tax relief, that indirect taxes were too high, the question was to whom should the tax relief accrue. He made a judgement based on his forecasting skills, based on all the advice in the reports he had received, and I must say, Sir, that he was once able to forecast the bauxite price within the closest possible range. That was when he was within one cent of a tonne, or a pound, or something so. But those forecasting skills, Mr. Speaker, seemed to have gone through the window on September 6, 1994 because the forecast was that the VAT would raise less tax. The promise was that the VAT would raise less tax. The pledge to this Chamber was that the VAT would raise less tax. The legislation was designed on the premise that the VAT would raise less tax.

He said that his view and the policy of his Government was that any tax relief that was realised from the VAT should be passed on to the export sector of tourism. So he redesigned the whole tax to give relief to the tourism sector and applied a rate of 7V₂% because that sector had been the victim and had laboured under excessively high rates of taxes on its inputs. All of that was the ground work which the Honourable Member for St. Peter laid when he introduced the Value Added Tax in Barbados.

He also pledged to the people of Barbados that the introduction of the VAT would substantially lower the price of a large number of household items and a large number of items used in ordinary households - All of this the Honourable Member pledged. I was told that, as I said I was not here for the debate. Including food, yes, he said that it would substantially lower the price of food, hair care items, toiletries and almost every appliance.

Mr. Speaker, what he told this Chamber was that the VAT is going to reduce the price of those and they will be the winners, because he was using this example of the winners and the losers in VAT, and that we were focussing too much on the losers. We needed to focus on the winners, that the consumer would be the winner, that within a short time the prices would come down.

He then went on to say how the sector would benefit. It would be beneficial to the export sector. He said it was going to stabilise agriculture. He said the manufacturing sector will now have the ability to offset the input taxes against the output charges. All of that the Honourable Member said in that debate.

He said it was going to reduce the cost of extra-regional imports. He said it could lead to an intensification of competition that local manufacturers faced with extra-regional imports.

Mr. Speaker, he then went on to say that there are a number of services he was going to bring under the VAT.

But he stressed the point about hairdressers and I called a few of them today. The net effect of his introduction of the VAT was that it would cut in half the tax rate on their inputs and therefore to the extent that there would be lower cost conditions, hairdressers would be able to charge lower rates to their clients despite having to charge a VAT. I do not know if it is true, Mr. Speaker, Sir, but a lot of hairdresser have told me that in recent times a lot of women have resorted to very short haircuts simply because they cannot afford to go to the hairdresser as often as they used to go. 6.30 p.m.

Asides.

Hon. D. J. H. THOMPSON: I said hairdressers but I am not a hairdresser, I may cut my own hair but I am not a hairdresser and because Honourable Members on that Side or one Honourable Member can afford to do her hair properly and straighten it and all of that, or some people would like to call it that...

Asides.

Hon. D. J. H. THOMPSON: I said that some people would like to call it that.

Asides.

Mr. SPEAKER: Please, order. Honourable Member, let us remain here.

Hon. D. J. H. THOMPSON: The Honourable Member for St. James South rejoices under the same name as a sister of mine and went to the same school and she was wearing her hair naturally from age 13 and went into sixth form in that condition so people do not impress me with their recent conversion even though I thin!: that it is very desirable to do what you want with your own life.

The Honourable Member for the City got very excited when I talked about that, I do not understand why. There are many Barbadian women who cannot afford to stop off in New York every time they make a trip to have their hair done. They do not have a boudoir built in their office at taxpayers expenses, they do not have those facilities.

Asides.

Hon. D. J. H. THOMPSON: You are right to taunt me on matters such as this. Mr. Speaker, Sir, we have to take our cue and when you pick up the telephone and ask hairdressers what is happening in Barbados, many of them are on the verge of going out of business and that is the case with a lot of small business people and the VAT has had a severe effect on their operations.

Asides.

Hon. D. J. H. THOMPSON: Not supermarkets! It has affected consumers but it has also had a devastating effect on small businesses in Barbados. That is well known, Mr. Speaker. The Honourable Member goes on to say that there will be losers and he has never been under any misapprehension on that matter but he does not want us to focus on the losers in the House. We should not focus on the losers, we must focus on the winners and that what he is interested in is the overall impact of the VAT. That is what the Honourable Member said in August 1996.

The Honourable Member for St. Philip South was acting Leader of the Opposition and he put the Democratic Labour Party's case very clearly. The Honourable Member for St. Peter obviously misunderstood, he misunderstood the Democratic Labour Party's position and I believe the Honourable Member for St. Peter is one of the clearest speakers in the Chamber, he is not given to hyperbole. Sorry, that is a grave error, I meant the Honourable Member for St. Philip South. He is not given to hyperbole, he is not given to terminological inexactitude, he is very clear and precise in what he has to say.

Mr. Speaker, the Honourable Member for St. Philip South said that he wished the Honourable Member for St. Peter well. That was the DLP's position, we wished the Honourable Member well. He said that between August and January 1st, there is likely to be a period of calm in Barbados, that was before the VAT was introduced and once the legislation takes effect then all three parties would have a chance to determine whether what has happened has happened for the benefit of the consumer and all the other participants in the system. The Honourable Member for St. Philip South made it clear that we would have to wait and see what happened in relation to the introduction of the VAT on January 1st. We said that we wished him well.

Mr. Speaker, the same Honourable Member who had the temerity to continue to attack us yesterday about our position on the VAT was scrambling around in here begging people not to give him a hard time in relation to the VAT. "Come, come, fellows, we do not have to be like this, wunna was gine introduce it too". He tried to disarm the Democratic Labour Party, which is poetic justice, I suppose, it is ironic that we should be at the receiving end of his attack.

The Honourable Member for Christ Church East probably has a tale to tell on that kind of thing and there are other members on that Side who are familiar with those attributes. We took sympathy with the fact that we in the DLP did not have access to the economic information which would have made us make a determination one way or another at that time.

The Honourable Member for St. Philip South made an excellent ending when he said "a day of reckoning will come and I hope to be around when that day comes". A prophetic presentation made in this House. The Honourable Member for St. Peter worked out that all that meant that the DLP supported him fully. He worked out after that speech that we were fully supportive of every aspect of the introduction of VAT, he never understood the points that we were making. He understood that to be complete consent in relation to the introduction of the VAT. He did not take issue, when he replied, with anything that the Honourable Member for St. Philip South said, he said that he was happy, that is when the misinterpretation began but he set upon the Honourable Member for St. Lucy and this is where the DLP had to speak to the record in this debate. The Honourable Member for St. Lucy predicted clearly that the VAT was going to raise more than \$100 million in excess of what the Honourable Member for St. Peter had anticipated.

Mr. Speaker, Sir, people were rolling around here in their seats laughing and mimicking, as usual, the Honourable Member for St. Lucy. The Honourable Member for St. Peter said that he was bombarded with a collection of wild, irrational and ill-considered statements by the Honourable Member for St. Lucy, the latest in a long series of his nonsense; that is what the Honourable Member for St. Peter called it; a trained economist, a man who is a forecaster and had five advisors in relation to the VAT. He took the Honourable Member for St. Lucy to task for saying that in his projection as an accountant and a small businessman and a member of the DLP, when he said in August last year that the VAT would raise \$100 million more than the Honourable Member anticipated, that it was nonsense, that the VAT would not give rise to revenue of \$100 million in excess of what had been calculated - the Honourable Member for St. Peter said that a group of professional economists, on whom he relied, together with the fact that he is a professional economist, so it was an even larger group than one would have imagined, local and foreign - this is why the Honourable Member for St. Lucy can afford in this debate to parade because he speak from common sense. He speaks from being in touch with people and he speaks from an understanding which no other Member on that Side could have had. Not because the Honourable Member for St. Peter withholds information from them, we know about that already. There is one way to remain superior in an arrangement. Keep all the information to yourself, do not give your colleagues so that when you are out of the island they cannot move a single finance, economic affairs or civil service matter in here. 6.40 p.m.

All of them are put back until the Honourable Member returns to the island, the best way to keep your colleagues in a state of perpetual subjugation. You have

got all the information so you are playing all the hands and men who have had experience in public affairs had to say they are being treated like outside children. But the Honourable Member for St. Lucy is not going to allow anybody, least of all me, to treat him like an out child. He has got more thunder than ... When the thunder hits there will be some lightning first. I am the lightning, he is the thunder. The lightning warns you of the thunder. The thunder is coming. I am only the lightning.

Mr. Speaker, Sir, this is the Honourable Member for St. Peter, a trained economist, who said that these people have been engaged to analyse the yield of the VAT with a 15% standard rate and a 7.5% rate for tourism. He said they have made reasonable assumptions about non-compliance and so on taking into account the local practice and experience and international norms, sector by sector, product by product. That was a thorough analysis, Mr. Speaker. He said they have been unscrupulous. I think he meant scrupulous. "They have been unscrupulous in their analysis of the situation and I want to say to Parliament that we do not have any advice that has been rendered to us that would suggest that the VAT could yield anything near \$100 million more than we are projecting it to yield".

I do not know, Mr. Speaker, Sir. As I said, I asked the public to think about a couple of things in this debate. All of this pretence now. "Oh, I did not know it would yield so much. I had to wait 9 months to analyse it". The public of Barbados has had to endure a tax which has collected \$107 million more than was projected despite requests from almost every quarter in this country.

The Honourable Member for St. Peter said he relies on professional economists who were unscrupulous in their work and I agree with him in that regard. That is what he says, unscrupulous. So I would never follow unscrupulous advice myself but I cannot stop anybody else from following. He said it comes to a matter of judgement. This is the Minister of Finance speaking in August last year. He looked at his judgement as against ours, his judgement as against the Honourable Member for St. Lucy whom he laughed out of court as wild and irrational. The Honourable Member for St. Peter said it is a matter of judgement, the professional economist analysing the statistics and had spoken with his 5 advisors and international ones too. He said if you are replacing a consumption tax that ranges between 21% and 89% and a stamp duty of 20% on extra regional imports with a VAT of 15% and you are also giving relief to tourism it should stand to reason that you are going to be very constrained in relation to the amount of revenue to be yielded by the new dispensation relative to the old because the difference between the rate of the tax of the new and the old is so wide. That sounds like textbook stuff.

The Honourable Member for St. Lucy was not taken up with that textbook talk. He said the Honourable Member for St. Lucy speaks from a position of ignorance in this debate. I could just imagine how he was getting on and you will see evidence of it tomorrow night again, all of that vehemence and excitement and throwing around files. Mr. Speaker, Sir, he said the Honourable Member for St. Peter spoke from a position of ignorance and all the Honourable Member for St. Lucy said was that the tax would yield \$100 million more and that is precisely what it did. It would have yielded in a fiscal year \$107 million more, that is what the Honourable Member for St. Peter wants me to say. He cut it short. He said it was to speak from a position of fundamental ignorance which he said had become characteristic of this kind of approach in Barbadian politics and he said if the Honourable Member were to exercise a judgement he would understand that what he is saying, Sir, is intended not only to be a foolish headline but to mislead the public.

Mr. Speaker, Sir, the Honourable Member said and pledged to this House as follows: that if the VAT gave rise to an increase in revenue in excess of what we anticipate the Government has no intention, given our fiscal position, meaning given the Government's fiscal position, of holding on to it. Do you want the page number? It is 3663, the second column, Rt. Hon. O. S. ARTHUR, but I am not quoting from that. He said, we would pass it back to the poor people of Barbados. Subject to his fiscal position he would pass it back to the people of Barbados. He would have collected \$107 million and were it not for the pressure of all the interest groups that the Honourable Member for St. Peter lambasted, the private sector, the Honourable Member for St. Lucy, me for being opportunistic, the public, his constituents whom he had to go to London to hide from to write the budget, all of them, Mr. Speaker, Sir, they were looking for headlines, but they knew that the Government was collecting more money. Do you know why? Because unlike certain people in this country they cannot shop in New York and Miami. They do not travel away every week like certain Ministers of Government at the expense of Government so they do not have the luxury of shopping in New York with lower rates of GSP or Miami with 8% sales tax. They have to shop here where the Government was taking away 15% on top of taxes which were already there and then according to the Government they were unscrupulous merchants who were charging excessive mark-ups and it took the Government 9 months to deal with them. I am going to wait and see how long it will take them to put the price controls in place because many years ago we were promised legislation to deal with the duty free sector but they had their man somewhere in the process who was able to stop that legislation from coming to Parliament. To this day, even though the Attorney General said he was drafting the legislation to give effect to a 1995 proposal to put a tax on duty-free goods in goods in Barbados...

Asides.

Hon. D. J. H. THOMPSON: You had said it was being drafted but you were obviously told not to do any more drafting. But the Public Service Vehicle legislation was here within about a week and the Vagrancy Act to lock up people who were selling on the street, that was in here within weeks. 6.50 p.m.

The legislation to correct the monthly charges on the Barbados Water Authority to water consumers was in here to validate it very quickly. All that legislation has passed because that legislation is to help the Government with business. But anything to affect the private sector, "oh, no", the private sector man is put on hold.

Asides.

Hon. D. J. H. THOMPSON: He is not unreasonable either. He said, "put that on hold too". Mr. Speaker, Sir, this is the Barbados we live in. Some Members thump the desk, VAT relief and income tax relief and everything is hunky-dory.

The Honourable Member for St. Lucy will obviously have a lot to say. He is the man of the moment in this debate, as far as I am concerned. Because, his credibility is clear and the credibility of the Right Honourable Member for St. Peter is on the line. I am glad he is leading the debate. I hope he remembers what he said then and will be able to answer the many questions which the Democratic Labour Party has and apologise to the Honourable Member for St. Lucy for the skill which he brought to the debate, which skills seem to be so patently absent from the Honourable Member, the great forecaster.

Mr. Speaker, Sir, from December 1996, the Honourable Member for St Michael North West indicated in the by-election campaign that he could not go to the people of St. Michael North West without putting his position on the VAT. We, in the Democratic Labour Party told him, you are entitled to give your views on the VAT. From then, before it was introduced, the Democratic Labour Party had made an assessment and we felt that the VAT on food would have been excessive.

We went throughout that constituency and put our case from Free Hill with the Honourable Member for St. Michael North West and we said "yes", we agree with the principle of a VAT, but we have grave concerns about the VAT on food. The Right Honourable Member for St. Peter said we are opportunistic and we waited until it was introduced to start raising concerns after people started to agitate.

That was not the case. From the by-election we started and there are tapes of our meetings in which we dealt extensively with the VAT, after it was introduced. By the way, before it was introduced, we also had to beg the Right Honourable Member for St. Peter to indicate what relief he will be giving to the pensioners, the indigent and those on welfare payments. He waited until the clock almost struck midnight and, we all would have been turned back into mice and pumpkins.

Asides.

Hon. D. J. H. THOMPSON: At 5.00 p.m. the day before the VAT was introduced the Right Honourable Member for St. Peter indicated what relief he was giving to pensioners. We know where his priorities lie and that is what this debate is about. It is not just about tax relief. Those people who flew off feeling like bumble bees and that they could fly and defy the laws of aerodynamics from the public building yard last night, must have fallen flat on their faces when they realised, Mr. Speaker, Sir, the record of the Barbados Labour Party in relation to the introduction of this VAT.

In my view, we smarted its entire economic record as a political party. Never had we had in the history of Barbadian politics such a tremendous hoax laid out on the people of this country to the tune of \$107 million and yet there was hoax number two.

The Right Honourable Member for St. Peter thought that I did not have anything to say here today. I would have come in here like putty, hiding on the ground, rolling around, we took licks. Mr. Speaker, Sir, we have studied this situation carefully.

The Honourable Member for St. Lucy was right and the Minister of Finance was out by \$107 million. The Government introduced the VAT knowing that the yield would have been \$107 million, but he could not say that figure because he does not have that forecasting skill. I am saying that the Government knew that the introduction of the VAT would bring no tax relief when they introduced it. They knew and it was part of a design, if you went into the corridors of the Barbados Labour Party, you would hear all the talk about the amount of money that they were going to raise and spend before the next general election so that the people of Barbados would easily re-elect them to office. That was before the VAT was introduced.

They walked around, Mr. Speaker, in the corridors of this Parliament, downstairs and said what an economic genius they have as Minister of Finance. He was going to collect all of this money on the backs of the poor and then spend it on them. That is why I had to read the late Sir Errol Walton Barrow's speech in Independence Square. I had to remind the people of Barbados about that.

Mr. Speaker, Sir, the Right Honourable Member for St. Peter took \$107 million. He said he is giving back \$45 million. Now, the \$107 million as I understand it would have been raised between April 1997 and March 1998. The fiscal year 1997 to 1998.

Asides.

Hon. D. J. H. THOMPSON: You do not worry. I am going to give you the figures. You can write them down now, because you thought I did not know, but I know.

When I am away the Honourable Member for St. Michael North West, the Honourable Member for St. Michael South, the Honourable Member for St. Michael West, the Honourable Member for St. Philip South, the Honourable Member for St. Lucy who has now been able to demonstrate his forecasting skills, the Honourable Member for St. Michael East and the Honourable Member for St. Michael South East can all speak on economic issues, so they all understand what they are about.

There are six months left to fiscal year 1997/98. The tax relief begins from October 1 on the VAT, so it comes to \$22.5 million only for this fiscal year. Not \$45 million. \$22.5 million dollars will be given back. The Right Honourable Member was going to collect \$107 million. It is not \$45 million in this fiscal year that is being given back. It is \$22.5 million.

Mr. Speaker, Sir, the income tax benefits, the \$15 000 upper limit, he moved it from \$13 000 to \$15 000, that will only be operative for three months in this fiscal year. It does not amount to anything near to \$17 million in this fiscal year. It amounts to \$4 million between January and March 1998.

The net effect of the tax relief in this fiscal year is \$26 million and the Minister of Finance would have given everybody in Barbados, the press, the call-in posse were parading all day long that \$67 million had been given back to the people of Barbados. Barbadians would have paid \$107 million by the end of fiscal year March 31, 1998 and the Honourable Member is giving them back \$26 million.

Mr. Speaker, Sir, it is unbelievable. As I say, with the Barbados Labour Party you get promises but when they come to be delivered you get smoke and mirrors, hoaxes, tricks and that is what this is about. This is about an economist who cannot forecast, who cannot match up to the skills of the Honourable Member for St. Lucy, continuing in the same trend. So now in this Budget, we hear \$67 million in tax relief. You would think that the forecasting skills of an economist would indicate that the relief in this fiscal year is only \$26 million.

It is another hoax by the Barbados Labour Party. The public of Barbados need to understand it. Just as we took a position in the VAT debate, the day of reckoning is going to come for all of this. I suspect it will be sooner than we all think.

There are some other items in that basket of goods that we think would be desirable over time including things like toilet paper, toothpaste, sanitary napkins, prescription drugs and children clothes. 7.00 p.m.

We have a Resolution on the Order Paper now, and the Right Honourable Member says we are opportunistic. We have been asking for a debate on this since February or March of this year and the Right Honourable Member for St. Peter told us the same thing he told the people who elected him. All of you all want to go to heaven, but you do not want to die. That was the answer that was given to us. So it was never debated.

Mr. Speaker, Sir, the Right Honourable Member for St. Peter, after all of his talk about opportunists, in this Budget listened to them, the same people that he described as opportunists and mice, not men, he listened to them and he zero-rated a basket of food. So we are entirely vindicated by the strong and clear position that we took as a political party in relation to the introduction of the Value Added Tax in Barbados. There can be no doubt about that, We were right in our projections. We were right in relation to what we called for. So we did our homework and we put the concerns of the people first.

But on the issue of credibility, that is not the worst. The Minister of Finance was very quiet *on* this of the Small Business Venture Capital Fund and I wondered why, so I had to do a little digging on the matter,

On April 25, 1995, the Right Honourable Member for St. Peter announced the establishment of a \$2 million Venture Capital Fund and he said he was taking the money from the Public Enterprise Investment Fund to put in that Two and a half years later, not a cent in that fund has been disbursed. There was a big cheque printed, a picture in the Cabinet Office with the people from the Small Business Association shaking the Prime Minister's hand and receiving this \$2 million cheque. It was heralded as an effort at economic enfranchisement and Members on that Side paraded for days, and for two and a half years not a cent has helped a single business in this country.

The money was placed in a private account, a private account with two trustees just like that. I have the names of the trustees and I have not given Your Honour notice that I intend to call their names in this debate but the \$2 million was put into a private account with the names

of joint trustees. No accountability, no rules, no institution in place but they could have spent it and you could not have stopped them from spending it if they wanted to. Thank goodness they did not. That is the point: that \$2 million of taxpayer's money was handed over without any principle of accountability being in place and it took an inordinate time for the association to get the money out of the hands of the trustees to put in place alternative arrangements.

Now the Minister of Finance said he found some use for the money but he blames the changing directorate of the Small Business Association. He has not told us about ministerial interference not from his ministry, but I am charging that the main reason why this money has not been disbursed is because of ministerial interference in the operations of the SBA and the operations of the entity which would eventually take charge of administering these funds.

There has been direct interference in the affairs of the SBA by Government Ministers and this is what has contributed to the bungling for two and a half years. But of course the Minister of Finance is not telling us all. He has not told the House that despite his criticism of the Democratic Labour Party and the fact that he told me I do not understand what venture capital is about in a debate in this Chamber, most of the small businesses in Barbados simply cannot access venture capital because they are not incorporated and the Right Honourable Member for St. Peter has been told this. He knows it. The Right Honourable Member for St. Peter knows what the cost would be to incorporate them; but it does not matter, you see.

Incorporating the hotels to take over Gems project went on the fast track - \$30 million. I did not benefit from it. I have to keep making that point. I hope everybody in here can get up and say the same thing. \$30 million and the company set up "Bam, Bam!" Consultants brought in, everything moving. Marina - 18 months, fast track, "Bam, Bam!" Special development areas legislation, the only thing that has not been added yet is Baxter's Road and that was promised since the debate. That is the only thing that has not been added yet. Because it was never intended. Foolishness about coming! It was never intended.

Mr. Speaker, Sir, that venture capital fund is a complete charade and I am saying that the Minister of Finance knows what is necessary to get that fund on the road and all this talk now about consultants, more consultants are going to be enriched, more meddling will take place to put the appropriate person in place to ensure that the investment goes in a certain direction as has happened with the Rural Development Commission and will happen with the Urban Development Commission and at the end of the day the taxpayers will be out of pocket.

We have done our research on this matter so the Minister now gives the impression that these funds will be utilised soon. Now it was not the Democratic Labour Party that did not understand what venture capital was about. It was the Right Honourable Member for St. Peter who for two and a half years and even as I speak to this Chamber today does not understand what venture capital is about and about how businesses can access venture capital and what is required of them to access venture capital.

So why should anybody believe all this window dressing about the Micro Enterprise Fund or these other things which the Government is only committing a couple million dollars to them. The money for them is coming from the private sector. Why should anybody believe that these will have any effect?

The talk by the Barbados Labour Party about small business, a Government that has unconscionably kept the Barbados Development Bank closed for 3 years practically and done nothing to put a successor institution in place and is now talking about small business as if it cares.

So Mr. Speaker, Sir, this level of incompetence while the Minister of Finance was piling up the millions, at nearly \$2 million a week from the VAT, that is in excess of what he wanted, not a new bus has been purchased in this country, not a single new bus. They had some minibuses to compete with the minibuses in town. I am talking about the new buses from outside of Barbados to go on the St. John route, the St. Philip route, the St. Andrew route and the rural routes. Not a new ambulance. We are now down to 2 and 1 stretcher. The millions were piling up and the Minister of Finance was sitting on the treasure chest of VAT proceeds fiddling as Rome was burning.

The NAB did not meet for a year. The BADMC was closed down because he said it had no money. They borrowed money to help recapitalise it and then a few weeks ago sent home more people. I will tell you why shortly. That is the Barbados Agricultural Development and Marketing Corporation. 7.10 p.m.

The National Assistance Board which had not met for a year is the agency which helps poor pensioners. It alleviates poverty. The Government was talking about alleviating poverty in a by-election and the agency which was to be alleviating it, fixing old people's homes, giving them pots and pans and putting up guard rails for them to get up and down their steps, sending Home Help people to assist them, was not meeting for a year. And they were talking about poverty alleviation and, of course, they still are.

Schools cannot reopen in time. As I was coming here the latest is that St. Leonard's now has another week

of confusion. The social services are in disarray in this country. In almost every area of public life we have seen a rapid deterioration from the standards which the public has become accustomed to and despite promises made from time to time by this Government things continue to get worse.

Barbadians are being faced with roadblocks everywhere they go. I do not mean the roadblocks between the rural areas and Bridgetown. I do not mean all the digging up of the roads that is going on that the Minister cannot explain, or does not want to explain even when asked to do so by his senior colleague and good friend.

In almost every Government department which has to interface with the public there are real and imaginary road blocks, the Welfare Department, the Child Care Board, the National Assistance Board, the National Housing Corporation, the Sanitation Service Authority, the Barbados Water Authority, the* Town and Country Planning Department, the National Insurance Department and the Labour Department. In some departments the people cannot even go to work because of the conditions in their offices.

Aside.

Hon. D. J. H. THOMPSON: I will talk about National Insurance, but not today. I suspect you should, for several reasons keep very quiet on that issue because I have another hour later on. You want to hear about National Insurance? I will tell you about it, the Pine Hill Dairy and all of that but that will be in my last hour.

This frustrating bureaucracy with a Government that has become so indifferent in its pledge to deal with the little things that affect Barbadians, not the muniments, the little things. So many Barbadians now do not even want to ask for things.

The Government sets up a Poverty Alleviation Fund which was to fast track poverty alleviation cases. Members of Parliament submitted names to the Prime Minister's Office and then received a letter from the Director of Finance saying that these names would be submitted to a committee and guess who was on the committee, Mr. Speaker? The same organisations to whom the people had been submitting their names before they sent them to the Poverty Alleviation Committee, the Welfare Department, the National Assistance Board, the Child Care Board and so on. These are the departments that people had been going to and were not getting anywhere. The Minister sets up a fund and we receive a letter saying that they are now sending it to a committee of those same departments.

Mr. Speaker, the public perceived that Government is no longer there for them and nothing the Prime Minister

said yesterday altered that. For the first time in the modern history of this country, schools started in September with some parents trying to adequately equip their children for school. When they say, equip what they mean would be hard hats, construction belts, boots and equipment like that because the schools are in many cases like a war zone of confusion, for the first time, Mr. Speaker, in the modern history of this country.

Some schools are still under repair and in others the noise of workmen still confuses the school environment. Who would believe that the Ministry of Education, which has just been condemned by the Auditor General for its inefficiency in spending public funds and now the Minister asks us to excuse her for incompetence in having the school plant ready in time? They just spent thousands of dollars braiding people's hair for Crop-Over. The Auditor General brought that to light. The Ministry found money to do that but could not find the money to start the school repairs on time. They could not phase the school repairs on time. Where are the priorities of this Government?

In public transport, the situation has become more and more critical. Persons living in rural Barbados are losing their jobs as a result of the deterioration in the service provided by the Transport Board. School children are arriving at midday tired and hungry. Parents in rural areas have to get up before the first bus goes down so they can get to work on time and some of them are at the bus stop in darkness.

This, of course, is happening while the Government has equipped every top official, including the Prime Minister and Deputy Prime Minister, with brand new top of the line Mercedes vehicles with sirens on top. If you are ever in traffic on a morning fighting to get to work, the likelihood is that you will hear a siren. It is not the police. It is the Minister of Finance getting to work on time. The rest do not matter. The public of this country has had to wait three years for Mercedes buses but public officials can get Volvos, Mercedes, left, right and centre. That carries us back to 1986, Mr. Speaker, unbelievable. My constituents cannot get to work and they did not have buses waiting for them. Ministers already have vehicles.

The Honourable Member for St. Peter said it did not bother him that he was driving a Korean car when he first got in, of course. I heard all of that already. That was the first week of business but after a few weeks the priority was to equip Ministers with their Mercedes vehicles and leave the public stranded on the streets of this country waiting for Mercedes buses.

When we look at the functioning of housing policy, the situation is even worse. It is a waste of time for anyone who has not been sent by a Minister to go to the

National Housing Corporation and get a unit or a house spot and the Budget has ignored all of that. Some people say a budget is not to deal with those issues, fine, but somebody has to deal with them and do not assume that we are not going to deal with them.

Everyone of Government's major projects is showing signs of stress and disorganisation, long lines of traffic throughout this country. Every major artery into Bridgetown is being blocked because of Government's inability to properly phase and execute major public projects as well as private projects which require Government's coordination.

Thousands of Barbadians greet every morning with lines and lines of traffic and utter frustration and the Minister is silent. He does not have to tell anybody anything. He is a Minister now, that is. The Government has remained oblivious and is determined not to respond to legitimate questions which we have asked about the Barbados Agricultural and Management Company and that has fiscal implications in my view. That is the company which runs the sugar industry.

Despite the dramatic increase in sugar production, there are some issues relating to the disposal of assets owned by the Barbados Sugar Industries Limited which have to be of concern to the public. It is a well-known fact that the taxpayers of Barbados are the people who, at the end of the day, have to bear the cost of restructuring the sugar industry.

The Government has taken a decision to transfer the assets of BSIL to the Barbados Agricultural Management Company. That is the company in whom those assets have been vested in. One of those assets is a factory in St. Philip South known as Foursquare. The Chairman of the BAMC is in occupation of that factory and has utilised it for its business operations and it has not yet been paid for. The Minister of Finance knows this and I believe the public of Barbados is entitled to an explanation.

It is a good thing I was not on the discussion programme on VOB last night because I would have had to silence him immediately until he could account. He said it is a good Budget and the other night at a function I went to, he said that I do not ever give him accolades. But I give him an accolade. If he is in possession of a building he has not paid for that belongs, apparently, to the Government and now wants tax concessions too for it, but he has not paid for it yet - Check it. I am serious. 7.20 p.m.

Mr. Speaker, this cannot be the Barbados. We took the sugar out the hands of certain people in this country and put it in the hands of a competent black manager and

the industry moved forward and to see investments by average Barbadians and the industry is being raped again.

Mr. Speaker, Sir, it is very serious because a lot of toil and tears went into that process. We will accept nothing less than the resignation of the Chairman of Barbados Agricultural Management Company from that Company. It must be done as a matter of priority. The Honourable Member for St. Peter surprises me that despite the fact that I have asked a parliamentary question, despite the fact that I have raised the issue publicly, nothing is being done. People are now lining up to acquire all of those plantations, they are trying to wheel and deal. The same people put them in debt and watch it carefully, we are always empowering that group of Barbadians, it must stop, especially when the taxpayers of Barbados are integrally involved. It is no better than at the BADMC, the Agricultural Development and Management Company. Five Cabinet Ministers including the distinguished Attorney General went to the opening of a private sector vegetable outlet at Welches, St. Thomas.

Asides.

Hon. D. J. H. THOMPSON: Yes, in your constituency. I am glad you went because the owner of it told you to carry back a message to the Prime Minister and I never knew that you carried errands for anybody. I am glad to discover that you went and he had that temerity. And five other Cabinet Ministers to carry back a message! People should not get upset when the epithet "errand boys" was applied in a negative way. The Honourable Member for St. Philip knew what he was talking about. Five cabinet ministers and somebody had the temerity in this country to tell them to carry back an errand to the Prime Minister. It shows how they think of us as politicians and it shows how they think of us as people. Carry back a message to tell him to close the BADMC.

Asides.

Hon. D. J. H. THOMPSON: It was in the newspapers but I cannot quote from the newspaper, Mr. Speaker. I cannot quote it but the headline would quote it. There he was telling the Government to stop pouring money in the BADMC and close it down and said he sent the message by five cabinet Ministers whom he treated like errand boys. Sorry, boys and girls.

Asides.

Hon. D. J. H. THOMPSON: I am not saying that in a negative manner. The Honourable Member for St. James South was also there. Tell them to carry back a message to the Prime Minister to close it and they are closing it. That is what the Government is doing, closing it. The

BADMC is on its last leg. They received instructions and they carried them out, that is what Barbados is about in 1997. Not about VAT relief, it is about who is running Barbados. The Honourable Minister of Agriculture says that he cannot even get fishing agreements concluded. They have appointed an Ambassador extraordinary and plenipotentiary. The Honourable Member, the knight, who I have great respect for in that regard as a negotiator and who is also a fisherman too cannot get the fishing agreement concluded and instead of referring back to the Ambassador he is now referring to the Prime Minister to solve that too as if the Prime Minister did not have enough on his plate solving labour disputes because the Minister of Labour, every time there is a dispute is up on a jet to Geneva and other regions in the world and earning eighty something thousand dollars a year for doing nothing as my Member of Parliament. He has not come up with a poverty alleviation project for St. Philip North yet.

Asides.

Hon. D. J. H. THOMPSON: What was it the little old lady said. She said that he was a little downy, downy. The old lady from St. Philip said that he was low-keyed, downy downy.

This is what modern Government has come to. The Honourable Prime Minister's hands are tied, tied, tied, he cannot do a thing about it. Everything is on his plate. You asked for the job, you stood up in here and asked for it when I was over there and you were given it and you have to do it.

The Government sets up three funds, the Urban Development Fund, the Rural Development Fund and the Poverty Alleviation Fund and have been dispensing amounts out of these funds on the flimsiest criteria. The most important and significant factor in some cases has been loans and grants to individuals on the basis of political support. In due course that information will become available. Not a single rural development project, I am not talking about loans because loans have been made to constituents of mine. But not a single project has been undertaken in the parish of St. John other than the putting up of some street lights in College Savannah, streets lights which we have been asking for since 1992 and the Barbados Labour Party and the Government had problems getting the street lights put up. That is all that was done, not a single tenantry road, everywhere I go I see these big signs which are Rural Development Commission projects.

Asides.

Hon. D. J. H. THOMPSON: Do you have any in your constituency, big yellow signs with blue writing?

On the Pinelands issue, Mr. Speaker, Sir. We do not mean to demean people in Barbados by giving the impression that when we give out taxpayers money we are giving out our money. I would be surprised if Pinelands Creative Workshop could not access resources from any institution in this country or outside. They have already been accessing resources from OAS and IADB when I was Minister, the fellows up there do not fool around. When they present a project to you, it has validity. The Minister has not done Pinelands any favour. What he has done is that he has shown up the incompetence of all 17 persons sitting on that Side right now because he has not been able to identify a single project emanating from any of them which would attract finance from him. The Honourable Member for St. Joseph should be particularly appalled because he raised this concern already. The Honourable Member for St. George South is in abeyance politically but still he should be able to come forward with a few projects for that constituency. The Honourable Member for St. Philip North has not been stirred from his slumber to do anything in that regard.

I believe most Barbadians are aghast at the absolute indifference which is being shown by the administration. We have an institute in this country which sometimes makes me think that we are now coming out of the 1937 disturbances. The issues which are on the table are so basic. The Prime Minister has put his office on the line. He has put the Government on the line and when he was ready to meet with the people, they say "we are not ready for you yet". They told the Prime Minister of my country when he was ready to meet with them that they were not ready for him yet and that he could send in a fellow a little later or make future arrangements with him.

This cannot continue. Something has to be done to arrest that attitude in Barbados. Because all of the tax relief you give, all of the benefits you seek to pass back, if you pass them back to a demoralised population we are not going to see the true benefits of development in this country and that is our concern. 7.30 p.m.

In the tourism sector I have already outlined my concerns. Every week in this sector somebody is talking about harassment of tourists and the Minister included, But when Barbadians got hosed down on a beach and when Barbadians are stopped from using beach accesses, who jumps in to defend the rights of Barbadians against tourists? Never. We have visitors here who put a hose on NCC workers. The Government has not issued a statement yet.

Hon. Miss H. E. THOMPSON: Mr. Speaker, on a point of onier. I did not wish to interrupt the Honourable Member but the NCC and the Ministry of the

Environment did make a public statement to the Press on this matter and in fact the matter is before the law courts.

Hon. D. J. H. THOMPSON: Well, I am very glad to hear that. That must be the first time. Mr. Speaker, Sir, that was the most closely guarded secret in Barbados until the Honourable Member spoke.

Aside.

Hon. D. J. H. THOMPSON: Well I am always suspect of what you have in the newspaper. It is not that I do not read it. I have to sift it carefully to ensure the accuracy.

Mr. SPEAKER: The Honourable Member, please could we continue? You have 5 minutes of television time please.

Hon. D. J. H. THOMPSON: Mr. Speaker, you can see where the problems are occurring in Barbados. So, Mr. Speaker, Sir, the Minister now tells you that despite all the investment the Government puts in tourism that the salaries are not high enough. She cannot employ people at the present salary levels of the top three to do the job of marketing. Can you believe it?

In Foreign Affairs, Barbadians are trying hard to find houses to live in and the Minister is spending millions of dollars purchasing mansions for one or two persons to live in and some of the staff cannot get their wages when the week comes. Millions of dollars in supplementaries.

The Attorney General promised in December, 1996 that the gallows would be swinging. The only thing that is swinging is knives, cutlasses, razor blades and drug deals and he is saying that crime must come to an end. It is depressing in this country, Mr. Speaker, Sir, when you talk to people. If there is one thing I have to congratulate the Government on it is that question of the casual workers.

Aside.

Hon. D. J. H. THOMPSON: I dealt with the VAT already. The Budget was about that. You were not in here. Mr. Speaker, Sir, we have no quarrel whatsoever with that decision. Wherever workers are given greater job security and the environment is provided for them to feel more secure you will find the support of the Democratic Labour Party. So we have no problem with that.

Mr. Speaker, Sir, the Government needs to come better than this and in the last half hour available to me tomorrow I am going to say a bit about some of the plans which the Democratic Labour Party has in relation to a number of areas including energy, economic democracy, community caring and further possible tax relief.

I want to say that this debate has been about the state of play as we see it. We are glad that relief has been given, partly in the terms we have requested. But, Mr. Speaker, Sir, we cannot but reflect that it seems so much like the people of Barbados went to a shopkeeper, the shopkeeper deceitfully over charged by \$1.07. When you were going through the shop door, he felt a bit of remorse for over charging and called you back and told you he would give you back 22 cents between now and March and he would give you the other 22 cents between March and April of the next year. So he carried away \$1.07 from you and he is giving you back 45 cents. He keeps the dollar, you get the cents.

Perhaps, Mr. Speaker, Sir, if that shopkeeper were reading the Bible a bit more as he said he is, he would come across this verse: "Whatever a man sows that he will also reap". Thank you very much, Mr. Speaker.

I want, Sir, to move an amendment to the Resolution to delete all of the words after the word "whereas" appearing in the first recital of the Resolution and substitute therefor the following words:

"The Government's management of the economy during the past year has failed to deal with the many problems confronting our citizens,

AND WHEREAS the 1997 Budgetary Proposals are unlikely to achieve the Government's policy of low taxes, low interest rates, low energy prices, or the creation of 30 000 jobs,

BE IT RESOLVED That This Honourable House reject the 1997 Financial Statement and Budgetary Proposals."

Mr. F. J. STUART: I beg to second that, Sir, and reserve my right to speak.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 8.45 this evening.

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

The question was put and resolved in the affirmative without division and Mr. Speaker, suspended the Sitting accordingly. 7.37 p.m.

RESUMPTION Mr.

SPEAKER: This Sitting is resumed.

Hon. R. C. EASTMOND: Mr. Speaker, Sir, careful and close examination of what was presented before

this Honourable House yesterday, would reveal a number of budgetary proposals informed by a keen sense of sound economic management, guided by the desire to see the economy of Barbados grow and generally speaking presenting a number of measures that can only redound to the benefit of Barbados.

As far as its content is concerned, Mr. Speaker, the budgetary proposals consisted of a number of constituent parts most of which the Honourable Member for St. John tended to ignore or was unable to appreciate. Perhaps, you would permit me to respond to a number of things said by the Honourable Member for St. John. I shall not respond to these things in any necessary order for indeed, the speech of the Honourable Member for St. John lacked order, lacked coherence, lacked clarity and came close to being just a rehash of a number of matters completely irrelevant to what we are looking at in this Budget.

Mr. Speaker, the Honourable Member for St. John started by claiming that the Rural Development Commission did little or nothing for St. John. It is known that he has made but few representations to the Rural Development Commission for anything. But what is also known is that what the Rural Development Commission has done for St. John is significantly more than he did for the eight years that he served in Government when he had the opportunity to represent them.

So severe and abject is his neglect of his own constituents that there were times in this Honourable House when he had an opportunity to put their case that he absented himself and was not even present, Mr. Speaker, for the debate on the VAT. The debate, I am advised, took place on Friday, August 16, 1996, but, I will advert to that later in my response.

Mr. Speaker, the Honourable Member for St. John also said that he is being approached repeatedly on the question of house spots for his people. He served in an administration for eight years and he should have been able to tell this Honourable House how many house spots his administration and himself created when they were in power for the eight years that they served Barbados between 1986 and 1994. Indeed, he should have said how many house spots were specifically carved out and created in the constituency of St. John.

I dare say, Mr. Speaker, that the Democratic Labour Party's record both on house spots and on housing was so much of a failure that the people of Barbados will be well advised not to give any weight to their words because as I shall reveal during the course of my modest presentation, you do not listen to their words when their actions, especially between 1991 and 1994 were in direct conflict with the words they are uttering in here tonight.

Mr. Speaker, permit me though to make these comments on a number of features both of this Budget and of our economy. The question is where is Barbados' economy tonight? We have a situation, Mr. Speaker, where under the skillful and able guidance of the Right Honourable Member for St. Peter, unemployment is falling. We are seeing growth being experienced in a situation where unemployment is falling. In circumstances where there are those who comment on economics from time to time, who maintain the argument that growth cannot be achieved when jobs are being created simultaneously with the growth. But under the skilful and able guidance of the reasonable and humane, brilliant leader of our Side, we are seeing growth accompanied by jobs. We are seeing the economy getting off, we are seeing our foreign reserves spectacularly climbing and climbing and climbing. We are hearing people in Barbados, especially the small people, complimenting the Government and expressing confidence in their country once more.

I recall the days, Mr. Speaker, between 1991 and 1994 where virtually every sector in Barbados, having been blasted by the misguided policies of the Democratic Labour Party had been expressing and experiencing a feeling of hopelessness and despair. You will permit me to look at some of these policies over time.

1989 to 1991 was characterised by a period of economic folly coming close to economic madness. Barbadians will not forget the credit squeeze of 1988 to 1991. What is significant about that is that credit squeeze did not distinguish between credit for consumption and credit for production. Therefore there were credit squeezes imposed both on the productive sector and on consumption.

The productive sector, having been unable to access credit, went into decline. And, lo and behold, even though the Right Honourable Member for St. Peter was warning this Nation, that Barbados was slipping, close to the election in January 1991, we were told that we never had it so good.

Then, after that I vividly recalled that 1991 was characterised by at least three sets of financial proposals that were made to this Honourable House. Those financial proposals, far from addressing the burning issues, burnt Barbadians. We saw a situation where between 1991 and 1993 we saw a curious blend of fiscal and monetary policy that bordered on presenting the type of economic malaise which we in Barbados are not accustomed to in days of good government.

We saw, Mr. Speaker, on the fiscal side burdensome debt and Barbadians will not forget the Stabilisation Tax. We saw taxation imposed on the productive sectors between 1991 and 1993 where manufacturing took

a battering. Because of such a battering, tourism barely survived and in consequence our economy slipped and headed to recession.

We also saw a situation, where while this was happening, we had the spectacle of the Government of the day engaging in excessive and wild spending and also an increase in the national debt. In fact, Mr. Speaker, the national debt under the Democratic Labour Party had so grown as to present a situation where at one point, Barbados ceased being credit worthy under the Democratic Labour Party. We did not hear the Honourable Member for St. John comment on where this economy had been brought from, but we need to say where it was and where it has been brought from.

In that period, Mr. Speaker, I can recall going back between 1989 and 1992, a spokesman for the Democratic Labour Party, travelling to a nation formerly called Cipango, now called Japan, asking to secure a loan for the people of Barbados and being turned unceremoniously away because Barbados had ceased being credit worthy.

Mr. Speaker, we saw the spectre of our credit worthiness so degenerated that we ended up before the international lender, our last resort in the form of the International Monetary Fund. We heard the Honourable Member for St. John when he had the opportunity to present budgetary proposals in 1994 suggesting that their relationship with the International Monetary Fund was one based on some mutual relationship. But, the people of Barbados were literally, bawling. The policies were murderous.

We also saw the interesting situation of a monetary policy under that Democratic Labour Party's administration and a monetary policy supported by the Member for St. John where under that monetary policy interest rates on credit were raised to alarming levels. The liquidity reserve ratio which commercial banks are required to hold for the Central Bank in that period were increased therefore shortening the amount of money for the productive sectors, Mr. Speaker, and in consequence, we saw the Government using policies that caused the economy to contract.

Now when the economy contracted, Mr. Speaker, what did we find? We found that when the economy contracted income earned in this country went down. Income earned by micro businesses went down. A lot of businesses losing profits and losing money found themselves happy to layoff people. We saw then, Mr. Speaker, too, Government also engaging to control their spending on a programme which saw massive layoffs and I am told, human suffering in Barbados.

These policies were supported by the Honourable Member for St. John. We saw economic recession that not

only hit every Barbadian and every sector, we saw an economic recession that created confusion in the minds of the Members of the Government of the day.

The result then, Mr. Speaker, was that it was clear to us between 1992 and 1994 that such was the confusion in the Democratic Labour Party that there were those who were either jumping ship or totally criticising their party or displaying the highest disloyalty to their cause, because they too, like the rest of Barbados sensed that their party had let them down, that their party was not causing the economy to go anywhere and the society was suffering. We saw a situation where the social services in Barbados suffered radically under the Democratic Labour Party and the Honourable Member for St. John in here tonight would have us believe that he is contemplating policies to develop the social services having already reduced them to a point whereby at the time we took office in 1994 we had a lot of repairing to do. The place was in turmoil. The economy was in turmoil. Investor confidence was down and the people of Barbados were looking to us in this Government to do as much as possible to arrest decline and stimulate the economy and bring it back to full productive capacity. 8.55 p.m.

The Honourable Member for St. John, Mr. Speaker, supported the useless, bitter medicine that was dispensed under the Democratic Labour Party. He supported a painful, harmful surgery that was performed on the economy and indeed on the body politic in that period. When he had a chance to do something about it by presenting budgetary proposals to this Honourable House in 1994 he came in here sometime in March 1994 specifically March 28, 1994 and when challenged to show his vision for Barbados and his programmes for the youth he had it to say that he would call on all young people to go out there in search of lunch money and bus fare to eke out an existence. This was the type of attitude that the Honourable Member for St. John evinced towards the young people. His policy was to go somewhere, beg for a day's work and ask to be paid bus fare and lunch money.

He has the gall to come in here tonight, Mr. Speaker, in a situation where he was not terribly relevant in anything he had to say about the Budget to criticise this honourable Government for rescuing this economy from the hands of those whose performance could not have been worse.

He sought to describe these budgetary measures as a hoax. He actually called them hoax No. 2. If you hear him often enough, Mr. Speaker, he is always talking about hoaxes but if ever there was a hoax in this country I recall one night in 1994, 3 gentlemen on TV, 2 distinguished gentlemen and a 3rd. That 3rd gentleman said that he had had evidence of some secret deal between the Opposition of the day and the International Monetary Fund. Up to

now those promises to reveal all these secrets and he has not revealed them.

Mr. Speaker, this is a Member of Parliament who has managed during my time since 1994 to miss the Estimates of Expenditure in one year. To miss the actual debate on the VAT and to miss a number of other things. If you are Shadow Minister of Finance and if you support tax reforms and if the legislation pursuant to the fact is consistent with tax reforms and you are a committed member of your Party, indeed a committed member having an opportunity to address the issues, you would have been here. Consistent with my belief that he draws his pay as Shadow Minister of Finance under false pretences. He absented himself from the debate on the VAT and would come in here tonight trying to give an account of what transpired then.

The point about it, Mr. Speaker, is that his side all to a man supported the VAT. At the time when it was debated on the Floor of this Honourable House not one of them even went so far as to query which specific areas the VAT should have been removed from. After having supported it in here, his Party goes abroad and attacks the VAT. We have said and I quote from page 3663 of Hansard covering the proceedings of this Honourable House of Friday, August 16, 1996.

Mr. Speaker, I am quoting the words of the Right Honourable and distinguished Member for St. Peter the latchet of whose shoes the Honourable Member for St. John is not worthy to take up. The Right Honourable Prime Minister said:

"I give the House the assurance, Sir, that if the VAT gives rise to an increase in revenue in excess of what we anticipate the Government has no intention, given our fiscal position, of holding on to it."

Mr. Speaker, a reasonable man would interpret that to mean that if the VAT caused revenue to grow and to come in at a faster rate and in a greater quantum than anticipated that something would be done about it and we have seen in these budgetary proposals steps taken to do something about it.

You heard the Honourable Member for St. John, in an admission of his own lack of understanding of these fine issues, praise the Honourable Member for St. Lucy for a figure. The Honourable Member for St. Lucy if we use cricketing analogy is a swiper. A swiper goes to the crease in cricket. The Honourable Member for St. Michael South was never a swiper. He was a poker. The Right Honourable Member for St. Michael South would know that there are times a swiper misses and is stumped, sometimes a swiper connects and the ball goes somewhere, sometimes contrary to where the swiper intends. The Honourable Member for St. Lucy swiped up a figure of \$100 million. The

Honourable Member for St. John would have us believe that he said \$107 million precisely; but the point about it is that the projected excess of revenue brought in by the VAT is projected for a whole year - 12 months and not 6 months. The conduct and behaviour and attitude of the Honourable Member for St. John was that that money was already in Government coffers. No such thing!

Mr. Speaker, the Honourable Member for St John had the gall to question the Right Honourable Member for St. Peter's credibility. The Right Honourable Member for St. Peter said at the time of the VAT debate that he would wait until September and review the workings of the VAT and, in keeping with his words and in support of his own credibility, the Right Honourable Member for St. Peter has come into this Honourable House and true to his words in September has reviewed the VAT and has looked at the VAT after having listened not necessarily to the mouthings of the Honourable Members of the Democratic Labour Party but having carefully listened to the concerns of the suffering poor.

Mr. Speaker, I therefore make bold to say that the posture of the Democratic Labour Party and in particular the Honourable Member for St John is a policy that I do not understand and that I think borders on hypocrisy. As I have said, Mr. Speaker, the Honourable Member for St. John by absenting himself from at least one Estimates Debate, from celebrating the freedom of people, by absenting himself from the VAT debate earns his pay as Shadow Minister of Finance by false pretences. The rules of this Honourable House forbid him from being arrested while on the Floor of this Honourable House, but Mr. Speaker, I cannot proceed to discuss that much mote.

Mr. Speaker, if you look into the Budget you will notice that at page 41 of the actual Budget there is a very interesting suggestion. The Right Honourable Member for St Peter is proposing a special package of incentives for ordinary, indigenous, small business people. I want to comment liberally on this.

Under Operation Beehive for years successive governments have offered incentives to incoming foreign investors in a situation where those incentives were denied to our indigenous class. I am saying that it smacks of foresight when the Right Honourable Member for St Peter demonstrated a caring and a foresight unknown to the Honourable Member for St. John to come in here and propose a package of incentives for a small rising indigenous business class.

I believe Honourable Members at least on this Side support the Right Honourable Member for St Peter to commend him for this. Also, there exists other proposals in this Budget that will redound to the benefit of an emerging indigenous business class in Barbados.

As far as the Rural Enterprise Fund goes the Honourable Member for St John did not deny that people from St. John got money under the Rural Enterprise Fund. He sought to say that he was prepared to admit that loans were given to St. John people and some lights. The loans and lights, Mr. Speaker, amount to more than he ever did for St. John, or will ever do. I cannot recall him, except for some posthumous St. John Development Plan, ever speaking on behalf of the people of St. John until now. Mr. Speaker, the poor rural people of St. John who are crying out for help and representation while, at the same time, expressing doubt over the quality of their judgement in 1994 and thinking that they should get the opportunity soon to do something about a mistake they made in forcing in this country, Mr. Speaker, a man whom the rules do not permit to call insincere, but a man whose words do not readily collide with his actions, nor do they support his actions. 9.05 p.m.

Mr. Speaker, he said that we have failed to reach a fishing agreement. An agreement is about at least two parties coming to what lawyers call an *ad idem* situation. If you get one person proposing and the other person not agreeing, there can be no agreement and I am not aware of any successful fishing agreements being made among Anglophone Caribbean people but such is the depth, or lack of depth of the Honourable Member for St. John.

Mr. Speaker, I want to say that I am in full support of the Right Honourable Prime Minister's proposals at page 89, and what are these Proposals? Following on the Prime Minister's decision to produce a basket of goods to give VAT relief to the poor on a wide range of items, page 89 also is most interesting, Mr. Speaker, from the point of view that we have proposals that fresh milk, rice, corned beef, macaroni, chicken, fresh meat, sardines, tuna, mackerel, luncheon meat and flour will be added to the list of things under price control.

Now, this is not an exhaustive list, Mr. Speaker, of items on price control. There are indeed right now, existing price controls on chicken wings, sugar, corn meal, liquefied petroleum gas, gasoline, diesel and kerosene. If you take the existing list, Mr. Speaker, and the list proposed by the Right Honourable Member, you will notice now that the number of items on price control to save financial embarrassment to the poor would have increased and the Right Honourable Prime Minister deserves commendation for that.

That Side, except for the Honourable Member for St. Michael South Central, had something called structural adjustment medication. And what was it? It was nothing that removed the burden off the poor. Under their so-called structural adjustment medication package nothing was done

to ease the burden that they, including the Honourable Member for St. John had inflicted on the poor.

Mr. Speaker, I want to touch on this question of an attitude that the Honourable Minister of Finance has to the poor. The Minister of Finance, having investigated the plight of poor people called casuals, has come up with a proposal that it is iniquitous that in the year 1997 you can have people in the public service, Mr. Speaker, called casuals, largely through legislation passed in 1971 by the Democratic Labour Party, whose plight was actually worsening in 1971 under a Democratic Labour Party mal administration, and who had virtually lost their rights to pension by that legislation. So where are casuals tonight before the Right Honourable Prime Minister's proposals?

People like assistant foremen, general workers, filter welders, section leaders, operators, some maids, some mechanics, some machinists and people like that, Mr. Speaker, are today classified in many Government departments as casuals. It means that they cannot be given security of tenure because they do not have established posts in the Civil Service.

As part of an enlightened package of proposals for public service reform, the Right Honourable Member for St. Peter has decided in his wisdom to set the stage for these casuals to be reclassified so that when they come to the end of their tenure in Government they would have come to the end of their tenure as established workers and would, for the first time since 1971, be entitled to draw pension from their employer. In fact, Mr. Speaker, at the point when they get appointed, they will be able to go to any financial institution and say: "I have security of tenure, I am not acting indefinitely, I can negotiate a loan on the strength of the fact that I have security of tenure." Why not, Mr. Speaker, compliment the Honourable Minister of Finance for that? Forward looking and humane!

Mr. Speaker, we in Barbados are often quick to listen to the most recent things that have been said. Given the recency of the very poor, disjointed and incoherent submission by the Honourable Member for St. John, I will have to clarify a number of things about the Prime Minister's whole *modus operandi*.

Mr. Speaker, the Honourable Member for St. Peter would have put careful thought in this Budget, would have spent long hours preparing it as, indeed, he is accustomed to working long hours in the interest of Barbadians. Mr. Speaker, the quality and character of this Budget prove beyond any doubt that the Right Honourable Prime Minister is an excellent manager of the economy.

Mr. Speaker, this economy is tonight in safe hands. At the personal level, Mr. Speaker, the Right

Honourable Prime Minister has not lost the common touch. It was reported recently that he is a reasonable man. He is also humane, brilliant, he empathises with the poor, he has done his utmost to do something for the casuals in Government and he is doing his utmost to add strength to the economy by strengthening the capital markets and by creating a new cadre of small business people. All in all, Mr. Speaker, I would have to describe him as a competent, strong and decisive Prime Minister.

In the words of a person whom I spoke to this morning in St. James, he is the man of the moment and the man for the coming millennium.

Thank you very much.

Dr. R. C. HAYNES: Mr. Speaker, I have been speaking on Budgets in this Honourable House for so many years that it is difficult at the moment to reflect or recall how many of these Budgets I have spoken on. But indeed, Sir, I honestly believe that Barbados has now reached the stage where, not only at the political level, but at other levels, we have to confront the truth when we are speaking to the people of Barbados.

What I shall say tonight shall please some, shall displease some, I care not about that. I am concerned about St. Michael South Central and the people of Barbados in general. I have reached that stage in my life, Sir, where I have achieved all that I could possibly achieve in every direction and therefore I can devote my full energies with honesty and integrity towards the affairs of this country.

When the economic history of the closing years of this century is written, it will be recorded in bold and unmistakable letters that September 29, 1997 was the day on which the National Democratic Party took the Prime Minister and Minister of Finance captive in large measure. I am repaying him, Sir, a compliment he paid me in 1985, I think, in relation to the sugar industry. But I shall try to keep him in that state of captivity over the next two years, at least, for indeed yesterday it was with passion and with hope, and I trust with equal commitment, that I heard him enunciate in clear and distinct language, many of the very fundamental and core policies of the National Democratic Party.

I wish to recite them and then I will go into detail because my concern at the moment is to deal with the major issues facing Barbados as I see it as we move into the 21st century. 9.15 p.m.

The commitment to poverty alleviation, the new commitment to poverty eradication. The commitment to full employment which he redefined as 'negligible

unemployment'¹. Full employment is defined as a state where there are few people from time to time between jobs in economic terms. The commitment and restoration of \$15 000 tax free. Mr. Speaker \$15 000 cannot be wrong.

In the words of Martin Luther King, there is nothing more powerful than an idea that just would not go away. I have noticed the increase to \$30 000 tax free income for pensioners, that will cover probably between 80-90% of all pensioners in Barbados, very close indeed to tax free pensions for all.

But most important, and I think the critical economic commitment that I heard yesterday, was the abandonment of any notion of excessive borrowing from the Central Bank of Barbados. If that is a policy that can be conducted in this country over the next 40 or 50 years Barbados economic situation is secured. It has taken myself and Wendell McClean 17 years to hear such a policy enunciated on the Floor of the House except by myself. In 1981 the disaster under the Barbados Labour Party, as we know, was a direct result of excessive money creation. Indeed, the first time I heard the Honourable Prime Minister speak in public was one day in my car I heard him deal with that issue of excessive money creation in 1981. I think he was still a public servant at that time and I asked Mr. Tom Adams who is this fellow Arthur and he told me that he was a bright fellow but he did not know what he was talking about and that the Government needed money to run it so where else are we going to get it from.

Sir, we saw the same phenomenon in more severe terms in 1991 and it took five years of tremendous trauma to the people of this country to overcome those very serious problems. The sixth area, and I am very glad to note that we recognise our commitment to tax credit as part of dealing with the VAT issue, we put notices in the Press and said give the people the money to pay the VAT. We issued a statement which I shall read shortly which set out clearly what our position was. We have always taken a position of no taxation on basic foods even before the VAT came along. The issue of price controls, we articulated that position and the issue of overtaxation in the Barbados economy is something which I have been talking about like a stuck record for many, many a year.

The issue of Venture Capital, the issue for small businesses, facilitation of the Securities Exchange operations, micro businesses, and if you go back to my 1987 budget presented to this House, we had in fact made arrangements at that time, 1987, and had already made arrangements for a \$20 million fund to be put up by commercial banks of this country, largely negotiated by a former Director of Finance & Planning, Mr. Steve Emtage way back in 1987 and today we could be a lot further than that. If you look at that Budget, you will see that there

are many suggestions in that Budget - I have it here - in relation to micro businesses and so on.

Sir, I just want to make one or two things very clear. I believe that the public needs to clearly understand that these are not commitments that we are making now. On Sunday, February 26, 1989, in Queens Park at our dedication ceremony, we made some interesting statements. On page 11 of this document, "Foundation Ceremony of the National Democratic Party", there is a statement here. In fact, there is a rather handsome looking person in this photograph that I recognise.

Asides.

Dr. R. C. HAYNES: The statement is as follows:

"Elimination of poverty, protection of the poor, the young and the old and the disadvantaged, shall be the abiding concerns of the National Democratic Party and the overriding objectives of our policy is elimination of poverty".

Later in that same speech by myself, I said that we were satisfied that a National Democratic Party Government will be able to achieve full employment within the Barbadian economy within five years of assuming office, given the buoyancy of the economy as early as 1989. Later on that same page I said that we can and we shall manage the Barbados economy better than it was ever managed before. We can and we shall bring full employment to Barbados. I refer to this so that the public of Barbados can clearly understand that these are long standing commitments and it is a belief that we share that we can eliminate poverty in Barbados and that we can have full employment in this country.

I also want to make it absolutely clear that I fully and unequivocally support the policy of poverty elimination. I cannot do otherwise, Sir, for a variety of reasons. I do not recognise NDP, BLP or DLP poor people. I know suffering across this country, I am in a position in Barbados that when people come to me with suffering there are not the kind of equation that I have to think about. I think of the relief of suffering.

Again, in that area of poverty alleviation, in point of fact, it was the National Democratic Party way back long before any by-election sometime in 1996 that called for a poverty relief fund. In fact, in my Christmas message to this country, this captures the spirit of it quite well:

"If this day has any meaning to those involved in the political life of this country then all of us should recognise and follow the command to devise ways and means to eradicate the scars of poverty from this

land bequeath to us and there can be no higher or nobler cause to public life. Regrettably, over the past years, Barbados and other countries around the world has embarked on public policies largely under the direction of international financial institutions which have led to an increase in numbers of poor and a concentration of large amounts of wealth in the hands of a few. These policies fail to recognise that they can be no lasting development without the development of people and that economic policies which lead to the generation of poverty among the masses of the people are doomed to failure. This situation must be reversed and though small Barbados has a wonderful opportunity to remove from its social landscape all the stigma of poverty and be a beacon to the rest of the world in the matter of poverty alleviation and poverty eradication, it is therefore appropriate on this occasion to draw to the attention of our nation some of the many positive proposals which the NDP has put forward in order to alleviate and ultimately eradicate poverty from our midst. 9.25 p.m.

We have proposed that a supplementary pension, that is, an additional pension be made available to all those struggling for survival on old age pensions and minimal national insurance pensions as their sole source of income.

We have highlighted the urgent need for a national pensions plan so that future generations can approach retirement without the fear of unbearable poverty.

We believe that pensions should be exempt from income tax and our pensioners should not have to pay a Value Added Tax on telephone and electricity services or on commodities basic to their existence. The National Democratic Party has outlined an exciting programme to improve the housing conditions of the poor ranging from waterborne indoor bathroom facilities for all homes, repair of homes of all the elderly, opportunity for the poor in Government housing to own the units they occupy and 100% mortgages, all designed to improve the conditions of the poor and the quality of family life in our society.

We have called for a comprehensive restructuring of our welfare and national assistance programmes to make them more responsive to the needs of the poor and we have proposed a \$7 million poverty relief fund to bring rapid relief to the poor in crisis situations and to empower the elected representatives of the people to play a positive role in poverty alleviation.

Sir, this budget addresses the issue of poverty alleviation. We called for it. We called for \$7 million dollars. Ten million dollars has been placed there and there is a promise of more and therefore I have no problems

in supporting that. It is important to understand that this is at the core of NDP policy and philosophy.

The same applies, Sir, to poverty eradication. We produced at our annual conference, this document here. Hie National Democratic Party, a declaration for the eradication of poverty in Barbados by the year 2005 and we dealt with a number of very fundamental issues because we understand that poverty eradication can only take place in Barbados if there is a commitment in many ways to change the system but it can be done and an opportunity now exists, probably for the first time in Barbados for a long time, to really bring about a programme that would change the social and economic landscape of Barbados, ensuring that the social capital among the poor and low income groups in Barbados is so enhanced that that goal of poverty eradication can be achieved.

Due to pressure of time, Sir, I can only say that we identified jobs, adequate wages, adequate housing, better social amenities, improved health care, a redirection of public health and education efforts, better pensions, higher welfare payments among others as being fundamental to efforts to eradicate poverty in the context of political empowerment of the people through local government, special development areas of where the poor live, the whole question of jobs, minimum wages legislation to make sure that when people work they get adequate amounts of money so that can lift them above the level of poverty, etc. This document is a public document and it is available to anyone who might want to look at it.

On the issue, Sir, of tax credits, I notice that the Minister of Finance obviously spoke on the issue of taking the VAT off food but we are very reasonable. What we did say is that a system of VAT tax credits payable quarterly in advance to eligible families should be put in place. The Government will recover this money when it is spent on vatable goods and services, the amounts to be determined by the extent of the exclusion of basic goods and services from the VAT. I think this is largely being done. It is done 3 ways and I will look at that in a minute.

We call for an expanded price control unit and I ask that one should be put in place before the VAT was removed from those items. I also ask and call on the Government to ensure that if there is any doubt as to whether there is over invoicing of imports of goods subject to price control that one of the agencies overseas in the country of origin should be retained by the Government in order, particularly the United States, that appropriate prosecutions can be brought because I know for sure it is against the laws of the United States of America and they could be prosecuted right in the United States, both the supplier and the person involved in over invoicing.

We have to understand that we are dealing with a small cartel in Barbados and they can frustrate the efforts of any Government to try to deal with the issue of prices and this is something that I feel very strongly about and I would feel very upset if indeed there is any tax relief passed on and it is not passed on to the people who should benefit from it.

On the issue of the VAT tax credit what the Minister of Finance has done, those who are paying taxes \$13 000 he is taking it to \$15 000. Those outside of the tax range he has given them a \$350 grant. I would hope that would be a revolving grant over time and not just a single grant. But I would like to draw to his attention that there is a little gap between those who are earning \$172 a week and those who are earning \$250 a week because they would only get the benefit of the removal of the VAT on food. There is no provision for them either under the Income Tax arrangement or from the \$350 a week.

We certainly called for it and we have got it and one other reminder I want to give the Minister of Finance right now, do not forget those old people who live in areas where there is no public transport. Some allowance should be made to give them the money to pay the bus fares on the mini-buses that they have to travel on because there is no public transport there.

Now, Sir, this arrangement through National Insurance, income tax, welfare payments I understand this is necessary in the short-term because these are the three structures that are in place and I sincerely hope that there will be a more structured arrangement to make sure that anybody who is not caught in the net, that some opportunity will be provided for them over time by some other more structured arrangement.

Now our position on the VAT, Sir, it is true we did not vote against the VAT legislation when it came in here. That is a fact but our position on the VAT has always been well known. I have always reserved our position because we have a fundamental philosophical position on the VAT on several grounds. First of all it takes the burden off big businesses and places it on consumers. It will create major problems for small businesses and that the poorer you are, generally speaking, the greater is the impact of the VAT like most other indirect taxes.

Our Manifesto position, Sir, was absolutely clear on this matter because we did not even deal with the VAT. We were not even thinking of getting involved in the VAT in any way. We made some important decisions in relation to taxation. We asked them to increase the level of income that is exempted from income tax. We asked for a restoration of the deductibility of mortgage interest and house repairs to owner occupied houses. We got some

of that. We asked in the last budget. We asked for a rationalisation and a simplification of the present system of indirect taxation. That is what was there before, a rationalisation and simplification. We asked even then for the exemption from taxation of a basket of basic needs items. Well we have got some of that. We asked for a reduction in property taxes. We have got that. Mr. Speaker, we might as well be running the Government. We asked, Sir, for the introduction of a differentiating system of corporation tax in relation to small businesses and that will come because way back in 1987 I set up a special committee that made a recommendation and one of my proposals in 1987 was for a differentiating system of corporation tax if you may recall, Mr. Speaker.

In the area of job creation we spoke to the issue of job creation tax credits whereby for purposes of computing taxes payable a business would be allowed as an income deduction, 25% of the wages and salaries paid as a result of a net increase in the number of persons it employs. Again in the area we talked about the maintenance of a low income rates regime. 9.35 p.m.

We talk about the maintenance of the low interest rate regime. We talked about this issuance of security bonds by a venture capital corporation to enable small businesses to obtain credit from the commercial banks and other financial institutions. We talked about the need for the restoration of investor confidence in the management of the Barbados economy.

We have achieved a lot from these Opposition benches. We have had to work hard for it and we are going to continue, the National Democratic Party, and make no mistake about that.

Mr. Speaker, I will warn the Honourable Minister of Finance that the issue of the VAT will not go away. Mark my words. Although a lot has been given back, I can be quite sure that it is going to be a continuing problem.

Asides.

Dr. R. C. HAYNES: Sir, the people of Barbados better understand where we are today. This country between 1986 and 1989 experienced a 14.8 percent expansion of the economy in Barbados. Between 1990 and 1993 it experienced a 12.1 percent decline. Between 1994 and 1996 it experienced a 12.5 percent increase in output. In 1996 we had over 5 percent increase in output. This was never experienced again until 1996. When you look at the gross domestic product of this country at constant prices there is hardly any change between 1989 and 1996. 1997 may be a little over that.

The job losses were severe in this country. The fact that there were still 21 000 people unemployed at the end of 1996, although about 9 000 to 10 000 job were created. This is a serious problem that has to be dealt with over a time. The foreign reserves of this country, in September 1991 fell to \$13 million inclusive of the CMCF debt. It is now \$599 million at the end of 1996. We could easily have gone the way of Jamaica and Guyana.

The lesson to learn is that all the fiscal and monetary measures that you can put in place can never overcome the problems of excessive money creation in a small open economy like Barbados.

Today, Sir, our balance of payments are in surplus, there is no significant increase in the foreign debt. There is clearly an increase in confidence in the economy as judged by private capital flows and refract creations by Barbadians who took the money out of Barbados in 1991.

But I must warn the Minister of Finance, let it never happen again. It happened in 1981. It happened in 1991 and you have a responsibility to this country to make sure that we do not get involved in any expenditure driven fiscal policy in this country or any borrowing from the Central Bank of Barbados beyond reasonable levels in a crisis situation.

Mr. Speaker, things are hard out there. Make no mistake about it. People are suffering. It is going to take time to overcome things like that 8 percent salary cut, the massive dismissals from the public service, the two, three and four day week, the IMF policies, and then on top of that the issue of the VAT. It is going to take time. What has happened is that the economy has improved, but the people are going to take a lot longer to improve.

I would like to say to the Minister of Finance that he has endorsed much of the NDPs programmes in his policies and philosophy. It was the right thing to do. The promise of the emancipation and the promise of the 1937 riots remain unfulfilled. The promise of the late Sir Grantley Adams, the promise of the late Errol Walton Barrow also remain unfulfilled, until that hard core poverty and unemployment are removed from our midst.

We cannot and we must not go into the 21st century with the stigmata of the past ever present before our eyes. Let us all, as representatives of the people of Barbados place full employment and the eradication of poverty at the centre-piece of our social and economic programmes. We in the NDP will never resign from that position or never fail to support any Government that adopts that position. It is true, Sir, that Christmas came a little early on September 29, but nevertheless, there has been some significant correction of the over taxation.

I represent a constituency of poor people, low-middle class people, middle class people, a lot of pensioners, welfare recipients and they all have been calling for relief. I have expressed during my presentation, my reservations about the VAT at various levels. I have expressed my reservations about the amount of relief that is available to one particular category of lower income groups.

I therefore declare, based on what I have said tonight, and after thorough consultation with my colleagues in the National Democratic Party which went on up to an hour before I spoke and also with my people in St. Michael South Central. I have concluded that it would be politically and possibly certifiably insane for me to cast my vote against this Budget,...

Asides.

Dr. R. C. HAYNES: ... for the following reasons:

- (1) It endorses a large number of vital core policies of the National Democratic Party.
- (2) It brings relief to people who are desperately in need of relief. I cannot find myself voting against a budget that embraces so many of our policies.

Welcome to the club of the National Democratic Party.

Thank you very much.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I perhaps, like my Honourable friend who has just spoken, the Member for St. Michael South Central, have participated in more debates on the Financial Statement and Budgetary Proposals, than I can recall.

Perhaps, this must be my 28th time at least, in participation in these debates. Bearing in mind that in some years there may have been two presentations and maybe in a year or so there may have been none. 9.45 p.m.

I also believe, Mr. Speaker, that as the representatives of people across Barbados we must talk sense to ourselves and to the Barbadian public. We must be even-handed and certainly this has been the guideline to my whole approach to politics that we must be even-handed as far as the discussion of public affairs is concerned.

The people of Barbados have developed and have achieved a lot and sometimes when I hear the criticisms I wonder if we truly appreciate the progress that we have made down through the years by all parties. They have

made a contribution to the extent that even during those years that we have been highly critical of the steps and measures that we had to take in Barbados that from 1991 up to 1994, I believe, Barbados was among the top 3 or 4 developing countries in the world even in times of recession.

I think we should bear these things in mind that while we tend to be critical or hypercritical this country compared with other countries, developed and developing, has been making progress and great strides.

I believe that even though we have heard the presentation, the Financial Statement and Budgetary Proposals yesterday I am not sure how many have actually penetrated the concepts and the proposals and, indeed, the contradictions that are deeply embedded in this. I have listened to it and I have read it. I believe that those who have been thumping and those who have been highly adulatory in their responses perhaps have not fully grasped what is said in this Budget because this Budget, the Financial Statement of Expenditure and Budgetary Proposals represent the full acknowledgement that the policies implemented by the Democratic Labour Party, my administration, during the period 1990/91 to 1993/94, were sound policies for the development of Barbados.

You can find that Sir, deeply embedded in this presentation and I want to refer to it. Let me first of all take the question of growth. We talk about recession as though the years 1991 and 1992 were the only years of recession in Barbados. We seem to forget that the years 1981 and 1982 were also years of recession in Barbados and we also tend to forget that in the mid-1970s there was also a recession in Barbados.

In this document here somewhere there is a passing reference to the fact that there were 3 recessions in Barbados. It has not documented them and it said that never again should we find ourselves in that position or words to that effect. What it is saying is that the policies pursued by the Barbados Labour Party and those by the Democratic Labour Party have contributed to those recessionary conditions and the "great saviour" will ensure that never again should we find ourselves in that position or rather that we should be better prepared if those conditions come about again.

I would like on both sides of this House for us to be very clear that what this document here says is that the policies pursued by the Democratic Labour Party Government during those years of recession were sound policies. I can identify what those policies were. First of all the contractionary policies in order to stop the haemorrhaging of the foreign international reserves. We wanted to stop that. That is the first order of business

when the economy is contracting in a recession, to try to stop that and to turn it around. Therefore we introduced the contractionary policies.

Then you have to find the expansionary policies in order to cause the economy to grow and that is exactly what we did during the period 1992, 1993 and parts of 1994. We can identify those policies, Sir. Whether it was the concentration and enunciation of policies in respect of competitiveness in the economy, whether it was the establishment of the National Productivity Board, whether it was the reform of the sugar industry, whether it was the question of ensuring that our export sectors, the foreign exchange earning sectors, were boosted so that they could make a greater contribution to the inflow of foreign exchange and the establishment of an international business services unit in the Ministry of Finance, a whole host of structural reforms, because something was wrong with our economy.

I do not jeer or sneer at persons if they have made one budget presentation. I heard the Right Honourable Member for St. Peter taking the Member for St. John to task by implication because he made one budgetary presentation. I do not say that about the Member for Christ Church South as Prime Minister and Minister of Finance. 9.55 p.m.

I believe that whatever time we have we should try to make a contribution. I would say both of those Honourable Members have made a contribution. They made contributions of quality, and I would say that about all of the Ministers of Finance in this country. Modesty would prevent me, Sir, from including myself in that, only modesty, not the contribution. I think we have to get these facts imbedded in our minds before we can clear away the cobweb of working for the development of this country and for our constituents.

Let us not believe that growth in the Barbados economy started in 1996, or 1997, or 1995. Sir, we are now in the fifth year of growth in this economy. The economy has been growing from 1993 and we have put in place policies in order to secure that growth.

I can say what are the policies the Democratic Labour Party Administration implemented in order to assist in that growth to bring about greater sectoral development, to assist in the provision and development of more jobs, building up the foreign reserves and all of those macro-economic considerations.

I would hope that the Members who speak after me from that Side could equally list the measures that have been taken since 1994 when we demitted office that would have contributed to that growth. I am asking for that to be

listed which would have made a significant qualitative and quantitative contribution towards those macro-economic indicators.

I have given some indication but what this document says, the facts are, and I am quoting from the Financial Statement and Budgetary Proposals, a copy of which was circulated to me on page 4, that eight years ago in 1989 Barbados attained the highest ever level of economic activity up to that point and a level of activity which has not been surpassed since.

This is what the Prime Minister and Minister of Finance has said, 1989 a record year, and that is a fact, Sir. What they then go on to say, the implication is that the next two years of recession, 1991 and 1992, were years of recession but everyone wants to forget that recessions in small open economies start with the depletion of the foreign reserves and when those reserves become depleted or they are near depletion, you have to look around to see how you are going to deal with the problem. And let us deal with this question of the reserves. We are talking a lot about reserves but we know that reserves tend to be boosted particularly if there are inflows of capital from outside or if your foreign exchange earning sectors can generate those reserves.

We await the information, Sir, to see whether those reserves are particularly boosted by the earnings from the export earning sectors or whether they are largely boosted by inflows from loans, not only from the capital markets but also from the international institutions. I await the information clearly set out, and we have to consider these things, Sir.

In 1990, yes, we as a country went to the International Monetary Fund, the institution that was established particularly for the purpose of coming to the assistance of countries with foreign exchange problems and problems that may interfere with international economic cooperation, particularly foreign exchange problems. We did that, Sir, and we worked out a programme that we brought to this House. But it was not the first time that we went to the International Monetary Fund as a country.

The Member for St. Michael South Central will talk about 1981 but I go before that, Sir. We seem to forget that in 1977 this country also went, under the Barbados Labour Party, to the International Monetary Fund through its compensatory facility and borrowed from the International Monetary Fund in order to deal with a foreign exchange problem.

We seem to forget that in that year also we went to Trinidad and Tobago and had a line of credit from the Central Bank in order to deal with the problems of

foreign exchange in Barbados and the problem of reserves falling. The year 1981 followed, Sir, the years of recession...

Aside.

Rt. Hon. L. E. SANDIFORD: Yes, oil increased. You can give the reasons. We had the Gulf crisis, among other things. We cannot as a small open economy ignore that international economy of which we are a part.

Aside.

Rt. Hon. L. E. SANDIFORD: The Honourable Member for Christ Church South - I never said so. I did not hear your voice, shrill as it is.

Sir, he tried and he had to use his skills of diplomacy to raise a bullet loan on the Japanese market. He was successful in doing that, Sir. I do not remember how many yen that yen denomination bond was for but we had to repay that in 1990 which would have affected our reserves.

Sir, then in 1991, as the Member for St. Michael South Central would know, there was another loan to be repaid, another bullet loan. 10.05 p.m.

I am saying that the country raised a loan. The Minister of Finance used his full faith of credit to raise a loan. We had to repay that loan in 1991 in times of recession when our major trading partners themselves were experiencing financial difficulties. Canada, United Kingdom and the U.S.A. were encountering difficulties and we had to deal with all of those problems in recessionary times. We can give this one reason or that reason why such and such is the case but Parliament must take a total and responsible look at these things and take the total picture into account. For political purposes we might tend for a one shot explanation for these developments and I determine then that the Barbados economy having suffered recession in 1981 and 1982 then 10 years later and recalling that there was recession in the mid 1970s as well, we cannot say that the country will not go into recession again.

I do not mind whether the Minister of Finance rises to his full five feet or whatever and says that he has taken responsibility for all of that or to ensure that this never happens. We cannot count that out because in this business, in this field there is still that international cycle which the economists have not found any solution in spite of John Maynard Keynes or any of the other economists, the business cycle is still there. What we can hope to do is to put ourselves in such a position that we can withstand in a better way than we have done in the past.

What we have to ensure, the reserves I believe by 1993/94 we have brought the reserves up from a couple weeks up to about ten weeks and we projected that this would be the development, the reserves would strengthen, the result of the policies that we put in place. It cannot be done by magic. We have a situation now where I wonder what is the relevance of the NDP. I am going to call it a 'think tank'¹ probably the best in Barbados. No one denies anything about the Venture Capital proposal.

Asides.

Rt. Hon. L. E. SANDIFORD: Yes, I was looking at it yesterday as well, the Venture Capital proposal by the then Minister of Finance. What it has done is to provide, according to the analysis by the Member for St. Michael South Central, the major part of the proposals put forward by the Government. They have also fully adopted the measures that we put in place during 1991 to 1993. On the one hand you have from the NDP and on the other hand...

Asides.

Rt. Hon. L. E. SANDIFORD: Look at between pages 4 and 6 of the Budget and you will see the very words used in here.

"We must now ensure that the economic recovery which has finally been realised..."

The economic recovery started in 1993 so let us understand these kinds of developments.

On the question of VAT. What we are saying is that they should have been a re-think of VAT because politics and economics are dynamic subjects. It is always a changing position and perhaps I was the first public official to indicate that there should be a change in the arrangement. I said that in the leading monthly publication in Barbados called "The Constituent". Sir, I have said that in there. There is something wrong when we said that this VAT was introduced and why would it take all of this time for a Minister of Finance to give back to the people what was extracted for VAT. Why would it take all of that time? It never took the Member for St. Michael South Central when he was giving his tax concessions and the other things he was doing, it did not take him that long. It did not take Errol Barrow that long to do anything and it did not take the Member for Christ Church South long. So why would it take the Minister of Finance all of this time to do that, Sir?

I wonder what he is so busy about. Everybody says that he is very busy and he cannot even answer the Parliamentary Questions yet he talks about participatory democracy. There are a whole host of Parliamentary

Questions in his name which have not been dealt with, some of them relating to economic issues as well. We have to take all of these things into account.

I have called for it and it has been taken up by the Leader of the Democratic Labour Party. I am saying that if we are not repaying the IMF and the other international institutions who made a contribution towards our solving of the problem that the problem is over now says the Economic Report and says this Budget. Economic problems ended. We have now recovered. I am saying that the public officers of this country made a significant contribution over and above everybody else in this country through that 8% cut and I am saying that they should be compensated for that particular contribution. That should be given back by way of a bond or some kind of financial instrument.

I am saying, Sir, that in all sectors we should try to be more efficient. I do not know of any other year in the history of Barbados in which there have been so many problems about the opening of schools and problems in education. I am saying that we have to do something about that instead of trying to criticise the leadership of the unions, we should be working with them to see how we can correct those problems.

Finally, I would wish, Sir, that people of St. Michael South will be able soon to get their roads reinstated and to get those other amenities which they are entitled to as part of Barbados. I do not ask for anything. I am not going cap in hand to any commission. I am the President, Sir, of perhaps the longest surviving community development council in Barbados, the St. Michael South Community Development Council. Now we do not have any programmes. We are in a different area from the Pinelands. I just make that point. 10.15 p.m.

Sir, I believe that it is time if we want to go forward as a country ...

Mr. SPEAKER: Could you conclude please?

Rt. Hon. L. E. SANDIFORD: Yes, Sir. We should try to get the record straight and, Sir, you have called me home. Thank you very much.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I rise to offer the heartiest congratulations to the Right Honourable Prime Minister and Minister of Finance in respect of his budgetary proposals. I have been in here a long time and sat through a number of budgets but I have to say, Sir, that none have bettered this one. I listened to the Leader of the Opposition. For the first 25 minutes he went to Singapore. I thought he was answering a budget in Singapore. Then he came back to Barbados via London and chose then to go

into a long diatribe and he goes on and on. Even just now from his seat which he has now vacated about these 5 advisors the Minister of Finance has.

The Minister of Finance is head of a Ministry of Finance but the Leader of the Opposition his memory is short. He does not remember that he had the whole International Monetary Fund advising him when he was a Minister of Finance to the extent where they brought the advisors from abroad in this Chamber. I was horrified. I saw some of them sitting over there. They gave them offices in the Ministry of Finance in this Barbados in Government Headquarters. The present Prime Minister, the Honourable Member for St. Peter had to send them home. Have you any idea, Mr. Speaker, the hundreds of people employed with the International Monetary Fund not to mention all the rest of the All of that the Leader of the Opposition had at his disposal and he is now making this thing about the Prime Minister had 5 advisors. He should have 10.

Now, Mr. Speaker, Sir, the Leader of the Opposition went on and on and I hear the Honourable Member for St Michael South on the same theme about how the people of Barbados made a great sacrifice in 1990 and 1991 and 1992. Mr. Speaker, Sir, we were all living here in this Barbados in 1990, 1991 and 1992. The people of Barbados did not make any sacrifice. The people of Barbados were sacrificed on the altar of the IMF by the Democratic Labour Party.

Mr. Speaker, Sir, I heard the Leader of the Opposition sit down here and make the point the Democratic Labour Party would be led by international economic theories, not the Barbados Labour Party and the Prime Minister made that abundantly clear in his presentation. That is the road that leads to the IMF.

Mr. Speaker, I want to address three points arising out of the presentation. Mr. Speaker, I do not know how many people are aware of it especially on that Side of the House but, Sir, you know there has been no increase in real wages in Barbados since 1987. Ten years. And all of this talk about 1990 and 1991 and 1992. We lived through that, Mr. Speaker, so those were the hard lean years when people were given a form to sign to agree to have their salaries cut by 8%. When people were laid off in thousands. When people were put on short time in thousands.

Mr. Speaker, Sir, we lived through all of that but the question is now, out of this budget what are we getting? Twenty-four hundred people and 1100 people, casual employees are now to receive, among other things, a gratuity twice what was prevailing before. Mr. Speaker, Sir, I am grateful for it. I hope that all like Audrey in the City of Bridgetown realise now that when the time comes

for retirement she is going to be carrying home close on \$30 000 in gratuity and increased pension because of this budget. I hope that Audrey knows that. The 819 temporary posts now to be established, Sonia, I hope you know. These are people. I do not have to beg for nothing for these people.

I remember a senior civil servant many years ago giving evidence in a certain place made the point that his department was Hollywood because every officer down there was acting. What are we getting now, Sir? Further income tax relief. Fourteen thousand people now to come off the roll of the income tax. "Reds" I hope you know that applies to you. Do you know what is cruel, Mr. Speaker, Sir, that in those years when there was no increase in real wages in Barbados price increases were in effect so that where wages were restrained prices rose unrestrained in this country? And what are we getting now, Sir? A basket of zero-rated goods. Winnie I hope you realise that this applies to you. On top of that price control on basic items.

Now, Mr. Speaker, Sir, I want to say...

Aside.

Hon. Miss B. A. MILLER: You do not have to beg for any votes in St. Lucy, all come on the airplane there to you. Mr. Speaker, Sir, I want to say before I get to tourism, and I want to deal with that. I want to say a few words about charities. It is no secret. I have the greatest respect for non-governmental organisations. I have worked all my life in them. In the years when I am not in Government, when I am in Opposition I go back to my NGO grass roots and NGOs in this country, some of them are charities and some are not but they are selfless in their commitment, they are civic minded, they go about their work often doing what Government either cannot do or in some cases will not do. They often take an initiative, years ahead of the Government and the Barbados Labour Party has always been there to assist NGOs. It is not a secret that perhaps the NGO with which I am most associated in Barbados is the Barbados Family Planning Association but there are many others including churches in this country who will benefit greatly by these measures.

The principle of self-help in our community, Sir, I am pleased to see that it is still alive and well. Grass roots development policies and strategies now coming from the Pinelands Creative Workshop I am glad that they have the money to do the work that they have set out. I am glad for what is proposed in respect of the Gall Hill Community Facility. I welcome the Urban Enterprise Fund in the City of Bridgetown and the Urban Development Commission. If you could see, Sir, my shoes are caked in mud and that is because for 2 hours this morning I walked in the City of Bridgetown all through Baxter's Road, all through the New

Orleans, Murphy Pasture, all through Emmerton, First Avenue, Second Avenue, Third Avenue, Chapman Lane, all through Hutson Alley and Spooner's Alley and Bulls Alley, all through Watkins Alley with the whole board of the Urban Development Commission. I wanted them to see. 10.25 p.m.

My case is written down, Sir. This is the third time in many months that they will be seeing me doing this exact thing because I am showing every single Government agency that has work to do related to urban renewal and urban redevelopment I have something to show them in the City of Bridgetown and I am glad for it.

Asides.

Hon. Miss B. A. MILLER: I was amazed, amazed to hear talk from the Leader of the Opposition about housing. This Barbados Labour Party came into Government in September 1994 and found \$20 million in the Housing Credit Fund. They hid that money from the people and have the gall to stand up in here tonight and talk about housing for people? Twenty million dollars!

But I am very glad, Sir, to see that the Pondsides housing has started.

Asides.

Hon. Miss B. A. MILLER: Very glad indeed. Mr. Speaker, Sir, I need to come to tourism. I do not know where the Leader of the Opposition got his figures and his commentary from. He did not tell us what was the source of his information. He did not tell us what was the source of his facts. I have here the Economic Report 1996 which is already a document of this House.

This is the Economic Report of Barbados prepared by the Ministry of Finance and Economic Affairs, September 1997.

Asides.

Hon. Miss B. A. MILLER: Yes, it speaks to the year 1996. The very first page, and I quote, Sir.

"The tourism sector remained vibrant and expanded by 6.7 percent with its overall contribution representing 15.4 percent of GDP."

In respect of the outlook for 1997 the Honourable Leader of the Opposition, again he spoke about this, but I do not know what was the source of his information. I know that I see here in the Economic Report for 1996 that at page 45, under a heading "Economic Outlook for 1997" it says that the tourism sector which contributes about

15 percent to GDP is expected to experience buoyant growth in 1997 and the figures for the first six months show that. It goes on to say on page 45, Sir

"The Barbados economy in 1997 should therefore exhibit most of the features of buoyancy realised in 1996."

That is not Billie Miller. That is the Economic Report.

I have in my hands, Sir, the Central Bank of Barbados Economic Review, June 1997. Again, on page 1, this is review to the end of March 1997. The first quarter of this year of our Lord. Again, it says here,

"The tourism sector expanded by 7.8 percent, higher than the average growth recorded over the last three years, with the United Kingdom continuing to be the strongest tourism market."

As I say, I do not know where the Honourable Leader of the Opposition got his figures from, but I can only tell you what the Central Bank Economic Review is saying about the tourism sector. I could say a lot more coming out of that but I want to go back to the Budget document itself. At page 13 of this document:

"Value added in the tourism sector increased by 6.7 percent over 1995".

At page 15, it states that most of the inflows and these are the private sector inflows, which were estimated at approximately \$130 million during 1996, most of the inflows represented investment in the hotel sector as well as the utilities sub-sector.

Asides.

Hon. Miss B. A. MILLER: I can only tell you what is written here. At page 18, again it goes on to make the point that activity in the tourism sector increased by 6.1 percent as this sector remains buoyant. We were told that the level of unemployment declined to 14 percent by June.

Now, the Honourable Leader of the Opposition, as I understood it, in at least the first 45 minutes of his presentation, sought to divorce employment from jobs. I do not know how he would achieve that. What I know is that in three years, between October 1994 and tomorrow is the 1st of October 1997, unemployment has moved from 24 percent in this country to 14 percent today. Ten percent, Sir.

Asides.

Hon. Miss B. A. MILLER: Show me, show me, show me! It is all right to say not to believe it, when those people were sitting out here, Sir? They would have had us believe what they wanted to say about unemployment figures, and what unemployment statistics can say and not say.

Mr. Speaker, Sir, since September 1994 this administration has granted an increase in the Barbados Tourism Authority's budget from \$34 million to \$38 million to cover advertising to allow for sustained visibility in the market. You cannot rush into a market-place and do a few quick TV shots and then six or eight months later think that you can go back and do that again. You have to sustain your presence in the market-place. It is the most highly competitive industry in the world and for advertising. It was important that we had sustained promotion in the market-place and not this *ad hoc* jabs at it.

Earlier this year with the introduction of the Value Added Tax, the Minister of Finance made massive concession to the accommodation sector of the Tourism Industry where their Value Added Tax was set at 7.5 percent while the rest of us were 15 percent. The sale of duty-free goods to tourists and international transport services were zero-rated.

In this Budget the Minister of Finance has gone further now and removed VAT from the complimentary rooms.

Asides.

Hon. Miss B. A. MILLER: People need to know how it works particularly in the summer months. The tour operators and the other operatives in the tourism business come to the destinations to see for themselves and experience for themselves. In those circumstances, the hotels normally compliment them. Give them rooms free of charge or heavily, heavily discounted and they were paying VAT even though that was the case. A case was made to me and I made a case to the Minister of Finance and he has taken VAT off the complimentary rooms. .

He has also removed VAT from selected food stuffs and we must not fool ourselves, Mr. Speaker, that that basket of goods, which I am very pleased to see is going to make a big, big difference in the tourism sector. The over one million visitors who are coming to Barbados now, have to be fed. People who work in the tourism sector, particularly in the hotels and restaurants, have to be fed too. 10.35 p.m.

So you must not think...

Aside.

Hon. Miss B. A. MILLER: No, no. Mr. Speaker, we are hearing talk about corned beef out there. The fresh fruits and the fresh vegetables and the fresh meats which include chilled and frozen, do we have any idea what that represents in an industry which is showing in 1996 visitor arrivals in excess of \$1 million? Tourism earnings in excess of \$1.3 billion.

Mr. Speaker, Sir, there is a lot more in this Budget that will bring relief to the tourism industry and enhance the performance of that industry. Tourism is going to benefit from that measure to do with capital market development. This business with the Carlisle Bay Development, the expansion of the Hilton Hotel, the Grantley Adams International Airport, the Bridgetown Port, they are all going to benefit and I am so happy that ordinary, everyday Barbadians, the man and woman in the streets will have a piece of that too and not only here in Barbados, Barbadians outside of Barbados as well, because I have requested the Minister of Finance to have his people prepare special instruments designed for Barbadians outside who want to invest in this "Rock".

The measures brought in respect of the small business sector, particularly for the ancillary services in the tourism industry, is a boon; measures relating to entertainment, all that can do is to enhance our tourism product offering. A lot of musicians are on the hotel circuit singing in restaurants in the evening.

Mr. Speaker, Sir, even what the Honourable Minister of Finance did at page 95 of this document in respect of local ground transport, especially route taxis performing charter services that is a plus for the tourism sector and this business of goods on consignment, I cannot think of any other sector that will benefit than the tourism sector. The small arts and craft person doing wonderful basket work, coconut shell work, making nice mahogany carved pieces, doing bead work, selling it into the big shops in Bridgetown - they do not only walk on the streets, there are people who are manufacturing handicraft in Barbados at Pelican Village and other places and these people take their goods to the big shops like Cave Shepherd and Harrison and DaCosta and they put them on consignment. They do not get paid until the goods are sold. All of this is going to make for a better tourism product. So that on the face of it, although it would appear that there are only 3 or 4 items specifically aimed at the tourism industry in Barbados coming out of this Budget, when you look under it you will see that in respect of almost every measure there is going to be major benefits for tourism.

Mr. Speaker, Sir, I have the greatest possible pleasure in supporting the Resolution brought in respect of these budgetary proposals.

I have in my hand, Sir, a proposed amendment to a Resolution moved by the Leader of the Opposition and he wants to say among other things that the Government management of the economy during the past year - I assume that means 1996 - has failed to deal with the many problems confronting our citizens. On this ground he wishes to reject the 1997 Financial Statement of Expenditure and Budgetary Proposals.

Mr. Speaker, Sir, it is a pity you only get a short period of time to speak in this debate. Imagine that the Leader of the Opposition is accusing this Administration of failing to deal with the many problems confronting our citizens. Earlier on, I made reference to some of the problems and to describe some as problems is to be as generous as one could be to the Democratic Labour Party for the problems that we lived through in the early 1990s.

The Right Honourable Member for St. Michael South was correct: 1989 was a peak year in this country and there are signs - it is only September - that 1997 is looking to approach 1989. It is an amazing thing that in 2 years of that peak year things in this country plummeted. It was so swift that some people could not believe it.

I sit down here tonight and I hear people blaming this and that. The electorate of this country voted on all of that and rejected all of those sore-foot, bag-fuzz excuses since 1994 and some of them even in 1991. It is ridiculous that they would now be dredging up all of that in 1994. For more than 2½ hours the Honourable Leader of the Opposition spoke in here and it is very difficult to say that he addressed the Budget. He was talking as though he were at an outdoor political meeting in Pool Tenantry.

Mr. Speaker, Sir, it must be a hard thing for the Opposition...

Aside.

Hon. Miss B. A. MILLER: ... Audrey is listening to every word because Audrey got victimised by the Democratic Labour Party before 1976 and after 1986.

Mr. Speaker, Sir, we are approaching the end of a century, in our case the end of a millennium, and I am very pleased to be part of an administration that could bring Barbados not to the brink and right into the heart of prosperity and advancement at a time like that.

I would like to believe that when the millennium comes we would all be alive and part of it but at that time I would wish Barbados to be prospering. I would like to think that we are not going into a new millennium with the same baggage from the old millennium and that some of these very new and far reaching initiatives taken in

this Budget... Do not let us beat about the bush, Mr. Speaker, Sir. The Minister of Finance had the courage of his convictions and the courage of his professional and technical expertise to take steps that have not been taken by a Minister of Finance in this country before.

Aside.

Hon. Miss B. A. MILLER: Do you mean to abolish casual employees and make everybody a public officer? That is not a small thing to do. It has a cost attached to it. I read in the newspaper this morning one gentleman making his comment on the Budget and he said that it is a Budget for a small, simple, ordinary man like him, it applies to him, he could point to 2 or 3 or even 4 measures in this Budget directly designed to enhance his quality of life.

Mr. Speaker, Sir, the bottom line is that that is the acid test. This is not taking people's jobs away from them. This is giving the opportunity for jobs. This is not putting people on short time. This is giving people long-term employment.

Mr. Speaker, I have the greatest pleasure in the world in giving my support to these proposals and I commend them to Honourable Members of this House.

I think that the Honourable Member for St. Michael South Central was statesmanlike in his contribution and I can only say what he has said. You would have to be somebody not in your right senses, you would have to be somebody, and he is a physician, certainly terribly insane, not to give your support to these Budgetary Proposals and this Financial Statement.

Thank you, Sir.

SUSPENSION OF SITTING

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this Sitting be suspended until 10.00 o'clock tomorrow morning, the first day of October, 1997.

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

The question that the Sitting be suspended until 10.00 o'clock in the morning, Wednesday, October 1, 1997 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly. 10.45 p.m.

RESUMPTION Mr.

SPEAKER: This Sitting is resumed.

Mr. J. M. EDGHILL: Mr. Speaker, first of all I would like to commend the Right Honourable Prime Minister for his delivery of this year's Budget and Financial Statement.

The year 1996 could be regarded as the year when Barbados was able to recover from the recession of 1990/1991 and record a growth of 5.2 percent. This recession in the early 1990s came about more as a result of the inept policies of the last administration and as a result of these inept policies, Barbados was forced to go into the hands of the International Monetary Fund.

As a result of going into the hands of the International Monetary Fund, very harsh economic measures were put on the people of Barbados through a structural adjustment programme. As a result of this programme the then Government cut the wages of public servants by 8 percent. They also laid off about 5 000 to 6 000 people in the public sector and the private sector followed suit by laying off thousands of workers. They did not only stop at that, the then Government also simultaneously cut severance payment benefits of the workers as well as reduced unemployment benefits, giving the workers a double blow.

As a result of that there were many people, not only in the poor income bracket who were marginalised, but many people in the middle income bracket also felt the wrath of the policies implemented by the Government.

However, in 1996 the Barbados Government under the astute leadership of the Prime Minister has been able to turn around the economy, especially in the last three years and more especially during the last year where we have had a 5.2 percent growth in the economy. As a matter of fact, in the last few years we have had a growth of about 12.5 percent which has actually brought back Barbados to the position it was in 1989. Also, the growth of 5.2 percent was the biggest growth recorded in the last ten to 12 years by the economy of Barbados.

But this growth had to be improved by certain means. First of all, we had the productive sectors of the economy improving, especially the four major sectors of the economy improving in order to get this growth of 5.2 percent. We have had about a 3.1 percent improvement in growth receipts from tourism as a result of a 1.1 percent growth in long-stay visitors which accounted to a 6.9 day increase over the 6.7 day increase.

We also had an increase in cruise ship passengers although there were fewer ships coming to Barbados. But in actual fact, these ships were able to carry a greater number of cruise ship passengers. All in all the economy gained approximately \$1.63 billion as a result of almost one million tourists coming to Barbados, long-stay visitors as well as cruise ship visitors, during 1996.

We also had an improvement in the output of sugar production which improved by 52.5 percent and we were able to produce in the vicinity of 59.1 thousand tonnes of sugar. As a result of so doing we were to satisfy the European market and we still had an excess of five thousand tonnes of sugar for the local market.

We also had a 5.2 percent in non-sugar agriculture. In most forms of non-sugar agriculture there was an improvement although in 1996 there was a slight decline in root crop production.

We also had an improvement in receipts from the offshore sector which from all indications would have had an increase of about 20 percent to 25 percent. We also had an improvement in manufacturing as well.

The real growth of manufacturing was approximately 0.8 percent. However, we were able to increase our exports of manufacturing goods to the tune of \$356.5 million which was a 26.8 percent increase over 1995.

So if you look at the performance of the major sectors of the economy during 1996, one would see that there was a real improvement which resulted in that significant growth in the economy in 1996.

As a result of this growth, we were able to have reduced unemployment. I myself can feel it when I walk through my constituency. I do not see as many people liming on the blocks as there were prior to 1994. As a result of this, the social services will be able to get some additional support which will benefit the poor people of Barbados as well as the poor people in the Christ Church West Central constituency.

Something I would like to touch on for a few minutes is that of housing, since in my opinion, housing after unemployment is the second biggest problem facing Barbados. As a matter of fact, the three biggest problems facing Barbados in my estimation, are obviously unemployment, we can never be satisfied although the rate of unemployment is going down. Housing is also a major problem facing most of us, and drug abuse, I imagine is the third largest problem facing Barbados.

However, let me say a little something about housing. I personally would like to see a property owning democracy in Barbados, whereby the tenants who now rent the Government Units and who have been paying rent for the last 20 years, and in some cases 25 years and over, be given a chance to own these Units.

I think it is very important to have people as home owners. It gives them a feeling of belonging and it also gives them the feeling to work hard to keep what they have. It is very important that we set about to give people that feeling of home ownership.

I have a constituency which has a relatively big housing area, Silver Hill. It has something like 240 3-bedroom units and I am also very familiar with the Gall Hill Housing Development which is, although not part of my constituency, dear to my heart; and I would like to see the people in these housing developments being able to own these units. 10.15a.m.

I would propose that people or the persons living in these units and paying rent for 25 years be asked to pay not more than \$2 500 rent to own these houses; and the people who were in these units for 20-25 years be given the chance to own these units by paying the National Housing Corporation \$5 000 for the unit.

I would also like to say that the persons who would be owing rent would have to have the rent arrears added on to what they are going to be charged for these units. I feel that before these units are sold to the people of these housing developments Government could possibly use the \$2 500 or the \$5 000 which was paid to the Ministry by improving these units since most of them need better maintenance. I also think that before these units are sold Government should think in terms of removing the asbestos from the roofs of these units because the asbestos is a problem especially for the health of the people in these areas.

I think Honourable Members here are fully aware of the dangers resulting from asbestos fibre emanating from the asbestos in these roofs. The asbestos fibres very often could initiate the activity of asthma. For that matter they very often potentiate the way asthma develops on these people. I have known many cases where persons have had to come to me in my profession to get assistance for wheezing and not only asthmatic problems but also respiratory problems as well. So it is very important that these roofs be removed from these units in these districts.

I would also like to see something being done about the sewage in many of these districts in that sometimes when one drives through these areas one could smell the bad scent coming from the pits or the wells which are placed in these units.

As I said before, I would like to see some sort of property owning democracy and I think it should be started with the persons who were in these houses for over 20 years. Government has about 4 500 units and I would imagine about one-third of these units have been housing people for the last 20 years and over. So it is very important that in the next year's budget something will be done to make these people feel important, like real people.

Housing is a very big problem facing this country and I am glad to see that over the last few years with the sites and services programme being done by this present administration - I understand that last year alone over 800 persons were able to get house spots throughout Barbados. By this programme, Government is not only selling house spots but where people cannot afford to buy house spots Government is willing to rent them the land.

In my constituency, I have or rather there is a spot of land which is owned by Government and I have asked that this land be vested in National Housing Corporation. This land occupies about 7½ acres and it is immediately east of the Maxwell Pasture in Applegrove. My idea is to get this land put into sites and services for lower middle income people and if this land could be subdivided into 4 500 square feet plots we would be able to get accommodation for at least 50 to 60 persons living in Christ Church West Central and on the borderline of the constituency. In other words, this would also affect constituencies like Christ Church West, Christ Church South and Christ Church East Central.

I am looking forward to the Ministry of Housing doing something as fast as possible so that persons could be given accommodation. Persons who are willing to rent will have the chance to rent these spots and persons who want to buy will be in a position to buy these spots. And I would rather see a situation where people buy spots and build their own homes rather than giving the land to contractors to build houses for the people. I am talking about low income people who would be thinking in terms of building houses in the vicinity of \$80 000 to \$110 000 on these spots.

There is also a piece of land about 3 acres which is almost to the north of this piece of land that I am talking about. It is presently occupied by a small farmer who has at least 100 heads of cows on this piece of land. This gentleman is a small farmer and has played a significant

role in farming in this country. Although the smell emanating from this area was fairly bad and offensive I still think that we had to give this gentleman a chance to get piece of land elsewhere.

In the last year or so I have been negotiating a piece of land so that this man could continue to do his trade and I must say that I am glad to say that right now I have been able to get about 25 acres of land for this gentleman in the St. Andrew area and when he moves from this area I propose to have this 3½ acre lot developed for chattel housing. Generally speaking, I do not think it is necessary to have more than 2 500 square feet or 3 000 square feet of land for chattel housing. As a result of that, we should be able to get about 3 dozen chattel houses erected on that spot over the next few years. This would be appealing to the very poor people who in turn I am sure will be able to get assistance from the National Housing Corporation because there is a fund which has about \$20 million in it for poor people to access.

That is what I have to say so far about the housing needs of the constituency of Christ Church West Central. I must say that I am glad to say that after 3 years arrangements have been made for Christ Church West Central to get roads in at least 4 districts in the constituency. These roads are going to be in Silver Hill which is an area that was promised roads for the last 30 years. I am making sure that before 1999 the people in Silver Hill will get the roads.

I am also looking forward to roads being given to Sargeants Village because that is an area in which working people very often have to go through a lot of mud in order to get to the bus stop. In this day and age under the Barbados Labour Party Administration I do not see why this should be a problem.

I also see the need to expand the road in the Vauxhall area, especially in the 2nd Avenue Vauxhall district which is also badly in need of a road as well as in the Briar Hall district which when rain falls people are virtually unable to leave their homes to go to work.

In the last few months I was able to have a meeting with the Drainage Unit and during those 4 or 5 hours I was able to make a fairly comprehensive tour of my constituency and I was able to identify the areas which are in need of proper drainage facilities. There are areas which I can remember offhand.

First of all, the Graeme Hall development which because of the building of homes in the waterways has caused severe flooding in that particular district over the last few years.

During that tour I was able to realise that there are many wells and culverts which were choked because people for some reason or the other have been throwing all sorts of plastic and bottles into these wells and culverts causing blockage and in some cases very severe blockage.

As a result of the Government's policy of bringing a drainage unit on board we are going to be able to correct a lot of the flooding problems associated with the downpour of rain from time to time especially during the hurricane season.

I have also been able to identify the areas that need improved street lighting and there are several areas which are going to be looked after but there is one area in particular which is right behind the Vauxhall school. It is a relatively new developed area in the constituency and it is also an area which has had several cases of burglaries over the last 6 months in the last year. As a result of that I have asked that the Vauxhall area and that particular area be given priority in terms of the erection of these lights so that the problems confronting these constituencies over the last 6 to 12 months will be alleviated or minimised.

When one looks at the improved state of the economy one can see where the Prime Minister of Barbados and Minister of Finance will have a certain amount of leverage to do things for the people of Barbados over the next few years.

There is no doubt about it that the Barbados economy is on sustained and sustainable growth and as a result of that growth I would expect an improvement in the social conditions in Barbados over the next few years because economic indicators would suggest that the economy will continue to improve for quite some years ahead and this was done because of the actual leadership of the Minister of Finance.

I would also like to touch on one more item before I leave. That is the removal of VAT on basic food items and in fact many food items which would give some sort of leverage to the poor people of this country. It is true some people do not seem to recognise it but taxes were always on goods which were imported. You always had to pay taxes on foods which were imported. As a matter of fact, stamp duties of 20% were imposed on food coming outside of Barbados and with the introduction of 15% VAT, if one is mathematically inclined one would be able to recognise that food coming from outside of Barbados should be a little cheaper than it is being sold at in the supermarkets across Barbados. With the introduction of VAT, the 15% on local foods, it is quite obvious that the price of local foods went up by 15% but this increase in prices for local foods was more or less cushioned by the

Prime Minister's giving facilities to something like 21 000 over the past 9 months. Why it was so important to do this for the poor people, especially those types of people, is the fact that 70-75% of their disposable income is spent on food and as a result of that they are the people who would have felt the increase of the VAT more than the middle and upper classes of the population.

I am glad to say that in this Budget VAT has been removed off many items even more than I had anticipated. I was in my constituency up to this morning and people told me that they had expected a basket of food but in actual fact they have got a container of food. Even people in my constituency were surprised to the extent to which the Prime Minister took VAT off food.

I would like to conclude by once more congratulating the Right Honourable Prime Minister for a job well done and now that the Barbados economy is on the way up we expect to get improvement in the social conditions of Barbados over the next few years and I look forward to being in here for quite some time to be part of that improvement to see that those people will be sharing in the improvement of what goes on in Barbados over the next few years.

With that, I thank you.
10.35a.m.

Mr. H. F. LASHLEY: Mr. Speaker, I rise to make my contribution to the Financial Statement and Budgetary Proposals as enunciated by the Honourable Prime Minister and Minister of Economic Affairs of this country. Sir, let me first say that I was extremely happy with the removal of the taxes on basic food items but I believe that the net could have been much wider to incorporate a number of other food items.

In addition to that, Sir, let me say that I was indeed happy too with the appointment of a number of casual workers, at least 80% or 90% of the casual workforce of this country.

Now, Sir, I want to speak in this Budget against the background of a plan for what I call the St. Michael South East Development Plan of programmes which has already started and which I hope will be concluded by the year 2000 as we go into the 21st century.

Now, Sir, there has been a lot of talk brandishing about this country about political largess being given to one of the foremost organisations in Barbados, the Pinelands Creative Workshop. Let me say, Sir, that one of the

things over the short period of time that I have been in this Honourable Chamber that I have been asking for was a subvention for this organisation which, in my mind, and in the minds of other Barbadians, is just not only an organisation but an institution and has been termed the foremost community organisation in the Eastern Caribbean.

It is against that background, Sir, that I am particularly happy with the grant of \$1.5 million to the Pinelands Creative Workshop and by extension, Sir, I am hoping that other organisations throughout Barbados also would make applications to the Ministry of Finance for a grant of a similar nature to help with the poverty alleviation programme in Barbados.

Let us understand, Sir, that this did not come overnight. We are talking about an organisation that is over 22 years old, that was funded in the initial and embryonic stages by the Community Development Division Officer who was assigned up there at that time, Mr. Ralph Wharton, and through 20 years of hard work, blood, sweat and tears travelling up and down the length and breadth of Barbados this organisation is now the model of the Eastern Caribbean in terms of community development, participation and its programmes.

For the 20 years that this organisation has been existing, it has always developed a package of social enhancement programmes for the poor people of St. Michael South East and, to a larger extent, to other parts of this island.

< Sir, let us understand when we are talking about poverty what we are talking about. We are talking about identifying very poor people within respective parishes and communities. My teaching has always taught me and my observation is that the community organisations in this country are the ones, what are properly referred to as CBOs, community-based organisations and, to a wider extent NGOs, are the ones that are constantly in contact with the persons within the communities. Those leaders of those respective communities are the ones who understand the problems and the sufferings of the people, hence this \$1.5 million was granted to Pinelands Creative Workshop. It was granted against a background of performance over a period of time.

Let us understand what has happened. What has happened is that finally we are talking about the empowerment of poor black people and community organisations in Barbados. Sir, we are talking about making people proud of themselves, so it is wrong for people to talk about political largesse. Here it is that the Prime Minister gave a group \$1.4 million. What are they going to do with it when we are talking against a

background where international organisations, regional organisations and funding organisations have recognised the work of this organisation.

Let me go a little deeper, Sir. If we are talking about poverty alleviation, then therefore what we are going to be talking about is trying to solve a lot of the problems that exist among the poor people of this country at the community level. Hence this organisation has introduced what I would call a revolutionary concept in education at the community level by providing what I would call a primary textbook scheme at the primary school level because in Barbados you hear about the secondary level but this is at the primary level.

I am also thankful to all of those business places who are helping this organisation in this programme because those children that have to go into school sometimes the books are too costly, so we are talking about a recycled sustainable development programme for poor people within the respective communities.

Then there are also remedial educational programmes that the group has introduced and is working towards helping rectify the educational imbalance within the communities and providing a much needed outlet so that those people could be progressive in this society.

Then, Sir, when we look at it, we have recently launched the Meals-on-Wheels Programme for the community for the very poor. We have a system in Barbados that we believe that looking after the elderly and the poor in this country is a Monday to Friday exercise. What happens on weekends? What you leave them to do on weekends? The Meals-on-Wheels Programme they have introduced serves the community and also helps those poor people who need this kind of service.

By extension, Sir, I am asking that the Government introduce a national Meals-on-Wheels Programme for poor people, particularly on Saturdays and Sundays when the Home Helpers from the National Assistance Board are not readily available. The service does not extend to Saturdays and Sundays except, of course, in one or two minor cases.

I am saying this is practised in Britain and I am saying it is a programme, if we are thinking seriously about poverty alleviation, then we must think about introducing at least on weekends a Meals-on-Wheels Programme which already is happening in St. Michael South East, Sir.

In addition to that, Sir, they have an agricultural development programme, a popular programme which has been started 17½ years ago which is phenomenal. Those persons that are working on that land get paid out of

their produce, Sir. Initially that was funded by the USAK)

development programmes. We cannot just branch around
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For a long time I have been asking for ... but before
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their produce, Sir. Initially that was funded by the US AID. That is still going on. You are talking about sustainable development programmes. We cannot just branch around the world and call everything sustainable development. We have to show it in practice. This Honourable Chamber just cannot become a talk show but let us put some positive proof. Actions speak louder than words. "

Sir, how many Barbadians are aware of at the same organisation they are talking about, the *Caribbean Cultural Fusion* is the secretariat of the Caribbean culture fusion which incorporates at least 10 islands in the Caribbean. They do voluntary exchanges and it makes it easier in terms of those poor grassroots organisations. Within those countries to do practical exchanges in sports and culture. Since it was founded 22 years ago, let me say that over 7 000 Barbadians have passed through that organisation's door. I am talking to this Budget on practical programmes and performances. I am not here to do any verbal horse play or talk facts and statistics, I come here to deal with practical things that have been happening, things are alive. 10.45 a.m.

Sir, even at the national level this organisation has an outreach programme that thoroughly incorporates *Ellerslie* and there is a group from St. Philip, called "Pure". What makes me feel proud is that the theme of this organisation which is 'Holding together for the good of all', least did they know years ago that this organisation would be holding together for the good of this entire country and developing positive programmes as we go into the 21st century. I must say again that we are extremely happy and thankful to the Honourable Prime Minister for the grant of \$1.6 million which is for community development and it is a national programme, it is not a St. Michael South East but it is for the entire country. I would like all of this foolishness about political largesse and this nonsense put to rest one time.

Asides.

Mr. H. F. LASHLEY: It is not a matter of who said it. If you had your ears down to the ground you would hear it.

Sir, I will now switch to the National Assistance Board and at this point in time I would like to pay particular compliments to the Director and staff of that organisation for doing what I would consider a good job despite trying circumstances. I would like that the Honourable Prime Minister and Minister of Finance make a grant to the promotional committee of this institution so that there could effectively carry out their Senior Citizen Drama Programme which has suddenly brought numbers of senior citizens in this country alive. Here is a medium and

a vehicle where these senior citizens can interact in their final days together and come together for their own development.

I am saying, Sir, that if we are reaching out into the 21st century therefore we should be looking at reciprocal exchanges because when I left the Board I knew that they was on stream a reciprocal programme between Barbados, Trinidad and Jamaica for senior citizens to interact with each other because by the year 2015 at least 50% of our population will be over the age of 50. Some of you in here who still think that you are young, if you do not do your homework now when you get that particular age, you will feel it and feel it seriously if you do not make a serious contribution towards senior citizens at this point in time. In addition, Sir, the grant will also help sustain the memory bank that they have. There are only two memory banks in the entire Caribbean, the *Oprex System* in Jamaica and the one they are trying to develop in Barbados at the National Assistance Board. This grant will go towards that.

In addition to that, Sir, I am talking about positive programmes. There was a bus that was granted from London. Sir, I would like to see that bus on the road so that the senior citizens could be transported from point 'A' to point 'B' particularly the day care programmes. How long is too long? Also the Awards Programme. I would like to see the Awards Programme re-started because that Awards Programme used to offer some kind of pride for those poor and ordinary Barbadians out there who would have contributed to their communities - people like carpenters, masons, midwives, etc.

Sir, these are very important since we are talking about poverty alleviation. Let me say at this juncture that the development of this country cannot and should not always be measured in dollars and cents. It is these social interaction programmes that is going to bring a lot of stability and harmonious interaction in this country.

In addition, I am urging the Government to think about a sustainable crash programme. I love sustainable when I see it happening in the housing repair programme. I have said it in this Chamber over and over and I would like to revisit it. If we embark on a crash programme, particularly in St. Michael where the backlog is most, of repairs for houses in Barbados then therefore we are going to do a great job. We are providing for carpenters, masons, electricians, labourers and right now it is the rainy season and as you know the ecology system is changing rapidly and most of the rain is now in October and November and it is at this point that I would like the National Assistance Board to heed my pleas for those senior citizens living in Haggatt Hall and South District, Mount Friendship,

Lower Burney and St. David's in particular to get those houses repaired. Every day, every week and every month I write for assistance and the assistance that I get is small. I do not want the assistance for Hamilton Lashley because sooner or later I will depart this world and I hope I will be able to see the glory land, I hope, but the point is that while I am here I am going to be fighting and asking for assistance for the poor people that live in St. Michael South East.

In addition to that, most of you here in this Chamber are representatives of housing areas. The Honourable Member from Christ Church West Central spoke eloquently when he got up about his constituency and let me say, Sir, that there is a vital need for senior citizens homes to replace all of those housing areas, every one need to be replaced by senior citizens homes. There are three at the moment, one in St. Michael South East, that needs to be expanded. Then there is the Geriatric and then there is one to come on board in Vauxhall. The reason for that is those senior citizens living in the immediate geographic vicinity would benefit when their children, family and offspring cannot take care of them, they will have direct access to a home.

Sir, I believe that we are talking on this question of the National Assistance Board in relation to community development. I also believe that if we make community organisations in Barbados work and work in a tangible, progressive and conducive way, we could use the National Assistance Board contractual programme in terms of the many old people in this country who at this present time houses need to be debushed and cleared.

If a youth organisation wants to raise funds, I am therefore urging that we could approach the National Assistance Board for a contract to clean and debush. We have to look at new innovation. Do not tell me that when a youth organisation make this application to clean and debush that they give some excuse that they cannot do that because it is a youth organisation. The country relies on the social partnership, it relies as much as possible on every youth organisation for its sustainability so that the days of sponsor walks etc. would be over. You would know that there is a viable alternative where if you are serious and you want to raise funds for that organisation, then there is an outlet there too.

Sir, I would now like to turn to the National Housing Corporation. A lot of people misunderstand me and I hope that my voice is not a voice crying in the wilderness of these modern times and then we have to go into the 21st century weeping and crying because the things that I have asked for in 1994, 1995, 1996, 1997 have not been heeded to. I would not like that Sir.

For a long time I have been asking for ... but before I get into that let me say one thing. I want to at least thank the National Housing Corporation for changing as many roofs as they have done so far, on my request in St. Michael South East, I want to congratulate them for that but that is not the only thing, Sir. I am saying that every single housing unit as already said by the Honourable Member for Christ Church West Central, every single housing unit in Barbados that has asbestos roofs including schools etc. should be changed. Too many old people and young people in this country who are asthmatic are suffering from asbestosis. 10.55 a.m.

Aside.

Mr. SPEAKER: Just stick to the rules, please.

Mr. H. F. LASHLEY: Sir, I believe in partnerships and holding hands. I believe (hat tenants¹ committees should be set up in all housing areas in Barbados. There is one in Bonnetts. There is one in Pinelands through the Pinelands Development Council but there is a great need for tenants' committees to be set up throughout Barbados in all housing areas and at this point in time, Sir, Mr. Anthony Wiggins who years ago was pleading for this to happen, I, Hamilton Lashley would love to see that Mr. Anthony Wiggins be placed on the Urban Development Commission because he is a person who has been fighting along these lines for the betterment of those tenants that live in the Government housing estates. Remember, I call a spade a spade. My speeches transcend political boundaries. I did not come in here to play the fool today.

Now, also Sir, I have been asking in this Honourable Chamber for land for the Seventh Day Adventist Church. I keep saying my voice is like one crying in the wilderness. I am hoping, Sir, they would be given a piece of land soon. How long is too long? Also the Acts Community Deliverance Centre, they too. I understand the Minister will try to help them. I am hoping that it would be fulfilled.

Now, Sir, almost 300 house spots will be coming on board in Lower Burney, particularly in the initial stages where in phase 1 of the programme 50 house spots will be allocated to those residents who are in need, particularly those who will be coming from Murphy Pasture. And let me use this medium now, Sir, to welcome those persons from Murphy Pasture when they come up to St. Michael South East, one of the most progressive communities in Barbados. They will be out of the City and into St. Michael South East. At the same time in that allocation of 50 house spots I would like at least 25 for the people of Lower Burney and Haggatt Hall who have been coming to me

on a constant basis for house spots. And then the model of cooperative housing I will show you how it is done.

Now, Sir, I come off the area of housing and I will go into sports because people in this country believe that sports & just sport or you are making sport at sports.

Sir, again from day one in this Honourable Chamber I have been asking for a mini stadium in Pinelands. I have spoken to the Minister. Let me say he has been extremely cooperative at this point in time. I understand, Sir, there is some grouse between the Board of Management of the Parkinson Secondary School and the community. They are claiming that the land is solely that of the school and I am saying no, Sir, there is a principle involved there that the community and the school would share the land. But the question is not about land. The question is about building a centre that could take some of the activity pressure that is placed currently on the Gymnasium and the National Stadium into the community because what would happen is that the school would benefit because it would be enclosed and the community by and large would have to pay to see various specially organised activities.

This whole question of sustainable development would be put to rest within that, Sir. So we cannot just think about it politically. It frustrates me when I think about it I am serious, Sir, that we need to have a mini stadium in Pinelands because strategically it would be well placed and not only in Pinelands but I am saying that at this time mini stadiums should be placed in every housing area throughout Barbados.

And, while I am on that, Sir, let me just slip down the road and go into community centres. The people in South District. I have been to a meeting in South District and I have never seen over 200 young people in one place gathered for a club meeting and I am asking the Minister of Housing and the Minister of Sports to look into the possibility of acquiring land owned by Hanson Plantation in St. George to give to those young people to build a playing field, a community centre and a hard court which would be lighted. For too long this section of Barbados in South District has been neglected and we have got to do something about it. South District is a unique community which has a road in the middle and this road divides it into St. George and St. Michael but the community is in dire need of that.

Now, Sir, I want to get on to the waiving of tax on plane tickets. We made an application to the tribunal and it was flatly turned down. I am saying, Sir, that at this point in time we should waive for all sporting organisations in Barbados the tax on airline tickets and the departure tax.

We tell our organisations that when they leave Barbados they will be representing Barbados and therefore they are to be ambassadors for Barbados. That is talk. We have to make it more practical. Give them ambassadorial status like the Jamaican Government. When they leave Barbados give them the right to go to the airline desk and have the departure tax waived on their tickets. We can no longer put up with these things. These are crucial matters that I am dealing with.

In addition to that I would like more money allocated to the Community Development Division to carry out their programmes. At least when I work it out it works out to just under \$1 000 per community centre and every community centre in Barbados should have a computer so that those ordinary people would become computer literate as we go into the 21st Century.

Now, Sir, I believe that the Royal Barbados Police Force is playing an integral role in trying to solve the crime problem in Barbados. But we always like to deal with the effect without examining the causes. The Public Relations Department of the Police Force through the establishment of the Neighbourhood Watch Programme in this country has been doing a fantastic job in terms of combating crime in the various areas.

I do not like to boast or brag but I can say without fear of contradiction from any member in this Parliament that St. Michael South East, the area of Fort George, has the best community neighbourhood watch programme in this country. They might be from a particular socio economic bracket, they might be able to afford it, but the fact is that it is there.

Sir, it is unfortunate that half hour is not sufficient time. I could talk in this Chamber from now until the Resurrection Morning when it comes to this topic. Anyhow I do not want to waste time. I am just begging you.

Sir, there is need for a bus shelter in Mapp Hill. I have been asking the Ministry of Transport and Works for a bus shelter because the pedestrians have to share the road with the traffic in Mapp Hill. In addition to that, Sir, there is a new development in Haggatt Hall, Cutting Road, and I am calling, Sir, for lights in Salters Tenantry Road and lights in Cutting Road.

Sir, before I go I must touch on this. It might be controversial but I must touch on it. Let me tell you why. Caribbean nationals and Barbadians travel to the United States Embassy to get visas. One of the basic criteria for getting the visa, as it stands now in Barbados is that you

have to be financially self sufficient. My question to you, Mr. Speaker, Sir, is how many poor Barbadians could be financially self sufficient? 11.05 a.m.

In addition to that, Sir, you have to pay US\$20 to get a visa, whether you get it or not. I just heard that the United States Government is charging US\$30 on a plane ticket for airline tax. That brings it in Barbados to \$100 that would be going into the American treasury.

If the American Government could treat Caribbean Nationals and we in Barbados with such contempt, not a cent of that money is not standing in this country for one purpose or the other. So let me say this, Sir, that the Prime Minister of this country should reciprocate the American hospitality by charging an arrival tax at the Grantley Adams International Airport, so that some money would come back into our treasury here, Sir.

We cannot be chickens in this Parliament. We have to stand up and fight. We cannot only talk. We have to rally behind Barbadians at every junction that is necessary. Can you imagine a dumb politician? There is nothing such known as a dumb politician. We have to fight and the time is now. Do not only fight because there is an election imminent in Barbados, fight from day one for the people of this country until they die, Sir.

Mr. SPEAKER: Yes, Sir. The time is now. Would you conclude? Just finish off.

Mr. H. F. LASHLEY: In closing, I want to thank you, Mr. Speaker, for allowing me the time to express how I feel. I also would hope that every Honourable Member in this Chamber, Sir, will get up and fight for the struggle to empower and enfranchise our black brothers and sisters in this country, Sir.

And remember, there is a word to all Barbadians that if you are pushed into the forefront of leadership that no obstacle is greater than the cause.

I want to thank you, Sir.

Mr. D. CARTER: Mr. Speaker, first of all I want to congratulate the Prime Minister on what I consider a very outstanding Budget. Sir, I am quite sure that the 260 000 people in this country are happy today and all are in favour of this Budget.

Unfortunately, only one person cannot come to terms with this Budget and that is the Honourable Member for St. John. Normally, I would have expected the Honourable

Leader of the Opposition to have alternative views and complete views on this Budget, but yesterday, he spoke for the first 90 minutes about things which were irrelevant to the Budget.

He started talking about there is documentation in America about 30 000 jobs. He talked about in St. Thomas, we made a mistake and mentioned about 10 000 jobs. There is a fact of life in relation to jobs in this country. When we assumed office back in 1994, unemployment was somewhere between 22 and 25 percent and today the records will show that it is down to about 14 or 15 percent, and that is improvement.

Sir, when the VAT was introduced in this country back in January, I was the first to say that I was not familiar with it and I knew and I experienced, after living in England in the 1970s when that tax was introduced, it started at 8 percent and gradually increased up to 18 percent and I was a bit worried.

But fortunately for us, the Prime Minister and his advisors were careful in making sure that he came to the country with the right amount of tax on that occasion. He said 15 percent was adequate and he asked the Nation to give him nine months time in order to look at it again. I must say that going through my constituency over the last ten months, I was a little worried, because as I said, I was not sure exactly what was going to happen. We must appreciate the fact that Value Added Tax is a new tax in this country and nobody in here knew exactly what was going to be the outcome.

Mr. Speaker, I was amazed last night when the Honourable Member for St. Michael South spoke. Obviously, he did not want to annoy the Honourable Member for St. John, and because, of course he has got a good command of the English language, he spoke all around the Budget so not as to annoy the Honourable Member, but at the same time, we knew over here he was in favour of what transpired the day before when the Prime Minister delivered the Budget.

I was very gratified when the Honourable Member for St. Michael South Central stood up in this House and said he had no punches to pull. Although he was trying to convey to the people of this country that most of the policies initiated were the policies the National Democratic Party would have initiated if they were running the Government.

But, he said, he is a man of integrity and he said it was a good budget. When a senior Member in this Parliament, like the Honourable Member for St. Michael

South Central makes a statement like that, the country must listen to him. I am really glad that he had the courage to say to the people of this country that the Budget was a very good Budget.

I would now like to touch on three main things in the Budget which was really close to my heart:

The first really was when the Prime Minister indicated that all those casual workers who have been working in their various departments five, ten and fifteen years and are still considered casual, job security in this country is a good thing, and now, those people would have job security. Therefore, they can* now do things they wanted to do for a long time. So that when the time has come for their retirement, their pensions would be different and certainly the gratuity would be different. I am grateful that the Prime Minister saw it fit to make sure that those people are now in a different category.

I am also pleased to see that the Prime Minister was able to raise the tax allowance from \$13 000 to \$15 000. That means a great deal to the average worker in this country. Some people would not understand, but we have got a situation here where people, at the end of the month would have to do without something when they are paying their monthly debts. Over a three-month period you will realise that then they become unstuck and the fourth month, most of those people have got to cut in the money normally they would spend on their food. Now they have some more affordable income to play with and certainly there is another 14 000 people who are happy that they would have some more income to play with at the end of each month.

The third point is that the pension rate was raised to \$30 000 a year. I think that we must respect the people of this country, those old people who have worked so hard in this country to make this country a beautiful place. It is nice to see that the Prime Minister, he said he is a fair man, he said he is a man who is always thinking about the ordinary people of this country and it is nice to see that he remembers the pensioners of this country.

So all in all I am happy to say that the Budget that was produced by the Prime Minister is one, as I said, which has made all of the people in this country happy with the exception of the Opposition Leader. 11.15 a.m.

Mr. Speaker, quite recently, as far as 3 months ago, a very eminent Barbadian who has the privilege to use both the electronic and written media made the statement to the effect that backbenchers cannot do anything to help their

constituencies, and for the past few weeks that really hurt me. What that gentleman really meant is that the backbenchers in a former Administration have never done anything for their constituents but certainly not the backbenchers in this Administration. I will now show you what I have done in my constituency and I am sure that other backbenchers will show what they have done.

First, Sir, when we assumed office in 1994, I received a letter from the residents of St. Patricks and the surrounding areas about Highway 6 road going through St. Patricks. I must say that it is unfortunate but the Honourable Member for Christ Church East and myself worked together and we wrote letters to the relevant Minister. We met him in here and we spoke to him and for 2½ years we fought and fought and this year we have it on show that the highway from Six Roads to Rising Sun is under repair.

Sir, people in St. Philip South will also benefit from this; but it was interesting that one month after we assumed office certain people could have written a letter like that, but they did say in the letter that for 10 years they were trying to get the road repaired. After 1 month they expected the Barbados Labour Party to do something; but we are a party who are always ready for the challenge and today the road is being repaired and I am quite sure the Honourable Member for St. Philip South is happy because when his car passes through St. Patricks now his suspension would be better for that. We will continue to do the work which was not done 10 years ago.

Sir, on two occasions, I had to knock on the Prime Minister's door because I wanted certain things done in my constituency and I must say the Rt. Honourable Prime Minister was very receptive to me. The first time I went there I also received letters from people in the Kingsland and Water Street area and also the people in Elizabeth Park and Regency Park and their problems were that they needed gas. Fortunately, for me, the people in the Kingsland area had written first and when I spoke to the Prime Minister he said then that he would try in his capacity as Minister responsible that the MPs. in Christ Church and all over would get their share of the gas.

I was a happy man 3 weeks ago when I returned from a trip abroad and I have a policy wherever I go in Barbados before I go home I always go through my constituency and when I go abroad before I get home I drive through my constituency. As I was coming from the airport and I came through Water Street I saw the road being dug up and when I stopped one workman said, "Mr. Carter, we are doing the thing for you". Gas was being put into the area.

Mr. Speaker, all I can say is that whole area starting from Water Street where one of our eminent parliamentarians was born and went to school. It will go in a northerly direction, Wotton, Plumgrove, Lodge Road and the whole of Kingsland. Gone are the days when the young ladies of Kingsland and Wotton will have their gas running out on Sundays and cannot find somebody to replace it. We in the Barbados Labour Party have done what we were asked to do and will make sure that gas be given to them in the very near future.

I must say to my people in Elizabeth Park and Regency Park, yes, you did write me a letter, yes, I have spoken to the Prime Minister but I have to operate on the basis that who comes first will be served first. I will try my utmost that in the very near future those people also will have natural gas.

Sir, the boys and girls of Water Street School number about 1100 between the 2 schools. Over a 3-year period the headmaster and headmistress would invite parliamentarians to their speech day and those 2 heads would always say in their reports that the one thing that is required at the school is a playing field. Those schools were built a lot of years ago and as I said one of our eminent politicians who attended that school was not fortunate to have a playing field in that day. That is the reason why he is an academic and not a sportsman.

Mr. Speaker, the headmaster said recently that he was amazed that when he wrote the Ministry of Education to tell them about his plight that within weeks he received a reply from the Minister of Education saying that she would look into it. When I started my programme and I approached the Minister - as you know in this Honourable House I always ask the Ministers for help, and I can say one thing for the Ministers in this Honourable House that no one has ever turned me back. Everytime I asked for help I was given.

I am happy to report that on Sunday about 2 o'clock when I was trying to get a few notes together preparing for this Budget I rang one of the surveyors who operates in the Ministry of Housing. I also must pay tribute to the Parliamentary Secretary in the Ministry of Housing because it is he through whom I started to work, and I must say that within 3 weeks of speaking to him, he had his technical people there to assist me with the playing field.

I want to make the point now that on Sunday when I called the surveyor he said, "Mr Carter, things are in order. We have taken off piece of the land from the Wotton area and in the very near future Water Street Boys'

School will have an area where they can play cricket and football." It is important.

I was invited to that school by the Parents Teachers Association and the one thing they wanted was a playing field. All I can say is with the help of the 2 Ministries, the Ministry of Education and the Ministry of Housing it is now definite that I will deliver a playing field to the Water Street Boys' School.

In relation to the Girls' School, we have got a different problem. There is a field there but we have to protect our young girls who run about on the field and you know that in this modern society we have to be careful. I have been assured by the Minister of Education that in the very near future we will have the field surrounded so that our little girls will be protected.

I must say now that the boys at Water Street use that same field to play football and I just want to impress upon the headmistress that once the school hours are over the field reverts to the boys of Water Street because they must play their football on evenings and certainly on weekends.

When I pass by the Water Street Boys' and Girls' Schools I will be able to look the headmistress and the headmaster in the face and certainly I am looking forward next year at the speech day to attend and look them in the face. My colleague, Mr. Edghill, the representative for Christ Church West Central and I always operate together and it is unfortunate that my old friend is not here today to enjoy the good things that have been done in this Budget.

Sir, the one big one is the Gall Hill project. In 1994, when we entered into Parliament I went to the Prime Minister and said that we - certainly the Honourable Member for St. Thomas who spoke at a meeting in Christ Church told the people that we would make sure that I would be given the opportunity and help to get a playing field for Gall Hill. Unfortunately, the area that was identified was an area behind the Foundation School and the engineers who were working on the area told me that it would take 3 to 4 years with internal combustion before you could get such a playing field.

Right away I made a trip to the Gall Hill community centre. I must say that when I went to the Prime Minister he said to me it is all right to have a community centre but you must be innovative. I went back to my branch and my committee and within 3 weeks I was back to him and I put a proposal on the board. That was the first time and it is supposed to be a pilot project in this country where we have a community centre with a difference.

On the first floor or the ground floor of that community centre we will have space for 10 young

business people. This Administration is pushing for small business people and to the top of that place we will have various community projects.

I must pay tribute to a young lady who came to Gall Hill seeing that filings were not all well there and she with her Christian principles got the young people of Gall Hill together and she did a magnificent job. I refer to Reverend Baird.

Unfortunately, as I said, we do not have space and right now the Water Street Boys' School is used on Sunday mornings for church service and my constituency branch is used for the little children to have bible study. The point I am making, Mr. Speaker, is that when this Gall Hill project is finished and I felt like a million dollars on Monday when the Prime Minister in the Budget made a statement to the effect that the money is now available for the Gall Hill project. I will tell you what I have done.

When I left this Honourable House I drove straight to Water Street and Gall Hill and passed by the boys. I did not say a word -but the people in Gall Hill said. "Carts, we now believe you. You got the thing."

Mr. Speaker, the point I was making is that it was said that backbenchers cannot do anything. It is important that with the small business that we are projecting there I can say now that people in leather craft... There was a young lady who for the past 8 years had to do people's nails under a tree and she will be one of the people who will be considered for a space. The rastas who are very good at leather craft will be considered and quite recently as you know there are thousands of people in Oistins on Friday and Saturday nights and there are times they have to wait long periods to get a little delicacy. All I want to say to people in Barbados is that when the crowds are big in Oistins and you come up the hill to Gall Hill we will have similar things going on there so that they will not have to wait as long.

It is important too that the young sports people, the basketballers and the netballers who are going to travel from Gall Hill to Wotton to practise will have a little area to the back of the building where they can practise their games.

I made a statement recently that unemployment in this country is really some 14-15% but in places like Gall Hill and Silver Hill and Wotton unemployment may be slightly higher. Those people on the block as we would say, if they are not working will want to be able to participate in something, and that is one of the reasons why that facility would be useful so that they can keep away from the other bad things of life.

Mr. Speaker, I mentioned the various Ministers who have helped me but at the same time I have to highlight a few little problems. During the past few weeks the people of St. Davids, Cox Road and Edey Village could not get transportation for their children to get to school and for the people to get to work. Over a period of time they have spoken about it. On one occasion I heard, not from a Minister, that that area is uneconomical to run. I am going to say to the Ministry that I could assist by redirecting the vehicles in that area. Every other hour if the vehicles come up to St. Davids/Cox Road - I know they go somewhere into Boarded Hall - then they can proceed to the Lodge Road/Vauxhall area and then back to town where there are a lot of people. Alternately they can come to Vauxhall, Lodge Road and then go through St. Davids.

In doing that, I am certain it would help the people of that area. They have struggled for a long time and I must say that they are good people who look after me and I must look after them.

Quite recently I spoke about conditions in the south of my constituency., I spoke about the Gall Hill Project. I spoke about the gas. I spoke about the road, not forgetting the things that are good in Wotton. I have lights there. I have good landscaping there.

Quite recently I have been making approaches to some landowners in the Ridge area whereby although the population in Edey Village is small where I can at least get a small basketball and netball court for them. Negotiations are on the way and I am hoping that within the next few months I can also purchase some land in that area so that those people can be happier.

I am aware that in St. Davids there is some land below the vicarage that is owned by Housing and although I am not asking for a pavilion I believe the land could be cleared so that the boys from St. Davids can kick some football because they have to leave St Davids and go to Calender's playing field.

The Drainage Unit has been working well. I must compliment a man in the Ministry of Transport and Works. I cannot call his name but he is a technical man. I met him on a social occasion and I told him that an old lady was sitting on a well below Water Street School selling her nuts daily and the top of the well was cracked and I was scared that one day the old lady would fall in.

Within 48 hours that gentleman was able to send people from the Ministry and repaired that well. I was so impressed that I had to phone him and thank him for the speedy work.

Mr. Speaker, everything is well in Christ Church East Central. The people are happy. The greatest moment in my life in this Honourable House over the last few years is on Monday when the Prime Minister delivered that budgetary proposal. As I said, and I say again that every Barbadian today is happy and the only person who is unhappy is the Honourable Member for St. John.

Sir, I thank you.
11.35 a.m.

His Honour R. D. MARSHALL: Mr. Speaker, I, like the majority of Barbadians, support the Financial Statement and Budgetary Proposals presented by the Right Honourable Prime Minister and Minister of Finance and Economic Affairs on Monday, September 29, just Monday gone. I, along with all Members of this Chamber, in late 1996 also supported the implementation of a VAT system to this country.

Mr. Speaker, I can dub the Prime Minister's performance on Monday for what he gave as the antidote for any hardships that were created at the beginning of January, 1997 when the VAT was implemented.

Comments coming from the aged in this country, and from St. Michael South Central in particular, we heard things like: "God bless Owen Arthur." "God is too good." "God does not always come but he sends." And from the not so young and middle-class I heard: "He is a good man." He is a proper bird."

If I personally had to describe the Budget presentation, Mr. Speaker, I would have likened it to Moses coming down from the Mount, in each hand he has a tablet bearing the Ten Commandments. What I am trying to say, Sir, there is no substitute for this Budget.

Barbadians from all walks of life, foreign ambassadors, High Commissioners, expatriates came to hear our Budget and I can say they were invited to come and visit, come and invest, come and grow with all Barbadians. You might ask, Why these people? But Barbados is not alone in this world. We have our links with all countries throughout the world and any success that we achieve in this country, these other territories would be glad in that they can maintain these links and association with Barbados. I am quite sure, Sir, that our CARICOM neighbours have given this Budget the thumbs up because for many years they always took the cue from Barbados.

This country has a lot to be grateful for. The success road that this country has now paved, it is not as a result

of any forecast by the pundits. It is not as a result of any predictions by Pastor Doyle. It is not paved by the Honourable Prime Minister waving any magic wand. The success that is abounding in this country now is a result of the sound, financial management by the Right Honourable Prime Minister and those entrusted with the management of the affairs of this country.

Mr. Speaker, the VAT was not designed to create any hardship on anybody. I want today to take my time and explain a lot of things to this Chamber and, at the same time, for those who are viewing this presentation on the television and listening on their radios as they go about their business, what really transpires, what the Budget was all about, what the VAT was established to do and what it has done.

I would like, Sir, to turn to page 7 of this document and just quote what the Prime Minister said on Monday:

"Mr. Speaker, for me the VAT itself is important in itself, but it is best understood as a part of a larger cause.

In the earlier 1990s, speaking from the benches of the Opposition, I called for, and supported measures to reform and restructure the Barbados economy. I then supported trade reform, financial reform and liberalisation, the prices and incomes protocol, privatisation, public sector reform, measures to make increased productivity and enhanced competitiveness, without a devaluation, part of the initiative to reposition Barbados in the new international economy in the last part of the 20th and the emerging 21st century.

Above all, Mr. Speaker, I understood only too clearly that tax reform was crucial for our economic purposes then and for our future progress.

As such, I supported then the introduction of a Value Added Tax not only as a mechanism to reform the existing taxation which had done much damage to Barbados because of its high rates and low base but as an essential aspect of our endeavours to erect in this country structures that can succeed in building in this time and in the future, a modern and competitive economy.

I have not resiled from that position, and such adjustments as I will make to the VAT will be designed to ensure that Barbados becomes more just, more modern and a more competitive society."

I want to turn the page now, Sir, and I quote:

¹⁶It is a matter of fact that when the VAT legislation was debated in this Parliament in late 1996, it was passed in the form proposed, including a VAT on food, without division, and without dissenting votes from the members of the Opposition."

Page 10 says, Sin

"But I must confess that, in all the public discourse on the VAT, I have found the utterances of the DLP Opposition to be that of a mob and without redeeming features. The present Leader, who marshalled the resources to introduce a VAT to Barbados as a special assignment, and who advised his Cabinet colleagues that a VAT on food is highly desirable, now wishes food to be zero-rated. Not surprisingly, and in splendid opposition, the former Leader wishes a 5% tax on food. Even less surprisingly, the main spokesman on Finance wishes a 10% tax on food.*

Mr. Speaker, now you have the Leader of the Opposition distancing himself from the proposal that was made to the Cabinet of the day. It is like a group of men getting involved in some heinous crime and when it is finished one backing out saying "not he" and turning State evidence.

Mr. Speaker, in January of 1997, a VAT was introduced in this country. Now, if for some miracle at that time the Democratic Labour Party was the Government of the day, they too would have introduced a Value Added Tax. They were committed to VAT.

As I read from this document the then Minister of Finance advised the then Cabinet that it was desirable to have this tax on food. Then you have the former Prime Minister saying "yes", we can have a VAT on food but a 5%, then the Member for St. Michael North West saying not a 5% but a 10%. What it boils down to Sir, is that you get the former Minister of Finance saying a 15%, the former Prime Minister saying a 5%, which is 20% and the Member for St. Michael North West saying a 10% which is a break of 30% and all that has happened is that you have half of that which is 15% VAT on food. 11.45 a.m.

The Right Honourable Prime Minister, the present Prime Minister of this country, took particular pains when he came to this nation and he said to the people I will be removing 11 taxes and replacing those taxes with an Excise Tax and a Value Added Tax. I do not see how people could think that if you remove 11 taxes and you

introduce two other taxes which are lower than the 11 taxes that the overall taxes could be higher than what has been removed. They are people in this country who believed that they were not clear on how it worked. People had believed at that time that a 15% tax would be heaped on top of what presently existed at the time, which was not so. A lot of people, members of the DLP gave people the impression that there would be worst off than they were before the introduction of the Value Added Tax.

The Prime Minister took pains and he said to this nation in January of 1997 give me nine months. At the end of nine months, any hardship that is being experienced in this country, I will look at it and I will amend VAT. The Opposition was calling every day for the removal of this and the removal of that and the Prime Minister said to give him nine months and in September the nine months was up and he said that since a pregnancy was for nine months and now it is delivery time. It has been a very smooth delivery.

The measures that were introduced, Sir, reduced prices of commodities in some cases and in some cases it increased prices but when you look at the overall picture, I would say that things have been good. If you look at appliances in this country when the VAT was introduced and those taxes removed, appliances to be used in the home, parts of motor cars, toiletries, cosmetics, fixtures for houses, utensils for bathrooms, building supplies and almost all imports from outside of the CARICOM area were readily available at a reduced price. What happened in some cases is that some unscrupulous dealers and merchants took Barbadians for a ride and that is why, Sir, I today would like to know that some method could be introduced by this Government that when these merchants and importers bring goods in this country that a copy of their invoices or the warrant could be printed to show the landing cost of these goods in this country. So that when they go to the public and offer the goods for sale the public would know exactly who is robbing who..

On Monday, Mr. Speaker, the members of the Democratic Labour Party were not expecting such a masterpiece in here, there were probably looking for the Right Honourable Prime Minister to come in here and say to this House and the public of Barbados that road taxes were going up, water would go up, income tax would go up, bus fares would go up, they were expecting that but they were outsmarted. Oh what a pity!

The Right Honourable Prime Minister spoke in this country on Monday about a boom, he did not use the word doom, that is not part of his vocabulary. He spoke about a boom and as a result of the VAT, came this boom

and out of this boom came good things for the people of this country. Boom time has seen 14 000 people of this country having been put in a position where they will not have to pay income tax because on Monday the Rt. Honourable Prime Minister advised the Chamber and Barbados that the band will be moved from \$13 000 to \$15 000. We can say, Sir, that they have benefitted from that and that works out to say that people who are making \$281 per week will not now have to pay income tax.

I am quite sure that in St. Michael West Central that there are people who find themselves in that category who now will not be paying income tax. Another 11 000 persons will benefit from a one-off gift of \$350 which will be given back to those people and those who qualify for that will receive a cheque in the mail from the Welfare Department. He also said that if you did not receive that cheque that you could contact the Welfare Department. I am saying to the people in St. Michael West Central that if you do not receive your cheque, I could act as the conduit between the Welfare Department and yourself. You can call my constituency office at 424-6620 and speak to the Secretary at the office who will relay the information to me and when I go there to see them on Wednesday evening as I do every Wednesday evening, they can call me there themselves or if they want to speak to me personally. 11.55 a.m.

Mr. Speaker, I would like to turn to page 102 of this document. I see here at page 102 the Prime Minister said: "At present some 2,400 persons are employed in the Central Government and another 1,100 at Statutory Boards that depend on the Consolidated Fund for finances as Casual Employees. Many of these Casual Employees have functioned in that dubious capacity for extended periods, without ever enjoying the benefit of the security of an appointment.

On retirement at age 65, Casual Employees are entitled to a NIS pension. In addition, under the Casual Employees Pensions Act, they receive a gratuity payment equivalent to one year's salary."

Here you work, Sir, for so many years and when you retire from work you get a gratuity equal to one year's salary only. But as he said, a general worker as a casual employee who works for 33 V_3 years a retiring salary of \$14 253 would receive that amount as a gratuity and a NIS pension of \$8,852 per year.

Now if that General Worker were a Public Officer, his retirement benefits would be \$29,695.42 as gratuity and \$7,126 per year as a reduced pension or \$9,502 per year as a full pension.

Sir he also said Barbados has for too long treated the casual workers in this public service as an under class. It is also unconscionable to have a person remain in casual employment for 30 years. We have an obligation to end this shameful condition.

The Right Honourable Prime Minister went on to relate to the Chamber what he would be doing for those people.

I am very happy, Sir. There are a large number of those persons living in St. Michael West Central, living in Fairfield and Spooners Hill, Long Gap and Allamby Gap, and St. Stephens and Clevedale and Wavell Avenue, Kellman Land, who themselves would be very happy to know that they would be taken care of by the Barbados Labour Party in their retirement days.

The Barbados Labour Party, unlike the Democratic Labour Party who sent them home, cut their work week from 5 days to* 4 days and in some cases from 4 days to 3 days. But what has the Barbados Labour Party done? We have restored the 5 day week and the 4 day week and on top of that, Sir, we have now put them in a position where, when they retire from work they can be getting a gratuity.

Early this morning my phone rang on two occasions and two NCC workers called me to ask about it and they feel very happy about it. Earlier this year I spoke to a couple of them about the same problem they brought to me about when they retire from work what will happen to them.

We are also proud to see that the Prime Minister who cares about people has said to us that a lot of these public servants who are now not appointed will be appointed. This is the party that always believes in a better life for our people.

There is this cry about VAT and taxes and so on but the country has to have revenue. The revenue taken in by the country does not lie idle in the bank. The revenue taken in is not spent by the Right Honourable Prime Minister on himself and his family. The revenue taken in, Sir, is for spending on education in this country, on the health service of this country, on the fire service, the police, the nurses, the dentists and the doctors, the road workers. It is for installing lights in the country. The revenue has to pay for defence, the NCC workers and all Government workers so we need revenue to run the country.

People are talking about the roads being dug up and you cannot go this place and you cannot go that place but in order to get a betterment for your people you have to put a little sacrifice in there. We have now a system in

place where we are looking at the complete sewerage system in the country. It is better for our environment and some people try to score political points on that, talking about the road being dug up and so on. But it does two things, a better life for people and at the same time it supplies employment for people in the country.

Mr. Speaker, recently we came to this House and we put in place the urban renewal commission, as we did earlier, a year or so ago, when we put in place a Rural Development Commission which has been functioning. I heard the Honourable Member for St. John say in here yesterday, Sir, that his people are getting loans from the Rural Development Commission and they would give you the impression that we are not doing anything.

Now, under this Urban Development Commission a lot more will be done for the areas, especially the St. Michael areas and for Christ Church. You too, Mr. Speaker, will be benefitting *from* the Urban Development Commission. I, myself, would be benefitting. Some few weeks ago, Sir, I was able to tour the area with some Government officials and people from the Urban Development Commission to look at what I want to see done in the constituency and I can tell the people of St. Michael West Central now, the people who live in Upper Wavell, that we have earmarked the area between Odle Road, Wavell Avenue and Hinds Road. Wavell Avenue, that road has about 50 to 60 house spots but at the same time, over the years, no one ever thought about giving them any kind of facilities there by way of road, lights, water mains, nothing like that. The people live in surroundings that if there would be a fire - in fact there was a fire in the same area and the fire truck could not get in. If someone were sick during the night and they called the Ambulance they could not get in. When the rain falls, Sir, people cannot get to and from their houses.

Mr. Speaker, under the Urban Development Commission we would be looking at putting roads in there for people, water mains for those people, lights for those people. As we toured there a few weeks ago the people came out of their houses and they were thankful. They said to me, "Mr. Marshall, I know you are trying your best. We will wait on you".

In Spooner's Hill, Sir, the bottom of First Avenue, Long Gap, under the Urban Development Commission we have earmarked a road that was never fixed. It has about 15 houses. There is a canal tjere, Sir, that needs some work to be done on it and under urban development these things will be done.

I have submitted to the Urban Development Commission an area where I want to have some road work

done and I have it here with me and the people of West Central will know that very, very soon under the Urban Development Commission we will be having at least 5 roads fixed in priority.

Mr. Speaker, I also have here, a letter where I wrote to the Rural Development Commission earlier this year asking for some help with street lights and I have applied for 39 street lights for the people of St. Michael West Central under the Rural Development Commission because at that time Urban was not in place as yet but since urban is in place they have asked me to put it through urban. Now, Sir, I have applied to urban for the same street lights and I am quite sure that the people of St. Michael West Central, in Pillersdorf and Fairfield and Wavell and Kellman Land and Applegrove and all over St. Michael West Central and Black Rock who do not have lights will soon be having these lights. 12.05 p.m.

Also, Sir, I can tell you that the Urban Development Commission will be going through all of St. Michael and parts of Christ Church, taking care of all the derelict buildings and the slum areas. This Government is making sure, under urban that Barbadian people in these areas, Sir, have a better standard of living.

Mr. Speaker, in St. Michael Central, you too will be having your share. I have noticed recently that you have been getting a lot of work done in your area. I have been through your area to visit a friend and it was difficult to pass because of the work being done in the area.

Mr. SPEAKER: Which road was that?

His Honour R. D. MARSHALL: That was Kew Road going up to St. Stephen's Hill Road, Sir.

Mr. SPEAKER: That is correct.

His Honour R. D. MARSHALL: On my way to the Stadium the other night, I made a turn off and I saw the road at Bedford Avenue.

Mr. SPEAKER: Yes, a lot of work is going on.

His Honour R. D. MARSHALL: Sir, you can rest assured that a lot of work is going on. You know that, Sir. Mr. Speaker, only on Monday I stood in here and heard the Leader of Government Business and the Deputy Prime Minister say that proposals are coining here now, Sir, very soon. In the Hill Road, Dash Gap area...

Asides.

Mr. SPEAKER: Please, order, order please. Hill Road, Dash Gap? I do not know if that is correct.

Asides.

His Honour R. D. MARSHALL: ...Hill Road, Dash Gap, Sir, and I stress that for two reasons, it is the constituency you represent and also Hill Road was where I was born and bred.

Asides.

His Honour R. D. MARSHALL: Hill Road, Dash Gap and we will be having up there, a sporting complex very soon. So we are coming here now to acquire that land to make sure that is done in the Hill Road, Dash Gap area, the constituency that is so well represented by the Speaker of this Honourable Chamber.

Mr. SPEAKER: You did not go to the Park Road side?

His Honour R. D. MARSHALL: Yes, Sir, I forgot Park Road. I spoke to the Member for St. Philip North some time ago and he told me that at Park Road he is putting up some housing projects very soon. That is the kind of work that the Barbados Labour Party will be doing under urban development.

Under poverty alleviation, Sir, I have a document here that I sent to the Prime Minister of this country asking for help in the area of house repairs for people all over St. Michael West Central, St. Stephen's Hill, Spooners Hill, and Eckstein, *et cetera*. So we are doing lots of work.

One more thing if you would bear with me, Sir, is transportation service in St. Michael West Central. Quickly I just want to say that the state owned Transport Board does not right now have a service in that area. It depends on the Mini bus service in that area. I, through the people of St. Michael West Central, St. Stephen's and Clevedale who came to me and complained about the Mini bus not having permission to drive there, they have to get off by the Grazettes corner and walk for almost a half mile down the road in order to get home, with their luggage and so on. The old people especially are the ones I am worried about.

I had a meeting with one of the Officials of the Licensing Authority Commission and he said that they were looking at overhauling the complete transportation system in the country.

By and large, Sir, I would say that I am very happy with the services and the help I am experiencing in

St. Michael West Central. I want at this time, to compliment again the Right Honourable Prime Minister for this Budget that he has brought to this country, a Budget that will spell only booms for the people of Barbados in general and the people in St. Michael West Central in particular.

Sir, I am indebted to you.

Mr. D. St. E. KELLMAN: Mr. Speaker, first I would like to start by thanking God for allowing me to be here, and the nice people of St. Lucy for having the confidence in sending me to this Assembly. I want also to thank them for acknowledging, Sir, that there are certain skills that I possess and I am grateful that during the last two days or so, they have been able to see the confidence that they have put in me.

In my hand, Sir, I have a copy of a speech I made during the Estimates debate. I also have on the table, a copy of a speech I made during the VAT debate. And, I also have the opportunity to look at my notes to see some things that were said about me.

But, before I do that, Sir, I want to remind the Government of this day, that they have an obligation to make sure that they repair all the schools that have been given back to the Anglican Church and the Methodist Church. Those churches, through their spiritual obligation, allowed the Governments of the day to use their facilities and I personally think it is ungrateful that schools have been given back to those churches and they have not been repaired.

I know previously there was not enough money to repair those schools but I told the Prime Minister since August that he would have enough money, and I am calling on the Prime Minister to make sure he allocates some of that money to the Anglican Church and to the Methodist Church to make sure that those schools are repaired and given back in a proper state. It is only fair, Sir, that if you deprive the Lord of something that you compensate him fairly because the Lord has given us a lot and any Christian minded Government would make sure they look after the Church. So, I am asking the Prime Minister to give the Church its due.

Mr. Speaker, Sir, I am not normally worried when I hear speeches coming from the Honourable Member for St. Michael South Central, but yesterday, I was worried. I did not mind the Right Honourable Member for St. Peter because I know that deep down inside what he says is not what he thinks. But what worried me, Sir, is that when the Governor-General of this country was sworn in, we journeyed from this Parliament and went to the residence at Pine Hill.

There were a couple of people present. The Honourable Member for St. Michael South Central and his wife were there, an economist who works now in the Ministry of Finance and his wife and myself. I said on that occasion that the VAT was going to bring in over \$100 million ...

Asides.

Mr. D. St E. KELLMAN: ...Yes, over \$100 million, and the only person that disputed me at that point in time was the person who was working.

I am saying that I must congratulate the Member for St. Michael South Central because he said at that time, "Kelly, you are batting on good ground and do not move from your point/" The Honourable Member for St. Michael South Central said that at the Governor General's residence. I am the most shocked man to hear the Honourable Member for St. Michael South Central admitting that he knew that the Government was going to take over \$100 million from the poor civil servants in this country and the poor people in this country and then he is saying that he will support something like that.

I have always had respect for that gentleman. I am one of the people who supported his measures because I still honestly believe, Sir, that if the private sector did not do what they did, that the measures would have worked. I cannot honestly believe that he would come in this Assembly, Sir, and say that he will support a measure that took over \$100 million from poor people in this country. It hurts and I am really hurt, Sir.

Then, I jotted down some notes, Sir, and he said that he has no one to please and he has achieved everything he wanted to achieve in life. I pondered on that statement, Sir. That is true, he reached his level. He became the Minister of Finance. It is clear to me now, Sir, that he has finally admitted that he cannot make that next step.

Do you know what worries me, Sir? There are some young men in this country who had joined the NDP, who would like to have a seat in this Parliament and after making a statement like that, Sir, it can only damage their positions. What he said yesterday that he supports the policy of the Barbados Labour Party. So he does not care about the other Members who are running on the National Democratic Party because they do not have any ground now to go out there and fight on behalf of the National Democratic Party.

So all those candidates who feel that they will be running for the National Democratic Party, after the speech

yesterday, they do not have one chance in politics in Barbados. I am saying it is regrettable. 12.15 p.m.

Mr. SPEAKER: Honourable Member, I would suggest to you that conclusions like that become a very personal opinion, if you could possibly stay away from such and let us move on. Do not become so personal, please.

Mr. D. St. E. KELLMAN: I am being told that he confirmed all of this with his party members so it cannot be an assumption. This Budget is like a man riding in town, 9 months ago, with 19 lieutenants next to him, all armed, and in that town people were laid off, people had salary cuts, people were on 3 days a week and 4 days a week and that man came in with his guns blazing and took over \$107 million more from those people.

After the people cried out and said, "Lord help me!" for 9 months, he returned to power again with one man short and he looked at his calendar and realised that he was one man short and when he looked around he said, "I have to give them back something."

Do you know what is disgraceful, Sir? That man said he would give back \$45 million and the quick eyes of the Democratic Labour Party realised he had erred again because it is not \$45 million he is giving back in VAT neither is he giving back \$22 million in any income tax. So I say that man with a gun, is a man that must be feared, but not by the Opposition Democratic Labour Party, but by the poor people of this country.

Mr. Speaker, yesterday an Honourable Member in this House said I was a swiper. I want to remind him that they said the same thing of Vivian Richards. I am going to swipe today and I want to remind the same member that he is in control of the North and I am in control of the North too for my side. I want him to know that the same way that the Honourable Member for Christ Church East Central could promise the people in Christ Church a playing field that on this Floor of the House I am making a commitment to the youngsters in Mt. Standfast, Weston, the Garden that when the Democratic Labour Party is returned to power we will compulsorily acquire some land in the Mt. Standfast area and give them a playing field too.

Sir, I look around and I wonder why he would make a statement like that and then I realised that these Estimates mean nothing to some members on the Front Bench because if they knew anything about the Estimates they would have turned to Romans 5. Sir, when you look at the Value Added Tax you will see that estimated revenue

from the Value Added Tax for the period January to March this year and the last financial year would have been \$68 800 000.

Mr. Speaker, by the beginning of April, the Rt. Honourable Prime Minister would have been given these figures. The Prime Minister of Barbados knew since April that the VAT of this country was performing at the rate I said it was performing and Sir, I have always warned my opponents in here to be careful how they give figures in this Parliament and you know, Sir, I have always used figures against them to prove them wrong. I have it again today.

The Prime Minister said in his Budget that the actual revenue from VAT from January to March 1997 was \$96 million. Mr. Speaker, did you hear that? The projected revenue in the Estimates, not my word, the Estimates, is \$68.8 million which tells me that by the end of March the Prime Minister had \$27.2 million. This information is not for you, Sir, because I know you know that I can deal with figures. This information is for the Honourable Member for St. James North.

In other words, the Prime Minister had a 40% increase on the VAT intake by the end of March.

As you know, Sir, this has nothing to do with December when you have tourism. This has nothing to do with January. It has nothing to do with February or the same March the following year. I am saying if he could not estimate it up to those three periods I am saying that I was right when I said over \$100 million. I would never pin myself down to \$100 million because I am sure that even with the so-called give-back he is still going to rake in a lot more. It is true he has done something that might stop him from raking in a lot more but I will talk about that later, not in my speech.

I am saying that when the Prime Minister said that I was wild, irrational, and all of those things in 1996, I can forgive him; but I cannot forgive the Prime Minister when he took 9 months to ease the old people. Do you know what is the most disgraceful thing about this giving back to the old people? He said it was a Budget for the old people and the poor people.

Can you imagine a Prime Minister offering salt meat to old people and salt and corned beef and at the same time he failed to recognise that soap is more important to the old people than salt meat, corned beef and salt? He said he would give them back a basket of goods and he did not even recognise that soap is part of their goods because when they do a goods list they put soap on it. The soap

that they use every single day, the Prime Minister did not even recognise that that was important to old people but he offered them salt meat.

Mr. Speaker, how can you go into your constituency and tell the old people that Pampers are not important to them? Toilet paper, toothpaste, sanitary napkins, soap. Do you know that not even Ovaltine or Milo are on that list and I will tell you why. Sometimes you have to be careful how you put information in booklets and Milo and Ovaltine is under tariff number 1901.909. I want you to look into the Budget Speech and see if that is under that tariff number. These are things the old people use, but he offers them cocoa. Do you know that cocoa is something that we used to see in the old time days and only the rich could use Milo and Ovaltine? Now he is putting them back in the old time days to use cocoa again. You are telling me about a caring government?

The juices for babies are not on this list either. Insecticide to keep away the mosquitoes. Since we have this health problem in Barbados there are mosquitoes all over Barbados and there is nothing in here to make sure that people can get eased to keep away the mosquitoes. Baby clothing. If this was a caring government baby clothing would have been taken off. In every country in the world baby clothing is not subject to VAT but the only country that baby clothing is subject to VAT is in Barbados.

Seasoning - not on the list, so the old people cannot season their meat. Ketchup - not on the list and you know that is something that we use daily. Is that fair, Sir? Pepper sauce - not on the list. Peas - not on the list and last but not least the old people cannot even light their stoves because he has not even taken VAT off matches. And you tell me about a caring government.

I saw people in here jumping up and praising and saying they are glad that toilet paper was not eased, that they are glad that toothpaste was not eased and they are glad that poor people's Pampers were not taken off the VAT list. That is what they were jumping for. They were jumping to say that the Prime Minister was right in everything he said. Not one of them said to him that he has to take off some more items.

The same civil servants who were inflicted with that VAT are still waiting on the Barbados Labour Party to give them back their 8% cut. The Democratic Labour Party cut it and we promised that we would give them back and you agreed that you would give back too in the campaign. I heard many of you all saying that they would give them back the 8% cut. None of them in there can try to stop me from saying what I am saying because I am demanding

today that you have to give back the civil servants their 8% cut. You have robbed them with VAT by over \$106 million and you have enough money to give it back. Give the civil servants back their due. 12.25 p.m.

Mr. Speaker, I am demanding it from them. The civil servants marched because they did not want their salaries cut. I am saying that now the money is there they have a right to give it back to them.

The Honourable Minister of Agriculture in a meeting in Checker Hall one night said prior to the election - "give me one year as a minister and I will have a fishing agreement." Let me tell you something I am yet to find out if a year has in 48 months because it cannot be a 12-month year. Now he is appealing to the Prime Minister for help.

I do not know what help the Prime Minister will give him because the only help that he can get is in a Cabinet reshuffle.

Hon. R. C. EASTMOND: While it is true that I spoke at Checker Hall in the last general election, at no time did I make any reference at all to agriculture during the speech and at no time did I talk about becoming Minister of Agriculture. The Honourable Member is misleading the House and telling a blatant lie.

Mr. SPEAKER: I do not know Sir, if you are asking the Chair to rule on veracity. I rely on the fact that all members are supposed to be honourable.

Mr. D. St. E. KELLMAN: Mr. Speaker, then I will have to bring the policeman that was there and heard him. I will have to bring the tape that he is on and I am sure that the policeman that heard him would not lie on him. It was at that time when all of them were saying that the Democratic Labour Party could not get a fishing agreement. As you know, Checker Hall is near to Half Moon Fort and he was trying to please the fishermen at Half Moon Fort. And now, Sir, I turn to BADMC.

Mr. Speaker, I have called on this Parliament to give the Hope Dairy Farm to the Samuel Jackman Prescod Polytechnic. I have been reliably informed that the Hope is now up for tender and I have been reliably informed that even though it is up for tender that there are people under the Minister, and I am not going to charge him for this, who have already appointed people to run the Hope Dairy Farm. I am no doctor but they have plenty Griffiths in St. Lucy and I am saying that it is unfair to people who want to compete on tender to have chairmen and chairwomen touring sites in my constituency without first informing me.

The Hope Plantation falls within the constituency of St. Lucy and I honestly believe that it has economic growth to be given to the constituency of St. Lucy and we must be sure that the right people get that.

The Hope Dairy has the best grass in Barbados and the Minister will agree with me. It has the best cows. It has plenty calves and I am yet to see where there was a sale that went on at the Hope Dairy because when I pass there I am not seeing as many cows as I used to see and I am asking the Minister to investigate and I know that he will investigate. Let me tell you something. I have never seen the Minister by the Hope Dairy. I want to make that clear from the outset. I have seen him in St. Lucy, I must admit but not by the Hope Dairy. I do not want anybody to believe that I am making any charges on the Minister. I am not that type of politician.

At the same time it is his duty. It falls under him and he needs to investigate what is going on down there. A little to the wise is enough.

Mr. Speaker, the BADMC again did a business plan and under that business plan the export unit was in that business plan and they said that the export unit would have been transferred to the BADMC. Before they said that I asked them to transfer everything from the BADMC to the BAMC. Would you believe...

Hon. R. C. EASTMOND: Mr. Speaker, on a point of order. I would like the Honourable Member to present the document to show the proposed plan to transfer the export unit from the BADMC to the BAMC. I do not really want to interrupt the Honourable Member, but I am not aware of the existence of any document that suggests that the export packaging unit would have been transferred from the BADMC to the BAMC. I am asking the Honourable Member to produce the document.

Mr. SPEAKER: Honourable Member, you are making a statement. Do you have any documentation?

Mr. D. St. E. KELLMAN: Mr. Speaker, all I will say at this point in time is that if the Minister is correct that he has not seen the plan I am prepared to say I am sorry for saying so. I will deal with that matter another time because if the Honourable Member for St. James North is a Minister and he is saying to this House that he had not seen the business plan of the BADMC I am saying that something is wrong with agriculture in Barbados. It is no way...

Hon. R. C. EASTMOND: I never said that I did not see the plan. I said that I did not see in any document any proposed transfer of the Export Marketing Unit from the BADMC to the BAMC. What I am saying is that since he said he saw it in the business plan that he should produce it today.

Mr. D. St. E. KELLMAN: I did not expect the Minister to dispute with me or I would have brought it.

Mr. SPEAKER: If there is such a document and you do not have it, what proof do we have that there is one?

Mr. D. St. E. KELLMAN: I read it, and my memory is very good, Sir. If you want me to produce it at some other date I will, Sir.

Mr. SPEAKER: Could you do that? It is obvious that there is need for some sort of documentation to support what you are saying.

Mr. D. St. E. KELLMAN: I will make sure to convince you, Sir. I will publish it in the Press. I do not have it here and I cannot speak a second time in this debate.

Mr. SPEAKER: According to the Rules of our House if you are going to make such a statement...

Mr. D. St. E. KELLMAN: It was on my notes. I was just saying where I made the reference from. I was not quoting from any business plan. I am saying that if something so important that is in the business plan and if the Minister did not see that I have a problem because I want to know how come the farmer at Welches to the back of my house knew of the business plan and asked the Cabinet Minister to change their minds and to take a message to the Prime Minister. I want to know how come he read that and the Minister did not read it. I want to know, Sir, because there are some interesting things. 12.35 p.m.

Mr. Speaker, on cotton, last year just because we did not have the output figures, the Minister got up on his feet and gave the impression that I was a liar and that I had produced wrong figures on cotton. I am challenging the Minister today to tell us what the production figures were for the year before, and what they are now for these 1996-97 Estimates. I want him to tell this House.

Would you believe, Sir, that cotton production is less than 10% than what it was before? There is a 90% decline in cotton and he is talking about us swiping. If I am swiping, I am prepared to sit down and let him challenge those figures.

I am saying, Sir, that we have a serious problem coming in this economy, and that is, we are bragging about foreign reserves that have been built the wrong way. Yes. We are bragging about foreign reserves because there was a slow-down in imports. We are bragging about foreign

reserves because we receive foreign inflows from people who want to build houses and things like that. I am saying that the growth in the foreign reserves is not sustainable and that shortly we will come to a serious reckoning because there is no growth in agriculture to build the foreign reserves. There is no growth in manufacturing. There is no growth in tourism and we are fooling ourselves.

The Honourable Member for St James North is normally a man that I have trusted a lot. He has some very good qualities. He went to school at Coleridge and Parry. I did too. I must say he is from a very good stock, beautiful parents. But I want to know, Sir ...

Mr. SPEAKER: Are you related?

Mr. D. St. E. KELLMAN: No, Sir. The only thing we have in common is that the little knowledge he has my uncle gave him and he gave it to me too. That is the only thing we have in common.

Aside.

Mr. D. St. E. KELLMAN: The Honourable Member for St James South is saying, Sir, that by the time it got to me it was diluted. Fortunately for her, it never got to her.

You see, Mr. Speaker, when I hear the Honourable Member for St James North saying that he has been able to put in so many street lights, and I have to drive through at night in my constituency because I cannot see them in the day, so I have to look at night to see where they are, and after submitting a list about 10 times between the Barbados Light & Power, the Ministry of Public Works and the Ministry responsible for Rural Development, and knowing that we all have these things in common being from the north, went to school at CP, speak to each other, I thought that at least under Rural Development he would have recognised that there is some place in Barbados called St. Lucy which happens to be the most rural parish.

I cannot understand, Sir, how come the Honourable Member can walk through St Lucy and people could give him things - You know what is hurtful, Sir? He walks through St. Lucy and I allow my people to give him pumpkins and pears and you would believe that he would not even give them a street light? You would believe that, Sir?

Aside.

Mr. D. St. E. KELLMAN: No. I would never say he is unfair. I would never say that. But I am saying, Sir, that he walks through St Lucy. He is well treated. He

is accepted by the people of St. Lucy because they told him: "Look, we realise you are a friend of Kelly so once you are a friend of Kelly we are going to look after you." Yet still, Sir, he would not finish the equation. In accounting terms, Sir, assets equal liabilities. All he has done for the people of St. Lucy is to give them liabilities and no assets, that Honourable Member for St. James North.

The people of St. Lucy, I say to you, wait your turn. You have been forgotten by the Other Side but you know you have a voice. You know, Sir, whether we are discussing roads, whether we are discussing water, whether we are discussing transportation - atfd talking about transportation, Sir, I am calling on the Prime Minister today to explain to the people of St. Lucy why he collected so much money and has not spent one cent to buy additional buses to put in St. Lucy so that the people could get to school and get to work, and why he is causing so much pain to the people of St. Lucy?

It is unfair, Sir, that for \$106 million in additional revenue that the Honourable Member for St. Peter is depriving the people of St. Lucy of jobs, and I can tell you why, Sir. Many days they go to work to be turned back by their employer to tell them that they are too late. I am saying with that type of money the Honourable Member for St. Peter should treat the people of St. Lucy better. You know why, Sir? He has strong roots in St. Lucy.

Mr. SPEAKER: Could the Honourable Member conclude, please?

Mr. D. St. E. KELLMAN: I am saying that the Honourable Member for St. Lucy cannot support these proposals because to support proposals like these is to encourage a group to stick up people at gunpoint and then give them back a penny out of \$2 and tell them they should be grateful. I will not be supporting these proposals, Sir.

Hon. R. St. C. TOPPIN: Mr. Speaker, I want to give my fullest support to the Resolution introduced by the Minister of Finance in this debate. It means that for the third straight year the Minister of Finance has brought to this Parliament a very well thought-out and reasoned Budget which tackles the relevant and major issues head-on.

This Budget has clearly put the Opposition in a tailspin and that is why we heard all the raving and ranting that we heard last night from the Honourable Leader of the Opposition and more recently, the Honourable Member for St. Lucy.

I was pleasantly surprised though by the contribution of the Honourable Member for St. Michael South Central. He seems now to have sobered into a sense of political maturity that we can only hope will not be short-lived. But in so far as the other Opposition is concerned, I think the time has come when they need to recognise that when they know in their hearts that the Government has done something for which it should be complimented, they should just simply do that. Compliment the Government, rather than carry a simple political difference between us to such unnecessary absurd extremes.

That is all that is happening, Mr. Speaker, in this country. Whether they speak on the radio, television in Parliament or anywhere else, all they can do is criticize Government. We do not mind criticism, but we believe they do themselves and the country a great disservice when they fail to acknowledge the good work being done by this Government, and they continue to do it although in all of their criticisms, since we were in Government, they have been proven wrong.

I want to just say, Mr. Speaker, that I believe the time has come when the Opposition should just cool down, grow up, especially the Honourable Member for St. John who last night in a very serious debate in this Parliament could find time to make 19 jokes. The most serious debate that takes place annually in this country and he could find time last night to include on 19 occasions trivia in relation to a very serious issue at hand.

I want to go back a bit and just show how systematically this Minister of Finance has been dealing with the major social and economic problems in this country in the Budgetary debates and how on every occasion the Opposition Democratic Labour Party has criticised the policies and have been proven to be wrong on every occasion.

I want to go back to 1995 which was the first Budget the Minister of Finance delivered in this Chamber, It was not a wild or sensational Budget. It was not purporting to be an olive branch being held out to give the people some sense of Utopia. It contained policies to deal with unemployment and to provide certain social services. We were doing it in the context of our financial circumstances at the time. We had to pay \$44 million in debt that had been left for us to pay by the Democratic Labour Party.

We also recognised that after one year of growth in 1994 that was not enough to make any sane person believe that any Government could immediately get into the business of overspending but still we made certain money available to certain key sectors in this country like

Tourism. We made money available to the Ministry of Housing and to the international business division in the Ministry of Trade. Not only to cause expansion and the generating and earning of foreign exchange by those sectors but also to create jobs and job opportunity for people of Barbados. In the face of all those policies in 1995, the DLP said that there was nothing in the Budget to deal with unemployment, I remember that very clearly but the facts are there and the records now show that by the end of 1995 the rate of unemployment had fallen between Budget at the end of 1995 from 21.7% to 16.4% so they were wrong about that. 12.45 p.m.

We introduced measures, they predicted doom and gloom and by the end of 1995 some 5 600 jobs were created for the people of Barbados. Then the second Budget in 1996, last year again a Budget class against the background that while more gains had been made the year than the prophets of disaster over there had predicted, we were still not yet out of the economic woods. So we put emphasis on encouraging savings, promoting investments, investing in training as well, so as to generate more jobs.

The only people in the world who could not see a connection between savings and investments and job creation were the Members on that side. A basic principle, a first principle in economics and the Members on that side said that the Budget was too timid, that the Prime Minister was not aggressive enough in his policies and that, as they said in the 1995 debate, the Budget would do nothing to deal with the problem of unemployment. Again, Mr. Speaker, the record is there and can be checked and you will see that as at the end of June 1997 this year the rate of unemployment had fallen to 14% which is the lowest rate for some eight years in Barbados, so they were wrong again.

Contrary therefore to all that has been said by Members on the Other Side, said as opposed to believe in their hearts, there has been considerable improvement in the state of affairs in Barbados and in Barbados¹ economic situation since this Government came into office to the point where we can now boast of a 5.2% growth in the Barbadian economy in 1996 compared with 2.9% in 1995 and between 4 and 4.5% in 1994. Growth in 1996 was recorded in every major category of Barbados¹ domestic exports, for example sugar and non-sugar agriculture and fishing. Manufacture output also grew in 1996 and exports of food and beverages in particular doubled the output levels that they had reached in 1995 at the end of 1996.

The construction sector grew in 1996 and has further expanded in the first quarter of 1997. Similarly, the offshore financial services sector expanded as well in 1996 and has expanded again by some 4.8% in the first quarter

of 1997. Finally, tourism, which we now know that the number of long-staying visitors increased in 1996 as well as the average length of stay of a visitor and cruise tourism, about which I will speak in greater detail a bit later, in fact increased by some 6% on the 1995 figure.

Mr. Speaker, it was in the context of all those gains and the growth and expansion of our economy that the Minister of Finance approached the preparation of the measures outlined in this year's Budget. It must certainly be a major accomplishment and achievement of a Government to find that it has so competently managed the affairs of a country over a mere three-year period that it now finds itself in a position not having to take from people but trying to decide how much to give to the people of Barbados. That has to be seen as a major accomplishment and that is the position that we are in today.

I believe that this Budget, quite frankly, Mr. Speaker, speaks for itself. It is an extremely important Budget, but at the same time it is really a very straight forward Budget and it is a very easy Budget to understand. It is clearly designed to ensure that the people of Barbados, especially the poor people of Barbados get a stake in the economic prosperity of this country. That is what this Budget is all about.

Very important too, it was the fulfillment of a promise made by the Prime Minister in January of this year when VAT was introduced to review the impact of VAT after a period of nine months and the adjustments on Monday in this Budget was as a direct result of the voice of the people, that is what this Budget is all about. I can certainly say, moving around my constituency, which I do very regularly, that there was concern about VAT on the basic food items but I am happy to say that since the Budget delivered by the Prime Minister on Monday I have received numerous calls from the same constituents thanking the Government and asking me to convey to the Prime Minister on their behalf, their sincere appreciation for the fact that he has taken the VAT off basic food items which were listed on Monday. I also got a lot of calls about the validity of the contribution of the Honourable Member for St. John yesterday as well but I am not going to deal with those since time would not permit me.

As I said at the beginning of my contribution, Mr. Speaker, this Budget has put the Opposition in a tail-spin and I could tell from the expression on their faces on Monday that they were in a state of total shock and disbelief at the extent of relief given to the poor people of Barbados on Monday evening. I can say comfortably that every single family in Barbados unless they are unreasonably extravagant and yet unborn can find that they can more than get VAT free every single meal that they

consume over the period of a day, every day. I can say that comfortably. Look at the ingredients of the basket, you have fruit, vegetable, protein and starch. All the ingredients of a balanced diet, all the ingredients that can allow you to live a healthy life style and ensure that you are fit for life.

Again, Mr. Speaker, the relief given has been given in such a way as to ensure that they will be no over-spending by Government, that there will be no irresponsibility in the handling of the financial affairs of this country that could cause us to slip again into the economic morass in which we had slipped in the early 1990 and eroded all of the gains that have been made in the recent pass and what more can anybody ask for?

Yet again, those on that side have criticised the Budget. There are some over there who would want to parade before the public and give the impression that more could be done at this time and that you should come in here and give largesse, they would want to give that impression. Well, they would have learnt nothing at all from the experience of 1986 when the policies introduced by the Democratic Labour Party laid the foundation for sending home thousands of Barbadians with the unemployment rising at some stages to over 26%; to Barbados entering the restructuring programme as a result of which a school could not even be repaired like the Grazettes Primary School that after 25 years of neglect and was first repaired in 1995. That is what those on that side who would parade that we should give largesse are ignoring. So Barbadians are not going to be fooled by any calls by Members of the Opposition for unreasonable and unrealistic levels of spending by Government at this stage especially when, in addition to the relief in relation to VAT which was really the most pressing problem, especially in relation to basic foods. 12.55 p.m.

Considerable attention has also been given on assisting and enfranchising the small man in Barbados in the Budget because we saw measures introduced on Monday to assist micro-enterprise and the small business sector in Barbados as well. Not only in terms of providing access to funding but also in the provision of technical assistance. All these are things that will be done to enfranchise the small black man in Barbados.

Also to enfranchise the small man we saw a list of certain institutions that are to be "corporatised" by the Government over a period of time and one of the institutions listed was the Barbados Port Authority and I want to spend a little time this morning on that particular aspect of the list of companies or institutions that are to be "corporatised"¹¹.

In the case of the Barbados Port Authority that has been the intention for some time now. The Honourable Member for St. Michael East posed a question in relation to it some time earlier this year and it was answered. He said implicitly that there was a decision to "corporatise" the Bridgetown Port. That decision was made on May 2, of last year when Cabinet agreed that the Barbados Port Authority should be transformed from a statutory board into a fully-fledged "corporatised"¹¹ entity. A technical committee has been set up under the Chairmanship of the Chairman of the Barbados Port Authority to basically oversee the "corporatisation" process and also determine the measures necessary to transform the Port from a Statutory Board to a full-fledged corporate entity. That process, Mr. Speaker, is well on the way. In fact it is expected that by the end of the year, possibly well before then as well, a full report from the technical committee should be ready for presentation to the Ministry and also for presentation to the Cabinet.

In relation to enfranchising the small man in Barbados, at present the intention is that in the initial stages of corporatisation Government would own 100% of the Port shares and then eventually staff of the Port, members of the Barbados Workers' Union, members of the Credit Union, and some other institutional investors, for example, the National Insurance would be interested as well and members of the Barbadian public at large would be able to buy shares in the Barbados Port Authority.

One thing I can say for sure is that there will be no repeat at the Barbados Port Authority of the type of arrangement that has been put in place with Cruise Terminals Incorporated that presently exist right now at the Bridgetown Port, not once I have any say. Never will it happen again in Barbados and that is a fact. A position that was arranged by the Democratic Labour Party will never, ever again be arranged by this Barbados Labour Party.

I want to add, Mr. Speaker, just a few points in relation to the Port's performance over the last two years and certainly since this Government came into office. It is accurate to say, Mr. Speaker, that in 3 short years, 1994 to 1997, the Port has managed to increase its profits substantially by some \$7 million at a time when there was no increase in tariff since 1994. In 1994 the profit was \$3.2 million. In 1995 it was \$4.5 million. In 1996 it was \$6.5 million and for 1997 on present trend there is a projected pre tax profit of \$10 million by the Barbados Port Authority. In each year we saw an increase in tonnage handled and an increase in the number of cruise passenger arrivals. In relation to the tonnage handled again consistent increases occurred so that this year it is expected that there would be a 12% increase for 1997 on 1996. An increase in tonnage handled is usually quite a good indicator of the

increased economic performance and economic development of a country.

Performance in the last 3 years, Mr, Speaker, is to be commended and I want to openly acknowledge the good work being done by the current Chairman and members of the Barbados Port Authority who have really made a difference to the fortunes of the Barbados Port Authority because they introduced a number of very important policies. Even although there was no increase since 1994 they were able to put proper management systems in place. They were also able to control expenditure. New equipment was bought. Old equipment was refurbished so as to cut down on the expenses necessary for maintenance and security was beefed up at the Barbados Port Authority so as to ensure that the claims for theft that took place on such a large scale over the years would not recur since this new board was put in place.

So the finances of the Barbados Port Authority are very sound and they are in the course of embarking on a reform and expansion project which is in the design phase. In fact that design should be completed in a few months and this project involves some physical work for the benefit of cruise tourism requiring tenders, requiring cross berths primarily for the benefit of cargo, improvements to the Port's entrance, Trevor's Way, converting the Shallow Draft area to strictly tourism oriented uses by adding facilities for yachts and small vessels and those sorts of things are included in the investment work.

Mr. Speaker, in terms of the funding for the project this project was to have been funded by the Inter-American Development Bank but we, in this Government, could not accept the terms and conditionalities which were being imposed by the IADB. We would never be a party to any conditionalities that were calling for any restructuring downward in the number of employed people in any part, in any sector, in any institution whatsoever in this country and therefore they were not able to accept those terms and conditionalities,

At present preliminary discussions between the Barbados Port Authority and a number of interested financial institutions are going on with a view to securing the necessary financing for the project. A business plan has also been prepared by the Port Authority which is presently in the Ministry being analysed and should shortly thereafter be taken to Cabinet. So the Port's finances are in pretty good order, its asset value is very high and there should really be no difficulty, as I see it, in obtaining the necessary financing for the project.

Now, Sir, I turn to cruise tourism. As I said earlier cruise tourism contributes significantly to the profitability of the Barbados Port Authority. Last year we had some

543 000 visitors which was a 6% increase on the 512 000 that arrived the year before. 1.05 p.m.

This year, for the January to July period, we have had 329 693 cruise passengers as compared to 328 307 passengers for the same period last year. A very small increase of some 0.4 percent.

But, I keep making the point that you must realise that cruise tourism is a very dynamic industry. There are always changes. You lose a ship today and you get a ship tomorrow. Sometimes you get two ships tomorrow. Obviously, you do not want to lose any ships at all, but that is just how this business operates. In any case lines are now deploying larger ships and therefore making fewer calls.

Last year there were some 532 ships that called at Barbados. Which is 48 ships less than the year before, but those ships brought some 30 000 more than 1995. So, last year for example, we lost a line and with the loss of that one line, we lost 29 000 passengers. But then we got the "Inspiration" which came on in March last year with a capacity of over 100 000 passengers per year. I am not trying to trivialise the matter but that is how the industry operates. You can have a very bad year in cruise tourism, where you have a decline on the year before even, and the following year you could have a massive increase even on the year before when you did not have the decline. So, if you want to see the dynamics at work you can even look at the first six months of this year.

One ship was retired because it was too old and uneconomical to repair. Two other ships were sold to new owners and deployed elsewhere. One was repositioned and one was exchanged for another ship of the same capacity. But then for the same period, the first six months of this year, six more new vessels called at Barbados. Before the end of this current year, nine additional cruise vessels will be calling at Barbados making their inaugural visit.

In fact, on October 13, we are going to be welcoming the "Dawn Princess" with a capacity of some 1 950 berths. About a week or two later, we will be receiving the "Galaxy" with the capacity to bring some 1 778 passengers on each visit. Then later in the year, the "Victoria", a European liner will commence "home porting" in Barbados with a capacity of around 700 passengers. It is the first sizeable ship that will, in fact, be unloading in Barbados.

It is still being projected by the Barbados Port Authority that cruise ship passenger arrivals will increase by between 3-5 percent this year over last year despite the challenges that the sub-sector has been facing this year.

I want to say something about the role the Ministry of International Transport has played in the good performance of the Barbadian economy. We just saw what the Port has done. I want to show now the role that the Ministry of International Transport has been playing in the development of the economy. I can say proudly that the Ministry has taken a number of initiatives to create the environment to facilitate the development of our tourism product.

In this regard, we spent a lot of time over the last year concluding a services agreement with a number of countries. In the Region, we finalised the Multilateral Air Services Agreement. We concluded fully an In-services Agreement between Barbados and the United Kingdom. We got Full Group Rights in relation to agreements between Barbados and Germany and Barbados and Switzerland. The Swiss is a major achievement, because over a process of 20 years the Swiss has only come to the bargaining table once and that was to say that there was nothing to talk about. We have managed now not only to get them to the negotiating table, but to get them to agree on every single thing that we wanted in terms of groups for a Barbadian destination carrier and we have also granted them generous group rights as well. So we have made major breakthroughs in the area of Air Services Agreements.

Also, Mr. Speaker, we have made tremendous strides in the securing of additional air lifts as well, into Barbados from a number of places, both Scheduled and Chartered services. The United Kingdom is the greatest success to date. Last year while I was in the United Kingdom on a round of air services talks with the United Kingdom Government, I led a delegation, met British Airways and made a case for additional flights into Barbados. Then it was agreed that there would be more flights. As a result of that for the last Winter, British Airways put on an additional flight, 425 seater additional craft. An additional flight moving up from five to six out of Gatwick and added as well an additional flight out of Heathrow.

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

Hon. R. St. C. TOPPIN: Yes, Mr. Speaker. We made considerable strides in relation to air lift out of Europe. In fact, 9 050 additional seats were available over this last Summer and some 10 000 additional seats will be available in the upcoming Winter out of the United Kingdom, just on scheduled services alone. The Charter services have also increased as well.

Mr. Speaker, I really could not develop these points in two minutes. So I really would like to say how grateful I am on behalf of my constituents who have been crying

out to me in relation to the VAT on foods. It was almost the sole issue in their minds, not that they are not other problems that we have to face, but they asked me, as I have said earlier, to convey their appreciation to the Prime Minister for what he has done.

I fully support the measures. Jobless growth, the life long ambition of the Member for St. John is thankfully a thing of the past. The economy is moving to sustainable growth. The Government has been able to pay its debts, to pay bills left behind for us to pay by the Democratic Labour Party. We have been able to restart programmes and start others. We have embarked on a serious capital programme and more importantly, by the measures of the Minister of Finance on Monday, we have been able to respond directly to the cause of the people themselves. The people, we will all learn, those who have not learnt before, the people are never wrong and we have been able to give the considerable relief that they have sought.

With those few words, Mr. Speaker, I am indebted to you.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, I think in order to keep on schedule, we should shorten the lunch period to 45 minutes. I therefore propose that the House be suspended until 2.00 p.m. and immediately thereafter, the Honourable Minister of Labour will present his contribution.

Hon. G. W. PAYNE: I beg to second that.

The question that the Sitting be suspended until 2:00 o'clock in the afternoon was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly. 1.15 p.m.

RESUMPTION Mr.

SPEAKER: This Sitting is resumed.

Hon. R. N. GREENIDGE: Mr. Speaker, I consider it and I deem it to be an honour and privilege to make a contribution to what I consider to be one of the most significant and certainly one of the most important set of Budgetary Proposals ever to come before this Honourable Chamber. This is the first post VAT Budget and I do believe there will be detractors who will say that in presenting these proposals at this time the Prime Minister and the Honourable Minister of Finance is actually

yielding to some type of pressure which was exerted on him by interest groups and otherwise. Mr. Speaker, I see this as keeping a promise.

The Prime Minister, Mr. Speaker, had always said *that* after the implementation of VAT he would wait and see, and if it was necessary then he would take corrective action. From the earliest days of its implementation, the Prime Minister never turned a blind eye to cases of genuine hardship. I recall on the very Floor of this House the Prime Minister actually saying: "We will examine it and if necessary we will take corrective action" and this is what is happening in these set of Budgetary Proposals.

You will recall, Mr. Speaker, at the very outset he increased the old aged pensions and the welfare grants, December 30, to enable those less fortunate persons to cushion the impact of the VAT and any pressures that would accompany its implementation. This basket of goods, therefore, Mr. Speaker, must be seen as part of a continuing process. He had done something before and this is no sudden change of heart by anybody. This is a continuing process which is going on. I do believe that even if the occasion arises again that he has to get more therapy, it will be done again. It is a continuing process, Mr. Speaker.

As Minister of Finance, Mr. Speaker, the Prime Minister has the ultimate discretion for the management of this country's financial affairs and he could do what two other Prime Ministers I know would have done, listen to nobody, bring their Budgets and present them but the Prime Minister never took on a holier than thou attitude in this instance, never, never. He never adopted the like it or lump it attitude which the calypsonian Bumba sang about a few years ago, never.

Mr. Speaker, the Prime Minister remained cognisant of what the populace was saying and he kept his word to them clearly demonstrating that he is a Minister of Finance that can be trusted. He says in the Budgetary Proposals that he listened to calypsonians, he listened to the manufacturers and he listened to the Clergy. He said he listened to everybody. He can be trusted.

I do believe, Mr. Speaker, that there is one overwhelming reason why the items in this particular basket were selected. I believe those items were selected from the best possible advice that was offered. I admire the Prime Minister for taking the advice of his experts and for taking the advice of his economists in his Ministry.

I know, Mr. Speaker, that the Leader of the Opposition spoke rather disparagingly about his five advisers who joined him and all that. I am saying that he

took the best possible advice. The Opposition seems to think that their advice is the only advice which matters. They seem to imply that if their advice is not taken, then the Prime Minister will be doomed forever. That seems to be their position.

Let me say now, Mr. Speaker, that I admire the Prime Minister even more for not taking the advice of the Opposition because I believe that the Democratic Labour Party, the present Opposition, should be the last people in this country to attempt to give advice on how to manage an economy. When they hear about economic management, they should hold their heads in shame because they destroyed this country, not by management, but by mismanagement.

I have listened, Mr. Speaker, to various members of the Opposition on matters pertaining to the VAT and sometimes I am made to wonder who exactly on that side is the Opposition's spokesman on this and other financial matter, true, because they all have different and divergent views, all of them, so you never know which one view is the Opposition's view so you are left wondering who is speaking on behalf of the Opposition. They never sing from the same song sheet because they are in total confusion on the VAT, the Budget and on other issues.

The honest truth, Mr. Speaker, is that I expected someone else to do the reply to this Budget this year. That is a fact. I never anticipated the person who actually replied to the Budget, the Honourable Member for St. John, to be the person replying to the Budget. I did not believe that. I say this because I know that the advice of another Member had been sought when he was not a Member of this House on economic matters and I thought that when he became a Member he would automatically become the spokesman, but yesterday we heard that there is a way when the Prime Minister leaves that he keeps other people in the dark and so on. I can see the way certain people are thinking. I saw the way yesterday in which they stole other people's thunder but, as I said, I thought we would have been listening to another person doing the reply.

I would think, Mr. Speaker, that if you had heard the Honourable Member for St. Lucy when he was speaking, for instance, he was saying that in the basket of goods which was all food, he would have liked to see other things added to it so his position on the VAT is that there should be other things in the basket, not just a basket of food. He would like to see sanitary napkins, soap, baby clothes and so on. There are other Members who have written what they want to see would be a VAT removed from a basket of food. Even there again you can see that there are different views being held by the Opposition. I believe, Mr. Speaker, that even some of the minds of some of the individuals on the Other Side that there is confusion. 2.10 p.m.

I read an article where one Member on the Other Side said that VAT on all food is to be desired. Then I read another article by the same Member in which he is saying, not all food but VAT on a basket of food is to be desired. In other words, Mr. Speaker, they sing one song in the morning and another song at night. They talk one thing today and another thing tomorrow. Confused not just amongst themselves, but confused within themselves as well. There are certain members, as I have said, on the Other Side who have been calling for exemption from a basket of goods, mainly food. Let me say that when I first heard of the idea of VAT, this was my gut feeling as well, that it should have been removed from a basket of food. I am happy to see that it has actually become a reality. I must confess that it had more in the basket than I had anticipated.

Mr. Speaker, that being the case, I must therefore say, like the Honourable Member for St. Michael South said yesterday, I would have to be insane to oppose these measures. Even some of the same members on the Other Side who called for a basket of goods and got the basket of goods that they asked for are going to oppose these measures nevertheless. They were asking for and they got it and they are still going to oppose these very measures, the very thing that they have asked for.

I believe, Mr. Speaker, that if they do not oppose these measures that they are not going to be true to form. You will recall that when we came to this House and we changed the Constitution, a change aimed at preventing Government from ever again being able to cut civil servants salaries, they opposed it. Maybe they have their reasons for opposing something like that. I believe I have in the back of my mind why they opposed it and I hope the people of Barbados have at the back of their minds too why they opposed it. They opposed, Mr. Speaker, an Urban Development Commission Bill, which was designed and intended to ensure that people who live in urban Barbados could obtain governmental assistance, in many aspects and even some of the St. Michael parliamentarians on that Side opposed it. They have been opposing left, right and centre, sometimes for no good reason at all. We amended the Vagrancy Act to include beaches to minimise harassment on Barbadian beaches. Mr. Speaker, they opposed that as well. We brought legislation in here to give teachers the authority to search children's bags in a very organised and systematic way so as to prevent the infiltration of drugs and dangerous weapons into our schools, Mr. Speaker, they opposed that too. They have been opposing, left, right and centre. Maybe they believe that when they oppose a measure that Government will stop and look at what we are doing because the Opposition will oppose us.

Let me say, Mr. Speaker, that Government will continue to do its work and Government so far has been

doing extremely good work for the people of Barbados. This Government will continue to help people. We have a Rural Development Division which is aiming to help the poor people in the rural areas and on that note, on behalf of the good people at Edgumbe and Evelyn in the parish of St. Philip, I want to thank the Rural Development Commission for the roads that they have started and soon to be completed. Also, the road in Thicket, I want to thank the Rural Development Commission for having done that. I understand that Moncrieffe in St. John, they will soon begin that. Eastbourne and Lynches in St. Philip, all those will shortly be done.

Mr. Speaker, we have an Urban Division as well aimed at helping the people in urban areas because Government loves both the town people and the country people. This Government allowed returning nationals to Barbados to bring back their cars and other personal effects free of duty because this Government loves Barbadians who went abroad to make a living and we are not going to let the Opposition detract us from doing our work. Sometimes in trying to be partisan, Mr. Speaker, the Opposition seems to lose sight of reason and to argue what can only be described as utter rubbish.

Mr. Speaker, I have heard the argument from the Opposition that the only thing that came down were appliances and other big ticket items and I would never have criticised something if that was the end result because there are a lot of young couples in Barbados who have actually benefitted because of the big ticket items, the appliances and so on have actually come down. These are people who have been setting up houses and getting married and so on and have benefitted from that and I see no reason, Mr. Speaker, why you should take that and make some political point of it.

After all, Mr. Speaker, I believe that a comfortable life in Barbados is not the lot of just a few of us. Every Barbadian, Mr. Speaker, is entitled to it. I think too that the rationale for a basket of goods is that these are the very essentials, the very basics. I want to commend all of those agencies, all of those NGOs, all of those organisations out there who actually sat down and made out lists and sent them to the Prime Minister's Office telling him when you review the VAT, please take it off this and this and this. I want to commend all of them. The Ministry of Health did one, CTUSAB did one, Barbados Association of Retired Persons did one, I remember seeing all of those. I do not remember seeing one from the Opposition.

Perhaps the biggest paradox of all in this whole thing is that the Opposition yesterday claimed that the slow poisoning which they inflicted on this country between

1991 and 1994 is responsible for the vibrant economy which we now have. Again, to me Mr. Speaker, this is a big joke. What exactly is happening is that the Opposition is scared to give praise where praise is due. They do not want to say that it is the management of the economy by this present administration. They do not want to give praise where praise is due. They are not bold enough to say, Mr. Speaker, that the Prime Minister of this country is a trained economist and an excellent one at that. They do not want to tell this country so and that he is capable of managing any economy. 2.20 p.m.

Mr. Speaker, you will never hear them say that the turn around in this economy is due to financial discipline on the Government's part. You will never hear them say that. They know, Mr. Speaker, but do not expect them to say it that the foresight of the Prime Minister in giving the manufacturers certain concessions is what actually led to the resurfacing of manufacturing in this country. They will never give Government credit for developing and assisting small businesses. Never, will the Opposition give us credit for that. They can see evidence, Mr. Speaker, of a new thrust in international business but they will not acknowledge it, Mr. Speaker.

Unemployment, Mr. Speaker, has been significantly reduced. But rather than accept it, Mr. Speaker, they will want to question the unemployment figures. They are fully aware, Mr. Speaker, that there has never yet, in the history of this country, been such a multifaceted attack on the social ills that plague Barbados. These are things you will never hear coming from them but it is true.

Mr. Speaker, there is a new climate, a new attitude. This climate is what is conducive to the economic growth that we are seeing and the international market, one again, has confidence in Barbados. They have from time to time, Mr. Speaker, been saying do this and do it their way. Give back the civil servants the 8% that they took away from them and so on. Mr. Speaker, I believe that most of their demands are unrealistic and would only put this country's finances into total disorder.

Mr. Speaker, almost every sector is calling for some type of relief and everybody is calling for improvement in the social services and I know, Mr. Speaker, that the Prime Minister, has uttered words of caution. He says, calls are being made for impossible levels of tax relief accompanied by equally impossible demands to increase public expenditure. This is the voice of common sense speaking. He says, we must not lose sight of the fact that this new system of indirect taxes must serve in both the good years as well as in the lean years and hence we have to exercise

care in how we adjust its structure in response to an initial boom. The voice of common sense.

Mr. Speaker, Sir, I turn briefly to the casual workers. Mr. Speaker, that term casual implies that they are not serious workers. I never liked it from the time I heard it, that somebody is a casual worker. It seems to imply that you should not take them seriously. I believe that the term alone is degrading, Mr. Speaker, to call somebody a casual worker. I know for a fact, Mr. Speaker, that the banks do not even like to actually have to deal with people who call themselves casual because there is no security of tenure. You get the impression that these people at any time can go off.

Mr. Speaker, in the Government service there are hundreds and hundreds of so called casual workers. Ministry of Transport and Works has a large number of them. If you think of a school for instance, Mr. Speaker, you would realise that the gardener there, the janitor there, the watchmen, all those people, the groundsmen, they are considered to be casual workers. There are lots of casual workers in this country, Mr. Speaker, and they are called casual workers for their entire life, 25 years working life, 30 years working life, and these people are referred to as casual workers. Successive Governments, Mr. Speaker, have slighted them, have neglected them and I do believe too, forgotten them. This particular administration has actually now come to their rescue. They will now be treated like any appointed clerical officer, Mr. Speaker, and that is a very good thing which the Prime Minister has done. This will give them a new feeling of belonging and they will now have security of tenure. Their gratuity, Mr. Speaker, will be virtually doubled by this one stroke.

About a year ago, Mr. Speaker, on the Floor of this House I reminded this Chamber that these people go off at the age of 60. They get their gratuity then. They are not pensionable. Between age 60 and 65 that gratuity has to serve them. In 2 years time, from 60 to 62 that gratuity has been spent. The three hardest years of the life of the casual worker, the non pensionable casual worker, from age 62 to 65, not a cent comes his or her way. This one stroke will put all of that right, Mr. Speaker.

Mr. Speaker, I believe that the decision to improve the status of this category is one of the most thoughtful and humane acts ever bestowed on a group of disadvantaged workers in this country. That is our attitude to the workers of Barbados and we will always continue to have a humane attitude towards the workers. But, Mr. Speaker, I know that on the other hand and on the other side we get just the opposite coming through.

Mr. Speaker, some time ago the Leader of the Opposition went overseas and in his usual way he launched a scathing and a broadside attack on the social workers of this country. They were described by him, Mr. Speaker, as a lazy bunch of workers. He said that they were uncaring and that they were desk bound. That is how the Leader of the Opposition described the social workers of this country. And according to the report, Mr. Speaker, he did not even say some of the social workers. He said the social workers of this country and his remarks, Mr. Speaker, tarnished all social workers without exception. I can say, Mr. Speaker, that those comments were unfortunate and unfair and they had a very damaging and demoralising effect on the social workers in Barbados. A lot of them came to me because as Minister responsible for community development I have responsibility for a lot of the social services in this country. They came to me and I can safely say, Mr. Speaker, that that attack pained those workers. It hurt them but, Mr. Speaker, some of those workers work beyond the call of duty and that is why they hurt so. But what else can we expect, Mr. Speaker, from persons who dismiss 4 000 workers, including social workers. What else can we expect, Mr. Speaker, from persons who reduce a working week from a 5-day to a 4-day to a 3-day, a 2-day, a one-day, and a no day working week? What else can we expect but a scathing attack on the workers of this country.

Mr. Speaker, I see you signal to me that my time is up. Mr. Speaker, the only thing I would like to say, and I am sure I would not have enough time, but an attack was launched on the national assistance and an attack was launched on me saying that I was downy, downy, but note they did not say girlie, girlie. They said downy, downy. I do not mind that at all.

Mr. Speaker, the National Assistance Board. I brought figures in here to show that the time when they said the National Assistance Board was not working, it was doing twice as much work as it did under the Democratic Labour Party. But all types of things were said.

Mr. Speaker, I commend these Budgetary Proposals to this House and to everyone in Barbados. Thank you very much, Mr. Speaker. 2.30 p.m.

Mr. J. O. TUDOR: Mr. Speaker, I must confess that I could not believe I was just hearing from the Minister of Labour who seems not to recognise his responsibility to this country in the sense that during the last half an hour when I thought that he would have been paying some attention to a serious matter which is now before us as Barbadian people, a matter that affects the workers of this country, he spent half an hour trying to justify the lashes that were heaped on him yesterday, justifiably so, by the Leader of the Opposition.

Nevertheless, I am not going to waste my time dealing with him and that, but I have to express my disappointment that at no time during his address the Minister of Labour sought to defend the rights of the Barbadian workers in the face of exploitation and he has not given this House any encouragement that he is competent and capable of negotiating or being a negotiator in a very difficult matter.

In fact, on every single occasion, the honourable gentleman seems to be out of the island and does not carry out his role as a negotiator on behalf of the Ministry of Labour. It is a matter that has to be addressed because the workers in this country must not be exploited, in the light of what is before us, in the years ahead where we can look forward to open markets, trade liberalisation, new investments from foreign sources. These are matters that have to be dealt with up front because, even though we may be small, even though we may be poor, we must not be exploited by anyone that comes to these shores and think they can take advantage of Barbadian workers.

We are a proud people. We are an independent people. We are proud to be independent and our survival will depend upon our own personal sacrifices. This budgetary presentation that is before us was very predictable. The Right Honourable Prime Minister is on record in this House of Assembly as saying that the Barbadian economy is severely overtaxed. He said it over and over again that we are overtaxed. He lambasted the Democratic Labour Party for levies or whatever we had on - the 8% cut. He said that we were overtaxed. The right honourable gentleman discovered poverty in Barbados in December 1996. Within one month of discovering poverty, in his attempt to rectify the problem and to eradicate poverty, he came to this House of Assembly and inflicted \$107 million in excess revenue in an attempt to alleviate poverty. It is a strange phenomenon.

When the late Mother Teresa discovered poverty she decided to extend a helping hand and sought support from different sources but we have a great planner, a great budgeter, a great forecaster, a caring, loving gentleman, one whom everybody wants to hold up as a saint but rather than do like the real saint, the late Mother Teresa, the right honourable gentleman imposes a severe penalty on the people that he seeks to alleviate from poverty by extracting \$107 million in excess revenue.

Mr. Speaker, I have to go back to comments that were raised by the Honourable Leader of the Opposition when he referred to the father of this nation speaking in 1986, when he asked the question in Independence Square, and this is a matter that we have to take very seriously

because in this country it is not a question of whether or not the Democratic Labour Party becomes a government or the Barbados Labour Party becomes a government. That is irrelevant. What is important is the development of people in this country. What has been happening in this country is a charade to see who can outfox the public to become the government of this country. That is wrong.

Mr. SPEAKER: Honourable Member, I believe you are referring to parliamentarians present here.

Mr. J. O. TUDOR: No. I am talking about parties in general. It is a party strategy.

Mr. SPEAKER: So would you accept then that if you are a parliamentarian and a member of a party that...

Mr. J. O. TUDOR: I am saying that it should not be any part of any policy. As far as I know I have not offended any parliamentarian in here; but Errol Barrow, the late Right Honourable gentleman, asked, "Which group is the wealthiest in Barbados then? Who has the most money to spend?" There has never been anybody in the history of Barbados with \$6 million at his disposal. The Tom Adams government had \$600 million in each and every year at its disposal to bribe you with your own money and then spit in your face. But when a government steals from people in the way of consumption taxes - we can substitute consumption taxes on this occasion and we can insert VAT - and take money and spend it on their own high lifestyles and unnecessary buildings, then the Government not only has contempt for you, the people of Barbados, but what is most unfortunate you have contempt for yourself because you allow them to do it.

I could not believe my eyes when I saw this Administration, in this Parliament, jumping and cheering on their political leader when he was indicating to the people of Barbados that he was giving them back what was rightfully theirs and should not have been taken from them, a basket of goods to the tune of some \$22 million.

How can you feel good? It reminds me, Mr. Speaker, of a man who once broke and entered a house, carried away almost everything out of the house and left the owners reeling in pain in broad daylight. The man looked back, having almost emptied the house and felt sorry for them and carried back a table and chair. They felt so good that he carried back a table and a chair that they said, "Oh God! You are the greatest saint on earth. You have given me back what is mine but I feel good you brought it back. You are an honest thief."

We have the spectacle of an Administration, after having said that the country is overtaxed, take all of that money out of circulation, deliberately postpone a^v budget

until the end of September, which gave an opportunity to accumulate money even if not all at this point, knowing full well what the results would have been and you come into this House and have the members on that Side cheering as if you have done something for the people of this country.

If you are bringing serious developmental policies, and you are fair to the public and you are consistent, then I would accept your argument. The Prime Minister in seeking to justify the Democratic Labour Party's position said in this Budget this year, on page 7, and the Honourable Member for St. Michael West Central, for the time being, confirmed. I am quoting the Prime Minister from his Budget day speech this year. He said:

"In the earlier 1990s, speaking from the benches of the Opposition, I called for, and supported measures to reform and restructure the Barbados economy."

The measures that were brought by the Barbados Government of the day were not BLP policies. They were the policies of the Democratic Labour Party that the right Honourable gentleman said he supported and now those same policies are responsible for the stability in the society today.

Whether he supported them or not from the Opposition benches is irrelevant. The point is he said he supported the reform and recognised that the reform is what is responsible for the stability of Barbados today. You cannot have it both ways. 2.40 p.m.

On the one hand you are saying, yes, you supported the reform policies that were put in place by the Democratic Labour Party, you recognised that they contributed to the stability of the country, yet you want to take credit for the growth that is now evident in the society. Investor confidence was evident from as early as 1994. When we left office, we left a foreign reserve position that was almost at a record high, if not at a record high.

Asides.

Mr. J. O. TUDOR: It was a record high when we left it in 1994.

Asides.

Mr. J. O. TUDOR: About \$476 million when we left it in 1994. It was almost that.

Asides.

Mr. J. O. TUDOR: Go and look for it. So, investor confidence had already returned to Barbados in 1994. It is nothing created by this Government that they have now created an environment where investors now feel comfortable as far as that is concerned. When they think that they are appealing to the public out there and that the public frill pat them on their backs. You have inflicted serious pain on the backs of the people in this country, and do not believe that the people out there are all of a sudden because you remove 23 items off a package...

Asides.

Mr. J. O. TUDOR: How much it was? It was 43 items? It might be 43 items but the most amazing thing that I found among them was the unsweetened bread. That means now that you can only eat bread that does not have in any sugar. No more jam puffs, no more coconut bread. Only unsweetened food. Bread without sugar does not taste good. Biscuits without sugar does not taste good. You all would not put a little sugar in bread for people. You have to buy bread without sugar. You give them salt, but no sugar.

Today, in the streets of Barbados, as you go into almost every village, Mr. Speaker, people are still finding it very difficult to pay their water bills and water is being cut off all over this country. It is not because people do not want to pay, it is because they are finding it very hard. Their cash flow is very limited and the Ministry has absolutely no regard and are going about it in a brutal manner but I will not deal with it on this occasion. But if they ever trouble me, I am going to deal with it seriously over that side. They are cutting off people's water every day in an uncaring manner. People's light bills are creating difficulty for them because the VAT is still on every light bill. So, when they wake up tomorrow morning and find themselves still in a VAT environment, you are not being eased in any way. When you realise the amount of people telephones that are being cut off because they still cannot afford to pay. When you go right outside Parliament today, as I am now speaking, people are on the street quarrelling because the restaurants are still charging VAT on chicken that is cooked. These are the real situations. You make decisions in here that have no real impact out there on the streets and people are still quarrelling because it is still being charged in restaurants. These are real situations.

Asides.

Mr. J. O. TUDOR: Well check it, but as I speak, these are situations that are going on. People in the street, very near to this Parliament are still complaining right now about what is going on. You removed items and people are still charging it as far as they are concerned.

Now, Mr. Speaker, let us accept that this Government took this money from the people in a very poor form. They got into this Parliament and they criticised the Democratic Labour Party when we took 8 percent with the public workers¹ consent. Approximately \$30 million was taken during that exercise and everybody marched up and down Barbados. Over \$30 million! One hundred and seven million dollars was raked out of the purse from everybody and not a march. Not a march! Well, I compliment you all for being able to take three times the amount of money out of the pockets of the people of Barbados and you do not have a march against you. But I have confidence in the public of Barbados, because when we spoke to them, when the real economist in this Parliament spoke, the Honourable Member for St. Lucy and told the Right Honourable Prime Minister what was the true projection, he tried to make laughing sport at the Honourable Member and he must be embarrassed and he should apologise. But I compliment you all for being able to destroy almost every home in Barbados and still have the temerity to come in here and clap your hands, as if you all have done people a favour and you will seriously believe it.

When you all left here on Monday night when the Budget was delivered, someone said "call an election, we feel we are good now". But, I am sorry you did not call it because you would get the shock of your life.

Asides.

Mr. J. O. TUDOR: I am sorry you did not get foolish and call it because it would have saved the public of Barbados the pain of having to wait for another 18 months. Because, the public are satisfied that today, the policies of the Democratic Labour Party were consistent. We have remained consistent. We face the problems that confronted this country, dealt with them up-front, told the public the truth up-front, no hiding taxes, but the Barbados Labour Party has a history of introducing indirect taxes that the public do not seem to understand that they are paying.

The Barbados Labour Party introduced indirect taxes. The Barbados Labour Party did not come in a direct form and say they wanted \$107 million, you could have come directly and say you wanted this money to do so and so. But, you did not do that. You had this or that programme to implement. But, you had none, because in my constituency, my constituents are still complaining that they cannot get a house from the National Housing. I write letters day after day and tell people call up the Ministry of Housing and cannot get a single unit for my constituents. I cannot get any land at all.

I was able to get some land for a church group when we were in office and this Administration, Mr. Speaker,

after those young people who formed the Acts Deliverance Community Centre went and paid for some land that had been vested in the National Housing Corporation, they have papers for it and when they were making plans to put up their church, this Administration just overnight decided they wanted that land and took it from them. A young church group, a group who had a vision for a particular area in Barbados and this Government, without a care in the world wrote and told them they were going to take away that land from them. It devastated that young church group and I hope that they do not bring the actual acquisition in this House because it is not going to be a pleasant exercise.

The people of Barbados must understand their attitude to the church. They have no regard for the church and come in here pretending that they are caring people and that they represent the interest of anybody. In Barbados, today, Mr. Speaker, they talk a lot about the development of musicians and entertainers and cultural artists, and so forth. But there is a man called Richard Stoute who has for the last 20 years been developing young people in this country and I saw nothing in this Budget with all this excess money to say, let us take a look at Richard Stoute and let us give Richard Stoute a helping hand because he has been doing an excellent job of developing young people in this country.

Asides.

Mr. J. O. TUDOR: The Honourable Attorney General is saying that poverty alleviation will take care of him. I do not feel it is a poverty case. But, you see, that is the attitude that bothers me, because I would think that if he is going to develop the young people in this country and develop them in their talents that we would at least take some money and show that we want to assist Richard Stoute and the young people in this country. 2.50 p.m.

In sports - I recently held a road tennis tournament. Road tennis is our own indigenous sport in this country. A man called Lance Bynoe and myself went around Barbados trying to get sponsorship to pay respect to Anthony "Tiny" Jordan from my constituency who had died. We could not get support at all. Fortunately, we were ably assisted by Bartel, and I thank them very much for the support they gave us. We were able to have a road tennis tournament in the memory of Anthony "Tiny" Jordan which was run by one of my constituents "Boar Rat."

The Minister spoke just now and did not indicate to this Parliament what were the plans for the development of sports including our own indigenous sport, road tennis. He

said nothing about it and got there talking about "girlie-girlie" and "downy-downy" as if that had anything to do with a budget. If he is "downy-downy," he is "downy-downy." It does not make sense his worrying about what somebody said about him.

They called me all kinds of names in this Parliament already but I know that I am handsome, good-looking and people appreciate me as I am so it does not make any difference what you all call me. You could say what you like. I know that the people of Barbados know that I tell them the truth and I speak openly because I do not have to worry about telliftg the people of Barbados any foolishness to be elected. I will be elected to the House of Assembly over and over again because I work hard and I respect and love the people in my constituency and they love me. As far as I am concerned I do not have to throw any camouflage over their eyes to be elected to the House of Assembly.

This party we have now in Government believes that they can come to a Parliament, confuse the whole electorate about the economic environment we found ourselves in, and believe that they can simply just by way of public relations, confuse the electorate that they can go away feeling that they have done a good for the people of this country.

Mr. Speaker, on a very serious note. This country is going to be thrown at the mercy of the international world very shortly, if we are not there at that door already. Many of the policies that were introduced by this Parliament, the Prime Minister wants to give the impression that he is not under any obligation to the international agencies. That is not true.

All the policies that were contained that he said he supported many of them were part of the collaboration process with the Inter-American Development Bank and the IMF. Many of them have worked. Many of them have assisted Barbados in its reform.

The new world order will shortly dictate that we have to open up our markets, lock, stock and barrel. We have to ask the question. Are we ready when we are confronted with this phenomenon? What is going to happen to our manufacturers? You seriously believe that the token support that you gave to the manufacturers will have the manufacturers surviving today? You really believe that the manufacturers have created all these jobs? You have not spoken to the manufacturers. Go out there and talk to them as I do and they will tell you that they need all of the help they can get.

I am saying that we have to give the manufacturers in this country all the support we can possibly give them to the fullest extent. Because when the realisation hits Barbados and we realise that we have to look inwardly for the production of our products so that when we are not able to compete with the international world - because if we start opening up our markets and the outside manufacturing starts to take over the product distribution in this country - there is going to be rampant unemployment.

We have to start to support our own in these countries as probably Burnham did and these other people in the Caribbean who had good foresight. But the people of Barbados do not want to hear that because they want to hear that they can get life easy, and whatever they want. There is no struggle but we must not be unkind or unfair to the people in this country. You must tell them the truth. The real world is very vicious against small States.

Mr. Speaker, you know that I just returned from Mauritius where I had to take on the remnants of the world trade activists who are pushing their agenda and they are saying quite clearly that it makes no sense for the small economies holding back the development in the real world which they consider to be the big developing countries. So do not think that anybody out there in the real world love these small States. These States are humbugs. They see us as nuisances in the system and if we do not get real and start developing our people and stop playing games and understand that there is a serious role for Parliament to play where we have to be fair to the people who are willing to invest in Barbados, give them the kind of concessions - I am not against that - but do not come in here and believe that you give them token support and that they have waved some magic wand and you can solve all the problems overnight for them.

Mr. Speaker, I need to speak to my portfolio. I have tried very hard to avoid the Minister of Health. The reason why I have tried to avoid the Minister of Health is because I have on several occasions begged this House to do something about the Minister of Health. The Minister has misled this House over and over again on Greenland.

Mr. SPEAKER: The Honourable Member, I do not think that I will allow that.

Mr. J. O. TUDOR: What is that, Sir?

Mr. SPEAKER: You said that the Minister has misled the House over and over again?

Mr. J. O. TUDOR: Yes, Sir. That is what I said. She has misled the House over and over again and that has

been proven because not only have I corrected her but some of her own public officers have corrected her.

Aside.

Mr. J. O. TUDOR: But it is a fact. How you mean I cannot say that. I cannot tell the truth in here?

Mr. SPEAKER: The Honourable Member, please. Could you say your point and put it a different way?

Mr. J. O. TUDOR: Let me make a few points, then.

Mr. SPEAKER: Please, and those words will be withdrawn.

Mr. J. O. TUDOR: Let me make another point. The Minister said that the dump at Mangrove will be shut immediately if the Barbados Labour Party won the Government. They said that. They are now in their fourth year of operation and the dump is still going.

Hon. Miss H. E. THOMPSON: On a point of order, Sir. It is not true to say that I said that the landfill at Mangrove will be closed immediately. The Honourable Member did a very clever thing and then tried to suggest the Manifesto... He must be quite clear on that.

Mr. J. O. TUDOR: Mr. Speaker, the Honourable Member is a member of the Government and when they were a party seeking office they indicated they would close the dump if elected within 30 days of taking office. They are now in their fourth year, Mr. Speaker, and there is no indication that they are going to close that dump.

A lot of money has been spent at Greenland in St. Andrew. I have asked Parliamentary Questions trying to determine what is the real cost involved. Up to this day they have not had the respect to indicate to this House how much money has been spent at Greenland so far. Yet the Minister would continue and want us to believe that they are going to open Greenland, as she said, in April. In February she said they were going to open it in six weeks. This is now October and it still has not been opened as yet. There are all kinds of water or liquid that is forming in the dump. Three trucks slid down the hill last week almost causing a calamity and the landfill is not even open as yet and the Minister still has not indicated what is happening with the transfer station, what is going on with the disposal of waste, *et cetera*, in that particular regard.

Not only am I going to deal with that today. It would take me three hours to deal with the Queen Elizabeth Hospital and the mismanagement there now after they

sent home* people, including the top directors who were performing well, but I am going to ask some searching questions about the South Coast Sewerage Project because the South Coast Sewerage Project, Mr. Speaker, is likely to shut down. It is likely to shut down and run into financial difficulties because my understanding is that at present the contractors are finding it difficult to cope with the varying from the original design and they are encountering circumstances where their costs are escalating because of the shift from the original design when they actually come to implement their work. They are claiming that Government has denied almost every claim and refused to entertain any claims from them in a very callous and offhanded manner. 3.00 p.m.

Hon. D. A. C. SIMMONS: On a point of order, Sir. It is erroneous to say that Government has denied payment to the contractor on any claim that he may have made. This is an engineering contract and under the contract claims are settled by the engineer. Government only pays on a certificate issued by the engineer.

Try and understand the procedure before you open your mouth!

Mr. J. O. TUDOR: I understand the procedure. Mr. Speaker, the designer and the engineer is the very same person. The original designer and the engineer who is acting on behalf of the Government is the same person and the engineer acting on behalf of the Government...

Hon. D. A. C. SIMMONS: On a point of order, before he makes a fool of himself, Sir, even if you had a house built by an architect the architect draws the plan for you and under the contract the architect is your agent of the firm. That is the legal position. It is one of those oddities in the law that operate in the area of construction law but it is the legal position. The architect, or in this case, the engineer, is the person who would have designed the plan and he is at one and the same time the agent for the employer.

His advice to the Government, Mr. Speaker, is that the claims as submitted by the contractor are not claims that he is willing to entertain.

Mr. SPEAKER: Honourable Member could you conclude please.

Mr. J. O. TUDOR: I have 2 minutes to wind up, Sir. ... Which means that if the attitude of the Government continues where there is so much disruption all across the south coast where businesses are being disrupted it is a threat to tourism. It is a hazard to the road users and then

the Government's attitude is to accede and if that has to collapse as it probably might because I cannot see how the contractors are going to want to continue with an attitude that is saying I am not entertaining your claims or I am not dealing with you at all.

Hon. Miss H. E. THOMPSON: On a point of order, Mr. Speaker, there is no attitude on the part of the Government that we are not going to entertain the claims or deal with them. The normal procedure in contracts of this type is that the engineer must certify the claims being made by the contractor. Some of the claims made by the contractor have been certified and the Government has paid every single one of those. I believe something like \$6 million in claims. I am speaking off the top of my head and the figures may not be accurate but the point is that every certified claim has been paid. Where the engineers - whose responsibility it is to protect the Government and therefore the money of the taxpayers in this issue - have not certified the claim. Government has said it is not paying out the taxpayers' money without proper engineering satisfaction.

Mr. SPEAKER: Honourable Member, your time has expired.

Mr. J. O. TUDOR: Mr. Speaker, in all fairness I was robbed of my time and I need to clear up. I so mistrust what is happening in the Ministry of Health I think it is important to put these things on the table. Just to close off, Mr. Speaker, I want the public of Barbados to understand and appreciate that they have not gotten anything out of this Budget that was not rightfully theirs. Anything that was given back to them in this Budget even if it is now going back in the right direction was wrongfully taken away in the first place. So the Prime Minister could not come in here on this occasion and impose additional taxes.

That is why I said at the start that it was very predictable. He was under severe pressure to return it. But the pressure that he suffered in this Budget was not just simply working out to take 40 items off VAT because if that is pressure then something is wrong. What was the pressure was trying to find a way how to justify to the public of Barbados that he had taken so much money from them and had to find a way to ease it back into their hands. That is what I think was the pressure for him. He had difficulty, having said so much on different occasions then to find himself in an embarrassing situation where he had all of this money he had taken from the taxpayers of this country.

Do not let us fool ourselves, this Budget is one that was predictable and we certainly do not see any reason

to applaud the Government for what they presented on this occasion. We will in due course take the responsible position of continuing the stability and to develop programmes that will suit the public of Barbados but not in this manner. We will deal with them up front, to lift funds from them up front but not go behind their backs and extract money from them and then try to implement programmes as if we are doing them a big favour. It is dishonest. It is not fair to the people of Barbados.

Mr. G. A. CLARKE: Mr. Speaker, this Budget is indeed important to this country at this time and it comes in the light of the fact that every Barbadian knows that the country is doing well, economic sectors are performing, unemployment has been reduced to proportions that are almost manageable, the export sector has performed and indeed the reserves of the country have improved tremendously over the last 2 or 3 years.

One has to look at the economy overall at this time to find out if Barbados and Barbadians are better off today than they were in 1994. If that question were to be asked of all Barbadians, are you better off today than you were in 1994? I am positive that you would get a positive answer that Barbadians today are better off within the hands of the Barbados Labour Party Government than they were under the previous administration.

It is amazing that we heard a number of contradictory statements and opinions from the Opposition. For example, Sir, the Right Honourable Member for St. Michael South said that the policies of the Democratic Labour Party are embedded in the Financial Statement and Budgetary Proposals of the Barbados Labour Party yet they decide that they will not support the measures although the statement that the policies are embedded in the framework of this Budget he would not support it. Contradiction.

The other point that needs to be explored is that the previous speaker, the Honourable Member for St. Michael East made the point that the policies of the D.L.P. is consistent and we have to watch that. Consistent with what? Are you saying that a policy is consistent in 1993-94? If you are saying that your policy is consistent it means that your economic policies are as they were in 1993, that you were going to cut salaries, lay off civil servants, that you are going to send home workers. That is what you said.

Mr. J. O. TUDOR: Mr. Speaker, on a point of elucidation. When I referred to being consistent in that we have always in fact been part of a responsible exercise and if it is necessary for us in difficult times to take specific action we take responsible action. My consistency referred

to being a responsible government, being responsible at all times, in every circumstance.

Mr. G. A. CLARKE: I have heard the Right Honourable Member, the former Prime Minister in this Chamber saying he is as constant as the northern star. Consistency again. I wonder about the Opposition because it seems to me that that is the policy of the Opposition and they have voted consistently against any progressive measures to uplift the civil servants and the general public of this country. They have voted against the measures which were implemented so that no government from here on would attempt to cut civil servants' salaries. They said they are not in that. They voted against giving increased severance payments. They voted against all measures that were supposed to uplift the ordinary Barbadian. They voted against the Urban Development Commission, the Rural Development Commission, Poverty Alleviation Committee.

I am saying that the Democratic Labour Party's policy is still consistent with their position in 1993. I would want them to explain to the people in Barbados why it is that you cut salaries in 1991-92 and now you are asking an administration which had nothing to do with it which voted against that measure to return the salaries to the civil servants? Why are you doing this?

I am saying that it is likened to a man similar to the prodigal son who in good times wasted his money because you have to understand that in 1989 the economy was doing well, the Prime Minister of the day was doing well, but through his Ministers they spent on all types of things so that by 1991 the economy was almost on the rocks. I heard the Honourable Member for St. Michael South say that it only had \$30 million in 1991 and it took a heroic effort by the Barbadian public, not the last administration because they were consistent, to return this country to some degree of stability. Now the country is in stable hands the D.L.P. administration would want us to destabilise the country by doing some rash things, spending money left, right and centre. We cannot do it. That is why I think the statement made by the Right Honourable Member for St. Michael South is important but he knows where his heart is.

The statement that the policies of the Barbados Labour Party are correct is important and I would like to salute him for this. We know that we are on the right track. We know that we are doing well and the country is doing well and we cannot afford to spend left, right and centre. We have to build this economy. We have to build the reserves of this country. Only...

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise on a point of elucidation and I would not wish to interrupt

but I did not make any of the statements that he is claiming that I made. The main argument that I was advancing was that in this Budget we get the first clear and unequivocal statement from the Barbados Labour Party Government, through its Prime Minister and Minister of Finance and Economic Affairs, that the policies which the Democratic Labour Party were pursuing were sound and correct policies. That was the point that I was making. I think he is putting it the other way around, no doubt for his own purposes.

Mr. G. A. CLARKE: The point that needs to be made however is that the economy is doing well and they know it. The Opposition knows that the country is doing well and it has nothing to do with their policies. We completely revamped everything that they did in 1993-94 and started almost fresh. The civil servants are better off today. They are treated better. The first time they got a productivity bonus was last year. So I am sure Mr. Speaker, that the country is doing well.

I want to spend a few minutes on the value added tax because many members have spoken on it but the question has to be asked, why is it that the VAT was introduced and why it was removed. It was introduced because the Government and a previous government, all political parties, believed at the time that the VAT was right for Barbados at this time. It was introduced at a time when the country was crying out for reform to the indirect tax system. However, since the introduction of VAT on both a basket of food items and non-food items it was felt that a decrease between January to now would have resulted.

However it was found that in the case of the food basket the decrease was only 7.4% while the non-food basket was reduced to 3.4%. One has to thank the Price Control Division within the Ministry of Industry and Commerce for doing a wonderful job in monitoring the prices during the period under VAT and who have made recommendations based on sound statistics that the VAT should be removed on some of the basic food items. No one is saying that all the food items were removed but at least we have started and the Prime Minister has made the point that after careful monitoring eventually more will be done. He has not said that this is it.

He has also put controls on certain food items and that is important. This is important to protect those persons in society who are the poorest of the poor. One cannot say beyond a shadow of a doubt that the Vat would have collected \$107 million over and above what it was intended to collect because one would not have known that there were 444 492 business persons who would have registered at the VAT. Nobody knew that.

The other point is that the \$107 million represents a full fiscal year and therefore since die VAT has been reduced at die end of September the take is \$107 million. It cannot be. It represents a full fiscal year. 3.20.p.m.

To say that the VAT has created \$107 million at this time, to my mind, is erroneous and false. The Prime Minister has given back to the country and the country has to trust the judgement of the Prime Minister at this time because he has been proven right so far on all accounts that he is handling the economy in a masterful way. Therefore, I would want to spend some time on the Ministry of Housing and to look at what we are doing to house the people of this country.

Mr. Speaker, we have to look against a background of what happened up to 1993/94. I am saying that the previous administration did not have a housing policy at all. The housing policy of the previous administration was backwards and old fashioned. It was a policy that did not lend itself to a modern Barbados because if you want to house the people you have not only to acquire lots, y6u have not only to put a system in place of proper financing. I am saying that the last Government had no plans of financing housing. One of the first things we did, Mr. Speaker, was to acquire lots. Since 1994, the present administration has acquired a number of lots across Barbados. Week after week we have come to this House to acquire land, we have been criticised sometimes, sometimes we were complimented but we have acquired land in this country in all areas of Barbados.

We have acquired in St. Andrew, in St James, in St. Michael and we have acquired in St Peter. So far, Mr. Speaker, over 1 301 lots have been made available and will be made available in this current financial year. That included Lower Burney as well, over 200 lots will be created at Lower Burney. So that when we say that a Government knows what it is doing because we have to acquire land because people are in need of land.

As the Member for St. John made the point, hundreds of people turn up at his door and at all Honourable Members' constituency offices in search of land. The demand for housing is great. I believe at this time {hat the demand for housing is even greater than persons who need work. The reason for this, Mr. Speaker, is that people are working and when people are working they need houses to rent or to purchase.

In your constituency, Mr. Speaker, there is a need for houses. In all Honourable Members' constituencies, there is a need for houses for themselves and their families.

Not only this, Mr. Speaker, when the amendment to the Tenancies Act was passed, the previous Government had a golden opportunity to acquire land because the amendment to the 1990 Act meant that a number of people had to lose their house spots and therefore the Government was duty-bound five years after to find a house for these people but they did not. They went to Haggatt Hall and created only 90 lots. Ninety lots were created at Haggatt Hall but they did not put money again in the system. The difference between that administration and this administration is that money is now in the system.

I heard members talk about the Credit Fund which was started by the Barbados Labour Party in 1985 but the previous Government, for some reason, never carried on any programmes that the Barbados Labour Party have started. I could talk about the Tenancies Freehold Purchase Act too. The previous Government did not push the Tenancies Freehold Purchase that we started in 1980/81 and they should have done it. Under the Sites & Services Programme, money was not put in the system. Honourable Members would recall that last month, just before Parliament broke, we voted for \$30 million bonds in this Chamber and within two days, the liquidity of the country is so great, those bonds were taken up. The National Housing Corporation has at its disposal over \$30 million now, not only to create sites and services but also to help repair and refurbish a number of units within the older estates.

One member asked about the refurbishing. Do you realise, Mr. Speaker, that during 1985 to 1996, 141 roofs were repaired across the estates? In 1996/97 in Pinelands alone 193 roofs were repaired. In Deacons Farm 37 roofs were repaired, in Gall Hill 19 roofs were repaired, over 295 roofs were repaired in the current financial year 1996/97, at a cost of \$3.9 million to the National Housing Corporation. Sir, the Corporation is doing work, a number of loans were disbursed during the Session 1995, 1996 and 1997, much more than what was done during the previous administration. In fact, in one year during the last administration, all the loans went to a certain northern parish. Today, the Minister or myself do not ask who is applying for the loans, we do not interfere with what goes on at the National Housing Corporation to the extent that we stop people from getting loans.

In 1995, 90 applicants received loans. It moved up in 1996 to 178 applicants. The approval rate is much faster today than it ever was before because we have realised that a number of people out there who want a loan sometimes do not have a conveyance or a bank account and we have relaxed a number of criteria and areas which the National Housing Corporation was asking for before. So that today any person out there who require a loan can go to the

National Housing Corporation and say, look "I have a chattel house, it wants repairing, I am not the owner of the land but I have a letter from the landlord saying that I can repair the home". He does not have to carry a bank account or bank statement or anything like that anymore, he can acquire the loan and we are continuing to improve the lots of the tenancies.

Not only that, Mr. Speaker, you will notice that National Housing for the first time is once again building terraced units. We are going to build 50 terraced units at Pondside, these have started already. There will be between 12-20 terraced units made available to the people in St. Michael Central.

Mr. SPEAKER: I am sorry, did you say St. Michael Central. Where in St. Michael Central?

Mr. G. A. CLARKE: In the Bank Hall area. I think that is the Speaker's constituency. We have acquired land in Bank Hall Cross Road. We have also earmarked 20-25 units at Flat Rock in St. George. We intend to build in our programme 15 terraced units per year because the demand is still great for terraced units and we intend to push our programme.

Mr. Speaker, I believe that the programme in housing is quite exciting. The officers in the Ministry are excited because for the first time they have money and they have resources to carry out their programme and they are happy. 3.30 p.m.

The National Housing Commission is progressing and are pushing on with their programmes and I am sure, Mr. Speaker, that the people of St. George North support this programme.

So far, Mr. Speaker, we have tenantry roads being built, not only in St. George North but South. We have programmes undertaken for refurbishment of the highways, road improvement at Workmans, Taitt Hill, St. George and of course at Parish Land. We are hoping that the people of Parish Land would be able to buy and purchase their lots at the 10 cents per square foot.

I want to thank you, Mr. Speaker, but I am sure the Honourable Minister will continue to look at it because there is so much we can talk about in housing today that the Honourable House will know that we are doing something in Housing. Thank you, very much.

Hon. G. W. PAYNE: Mr. Speaker, this is the third in a series of Budgets which has been presented by the Honourable Member for St. Peter in this House since the

Barbados Labour Party took on the reins of Government on the 6th September, 1994.

Mr. Speaker, we have seen a change in the type of presentation and the hope that has been given to persons in this country when one considers the gloom and doom and the promises of light at the end of the tunnel which were the theme of the Budgets which preceded them.

We have had, Mr. Speaker, a new concept in the presentation of budgets. We have seen, Mr. Speaker, budgets being presented by a reasonable man as opposed to an adamant man. In between, Mr. Speaker, we have had one year where the Honourable Member for St. John presented a budget whose policies appeared to be leading us to a situation where the children of persons who were sent home were being called upon, in the language of the Honourable Leader of the Opposition to go to certain establishments and ask for lunch money and bus fares.

Mr. Speaker, that last budget did not address housing. It did not address transportation. It did not address unemployment, Mr. Speaker. It did not address any road blocks. All of a sudden in this House you are hearing the Honourable Member for St. John, in his presentation, as Leader of the Opposition, speaking about this budget being deficient in those areas.

But, Mr. Speaker, the Honourable Member for St. Peter, in his presentation of this Budget on page 6, Mr. Speaker, spoke about this being the last occasion that we would be, or rather he hoped that this would be the last occasion that we would be subjected to the financial and economic disasters which plagued us during the period of the last administration.

Mr. Speaker, he made a reference in his presentation that since independence we flirted with economic and financial disaster and indicated that we should ensure that there is never a next time. But when he was speaking about economic and financial disaster maybe, Mr. Speaker, the Honourable Leader of the Opposition and Member for St. John should have related to the disunity, the political tribalism and the egomania which characterised the period of minimalist government during the dying days of the last administration.

Mr. Speaker, never again should the people of Barbados be subjected to that type of treatment and one would have hoped, Mr. Speaker, that the Honourable Leader of the Opposition would have used the opportunity to assure the people of Barbados that this disunity, this egomania, and this political tribalism would never be visited on the people of Barbados.

We had a situation for about 6 months with Members of the Cabinet, leading members of the Opposition not speaking to one another. Perhaps, Mr. Speaker, those persons who were responsible for the formation of the Democratic Labour Party must be turning in their graves all like now because of the treatment meted out to the Honourable Member for St. Michael South during those trying times.

Mr. Speaker, persons must practice what they preach and people like to judge other persons by their own standards and one is not surprised that at this time the only policies that are coming out of the Democratic Labour Party, are programmes and policies relating to disunity, relating to who will join this party, who from the NDP is coming over, who from the Barbados Labour Party is coming over. That is the politics of the Democratic Labour Party, the politics of distraction.

Mr. Speaker, I cannot think of any word to refer to it other than political prostitution and we are seeing, Mr. Speaker, a type of political prostitution that is being practised in this country by members on that side because their standards are centred on disunity, disloyalty, disintegration, egomania, and one would have thought that he would have used the opportunity to address those types of problems, but you see this whole politics of distraction by the leadership of the Democratic Labour Party because I do not believe that all of the members of the Democratic Labour Party are in that egomania and disunity. I know them well. Some of them are from St. James and I know how St. James people behave. I know people who were born in St. James and I know how they behave and I can speak for the people of St. James. I come from Orange Hill, St. James. And that is the way how they have behaved. So every time you open the newspapers; Mr. Speaker, you are seeing some talk about who is going over to the Democratic Labour Party, who is going over from the Barbados Labour Party, and Mr. Speaker, they are causing so much confusion among themselves and among other disgruntled persons that some people cannot even think for themselves. Some people I believe now are probably contemplating suicide because they cannot even believe that they have made certain decisions as a result of this undue influence by certain members of the leadership. 3.40 p.m.

I am from St. James and I know how the people from St. James behave and I know that nobody from St. James is part of that. Mr. Speaker, we had, despite any problems that were perceived on this Side, we are not saying that we did not have one or two disgruntled persons. We had one individual on our Side who belonged to that Side, Mr. Speaker, and the Honourable Members¹ leadership of that Party, as you open the newspapers, they are basking in the glory.

You have persons who you knew belonged to the Democratic Labour Party years and years ago. I have seen people who I knew belonged to the Democratic Labour Party 10, 20 years ago and in order to raise numbers you are inviting people to some membership ceremony that you are having. That is the policy, Mr. Speaker. The only policy that is coming out of the Democratic Labour Party is a politics of disunity, politics of political tribalism and politics of egomania. It is what destroyed the last administration. We saw a stand still. Big men at the centre of the seat of power in this country during the 10 years of the last administration. Never before did we have to go through the rigours of a three-month campaign. The leadership did not even know their hand from their feet, Mr. Speaker. But, all of a sudden, Mr. Speaker, the Democratic Labour Party's leadership, they have the answers. They are not telling us what they will do for this country. They are telling us who is loyal and who is disloyal, Mr. Speaker. That is the politics of the Democratic Labour Party. You can see the childishness with respect to leadership in the House a few minutes ago with respect to the order of speakers, Mr. Speaker. Childishness Mr. Speaker. Is that what you want for your country? Is that the type of leadership that you want for this country?

Asides.

Mr. SPEAKER: Order please. Order please.

Hon. G. W. PAYNE: Mr. Speaker, the Honourable Member for St. John should be the last person to speak about unemployment and to talk about this Budget did not address the problem of unemployment. He should be the last person in Barbados to tell anybody about a Budget not addressing unemployment.

The last Budget that was presented by the Democratic Labour Party was 28 pages. Where is the reference to unemployment with the exception of those persons who were your friends in St. Michael South Central", whose children are on the side of the road, who are being told by the Leader of the Opposition, Mr. Speaker...

Mr. Speaker one has to repeat these things over and over • again because the politics of distraction of the Democratic Labour Party would want us to forget. The Right Honourable Member for St. Peter presented a masterful Budget and you would have noticed that every Member of this side that has spoken to a man has lauded the brilliance of the Right Honourable Member for St. Peter. Now they talk about disunity in the Press releases and who will join this Party and who will join that Party and even during the period when the Honourable Member

for St. Michael South, God bless his soul was the Minister for Finance, they got up...

Asides.

Mr. SPEAKER: But he is still with us. He is not dead.

Hon. G. W. PAYNE: Mr. Speaker, they would like to have you believe that he is dead because during the last election nobody heard from him. The Honourable Member could remain silent. You have a right to remain silent.

Mr. Speaker, they would have you believe, all of a sudden that they are this united group. Let me share an idea with you and I hope that the youngsters who may be listening to me can take it up. It is not novel. Sir, I heard the late Errol Barrow espouse this years ago and I consider it such a thoughtful suggestion as to merit its repetition here and I am going to repeat here in this Budget, in the next Budget and as long as the Honourable Member for St. John is the Leader of the Opposition. Because the Honourable Members on that side must know what disunity is all about. Each spoke about repetition. You have to repeat this. The Honourable Member for St. John, the Leader of the Opposition and the Members on that side are practising the politics of disunity.

We all have come from different varying backgrounds. Some of us went to school barefooted. Some of us went to school with shoes on and some of us, nowadays, it is difficult to make a comparison because a lot of the schools are being amalgamated and it is posing problems on our transportation system. Even the elementary school children now are catching the bus. It is different. But, because we have come from different backgrounds does not mean that we cannot relate to one another. If somebody joins the Barbados Labour Party tomorrow and they expect that when they join the Barbados Labour Party tomorrow that I am going to call them and say, "look, Johnny let us go to lunch tomorrow?" Well, they are making a big mistake.

But, we have come from different backgrounds. Mr. Speaker, some of our unemployed youngsters can offer their services to certain businesses for a minimal cost in the first instance. Can you imagine something as ridiculous as that, Mr. Speaker, from the Leader of the Opposition? I believe that the Honourable Member for St. Michael West is smiling all over, but he cannot show it. You could imagine the Honourable Member for St. John being Leader over the Honourable Member for St. Michael West, and producing this? I believe if there was a way that he could deny that he said this, he would deny it. Volunteering to

work as a learning experience - an apprenticeship - for just a small stipend.

The Right Honourable Prime Minister has made it possible, you are talking about casual workers and you are talking about increasing employment. Do you realise that the Honourable Members on that side must add the 3 500 casual employees, if you are bringing the Right Honourable Prime Minister to task for the 30 000 jobs, 3 500 of that 22 000 if you want to look at it that way?

Mr. D. St. E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House, Sir. He knows that casual employees are...

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

Mr. D. St. E. KELLMAN: The Honourable Member is misleading the House, Sir.

Mr. SPEAKER: So, what is your point of order?

Mr. D. St. E. KELLMAN: The point of order is that he is giving the impression that casual employees are not recognised under the employment statistics and it is not correct and he knows better than that, so he should not mislead the House like that, Sir.

Hon. G. W. PAYNE: Volunteering to work, Mr. Speaker, as a learning experience, an apprenticeship for just a small stipend to cover bus fare and lunch. This is the same bus fare that the people in St. John, that all of a sudden you are interested in. You do not know about the people in St. John catching any bus. You did not have to catch any bus to go to school. The Honourable Member for St. John did not have to catch any bus to go to school. He does not know about any bus fare and lunch money, pocket money and eventually true dedication to duty and conscientious effort, they may become permanent, full-time, fully paid employees, even below the category of the casual workers that the Right Honourable Prime Minister dealt with.

Asides.

Hon. G. W. PAYNE: That is the Leader of the Opposition. That is the Leader of the Opposition, that is the individual who does not only want to lead those members on that Side but he wants to lead all of us and that is what is coming out of their mouths. 3.50 p.m.

I must say, Mr. Speaker, that I came to this House and I am not a "Johnny come lately". You know the

expression. There is nothing unparliamentary about that. It is something that we have become accustomed to in political terms. It is like the term "yard fowl". Mr. Speaker, I came to this House in 1991 and I must say that I have always respected the people whom I came and found and there are certain persons in this Chamber that I respect totally. I respect them so much that even when they are telling me a lie I believe that they are telling the truth. I respect them that much. Not that I do not check it out

To speak of the Honourable Member for Christ Church South, the Honourable Member for St. George South, the Honourable Member for Christ Church West, the Honourable Member for St. Michael West, the Honourable Member for St. Michael South and the Honourable Member for St. Michael South Central. I believe ... and the Honourable Member for St. Thomas.

Mr. Speaker, I have heard a lot of stories about persons coming into these Chambers and the type of problems that they encounter when they leave and I believe that there are times when we must behave in a statesmanlike manner and I was so touched yesterday by the comments of the Honourable Member for St. Michael South Central that I almost cried. I am serious about that.

Honesty, the integrity of the man. This is a man who opposed the Barbados Labour Party uphill and downhill. The Honourable Member for St. Michael South Central has no love for the Barbados Labour Party. Viewers and other persons who might like the Barbados Labour Party might think that the Honourable Member for St. Michael South Central has love for the Barbados Labour Party. He has love for his country. Because he has love for his country and all the members of the Barbados Labour Party we have love for this country it is obvious that we belong as the Honourable Member for St. Michael West would say, we belong to the same boat. At least I was pleased when notwithstanding all of what he said uphill and downhill during the election campaign he could come and praise the Right Honourable Member for St. Peter compliment the Prime Minister on the presentation of an excellent Budget One would have thought that the Honourable Member for St. John would have come to this House and tell us about if he had to criticise the Government - nobody expected him to praise his opponent for his presentation - but at least he could have asked about the St. John Development Plan. He could have asked why we have not implemented the St. John Development Plan. He could have dealt with those matters.

We did not have anything like that. He not only proceeded to talk a lot of... I believe Mr. Speaker, that it is parliamentary to speak the truth and logically speaking

if you are not speaking the truth you are telling a lie. I believe that parliamentary speaking that when you tell a blatant lie you should be able to be referred to in the same terms as somebody would refer to you on the street because the Honourable Member for St. John came in here and told a lot of blatant lies. I will give example? of them.

Mr. SPEAKER: Honourable Member, please. I am not going to accept that. You are going to have to withdraw that.

Hon. G. W. PAYNE: Mr. Speaker, you could ask me to explain.

Mr. SPEAKER: No. I will not ask you to explain. The Chair operates on the principle that all Members of the House are Honourable.

Hon. G. W. PAYNE: I withdraw that, Sir. Blatant lies would have conveyed a different impression and I guess that I would settle for untruths. When the Prime Minister could come in here and he took time and pains to satisfy all members of the public who had made representations to him on the VAT, it was an excellent opportunity to revise the tax system and it is something that the Honourable Member for St. John in his presentation alluded to in 1994 when he gave the last budget hopefully the last that the Democratic Labour Party will ever give in these Chambers. He did not have to come in here and speak untruths. When you are making statements about certain statutory boards being set up and only certain persons with certain political affiliations getting loans. It hurt me. Do you know why it hurt me? Because in my Ministry I probably after the Prime Minister have more statutory boards than any other Ministry and my Ministry includes statutory boards like the Urban Development Commission.

When I was sitting in my seat I did not do like the Honourable Member for St. James South and interrupt, I like them to speak. I do not think that in this debate that you should interrupt any member. Let them speak! When he can say from his chair that the Urban Development Commission among other - I cannot speak for the Urban Development Commission nor I cannot speak for the Poverty Alleviation Fund. Certain loans and grants are being dispensed with chiefly because of certain political allegiance - that hurt me. I only know about political allegiances during the 30 days or so before the election although the last election would have been an exception but, Mr. Speaker, I know that you have ruled my language as unparliamentary and I would not repeat it; but do you know that the Urban Development Commission do not have a fund set up as yet? Tell me what you call that? Is

that an untruth? What would you call it? Is that an untruth, Mr. Speaker? What would you call it?

-The Urban Development Commission Fund is not yet set up yet. It hurt me because the reflection not on the Chairman of the Board. The Member for St. Michael West is always quick to point out - I do not know whether he is right or whether he is wrong but sometimes I have to listen to him because I know the Leader of the Opposition does not listen to him. He always says that if you are the Minister you must take responsibility for everything that goes on in your Ministry no matter whether it is a statutory board or otherwise. I heard the Honourable Member for St. Michael West with that and he cannot dispute me on that; and this is a reflection not on the Chairman of the Urban Development Commission but on the Minister because it means that I am getting my political friends and I am dispensing loans and grants to them and I do not have the money.

Mr. Speaker, it means that I am in addition to being biased, dishonest. If I am not dishonest, the person who said it is dishonest. The Leader of the Opposition said that yesterday. That is the type of leadership. I would hate to see the day, I would rather resign and I mean it unless as the old people say you mend your ways, I would hate to see the day even if this side is not in Government when a leader of a political party like that could lead this country and I would sit down here and discuss anything. I would not be able to trust him.

I know that the Honourable Members on that side cannot trust him either. Mr. Speaker, in the time allotted to me I really cannot deal with all the problems that I would like to deal with. The problems of public transportation, this whole thing which I call foolishness about public transportation. Do you know why I call it foolishness about public transportation? Because every year you have this whole charade about public transportation. There is nobody in this House that knows about public transportation problems and woes more than I do.

I remember the days when maybe my brain was not as addled as it is now when I was a student. People talk about the Rocklyn Bus Company and we should revert to those days but I recall the days when you had to wait. Some mornings I was going to Waterford and I had to wait from 6 o'clock to 10 o'clock for a bus and I had to hop a lift on the back of a truck to get to school. We had to form a committee, the Transport Improvement Committee, hold meetings all over St. Peter, St. Lucy and St. Andrew, St. James and the north. I was general secretary of the Transport Board Committee one of the first action groups that a lot of us my age would know about.

Mr. Speaker, as a result of that we happened to get improvement of the transportation system. There is a problem in the north but it is a problem that would face any government. I was only looking back at some clippings in the newspaper in September, 1993, the year before and you see Transport Board, bus problems in St. John. It was every single week. I would advise the Honourable Member for St. John to go back and check the newspapers September, 1993. I only mention September because we are into September. It is nothing new. I can understand and empathise with those people who have got to get to work, who have to wait long hours but it is a problem that for the first time we are trying to address.

Mr. Speaker, their solution to the transportation problems in this country was to send home 600 workers from the Transport Board. Some people got letters the same day. I had a fellow from St. Andrew come to me and he told me that he got a letter, he went to work and they told him not to start, this is your letter, you are dismissed. That was their attitude.

When we came into government on September 6 the first thing we did was to commission a study on the transportation problem, David Shorey and Company. Their recommendations were completed in April, 1996. We did not waste any time. There were problems relating to management, problems related to the workshop, route rationalisation and the biggest thing was the head because the head of a transportation is the bus. There are some buses that are in the transportation system that are over 20 years old and this Minister is the first Minister who does not feel that he is an expert on buses to travel all over to Brazil and other places saying that he is looking at buses. I do not look at buses. The experts will do that, the Chairman of the Transport Board.

I know that we do not normally call names in this Chamber but I think that Barbados is fortunate to have people like David Millington, the Chairman of the Transport Board, one of the most brilliant young men that I have ever come across in government since I went into politics. I believe, Mr. Speaker, that had not for David Millington the Transport Board would have been in chaos all like now. April, 1996, recommendations for 100 new buses. We did not waste any time. You cannot come in as a Minister and think that you are a magician and say you are going to Brazil and order buses. You had to do the study. We did the study and recommendations were made. We went to Cabinet, we sought the finance, we got permission for the loan, we came back to Parliament, we ordered over 100 buses so when the Honourable Member for St. John, the Leader of the Opposition, comes in here talking nonsense about we have not bought a single bus he is talking nonsense and making us believe when he is

talking about transportation problems... something about cars. I cannot remember the exact words. But implicit in that... 4.05 p.m.

Aside.

Hon. G. W. PAYNE: The Attorney General says he will deal with that.

But, Mr. Speaker, we have done all that we could have. As soon as the permission was given, when we got the loan approved we came to Cabinet. We did everything in time. I am hopeful to report, Mr. Speaker, that those buses will come into Barbados by the end of next month.

Recently one of the local manufacturers, I think it is Acme, did mention his capacity to build all the buses in Barbados. Nobody is questioning that. What we have to do is to look at the cost of the buses, and the time within which those buses will come in. If Acme could have built those buses by the end of September, he could have gotten all but I would want you to know that the cost of the locally produced buses is more than the cost of the buses which are bought elsewhere. Mr. Speaker, we have addressed the transportation problems. We have done our best.

Mr. Speaker, just one minute with respect to what they term as the chaos on the roads. There were a number of contracts they entered into with a number of international agencies. Under these contracts, Government has been paying commitment fees and interest fees, as the Honourable Member for St. Michael South would know, as a result of our inability due to the strictures of structural adjustment in order to access the loans. We have been unable to put in our local share, and this has been postponed and postponed.

The South Coast Sewerage Project, the Honourable Member for St. Michael South will speak to that but I believe she is getting a hernia with respect to the problems with the South Coast Project. The problems with the contractor, we have no control over the contractor. We never anticipated that we would have got problems with that contractor.

The Ministry of Public Works has been coordinating the road works with respect to the South Coast Sewerage Project. In addition to that, the public utility companies are trying to put in place certain underground cables that would assist the offshore sector to take us with the new technology into the 21st century and we cannot do better.

It has been a blessing in disguise, Mr. Speaker, that the Bridgetown Road Project has not come on stream. It will come on stream early next year. When the Bridgetown Road Project comes on stream, obviously there will be some disruption. All I am pleading with Barbadians to do is to bear with us and have a little patience. We are trying our best.

I am not blaming the last Administration. I am stating the facts. If in stating the facts it looks like I am blaming the last Administration well so be it but there are agreements they signed and we have a choice of either abandoning the contracts, or continue paying interest or continue as we are doing. We have been trying to coordinate them, Mr. Speaker.

I am sorry that I did not have time to speak of the folly of the Honourable Member for St. Michael East with respect to the markets and the role of the Barbados Water Authority.

Mr. SPEAKER: You will have to wind up now.

Hon. G. W. PAYNE: I am obliged to you, Sir.

Mr. F. J. STUART: Mr. Speaker, permit me a very brief intervention in this debate which I begin by congratulating the Honourable Member for St. John on what I thought was a thoughtful, wide-ranging and on the whole solid contribution to this debate yesterday.

His contribution brought us back to earth, away from that world of fantasy to which the contribution of the Honourable Prime Minister, 24 hours earlier, had wafted us. Therefore, I think a compelling sense of propriety dictates that I place on record my congratulations to the Honourable Member for St. John.

I speak of the world of fantasy, Mr. Speaker, because many things have been said about the Budget ever since it was delivered, but I think I need to make two quick points to demystify the speech that was made in this House two days ago.

Before the Budget on Monday, the choice facing the rich and privileged in Barbados was a choice between comfort and more comfort. After the Budget, the choice facing the rich and privileged in Barbados is still a choice between comfort and more comfort. Before the Budget, the choice facing the poor and marginalised in Barbados was a choice between pain and more pain. Put differently,

Mr. Speaker, this Budget has changed nothing. Social and economic relations in Barbados will remain the same after this Budget as they were before the Budget.

Before the VAT, the ultimate burden, ultimate being the operative word, of indirect taxation fell on the shoulders of the poor in Barbados. After the VAT, amendments and all, the burden of indirect taxation in Barbados still falls on the shoulders of the poor in Barbados.

So this Budget, let me begin by saying, is a *status quo* budget. It attempts to change nothing. The masses of Barbados can face the reality as of now, and must have faced the reality ever since they heard my colleague yesterday afternoon, that after all the rhetoric, after all the cosmetics, social and economic relations in Barbados have remained untouched and that has to be so because the Honourable Member for St. Peter subscribes to a brand of economics which, in my view, is historically spent.

The Honourable Member for St. Peter subscribes to an economic model which I call, and other economists have called, "the equilibrium price option model." That model asserts that individuals in their desire to maximise their varied satisfactions operate in an environment characterised by the free interplay between supply and demand and that the market created by that interplay establishes something called an equilibrium price for all goods and services. That is the economic model which has informed this Minister of Finance ever since he took up the office.

Now, this model is as old as *bourgeois* economics itself. It had its genesis, I believe, at the end of the Middle Ages. At the end of the Middle Ages when the businessmen as we know them today burst onto the economic stage after pushing away all the supports and ramparts of the old feudal system where landlords ruled. So this brand of economics was at one stage a history, a revolutionary brand of economics, revolutionary because it was opening new opportunities for a new class that had been oppressed and suppressed by the old economic arrangements of the feudal period. Let us all admit that that brand of economics did some mighty and highly impressive and dizzying things for the world technologically and otherwise.

All the vast developments that the world has enjoyed over the last 300 years can be traced to this equilibrium price option model which opened for the business class an opportunity to give free play to their enterprise and to fully deploy their initiative.

When the business class stepped onto the stage of history, they stepped onto the stage of history as an oppressed group searching for opportunities. Three hundred years later they are no longer an oppressed group, they are now the controlling group in entire western society and all controlling groups in history have been known to be conservative; they want nothing to change once they get control of the means of production, distribution and exchange and therefore very much like their predecessors, the landlord class of the feudal period the business class of the 1990s believed with *Voltaire in Candide* or with Voltaire's Dr. Pangloss that this is the best of all possible worlds. There is nothing else to change, things cannot be any better; the world should exist for business and for men who want to make money. 4.15 p.m.

Incidentally, from the point of view of Barbadian history, and from the point of view of Caribbean history, it was this equilibrium price option model of economics that prescribed and made palatable plantation slavery for societies like Barbados and the Caribbean because it was felt that was an acceptable way to make money and to achieve all the mighty developments which mankind thought desirable during that period.

So we face the interesting paradox today that the very brand of economics that secured our underdevelopment is the brand of economics upon which we rely to emancipate us. We face the paradox that the very brand of economics that marginalised so large a number and component of our people is that brand of economics upon which we now rely to emancipate the masses of Barbados and that is what this Budget is about. It is fanciful because it does not make contact with the real problems of Barbados and it could not make contact with the real problems of Barbados because the lenses through which the Minister of Finance is looking do not allow him to see the problems which really confront Barbados and to that extent one has to applaud the Honourable Member for St. John because he used an entirely different pair of lenses to look at the problems facing Barbados today.

A more casual look at the history of Barbados will show that of the 370 years after Barbados was settled in 1627, the masses spent 340 of those years in some stage of bondage or unfreedom. The masses of this society have known more bondage than freedom. We have only known 30 years of freedom but about 340 years of bondage. In the best of times, we were colonial and in the worst of times, we were slaves but we were in a state of unfreedom. That fact places squarely on the political agenda what consequences would have flowed from that state of unfreedom and whether one talks about colonialism or slavery, the masses would have been victims inevitably and

necessarily of strangled opportunities. They would have been victims of thwarted initiatives and they would have been victims of thwarted creativity and any economics that poses as being relevant has to use as its point of departure the condition of the oppressed and that state of strangled opportunity, that state of frustrated initiative and that state of thwarted creativity.

I have heard nothing in Monday's presentation to satisfy me that any contact was made with those realities. In fact, what one heard was more of the same of Barbados envisioned as continuing where those at top remain at the top and those at bottom remain at the bottom. That is a Barbados, which my varied experience tells me, now collides with the expectation of the masses of the people of Barbados. They think their time has come for enlarged opportunities in Barbados and nothing else will suffice. And until an economics that set out to transform their condition and to raise them from their state of marginalisation then the pillars of faith will continue to weaken and the springs of hope will continue to dwindle and the lamp light of charity will flicker to extinction.

This is the predicament in which we find ourselves in Barbados today. That is what made me sit here on Monday afternoon with amused tolerance and observed Honourable Members on the other side as the Minister of Finance announced VAT relief on a number of food items. All anthropologists have known for many years that man's basic needs are food, clothing and shelter. If man's basic needs are food, clothing and shelter, then if a Minister of Finance puts foods at the disposal of the masses of the country or puts enhanced access to food at the disposal of the masses of the country, that cannot be an occasion for applaud, especially in circumstances where they had access to the food before and he obstructed that access by the imposition of taxation to make it more difficult for them to access and then he comes back nine months later and purports to announce relief. I could not control my surprise as the 'ranks of Tuscany'¹ on the other side begin to cheer. The 'ranks of Tuscany' could scare forbear to cheer over there to hear that ordinary people in Barbados would once again be able to buy corn beef and biscuits. These are necessities to which people are entitled and there is a very thin semantic line between a necessity and an entitlement.

If you give people an entitlement, that is nothing to applaud about. But if you have a vision of the society where people at the bottom should always be wrestling with survival that view of society leads you inevitably to believe that you are doing them a favour if you give them access to corn beef or salt fish or biscuits or luncheon meat or chow mein. That is what is the problem in the Barbados Labour Party.

I have said elsewhere and I contend, I will bear no contradiction on this issue that the Barbados Labour Party is the classical conservative party of Barbados. They believe in the world as it is, it sees no basis for changing the world and if I need any reinforcement, let me repeat, that after the collapse of the old Conservative Party in Barbados, when the Conservatives floated around looking for a shelter they ultimately ended up in the Barbados Labour Party. That is where they found comfort, that is where they found shelter and that is why 'soup kitchen and begging bowls' mind sets continue to obsess that organisation. 4.25 p.m.

I cannot, Mr. Speaker, spend my time here this afternoon dealing in an economic which in the words of Shakespeare's Hamlet is weary, stale, flat and unprofitable. Next year in the budget debate we will be hearing the same things but social and economic relations in Barbados would have remained unchanged. The masses would be even more alienated from their political and economic systems because they would have heard talk and seen little to change their lives. So I take my leave of that aspect of the budget because as far as I am concerned the debate so far as that aspect of the budget is concerned is really irrelevant.

When I hear talk coming from the Government as I have been hearing nightly and weekly in the Democratic Labour Party about an economic transformation, an economics that targets human beings, that uses as its point of departure the expectations of the masses of Barbados, that is when I will become interested in this exercise again.

But the thesis of this budget or the theses of this budget are three interesting theses. We are told that money is no problem. We are told that growth is on the march. We are told that the foreign reserves of the country now stand at unprecedented and record levels. Of course there is a fourth thesis, that is, that the unemployment rate has come down. The Honourable Member for St. John adequately expresses my sentiments on this issue. I do not trust and will never trust the Barbados Labour Party on the issue of jobs. I lived in Barbados in 1976 when the promise of 25 000 jobs was made. I heard the public meeting at which the promise was canvassed. I was at public meetings in 1981 to hear that the goal had been reached in spite of the fact that documented records showed the contrary. And as if this is an inheritance of the present Government, in October 1995, having promised 30 000 jobs the Minister of Finance came just after one year to say that 10 000 jobs had been created. Had we allowed that to pass we would have been hearing that 15 000 were created the next year and that 20 000 were created this year and that the goal or the objective of 30 000 jobs had long been

surpassed and that the refrain, mission accomplished, is no longer an expectation or a hope but is a reality.

So I do not trust the Barbados Labour Party on the jobs issue at all and I do not miss any of the young men from the constituency of St. Philip South. I do not miss any from the constituency of St. Philip North either and I do not miss any from the constituency of St. John, all constituencies which I frequent. Therefore on that jobs issue I remain incredulous.

Now, so far as the other three theses are concerned I am not going to contest. If it is true that money is no problem, if it is true that growth is on the march, if it is true that the foreign reserves stand at unprecedented levels, the only issue this poses for politics in any country, in any part of the world, is how do you distribute these benefits. And if these benefits are going to be distributed in Barbados the people of St. Philip South are entitled to a share.

I invite you therefore, Mr. Speaker, to journey with me to a densely populated village in the parish of St. Philip South called Gemswick. Gemswick is within walking distance of Grantley Adams International Airport. The people of Gemswick sacrifice daily and nightly the very commerce of conversation with their family, husbands with their wives, wives with their husbands, children with their parents and *vice versa* as airplanes howl above their homes either bringing tourist to Barbados or carrying tourists from Barbados. They make their own sacrifice and make their own contribution to the economic development of Barbados. Would it surprise you, Mr. Speaker, if I told Your Honour that the people of Gemswick do not have proper roads to walk on and have a transportation system on which they cannot rely. If money is no problem, if growth is on the march, the Barbados Labour Party has no excuse for failing to respond to the needs of the people of Gemswick and to give them proper roads and a more reliable transportation system. If they fail to do that then the people of Gemswick are entitled to come to the conclusion that this is the old malice of the Barbados Labour Party at work again.

Journey with me, Mr. Speaker, to a place called Foul Bay. Easily some of the worst roads in the constituency of St. Philip South is the road to Foul Bay that connects on to Rices and goes on to Heddings. If growth is on the march, if money is no problem, the people of Foul Bay, of Heddings and of Rices are entitled to better roads than they have and if the Barbados Labour Party fails to provide these basic amenities these people are entitled to conclude that this is the old malice of the Barbados Labour Party at work again.

Journey with me, Mr. Speaker, to a village called Cave Land where residents have complained that they

have to use a road to which nothing has been done since the year 1951. In fact only a bold elasticity of language could allow one to call it a road at all. If money is no problem, if growth is on the march, are the people of Cave Land not entitled to better road facilities than they had at the first time? And I can go on Mr. Speaker. Nursery Nos. 1 and 2, Kirtons Nos. 1, 2 and 3, Marchfield where worshippers at the Church of Christ in Lower Marchfield or worshippers at Zion Tabernacle in Eastern Marchfield have their relationship with the Almighty interfered with every time it rains because they cannot access the churches at which they worship because of the state of the roads. If money is no problem, if growth is on the march, the people of Marchfield are entitled as of right to have the roads in those areas resurfaced. If they do not get them resurfaced they are entitled to draw the relevant conclusion about the Barbados Labour Party.

In the constituency of St. Philip South, it borders between St. Philip South and St. Philip North, is a place called Sunbury House. The Honourable Minister of Tourism has said in this House on numerous occasions that in terms of visitor preference Sunbury House ranks second in Barbados. Would it shock you, Mr. Speaker, if I told you that there is not any one good road any tourist can use to get to Sunbury House? Mr. Speaker, if growth is on the march, if money is no problem, at least the people of St. Philip South are entitled to have the arteries that lead to Sunbury House resurfaced and made more acceptable to civilized human beings. 4.35 p.m.

The Honourable Member for St. Philip North will agree with me that the road from St. Philip's Church to Sunbury House is a veritable gallows. If money is no problem and growth is on the march, the people of St. Philip are entitled to have that horrible situation corrected. So, Mr. Speaker, I could name other villages in the constituency, but the exigencies of time do not permit and failure to mention any given village is no indication of any lack of importance attached to it or to its needs.

As I reflect on this Budget, and all the speeches that I have heard in here today, and some last night, I wonder whether the Barbados in which I live, is the one about which I have been hearing for the most part. I wonder whether the masses with whom I come into contact are the masses about whom I have been hearing nothing coming from the other side in this debate. They must ask, must they not? With T. S. Elliot, a poet with whom Youc Honour, I am sure, is familiar, "what are the roots that clutch? What branches grow out of this stony rubbish?" And if they honestly will answer themselves, as Elliot answered, "only a heap of broken images where the dead tree gives no shelter, the cricket no relief, and the dry

stone, no sound of water." That must be their conclusion. And, in that regard, I want to associate myself fully with the amendment moved in this Honourable House by the Honourable Member for St. John and it will have my unequivocal support because, as far as I am concerned, what I heard on Monday evening, makes no contact with the hot immediacies which I encounter in the constituency of St. Philip South from day-to-day.

I am obliged to you, Sir.

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

Dr. the Hon. R. L. CHELTENHAM: Mr. Speaker, Sir, I have often enjoyed joining issues with my good and learned friend the Honourable Member for St. Philip South who has just spoken and I wish that time would have permitted me to join issue with him on several issues but I am afraid that neither in the language employed nor in the substance of his speech has he made any contact with the Budgetary proposals which were presented by the Right Honourable Member for St. Peter as Minister of Finance on Monday last.

I must say, however, Sir, that I cannot leave his speech without making two or three quick points. You have brought a static view of our history of the last 50, 60 years in this country, a view that says in effect that we have made no progress in this country. Now that is manifestly absurd in thoughts. We have moved from a semi-feudal society in this country in the 1930s to a modern sophisticated society with an infrastructure which can be the boast of any first world country, with a standard of living which is among the very highest among developing countries.

Mr. Speaker, we must not accept that view of his and the danger of developing it, is that it denies the significant role, as agents of change, that the two major political parties in this country have played in the last 40 years.

We must not allow that to go undefended, it is not the church that has been the agent of change in this country in the last 50 years, it is not the non-government organisations, it is the political parties of which the Barbados Labour Party has been in the lead, we have been the agents of change in this country in the last 40 years. So that we must reject that view of history as totally false.

Let me say further, Sir, that we must be careful *not* to allow our keen sense of partisan politics to blind us to the extent that when important and necessary measures have been taken in this House that we cannot recognise them for what they are. I am in the fortunate position,

Mr. Speaker, that while being a Member of this side, and a long-standing Member of this side, I am not bound by the doctrines of collective responsibility. That is to say while supporting this side, the Government side, I can, from time to time, if I am so satisfied, criticise the Government both in terms of the substance of a measure, the timing and the manner of introduction and so on. Equally, my sense of fair play would dictate that when the Government does something that is in the interest of the people, introduce measures, take initiatives that are worthy of commendation and praise that that commendation and praise should be heaped on the Government.

In that respect, we must recognise the special contribution made in this debate by the Honourable Member for St. Michael South Central. He is part of the Opposition and we recognise that the Opposition has a duty to oppose. But while recognising that, he also felt that it was necessary to identify the measures introduced over the last two days, on Monday last in particular, as measures worthy of applause and represented important developments in the Barbadian economy.

I too want to acknowledge that the Budget represents a high point in the recovery of our economy and at the same time it points the way to a new plateau of output and a new level of living in this country which, with a little luck, the continued expansion of international trade, the continued wise management of the economy and good windfall among other things we are likely to enjoy. It is therefore an important point in our development and we ought to recognise it, notwithstanding our partisanship.

Now he is saying that it represents a high point in our recovery and I think we have to put it in the context of the recent past. Without distributing any blame, I think we can say without contradiction that the period 1991-1994 was a particularly difficult moment in the history of our country in this century. We had unparalleled layoffs in the private and public sectors, a loss of confidence among our people, an economic and a social crisis, a serious decline of our foreign reserves, which toward the end of that period, began to recover.

We had disequilibrium in our public finances, a virtual collapse of foreign inflows and the highest level of unemployment that we have ever had since recording statistics. Given that backdrop, I think we can all recognise that the Budget represents a high point in our recovery, where we again have very satisfactory levels of foreign capital inflows. Where we have restored the balance in our public finances, where the unemployment has fallen to some 10 000 to 12 000 since 1994, where confidence has been restored among our people and among

internationally mobile capitals, among the foreign capitalists on whom we rely for capital injection. It is because there has been that recovery that the Minister of Finance has been able to do what he did on Monday last about which I need quite briefly and rapidly to remind the House. 4.45 p.m.

In particular, I want to emphasise the measure that puts 3 500 on permanent posts in the civil establishment. I regard it as a triumph to a crusade that I have fought both on the Floor of this House and within the Barbados Labour Party. I often gave the example of the girls at the Grantley Adams Airport who are the cleaners, some of whom have been working there for 17 years, who lived in fear of being terminated at the shortest notice, the girls at the fish market at Oistins and the many men and women across this country numbering 3 500 and more who bore the tag of permanent/casual. That has been a significant step forward for them. I am happy for them and I am proud to be part of a party that has introduced that measure.

I am happy too for what has been done for pensioners. I take the view that pensions should not be taxable. I believe in the position that obtained in Barbados up to 1986 or thereabouts, in the post 86 period for a short while. I believe that once you pay your money along the way, when you get to the point of retirement you should enjoy your pension tax free. It is not a measure that is outside the competence of our finances because at the point at which we have now reached where you have to be earning up to \$30 000 and beyond before your tax caps that covers about 80% to 85% of the pensioners in Barbados. I believe that it will cost little to the Government if those 15%, 85-100, also enjoy pensions free from tax.

In particular, I want to compliment the Government on the zero-rating of that large basket of food items and to put that matter in some sort of context. As part of the efforts by the Barbados Labour Party to modernise, reform and simplify our taxation system, 11 taxes were collapsed and a system of indirect taxation known as the Value Added Tax was introduced. Planning for its introduction started under the last Administration and, as I understand it, the advice that was available to them said in effect that it would be highly desirable and might even have been necessary to put the VAT on food. That was certainly the advice as I understand it that was available to the Democratic Labour Party Cabinet and it was available to the Barbados Labour Party Administration.

So, given the radical nature of the change, from 11 taxes to 1 and the fact that the waters were uncharted,

as it were, and in the face of the advice available to him, the Prime Minister and Minister of Finance said in effect that he had adopted a prudent and cautious course, that he was going to give it a trial run, allowing it to operate for the first 9 months with a VAT on food and thereafter when he has the evidence of the performance of the tax, what is its yield and what are the goods and services on which we are getting the greatest yield, he was prepared to review it and that is exactly what the Prime Minister did.

The Prime Minister did not do it in a callous and indifferent way. In doing that, he made sure that he increased welfare benefits and also increased pensions to those at the lowest levels so as to make sure that the harshness of the VAT could be cushioned.

I do not think that it is fair to accuse the Government of knowing in advance that they would have had \$107 million in the full year of the introduction of the VAT over and beyond what it was expected to yield. That was not the advice of any of the advisors. To the extent that it was totally uncharted waters no one could say for sure.

We have benefitted from 2 things, Mr. Speaker. We have benefited from the fact that it was introduced in a year that has been one of our most buoyant in recent times. We have benefitted too from the fact that the staff at the VAT office brought a high level of professionalism, large enthusiasm, hard work to the task at hand and were able to ensure in the first months that a large number of Barbadian taxpayers became registered.

It would have been difficult to know that in advance so what the Government did was a cautious and prudent thing. Faced with the evidence that the tax was yielding more than was anticipated we have to applaud them for doing what they have subsequently done, that is, constitute a basket of food items, some 40 food items, and zero-rate and exempt all of them from VAT. I think, Mr. Speaker, as one living in the community that I can say confidently that that measure has been well received across the country.

The important question that arises in my view is how best should the surplus revenue be spent. That, in my judgment, is the important question on which we should be focussed and on which we should be having considerable debate. I accept and totally agree that poverty eradication should be one of the first recipients of that surplus revenue. I take issue with the view expressed by the Honourable Member for St. Michael South Central last night, for example, that the new National Democratic Party was the party that brought this issue of poverty alleviation and poverty eradication to the forefront of public discussion. That is totally false and that is to misappreciate what has been happening over the last years. It has been part of the

historic mission of the Barbados Labour Party to eradicate poverty. That is what Grantley Adams came into politics for among other things, not only to fight for people's basic rights at the workplace and their constitutional rights to vote but also to eradicate poverty. That is what O'Neale was talking about in the 1930s.

It has been a persistent theme in the political dialogue of this country so that for the Honourable Member for St. Michael South Central to misread the history and to believe that poverty eradication as a theme started with the NDP is really to treat us to an historical joke.

I am proud of the fact that as we approach the 100th anniversary of the birth of Grantley Adams that the Barbados Labour Party should be a government and should be seen to be taking positive and new initiative to alleviate and, if possible, eradicate residual pockets of poverty in this country.

I want to say something about the debate which concerned me greatly. The first thing is that there are many people who are rushing to prescribe when they have not diagnosed. There seems to be a very fashionable view that physical initiative macadamised the roads that are presently unpaved, put in waterborne facilities where they currently do not exist, in place of derelict buildings put up new and modern structures. They seem to be of the view that that will eradicate poverty. That is part of the initiative that is necessary but it seems to me that we have to ask ourselves what do those who are suffering from poverty, call it the poverty trap, have in common. If we ask that question we may very well find that they are all without skills, that they have a particular level of IQ, that they come from a particular background and that they have a view of work which challenges the biblical precept that by the sweat of thy brow thou shalt eat bread.

In short, Mr. Speaker, if I am correct, it would seem that skills training and value rehabilitation are necessary parts of the assault on poverty and thus far, those 2 areas have been given little or no attention. A lot of those whom I see on a regular basis and who are seeking, say from time to time that they would like to work and tell you that they only want to get a certain amount of money and stop. They have views about punctuality and consistency at work that are not acceptable to any employer. Some of them have a view that man should not necessarily have to work in order to live. They challenge the biblical precept that by the sweat of thy brow thou shalt eat bread.

If that is so, it means that you have to work on repairing their values, rehabilitating them. It means too that in preparing Barbados for its entry into the new world of which the Honourable Member for St. Michael East

spoke where the rules of the World Trade Organisation will reign, free trade, stiff competition, opening up of your borders to imports, serious competition for internationally mobile capital that we in Barbados need to put more emphasis on apprenticeship programmes, apprenticeship training and unskilled training outside of the 3-month course currently being offered and outside of the Polytechnic.

There is a class of person out there who does not qualify for the Polytechnic. In short, I am recommending that some of this money go towards the establishment of a trade school to take care of those who cannot get into the Polytechnic but for whom the 3-month programme at the Skills Training may not be suitable but who nevertheless need to be trained and to be provided with a skill or trade if he is to escape the poverty trap. I think that is a very important point.

I want to go on as I know that time is moving rapidly and make the point that housing and house spots are also important areas which in our new buoyancy we need to divert resources to. 5.00 p.m.

It is a fact that we have made great strides in this country in housing in the last 25 years. The middle-class, the lower middle and upper middle, the professional classes, they are the ones in particular who have had access to the financial institutions, the long-arms of those institutions and have been able to get 20-year mortgages, and sometimes 25-year mortgages to build their quarter of a million dollar houses and sometimes far more expensive than that.

But there is the class of person in our midst, hardworking though they are, who cannot find the \$5 000 deposit or cannot find the \$300 a month when they have seen to their necessities and cannot pay for a mortgage. In short, the State has a duty to make sure that houses are built, and in this regard I must say that the Democratic Labour Party in its last years in office has no record to be proud of in terms of house building.

Aside.

Dr. the Hon. R. L. CHELTENHAM: That is the only one, the few houses at Church Village in seven or eight years? In relation to housing they were wasted years. We have a duty as a Government to make sure that there is provision for that class of persons. In that respect, I condemn the record of the last Administration and I express unhappiness with what is happening now. Fifty houses a year as a boast is nothing to boast about. We must set targets of 2 000 to 2 500 houses in this country a

year particularly if we are going through a period of buoyancy they should be the targets between the private and the public sector. We cannot have people whose names are on the list for houses for 15 years and who cannot get a house and yet people are boasting that they are building 50 houses a year. That does not appeal to me and I have to say that candidly.

Before we went out of office in 1986, we were targeting, and there were one or two years, 1 500 to 2 000 houses between the public and the private sector a year. That is the sort of target, 2 500 now, that we should be looking at. Something has happened which has helped.

There was a view then, as the most senior members of this House will remember, that to build a house was to put a large drain on the foreign reserves, that a lot of money used to go out, outflows. I think there is a new and better informed view that the impact on the foreign reserves is minimal, especially now too with our cement plant here. But we need to put that artisan class and that labouring class to work and we need to address that particular weakness in our social structure, namely, the deficiency in housing at a certain level of the society. With that goes the question of house spots.

The Honourable Member for St. George North who spoke an hour or two ago was absolutely right when he said that half of the persons seeing us from week to week are concerned with house spots and houses. The problem is particularly acute in my constituency of St. Joseph that suffers from slippage. There are large numbers of people who are living in Melvin Hill, Chimborazo, and who are living in several other areas across St. Joseph who are suffering from land slippage. They badly need house spots in areas that are not congested and areas that are stable. Lammings is becoming a congested area. The density in Lammings has become too high.

I am glad to be able to say to them that the Government has taken a decision to acquire 12 acres of land in Horse Hill opposite the primary school that we hope, among other things, to provide them with 100 lots and also to build an urban centre consisting of a new court, a new police station, a new post office, a new health clinic and several other of the facilities that make for a modern urban centre. That is very important.

Finally, Mr. Speaker, I think that some of that money should go to the improvement of infrastructural facilities particularly across some of the rural constituencies, though I am aware of the fact that in some of the urban constituencies there are residual pockets of neglect in that regard. We need very badly in St. Joseph to have our playing fields and pavilions, particularly at St. Elizabeth and the Grantley Adams School. We need to have our

hard courts. We need to have road repair in areas of St. Thomas, Walkes Spring, Clifton Hill, Clifton Tenantry, Easy Hall, Philip's Road, St. Elizabeth New Road, Joes River and in many other areas where the roads are in a terrible state of disrepair or in some instances do not exist. I think it is in those areas, Mr. Speaker, that the surplus yield should be directed. I think that is the area in which the debate should be focused and concentrated.

I wish to say, Mr. Speaker, in conclusion, that I regard this as an important Budget. It has introduced measures that will benefit the people of this country greatly and lay the foundations for a much improved economy. I share those views with the Leader of the National Democratic Party, the Honourable Member for St. Michael South Central.

I have great pleasure in supporting the passage of the Resolution introduced by the Minister of Finance and applauding the recovery efforts of the Government and of his efforts in particular in introducing these budgetary measures.

I am much obliged, Mr. Speaker.

Mr. W. C. C. CALLENDER: Mr. Speaker, politics is about representation. It is about seeking the common good. I notice some Members are leaving the Floor of this Assembly but it is not unusual for them to do that especially when back benchers are speaking so they can afford to run away especially after thinking that I would want to commit suicide for doing such an act, one which one is entitled to do in this democracy. It ties in, Sir, with what I am going to say next.

In a democracy, Sir, participation, fair play and justice are paramount. I came to politics when there was a lot of turmoil in this country, when many people were marching the streets of Barbados. I saw members of the Barbados Labour Party marching. I saw members of the business fraternity marching. I saw everybody marching against the 8% cut which took away \$36 million from persons working in the public sector.

Sir, on radio programmes we were hearing about calls for a Government of national unity. Everybody was contributing and there seemed as if we were all unified in the thought that we were going to be united to carry Barbados forward. It was in that context, Sir, that after being persuaded for nine months by the Barbados Labour Party that I decided that if I am to contribute to my country, a country which was calling out for the use of its resources to help in the development process, then I decided that I would join forces with the Barbados Labour Party on a campaign of change. The Honourable Prime

Minister said he was looking for a chance, he was looking at a new BLP and new ideas, he was looking for new talent and he himself has admitted, Sir, that I was the first person indeed... 5.10 p.m.

Mr. SPEAKER: The Honourable Member, if I may interrupt you. I would prefer if you would make your comments relate in some way to the issue which is before the House as you proceed.

Mr. W. C. C. CALLENDER: I am giving the prologue to back into what I am going to say because if I am to make comments on the Budget, I have to present some measure of creditability, especially in an environment where people would seek to question such.

I am therefore making the point, Sir, that I was supposed to be part of that dispensation which was supposed to bring change to Barbados. I am saying now that I am still of the view that change which has come about is good for Barbados, there is no questioning that. The measures started by the Honourable Member for St. Michael South, they have borne fruit. It was a painful process in which \$36 million was taken away from the public servants. There were other things which were done.

I am therefore saying today that I cannot come before this Honourable Chamber and condemn a number of the measures which the Honourable Prime Minister has brought here. I am saying that we have come to this stage because of the sacrifice, because of the sacrifice that Barbadians have been able to bear and I want to congratulate every Barbadian for the sacrifice which this country has been able to bear. This is a country of people who understand what it means to believe in national development. We are not looking to have this country go into devaluation or anything of the sort.

Sir, I therefore have to support a number of measures brought by the Prime Minister. The VAT relief on a basket of goods, I cannot say that it is a bad thing, I called for that. Initially, when the Prime Minister was saying that he was adamant and he was not going to change until after nine months. As a loyal member of the Barbados Labour Party, I did not come out against him at that time, Sir. I decided that I would trust his judgement but if I had a choice, Sir, I would have selected at least a basket of goods which would have given relief at that time to the poor in Barbados.

The Prime Minister has said that he is a great forecaster, and I believe him, Sir. Therefore when the Honourable Member for St. Lucy said that VAT was

going to rake in in excess of \$100 million, when the Prime Minister referred to it and I quote: "I am not going to yield to foolishness now, Sir", that is what he said, I too said that Mr. Kellman was talking foolishness. I felt he was talking foolishness but today, Sir, the Honourable Member for St. Lucy, Mr. Kellman has been proved correct and I am wondering whether the great forecasting skills of the Prime Minister were in abeyance at that time but I would not want to believe that he wanted us to be tricked. I would never believe that. I am left to believe that the Prime Minister and the other economists forecasted incorrectly.

I believe, Sir, that after about three months and they saw all of this money coming in, when the Members on that side were saying that we had to get this VAT thing eased off these poor people but he remained adamant. Then, Sir, came the calypsonians and in every tent, calypsonians who reflect the masses of this country were singing about the VAT and that they wanted the VAT off. There were Bees and Dees supporters amongst the calypsonians who were asking for that VAT to come off food. So that when the Prime Minister took VAT off that basket of goods, he was simply responding to the cries of the masses of this country.

If I were the Members in the Barbados*Labour Party, I would have applauded as well and when I sat in front of my television and I saw them applauding, I know that they were applauding because they felt relief as well. They were relieved because they recognised that if he did not take the VAT off food and he continued to hurt the poor people of this country that there was no way the Barbados Labour Party would get even the three seats they obtained in 1986. All this thumping on the desk was about relief for members of the Barbados Labour Party because this is what they were saying. They were relieved, Sir. If I was on that side, Sir, I would thump hard, hard, hard.

If you remembered a speech I gave in here you would know that I said that common sense would prevail and that that matter would have to be addressed. They could go through Hansard and check every single speech that I have made and I have been consistent and I remain consistent and no amount of cursing, no amount of vilification, no amount of innuendos will suffice or will stop me from representing the masses of this country in whatever capacity I have to do so. I have represented them for free for many years, Sir, and I will continue to represent people in whatever capacity I have to do so and no amount of talk about opportunism nor ambition will run me anywhere especially when these same people are the ones who are calling me and asking me to offer my services. I am not getting into that tirade, that is enough said and that is enough of that. I am here to do the business of this

country. I am here particularly to represent the poor and oppressed of Barbados, that is what I am here about.

I therefore, Sir, have to support the Prime Minister when he speaks of assistance to the small business sector. I have to support that, Sir, but why did it take so long? Three years in Government, it has to take three years in Government to now come with a plan to help small businessmen? It has to take so long to come with the idea. The \$2 million have not been disbursed yet Now you have come with a plan, you now have to execute the plan, so how long are you going to take to execute the plan?

The record will show that it takes very long to execute any plan in Government and those Honourable Members have said so, Sir. They have all said that when you are dealing with Government it takes a great deal of time for things to happen so all we are hearing about these things, I am waiting to see how long they will happen. Just as I am waiting to see with this Poverty Alleviation Programme which I supported with vigour, and still continue to support because it is a good thing, I cannot say otherwise but I am concerned about the allocation of the sources. I am concerned about allocation. When you have a system where people have to send a list to the Prime Minister's Office, for vetting I believe, and then that list has to go back to the National Assistance Board which did not meet for over a year and to the Child Care Board and all of those Boards we all said that, Sir, those boards need changing up but you are sending back the same lists to the same people. I do not know what happens between the list going up and coming down. I do not know whose name comes off. But I am wondering why the list has to go that circuitous route to add to more bureaucracy in the environment when we are complaining about the slow process of things being done. 5.20 p.m.

I sent in a list about poverty alleviation and up to now I do not know for sure what has happened. I would like to know. I believe, Sir, there needs to be more transparency in dealing with these matters. These are the things of which we complained for many years and it looks as if we have gone the full cycle where political intervention in the process of allocation means that one cannot guarantee that there is justice and fair play in this country. Therefore when I look at this Resolution which speaks of all of these things contributing to the building of a more just and more caring and a more prosperous society, I am left to wonder in a day and age where things are becoming so political and everything has to be determined by a few people. That has to stop, Sir. I said so when I was on those Benches and I am going to say so again and I am saying so for all parties concerned, even for the NDP. If they should ever win Government this

foolishness, political intervention in the process of allocation of resources to the extent where certain people, because of their affiliation, will be deprived has to stop. And I am talking about affiliation not necessarily party, it could be social affiliation, whatever affiliation, that has to stop. There have to be more independent agencies dealing with this allocation if we are to have this sense of fair play in this country.

So, Sir, I know time runs pretty fast and there are a few things I want to say. I am concerned too about the social philosophy which underlines this allocation of resources because when we speak about public finance we are speaking about the allocation of resources and in determining allocation of resources one has to look at the social philosophy which underlines the allocation. Who determines what? On what basis are preferences made? Who determines those things? What is the social philosophy of the Barbados Labour Party? These are the fundamental questions that lie unanswered and I notice that two Honourable gentlemen on the other side have gone out. I know they have their views on the social philosophy of the Barbados Labour Party but they are prepared not to say anything but they have gone out. They would want to vilify an humble citizen of this country for simply taking a decision to decide the company that he would keep. They will go so far as to want to deny a simple humble citizen of this country the right to determine that company that he would keep. Do you understand the kind of social philosophy we are dealing with? Do you understand what we are getting into that we are now behaving like we are in a communist state where a man cannot determine his company, where a man cannot determine whom he would speak to? I thought Barbados had gone from this a long time ago where people would want to tell you the company that you should keep.

I want, Sir, just to make a brief intervention there to point out that I was never a member of a political party until I joined the Barbados Labour Party in 1993. I want to make that clear for the record. I want to say, Sir, that I had the privilege, I had the pleasure of working in my capacity in tourism and in marketing and in public relations for some members of the Democratic Labour Party. I also had an affiliation in a professional capacity with the Democratic Labour Party. Is this Barbados in 1997 that wants to deny a person who is not a politician, and even if they were, a professional involvement with another party? This is Barbados we are talking about, Sir. So they would have the public believe that I was a member of the Democratic Labour Party because it suited their purposes.

In any case, Sir, I am saying that because of my business associations I have had many friends on that side, on this side and even in the back, even though he is older

than I am. That is not the problem, Sir, so I want them to get that out of their heads. If they check the record they will see how I speak and I will continue to speak the same way. I have no axe to grind. I have simply come to serve.

I want to speak, Sir, about the human resource allocation and the messages it sends. Sir, when we in 1997 can reach a stage in tourism where we cannot find a local person to do marketing for the Barbados Tourism Authority, I am asking what has become of our sovereignty. I am asking, Sir, when there are a number of gentlemen who have served the Tourist Board and Barbados Tourism Authority for many years doing a very good job, during years when the figures rose, how come it is that in 1997, after we have had so much exposure to tourism, after we have had so much exposure to education, we cannot find a person to market our tourism? Where are we heading? We went for one from overseas who happens to be white. I am not speaking race. He fled away. But we are not satisfied with that, we are insistent that no boy or girl of humble origin in this beautiful country, even though they might have the relevant qualifications, even up to the stage of Masters Degree, even though they might have many years in the business, and a diverse track record, that these people cannot serve. I am asking, Sir, what is the social philosophy that informs that kind of thinking?

Sir, I know what I am talking about. I worked with the Board of Tourism for 4 years and the job that is being talked about so much, where you are paying all of this money, is a job of coordination. If you cannot coordinate, you are wasting your time and the Honourable Member for St. Thomas knows that very well and he should tell the Minister about it instead of sitting down and keeping quiet. He is still my friend don't mind he cursed me. We cursed one another. He is still my friend. You get vex and you cursed me. I do not mind that. This is a small country and we cannot afford that.

Asides.

Mr. W. C. C. CALLENDER: I am saying, Sir, what is the philosophy that underlines that? I am asking the question, Sir, and I want to state it clearly. 5.30 p.m.

I am asking all Members on the other side to stand up and represent the sovereignty of this country, to stand up and represent the people in this country who have the experience and could do this job and let this facade go where it belongs. If you do not understand what the function is about, I believe the Honourable Member for St. Michael West could tell them. I believe the Honourable Member for St. Michael East could tell them, but you have people "in here who do not want to listen to anybody

and everybody else is foolish so they do not want to listen. They do not want to listen to me, period. I came from a lowly place up in Christ Church, I am not to be listened to.

Sir, let us move on. How much more time do I have, Sir?

Mr. SPEAKER: Proceed. Another five minutes.

Mr. W. C. C. CALLENDER: Sir, it is in this context that I found an interesting quotation by Haile Selassie represented in a song sung by Bob Marley. I do not claim to have the best memory in the world, so I will have to read the message by these two gentlemen and it says that until the philosophy which holds one race superior and other inferior is finally and permanently discredited and abandoned, that until they are no longer first class and second class citizens, until the colour of a man's skin is of no more significance than the colour of his eyes, that until that day, until t'fat day, there will be no peace.

Sir, these gentlemen also speak of the significance of all men having basic rights. I also want to say, Sir, that in this context, when Barbados can reach a stage where political persuasion can also be included in this message, there will be no peace.

Sir, I am glad to see that the Pinelands Development Council has received this \$1.2 million, but I would want my people in Christ Church East to understand that I have been pushing for that computer project at the St. Christopher Girls' School. When computers were given by Professor Ward and Dr. Edward Layne, long delays ensued, they wanted air conditioners and the gentlemen, I believe, provided money for the air conditioners. My understanding is that the computers are now there and these computers are not only for the school, these are for the community. People have the belief that fishing people do not know about computers because it is a fishing area. Those computers will be for the use of people in the community. This discussion has been going on for a long time. I know I have received promises by the Honourable Minister of Education, but in just the same way that the Pinelands could get their \$1.2 million, I want to see the computers installed in that school so that the community project can start. When the new school is completed that they can be installed there and the people of that community will be able to get involved in the computer as well.

I also want, Sir, the acquisition of land at Inch Marlow for a playing field for the boys to play cricket and football to be expedited. We have been dealing with that for two years and the playing field does not only concern me, Sir, if they feel it concerns me, it is a playing field that is used by many youngsters in Carters Gap, who are in the

constituency of the Honourable Member for Christ Church South. That is a communal playing field for people in that area. I do not know why it is taking so long. I hope, if we are interested in the development of the youth and if we are interested in the development of the country that it will be expedited. It has nothing to do with this Honourable Member himself, it has to do with a recognition of a community problem and I am trying to solve it.

Sir, the Christ Church Football League has been going for 25 years. Austin Williams and Sheldon Clarke have been pushing football among the youngsters, all the youngsters in Silver Sands, Parish Land, Fairy Valley and Lodge Road...

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

Mr. W. C. C. CALLENDER: ...all those places and it is believed that those gentlemen should be given some assistance so that they would not have to be begging here, there and everywhere, but that they should be given some kind of assistance because that League is the home ground of a lot of people who then go on to play at a national level.

In conclusion, Sir, I want to thank all Barbadians who have borne the pain of the structural adjustment and the economic measures that had to be imposed over the years and I believe, Sir, it is now time for us to join hands. This is time for unity. The old ways of hostility between Parties, I thought was ended. Barbados can only go forward if we are united. It reminds me of a song which says,

"United we stand, divided we fall and if our backs should ever be against the wall, we will be together, you and me."

Thank you.

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

Hon. Miss H. E. THOMPSON: Mr. Speaker, I rise in this debate, Sir, to give strong support to the Budgetary proposals brought before this Honourable Chamber and to respond to some of the issues raised and some of the questions raised by Honourable Members on the Other Side, because it would be fresh in the minds of all who just heard him.

Let me first go to a question raised about what are the philosophical moorings of the Barbados Labour Party

and to say that as a black woman in Barbados who was born to two poor black people who knew what it was to struggle, who did not have any gold spoons left for them to keep in their mouths, who know what it is to walk around barefooted, to miss school, to have to finish your education early, I am proud to stand on this side to reply to and defend the philosophical moorings of this Barbados Labour Party.

Mr. Speaker, it is this Barbados Labour Party that introduced into Barbados Trade Unions that still today fight for the rights of the poor and the black and the depressed and the underprivileged. 5.40 p.m.

It is this Barbados Labour Party that introduced into Barbados holidays with pay, unemployment benefits, maternity leave and benefits, minimum wage for shop assistants, the right to vote for all like me and him who had nothing. Free secondary education was started by this Barbados Labour Party before 1961. It was started on an experimental basis and there were the foundations that were laid that allowed the Dems to then come in and build schools and universal free education was in both manifestoes of both parties for 1961.

It was this Barbados Labour Party which built and expanded all of the new secondary schools that many of the people from the Honourable Member for Christ Church East constituency are going to today. It was us who started the Student Revolving Loan Fund that helped many people to go to secondary school and get tertiary education at university here and outside of Barbados. It was us who did the Freehold Tenancies Purchase Act which allowed people who, at 10 cents a square foot, when you are living on land that you never had before of earning all your life, it was us who allowed them to earn it through that.

It was this Barbados Labour Party that started the Barbados Drug Service, that built the Queen Elizabeth Hospital, that built all the polyclinics all across Barbados except two, that built the Bridgetown Port, and the airport, the majority of the community centres all across Barbados, that built Haynesville, Rosemont, Fernihurst, Wotton, Kensington Lodge, Pondsides, and middle-class housing areas all over Barbados.

It was this Barbados Labour Party that introduced the Barbados Mortgage Finance Company to enable civil servants access to funding at reasonable rates to build their own houses. It was us that started a system of family planning in this country.

I do not want to dwell on the past, Mr. Speaker. I want to deal with the present and the future, the Home

Help Service, the Housing Credit Fund. If I had to spend time to adequately talk about our philosophical moorings, where we have come from and what we have done to help the poor and the black in this country it would take me all evening so I would simply say, Mr. Speaker, that this is a record of which we can be proud. I want to go, Mr. Speaker, to some of the things that were raised by other members.

The Honourable Member for St. John spoke largely by innuendo, implication, side swipes, when one minute he was talking about gender, the next minute he was making jokes about hair, then he started raising things about NCC which were inaccurate, then about ambulances which were also inaccurate. When I examined what it was he presented to this Chamber in 2V₂ or 2³/₄ hours, Mr. Speaker, it boiled down to three or four things.

One, what⁴ has the Barbados Labour Party done for civil servants, and I am going to deal with that. He said that we are the errand boys of white corporate Barbados, and I am going to deal with that because Liz Thompson, whose parents were born in poverty, cannot be the errand boy for white corporate Barbados or the errand girl and I will not be a member of any party that is. Therefore, the only reason that I could be a member of this party is because we are not the errand boys for white corporate Barbados.

He said that the trend in the world today is to move the society from welfare to work but that we are into reversing the trend and moving Barbados in a socio-economic position from work to welfare and that we were doing nothing for the poor, the black and disadvantaged, and I am going to deal with all of that, Mr. Speaker.

Then the Honourable Member for St. Michael South made the point that the growth we are seeing today started in 1993 and really is the result of his policies. Now, I wish to go, Mr. Speaker, very quickly to the Central Bank Report for 1993 and 1996. Nineteen ninety-three is the year which, according to the Honourable Member for St. Michael South, growth started.

In that year, tourism grew by 3.1% but according to the Central Bank Report that was growth following three consecutive years of decline. Agriculture fell by 7.1% ...

Aside.

Hon. Miss H. E. THOMPSON: This is 1993, the year which we were told by the Honourable Member for St. Michael South that there was growth. Non sugar agriculture fell by 5%, chicken production and milk

production fell, manufacturing declined, the garment industry was in chronic decline for three years and declined a further 15%.

In 1992 construction declined for three consecutive years and the indicators of activity in that industry all registered significant decline, and I am quoting verbatim the words of the Central Bank Report for 1992.

In 1993, and the reports are here, Sir. I just want to show you that, in fact, I am quoting. I just condensed the material in my own notes. Now there was growth in construction at the rate of 2.1% but that was because of the restart of Government's capital programme. You will recall, Sir, the extent to which all of the buildings in health had not been repaired or fixed, the St. Thomas School Project and other projects abandoned with steel, metal and concrete sticking up out of the air.

Unemployment was at 24.7% in 1993 and at the end of 1992 it had been 23%. This included freezing the increments of public servants and by contrast, Mr. Speaker, all of that is the decline of 1993, the layoff of the civil servants in 1991. If their policies had been causing growth we would have seen it registered there, and that is what the Honourable Member for St. Michael South told us that the growth and the upward trend started in 1993.

By contrast I am going now to, 1996. Tourism - growth. Agriculture, and again I am quoting verbatim, rose significantly. Fish catches were up 13.1%, non sugar agriculture grew for the second consecutive year, chicken production was up. Construction was up by 4.4% and the consumption of cement and the other quarrying products which are an indicator of increased construction activity were up 13.8%. Manufacturing grew 0.8% but then they say that this growth is low but then goes on to say that there had been previously two years of robust growth, in other words, the two years we were in power, 1995 and 1996 following the new initiative introduced by our Minister of Finance.

Employment - and for the first time, Mr. Speaker, the Central Bank Report rather than have a heading called "Unemployment" has a heading called "Employment." A further reduction in unemployment at the end of the year was recorded with unemployment being recorded, and this is not me speaking, this is the Central Bank, under the same Governor who was Governor when the Democratic Labour Party was in office. Mr. Speaker, 14.3% is what the Central Bank said at the end of 1996 unemployment was at. Employment increased in agriculture, fishing and transport and communication services and transport. 5.50 p.m.

By contrast, Mr. Speaker, we will recall the completion of term of office of the Dems. Massive layoffs, cuts in employment benefits, cuts in severance payments, no new buses purchased, no new equipment for SSA purchased, civil servants laid off, projects abandoned. You have the signing of the *aide-memoir* by the agent of the Democratic Labour Party whose name I will not call but who is known commonly as "Grey Jesus" agreeing that parents will have to pay for education at University and at the Samuel Jackman Prescod Polytechnic. In fact at the University, the preparation for the introduction of that new policy had already started. It was widely talked about, some of the students were marching against it and the foundation was in place. The only thing that saved us from that kind of assault was that the Barbados Labour Party won the election.

You had pensioners getting no increases, every two minutes you could read in the paper that somebody's house was being sold, people had to move out of their homes and move back with their parents, all of that was part of the experience in my constituency, that people who had previously been working a full work week would go to work and hear that they were on three days now and that they should come back next week Friday. All of that took place.

Let me go, Mr. Speaker, to what we have put in place since we have come to office because everybody is dwelling on this specific Budget but this specific Budget is part of a process by which the Barbados Labour Party is moving small, poor, black people to greater economic enfranchisement, to giving them a stake in the economy where they can become owners of the land, goods and services and wealth in the land where their navel strings are buried. That is what this Budget and previous Budget have been about.

Let me go specifically to a few of the measures. The Honourable Member for St. John criticised us for putting out a social welfare net for the vulnerable groups in society, when in fact at page 19 of his 1994 Budget he admitted that VAT was going to be revolutionary and that it- would result in dramatic changes and that it was unclear exactly what would happen as the process evolves. But let's face it, if you are introducing any new system, there is going to be some degree of disequilibrium until such time as the matter settles. He recognised that persons would be disadvantaged. He did not say anywhere in his Budget when he spoke about that that there would be no VAT on food and we know from the previous Cabinet that the records show that the DLP, the Government of me day considered that VAT on food would be highly desirable, those are the exact words. The Honourable Member from St. John said:

"the Government may consider the use of an income tax credit facility for the vulnerable low income group".

The Barbados Labour Party has given them cash in hand. We have given cash in hand to the pensioners, we have given cash in hand to the minimum wage workers and that amounts to expending the same sort of safety net because you recognise that you are in a new and dynamic kind of era as you try to reform the tax system. They have been increases for pensioners in 1995 for the first time in years. Further financial support was given to them after VAT was introduced in relation to their utility bill and in relation to cash and other goods.

The new entrepreneurship scheme was established to ensure that young, black Barbadians got into business from early because part of our culture as a black people is that we come along hearing our parents say to go to school and learn well but they do not encourage us to expose ourselves to the risk of business development.

The new entrepreneurship scheme provides money to young people who want to get into business, it provides them with training, it provides them with access to people with marketing skills to help them to develop their businesses and the purpose of this scheme is to ensure that a new class of black Barbadians will grow up with the belief and the notion that they too can start and build businesses and succeed as they will be given all the support to do it.

Money has been given to the Small Business Association. We recall, Mr. Speaker, Sir, because our memories are not so poor that we cannot look back and remember the number of small businesses that were collapsing in all the malls in Bridgetown and that all the people who were laid off were trying to sell from a van from alongside the road, all kinds of things. We are giving new support to the Small Business Association, this* is not white business, this is small black Bajans.

Mr. SPEAKER: The Honourable Member for St. Lucy, could you desist from shouting across the Floor all the time please. Proceed please.

Hon. Miss H. E. THOMPSON: Concessions were given in 1995 to those who save with Credit Unions because we wanted to promote activity whereby black people could have more savings and they were encouraged not only to save in the banks but to try to build a strong Credit Union movement. Concessions were given to the recycling industry not only because of the impact on waste management in Barbados but because of the entrepreneurship which developed as a result of new people getting into the recycling industry and creating new industries in this regard.

The child allowance and the allowances for the houses were raised back in 1995 and the home allowance was restored after in some instances they were done away with and reduced by the previous Government. Unemployment benefits were restored rather than reduced by the DLP at a time when people were being laid off and most needed to have their unemployment benefits, they were moved from the rate that they were and the rate was reduced considerably.

The income tax deductions were given for employers buying shares in the business in which they were working, that was to encourage people, particularly people who look like you and me, Sir, and the workers in the business to take their savings and their money and try to buy shares so that they could become investors; so that they would have a stake in the development of the business and have greater revenue at the end of the year when their shares started to yield returns.

The Venture Capital Fund was established, a Small Business Development Unit was established in the Ministry of Trade, a whole set of new entrepreneurs were developed at Six Men's where a community base fishing village is now selling all kinds of foods and other treats. A new set of entrepreneurs were developed, these are not white entrepreneurs, these are small black businessmen, at Oistins which is now a vibrant, thriving area at night and in the day in a way that it was not before. There is now a new Vendors Mall that people who were standing up in the elements, morning and evening when they were selling their wares can now have access to bathroom facilities and sell from shelters with some degree of dignity.

I have dealt so far with 1995 and 1996, let me turn now to 1997. The micro-enterprise lending institution with an initial capital of \$7.5 million has now been established, not macro business, not big business. This has nothing to do with golf courses or marinas, this is people who want to start up a small business. You have an idea for a business, you and your brother, you and your sister, you and your friend or you just want to be an entrepreneur because you feel it is time you stop working for somebody else and earn your own dollar. 6.00 p.m.

This is the fund that will help you, the micro enterprise lending institution. There is an Enterprise Growth Fund, \$12 million, to help to grow small businesses, to teach you how to develop and maximise them and extend and expand the businesses. A privatisation programme has been announced in the 1997 budget and I am attracted and deeply impressed with the way in which this fund is to be developed. Shares first will go to the staff, to credit

unions, to trade unions, to private individuals, and some to mutual funds.

Now, this must be contrasted with the way in which the Democratic Labour Party, when they had the opportunity to privatise, gave away Hey woods for next kin to nothing. This must be contrasted with the way they gave out the cruise terminal on an extended lease to white corporate Barbados and it must be contrasted with what they did at BET when they had the opportunity to sell off the shares to black Barbadians *as a people who live here and have an interest in this country.

I have 5 more minutes, Mr. Speaker, and I am going to have to go very quickly. I want quickly, Mr. Speaker, to turn to civil servants. More postmen and post women have been brought on to the travel schedule. A productivity bonus of \$6 million has been given for the first time in history. The cheques are now going out to those getting the minimum wage.

We have moved 3 500 people from casual employees to public officers thereby entitling them instead of a pension of \$14 000 to one of \$29 000 and instead of a gratuity of \$8 000 to a gratuity of \$9 500. Eight hundred and nineteen temporary posts are to be established. We are amending the Constitution to ensure that civil servants¹ salaries are never easily cut again.

In March of 1996 we increased salaries 6% over 2 years. This cost the Government \$24 million. The travel allowances have been increased. Washing allowances have been increased. Uniforms, now instead of 3 you are getting 4. Nurses instead of \$35.00 for shoes are getting \$75.00. People at the SSA are getting a hazard allowance for the first time. A \$10 million productivity bonus. Pensions have now been put in position so if you were acting in a post you can now get pension on the salary whether you were appointed or there temporarily or whether you were working cumulatively or continuously in that post.

A lot more people have been put on the travel schedule. Thirty-five new posts were established in 1995 and 168 more are now to be established. Vehicle loans moved from \$20 000 to \$35 000 and repayment moved from 5 to 7 years.

Mr. Speaker, I will not have time to complete all we have done for the civil service but the point that I want to make today is that this budget has not only been about a basket of goods, it has been about an accumulation of benefits that we have been giving to the poor, the black, the disadvantaged, the civil servants who bore the brunt of the savagery of the Democratic Labour Party and got nothing back from them for it.

I will close, Mr. Speaker, I have 2 minutes left by my calculations, Sir, by making two points.

Mr. SPEAKER: Not by mine you do not.

Hon. Miss H. E. THOMPSON: First of all I started by saying, Mr. Speaker, that we are not the errand boys...

Mr. SPEAKER: Conclude, please.

Hon. Miss H. E. THOMPSON: It was this Prime Minister who made it clear that "Massa Day Done" and the Member for Christ Church West who said to the United States that they had to get out. It was he who told a certain person on television that he cannot insult Barbadians by saying that we have had no good government since independence. It was us who have said that white people in this country cannot privatise beaches and that BS&T cannot behave in the way that they have done recently.

Mr. Speaker, I am rushing and I will conclude by saying that what this budget does is to give myriad benefits to all classes of Barbadians by extending the social safety net for the poor and the underprivileged. It allows a process of economic enfranchisement and creates a robust business and a culture of robustness and economic development. More importantly, Mr. Speaker, what it does at the political level is to show that the Democratic Labour Party no longer has the moral authority to talk about the defence of the poor and the black in this country. I thank you, Mr. Speaker.

Mr. B. M. TAITT: Mr. Speaker, Sir, I believe that I, like the thousands of Barbadians who are watching this debate would have been in total shock after having heard the Honourable Member just now. I have an approach to this debate which I was going to tafke but I do not think I could do that without voicing my concern. I do not know if the Honourable Member is all right.

Mr. Speaker, here is a Minister, here is an Honourable Member who is presiding over one of the Ministries that spends the largest part of the national budget, the Ministry of Health. Here is a Minister who was able to, I almost said, rant and rave, Sir, but I know you would not let me say that, speak quickly from scripts provided by others for a half an hour and at no point was she able or felt constrained to ...

Hon. H. de. B. FORDE: On a point of order, Sir. The Honourable Member is, in my humble submission out of place to suggest that the Honourable Member for St. James North is speaking from somebody else's script. It is ungratuitous, Sir. It is really not proper.

Mr. B. M. TAITT: Mr. Speaker, the Honourable Member cannot tell me what I saw.

Mr. SPEAKER: Could you proceed, please?

Mr. B. M. TAITT: I am trying to, Sir. The Honourable Member should know better. The Honourable Member should have got up himself and spoken rather than try to put words in anybody's mouth. The Honourable Member for Christ Church West should get up and speak for himself and not attempt to suborn a Minister.

Hon. H. de. B. FORDE: On a point of order, Sir. If I have to interrupt every minute, Sir, I will do it. I did not put words in anybody's mouth and the Honourable Member must not make insinuations against other Member's motives.

Mr. SPEAKER: Could the Honourable Member proceed with the issue before the House, please?

Mr. B. M. TAITT: Mr. Speaker, it is a regular practice of the Barbados Labour Party to interrupt me when I speak but I say what I have to say anyhow.

Mr. Speaker, it would have been wonderful if the Minister of Health could have told the people of Barbados that as part of the poverty alleviation practice that she was going to see that they did not reduce, as they have done, the quality of food which the people in the geriatric hospital are getting.

Mr. Speaker, the Minister of Health ought to have explained why the Queen Elizabeth Hospital, in spite of the injection of large quantities of money in keeping with what they said would flow from the St. Joseph Hospital once it was closed - she should have been able to explain, how come with that large injection of capital and current expenditure in the Queen Elizabeth Hospital that the hospital is drifting along like a boat without a rudder and no captain; why the morale in the Queen Elizabeth Hospital is so low that ordinary people are now afraid to go there as they used to be when the Barbados Labour Party were in charge before. The Minister has a responsibility to the people of this country to account for what has happened in the degradation of the health services, almost from the day the Minister has taken them over. The Government of Barbados owes it to the people of Barbados not to come and talk about poverty alleviation, when the resources for the people of this country that are determined by the public services, in the health services especially, negate the statement of poverty alleviation because it is there the ordinary people go to get health care.

The Minister ought to have told us why is it that it is now some kind of luck and chance where people who are

suffering from a disease or a complaint that cannot be fixed in Barbados now have to go on some kind of merry go round to find out if they can get medical aid. The Minister should be able to give to the people of Barbados some assurances that the health care system in this country will not continue in the downward spiral that the doctors, not the politicians, that the doctors in this country, especially those at the Queen Elizabeth Hospital, are crying out about.

The Honourable Member for Christ Church West who has met with some doctors from time to time would be in a position or ought to have been in a position to advise the Minister that it is very important that when the opportunity presents itself she should make her election sure. She should make herself understood by the people of Barbados instead of getting up in here today and allowing herself to fall prey to what I choose to call political rhetoric signifying nothing but sound and fury. And even when she is doing that, Sir, the Honourable Member was not able to comply with the regular ordinary tenets of accuracy which I have been trying for nearly 3 years to induce into her public utterances. 6.15 p.m.

Mr. Speaker, she said in her closing moments, for example, that among the things the Barbados Labour Party has done is to move the travel loan from \$20 000 to \$35 000. The Honourable Member for St. John did not bother to get up. It is this Minister of Finance, the Honourable Member for St. John, who actually did that. You know, Sir, in the system of logic you only have to prove that someone has made two or three or even one error to dismiss a whole thesis*.

The second thing she said is that for the first time there is a hazard allowance for people at the SSA. She could ask anybody in her constituency, if it is not true that people in the SSA were getting a hazard allowance even perhaps before I was Minister of Health. It is simply not true and the Minister will be well served to allow herself to be advised about her Ministry so she can speak to the people of Barbados calmly and say what some of the problems are. I do not think that she has yet understood that Health is the most fundamentally important part of any poverty alleviation we can do in this country or indeed anywhere in the world. You cannot talk about poverty alleviation while your health standards are getting lower and lower and the people are becoming more and more marginalised in the context of the provision of their health.

In the United States, where there are 35 million people who do not have access to health care, health is where the United States Administration has started its poverty alleviation activity. Here we are in Barbados,

Sir, with a Minister who comes into this House and allows herself to get into an election mood. It is time that you drop this electioneering that you have been doing from the time you came into these Chambers, and start paying attention to your responsibility on behalf of the people of Barbados. It is what a Health Minister is supposed to do. Demonstrate, as I believe you can, that you have the capacity to care. Do not allow those denizens over there, some of whom do not care anything about anybody to continue to mislead you.

Asides.

Mr. B. M. TAITT: I do not understand why the Honourable Member for St. James South has allowed herself, in spite of the efforts of a number of people to see if they could put her on the right path, to continue behaving in this way.

Asides.

Mr. B. M. TAITT: Mr. Speaker, there are more things I could say about the Ministry of Health, but it is not my duty and responsibility constantly to be harping on the Ministry of Health. I would like the Minister, however, as part of an equitable relationship for poverty alleviation to stop one very unacceptable practice; if you are going to talk about employment, of allowing only people who come from a certain part of Barbados to get employment in the health services. It is simply not fair to the rest of the taxpayers in Barbados.

Asides.

Mr. B. M. TAITT: Mr. Speaker, the Honourable Member should at least try to spread some of the jobs in the Ministry. I know they are not going to put any in St. Michael West, but at least send some of them to St. Michael Central and St. Michael West Central because there are people I knew and grew up with. What is worse is that both the Ministry of Health and the Ministry of Education went down to St. Leonards School to refurbish that school... and I will try very hard, Sir, not to say a single word about the inability of children to go to school. I will not say a word about Edu-Tech and how the poor people of Barbados are being led down a garden path which even the Ministry does not understand.

Asides.

Mr. B. M. TAITT: I know you all understand. I know, Your Honour, if there is one thing I am certain about, is that Your Honour knows that the Ministry of Education's path is not the path that Your Honour would send any of the children of Barbados down. But, I would not drag you in, Sir.

Aside.

Mr. B. M. TAITT: They went down to St. Leonards School, Sir, refurbished the entire school and they did not allow a single person from Richmond Gap or the surrounding areas to get a single job with the refurbishing of the school. All the people who worked on the refurbishment were either sent by the Minister of Education or sent by the Minister of Health. That is not good enough.

Asides.

Hon. Miss M. A. MOTTLEY: On a point of order, Sir. The Honourable Member for St. Michael West, who has spent 30 years in public life should know better than to state a deliberate lie in this Chamber. There were no persons sent by me down to the St. Leonards site to work on anything to do with refurbishment.

Asides.

Mr. B. M. TAITT: They certainly went and told some serious lies on her, Sir. I noticed the Minister of Health did not get up and say she did not send anybody.

Asides.

Mr. B. M. TAITT: Mr. Speaker, Sir, let me turn to the Budget. You know, Sir, the late Sir James Tudor was the one who coined the phrase, "bribing the people with their own money."

The perfect example was demonstrated by the Minister of Finance here on Monday evening. Two hours and 40 minutes he took, Sir, to tell us that the economy is good again. He left out the international community this time. When the international community is going well, they do not wish to hear from anybody. When things are bad, the international community is in.

The recession of 1991 to 1993 is known to every country. It is still known by those who can read that there was an international recession between 1991 and 1993. But the Barbados Labour Party people managed to forget it when the Prime Minister was making his presentation and all the problems that we had in 1991/93 were laid at the feet of the Democratic Labour Party. It was mismanagement according to them. That is why we had to lay off people. That is why we had to have the days reduced. Yes, Sir, according to them, it was the fault of the Democratic Labour Party that we had all of those problems.

Now, Sir, the economy is buoyant. The economy is growing and now it is the Barbados Labour Party's Minister of Finance with his superior capacity that has caused.

this to happen. Now, anybody who reads the newspapers, who listens to the BBC, listens to CNN knows that the United States economy and indeed the world economy has been in an extraordinarily long period of buoyancy. Everybody knows that they have not had it like that ever in the history of the modern world economy.

In fact, one of the Governors of the U.S. Federal Reserve Board has said,

"The economy is still rolling on very strongly in a remarkable era. I see no clear reason why it should not go on further into the future."

And an economist from the John Hancock Financial Services in Boston has said,

"Economic historians may be able to explain this period some day, but right now we can only guess and enjoy the ride."

But, here in Barbados, we know the Barbados/US economic umbilical relationship, yet the Prime Minister of the day is claiming the credit for all of the buoyancy in our economy, even though the economic relationship between the US and Barbados is so clear. What I do not understand is why did the Prime Minister, or the Minister responsible for Tourism, or the junior in the Ministry of Tourism, not explain to us, the people of Barbados, why tourism is seeing such a difficult time, especially in relation to the United States market, at a time when everybody agrees that the US economy has never been so good and for so sustained a period. Why is it that when they talk about growth in tourism we are only hearing the word growth, but we are not hearing any specifics.

In fact, we had a growth rate of 1.1 percent over 1995. When you bear in mind the massive increase which we had out of Europe, you begin to realise, Sir, that we are in deep trouble. Tourism is in deep trouble in North America. Our Barbados tourism. If you go around the Caribbean and you examine the specific statistics of Caribbean tourism, you will find that Barbados, in relation to North America, is in a deep hole. The reason is simple, Sir. We are not doing any sensible promotion. We have brought in three people, one of whom dropped out and that is all we have done. We have had some good advertising slots, but we had not been advertising.

Let me give you an example, Sir. I think that some time this week, I believe it is Thursday, there is a Jewish holiday called Yom Kippur, but one of the major Jewish holidays occurs on Thursday. Barbados is having a major

promotion in Chicago. When do you think they are having it, Sir? Make a guess, Mr. Speaker.

Asides.

Mr. B. M. TAITT: Mr. Speaker, I know you do not guess these things, but let me tell you. You know who are the people that make up the travel trade in Chicago? Seventy-five percent are Jewish people. So, Barbados chooses Thursday, Yom Kippur, to go and have a massive promotion in Chicago.

Now Sir, it does not make sense. Those are basic things that a boy in Marketing 1.1 or a young woman in Marketing 1.1 would have known. 6.25 p.m.

My friend, the Honourable Member for St. Michael North - I do not usually praise him, Sir - but if he knew and had responsibility for the Ministry of Tourism he would not have allowed that kind of foolishness to go on. But the Minister of Tourism, who is also the Foreign Minister, said not a word about tourism either. It is as if they got together and decided: "Let us not speak about our portfolios." You know what she spoke about? The Honourable Member said that the tourism industry would be very glad to get the basket of goods because a lot of people come in here and utilise a lot of vegetables. That is the sum total of the contribution of a Minister of Tourism that is responsible for that part of our industrial and economic activity that is supposed to provide the engine for our economy.

The Honourable Member for St. Michael North today tried to show that the little bit they allowed him to do he is doing it well. He went to England. He led a delegation to meet with British Airways and as a result they have 9 000 more seats this year and 10 000 more in the winter.

The Honourable Member knows, as well as I do, that the most productive and the most profitable route of British Airways is the London/Barbados route. Of all the routes British Airways has, the London/Barbados route is the most profitable. But if the Honourable Member had a discussion with British Airways and as a result we are getting another set of flights, I would not take that away from him because it is more than the substantive Minister has done in all the time she has been responsible for tourism.

I think it is a travesty and the Prime Minister should be in here to hear this, it is a travesty that he continues to allow the Minister who now presides over Tourism to preside over it.

Aside.

Mr. B. M. TAITT: How you mean he cannot reshuffle? He is the Prime Minister. Sorry, Sir.

It is a travesty for that Minister not to be able to direct the Tourism Authority to fill one of the vacancies which they said, not we, Sir, were three positions pivotal to the development of tourism in this country. Are they saying that we can find no Barbadian who would have been able to go and negotiate for us? The Honourable Member for Christ Church South would have been able to go, if he had not been undermined by some of the CARICOM people, and negotiate for the whole Caribbean.

The Honourable Member for Christ Church West is a Barbadian. And he, I read in the newspapers, was going to solve some problem for some other country somewhere.

The Honourable Member for St. John goes around the world from time to time as a professional working for CARICOM giving them advice on trade matters.

I could give you, Sir, the names of 120 Barbadians who are functioning at the highest possible level. But they have the temerity to say that we cannot find a Barbadian who could head the Marketing Department of the Tourism Authority! Merely because somebody went to some school and has what that man said has this thing, pointing at his skin, only because of that they allow people whose educational qualifications are inferior to more than 50% of the Barbadian professionals functioning in Barbados today, and they allow that job to remain unfulfilled after having sent home a woman on gender grounds because they were prejudiced against her, but she had gone out to be trained.

You cannot come in here and tell me that you are concerned about enfranchisement, you are concerned about the upliftment of Barbadians, you are concerned about the upliftment of people and then you send someone out to train in a particular field and bring them back and declare the job vacant, and think you can take up the taxpayers' money and pay out that person and satisfy your own carnal desires. It is administrative malevolence of the highest order, Sir.

They do the same thing at the Queen Elizabeth Hospital now, Sir. They lopped off the top of the Queen Elizabeth Hospital and then advertised that they want a Chief Executive Officer. It is contemptuous of the Government, and the Prime Minister is the head of the Government and therefore it is contemptuous of the Prime Minister, to treat three Barbadians like that, one of whom I state categorically was only put off because on the day when the Chief Personnel Officer ...

Mr. SPEAKER: The Honourable Member, you are aware of the Rules of the House, Rule 28(3) relating to *sub judice* matters.

Mr. B. M. TAITT: Yes, Sir. I am very aware of it.

Mr. SPEAKER: You know, of course that you are not allowed to comment on it.

Mr. B. M. TAITT: No. I am not allowed to comment upon it in a particular way. I can make reference to it, Sir.

Mr. SPEAKER: You could make reference to it.

Mr. B. M. TAITT: And I am only doing that, Sir. The case has already been heard, Sir. It is only the judgment to be written.

Mr. SPEAKER: Proceed.

Mr. B. M. TAITT: Once they get the judgment written, Sir, we would know exactly what is happening. Sorry, Sir, I should say "when," but the case has been completed so the *sub judice* rule does not now apply.

Mr. SPEAKER: I decide that, not you.

Mr. B. M. TAITT: Very well, Sir. I was merely going to make the point though, Sir, that when the Chief Personnel Officer, assuming that one of the individuals would automatically act, a female voice was heard to utter loudly, "Oh no. He is a Dem." And that was the end of him, *pro temp*.

Mr. Speaker, I do not know why the Government believes that anybody will accept their propaganda. Whenever any Government, Barbados Labour Party or Democratic Labour Party, had touched food in the past, because they try to give the impression that we agreed to taxing food - the word "food" has never, for purposes of taxation, included fresh milk, condensed milk, evaporated milk, fresh fruit, fresh fish, chicken, fresh meat, carrots, lettuce, breadfruit, ground provision, cane sugar. For no Government before this one had the word "food" ever included in that list - and now for you to come and put a 15% tax on the people of my constituency!

Mr. Speaker, I am not going to read from these newspaper clippings. This one says, "Pledge on VAT Free Food." This was in January 1997 when I said that I would never - I was surprised that Honourable Members over there allowed it but I would never. I said that the Democratic Labour Party would remove the VAT from food as soon as it got the opportunity.

Then in April in a headline "Taitt - September too long" I said - I am not going to read from it, Sir - that to wait until September was too long. I said then to my constituents and continue to say it that there is something almost criminal about having a 15% tax on the elderly in the constituency some of whom have to eke out a living on an inadequate pension.

I said what was worse was that the telephone which is no longer a luxury for old women who live alone especially now had a 15% increase. Electricity had gone up and some of them had to cut off their electricity. Some of them had to cut off their telephone in my constituency and I am sure in yours, Sir.

I said that the Prime Minister knew then because in this book here, Sir - my time will not allow me to read - but in this book, this is the report of John Bristo and Bryan Works - Barbados Reform of Indirect Taxation. This is an International Monetary Fund document. If the Prime Minister and Minister of Finance suggests even mildly that he was not in a position to discover what the Honourable Member for St. Lucy made public, the Prime Minister is either incompetent or wicked. I do not believe he is... Well, Sir, I had better not say.

Mr. SPEAKER: You will withdraw those words, of course.

Mr. B. M. TAITT: No, Sir. I said "if." I am saying if he said that. I do not believe he would have said it because he would have had access to this document and this document points out how it would have been possible to predict the amount of money he would have been able to bring in here. 6.35 p.m.

Mr. Speaker, there is a woman who worked in this country for 25 years in a small business. She supplies bread to a number of the supermarkets in Barbados and for those 25 years she never had an overdraft facility. As soon as VAT was imposed, she had to get an overdraft facility and Mr. Speaker, as a result of that, she ran into further difficulty and then she had to cut off her telephone.

The Members of the Barbados Labour Party know who she is and if they search diligently, they will be able to find that I am speaking the truth. That poor woman's business has gone to the ground. For her, September is too late and she is only one of many for whom the bell has already tolled. September is too late.

Mr. Speaker, all I would say, Sir, is that as my time runs out, the operative paragraph of the Resolution moved

by the Honourable Member for St. Peter invites me and I quote:

"Congratulates the Government highly for its skillful and effective management of our economic affairs".

Sir, the prime reason for my being here in the Honourable Chamber is to defend the people of St. Michael West and by extension the people of Barbados, the vast majority of whom can still be classified as poor. In April I invited the Prime Minister to remove the yoke of VAT from the necks of the people. He knew then, as you and I knew then, that the VAT on food was brutalising our people. Does he now wish me to congratulate Him for that brutality? For obviously different reasons from those of the Honourable Member for St. Michael South Central, I would have to be a certifiable candidate for the. Psychiatric Hospital to do any such thing. My residence at Black Rock is slightly farther north. For that woman who was born and grew up in Fairfield where I was born and grew up and who try to run her business but that VAT killed it off; for a number of people in my constituency; for the number of people in your constituency who have had to suffer for nine months while the Prime Minister ruminated, for all those people I would have to say that I cannot congratulate the Government, therefore I shall vote a resounding "No".

Mr. L. R. TOLL: Mr. Speaker, Sir, the Honourable Member for St. Michael West concluded his contribution by an assault on the Resolution moved by the Honourable Minister of Finance which congratulated the Government highly for its skillful and effective management of our economic affairs.

It is entirely appropriate therefore, Sir, that I should begin by referring to the Resolution moved by the Leader of the Opposition. Just as the Honourable Member for St. Michael West said that he had some difficulty in congratulating the Government for proper management, I am absolutely aghast that the Leader of the Opposition could move a Resolution asking this Honourable House to reject the 1997 Financial Statement and Budgetary Proposals.

Mr. Speaker, Sir, I understand that this means that we should reject the security that has been given to casual workers, that we should reject the temporary post established in the public service and the security granted to hundreds, if not thousands of people at a low level of employment in the public service. The Leader of the Opposition has asked us to reject assistance to small businesses, he has asked us to reject the broadening of shareholding in Barbados. In addition to that, Sir, he has asked us to reject relief granted to consumers in

from the imposition of VAT. There has been no Budget in recent times that has been awaited with so much expectation as this current Budget. This Budget was preceded by the widest public discussion on the pre-imminent issue confronting Barbadians at the time as this one, everybody talked about it, it was discussed on the radio programmes, in the newspapers, by the street corners, in the household, on the shop steps, everywhere, Sir. The pre-imminent of VAT relief was discussed by Barbadians.

In all the years that I have been a Member of this Chamber, I can think of no other occasion where any issue was debated with the intensity and the concern as the issue of VAT relief. When the Minister of Finance comes this year and grants tax relief the Leader of the Opposition, the Honourable Member for St. John says that this House should vote against it. It is nothing but pure contempt for the people of this country.

We have a situation, Sir, where at the end of the debate, the debate that preceded the budgetary proposals and with the granting of the relief by the Minister of Finance on Monday, it could be heard all across Barbados a universal sigh of relief, everybody felt a great measure of relief as a result of those measures. I scanned the newspapers yesterday and the day before to see if I could find a single instance where a group, a professional body or a private individual has expressed dissatisfaction with the Budget of this year and the only voices that I have heard against the provisions of the Budget were those of the Honourable Member for St. John, the Leader of the Opposition and his acolytes.

The Honourable Member for St. Michael West who loves to get into these debates when I am speaking, Sir, made a very weak and pallid attempt to blunt the power and the advocacy of the contribution made by the Honourable Member for St. James South. I thought, Sir, after I heard the Honourable Member for St. James South put such a potent argument and such a potent case for this side that it was really not necessary for us to continue the debate. The debate was put in its proper perspective and I would have thought that the Honourable Member for St. Michael West would have been reluctant to come in at the tail end of such a brilliant contribution. He is a glutton for punishment.

I want, Mr. Speaker, Sir, to deal very quickly with one or two other aspects of the contributions of Honourable Members from the Other Side before I go to the substance of some matters I would like to raise.

The Honourable Member for St. Philip South, a man who I like to listen to because I believe in the elegance of

language and therefore it is always a joy to hear him speak, using fine language and nice quotation but what surprises me, Sir, is that someone of his learning, could at the end of all the philosophical meanderings could not connect with any of the practical aspects which we were debating. He uses the word all the time, that he could not get into something, and that something was not in contact with this. He was saying that the budget did not connect with the hot immediacy that he is in contact with day by day. A fine phrase, Sir, the hot immediacy of what he is confronted with day by day. He went on in a contribution that was riddled with dialectical flaws and I cannot really deal with them at this time because we have more important things to do but I will engage him in debate on that at a later stage. But he goes on and he makes the most remarkably frightening statement because he recites about a dozen roads in St. Philip South and says this is the state of the roads. Look at this, this is what we have to put up with. St. Philip South was represented by the Democratic Labour Party for the last 40 years. Not a single time in those 40 years was a Barbados Labour Party person the representative of St. Philip South. And the Honourable Member is so shameless in the way in which he makes a contribution in that particular area and he comes on in one of the grievous statements so common to him. I do not think he believes it but it is convenient to him when he is speaking from that side to make these statements, that at the demise of the conservative party all the conservatives ended up in the Barbados Labour Party. 6.45 p.m.

Mr. B. M. TAITT: The Honourable Member is imputing improper motives to the Honourable Member who is not now in his seat. He says the Honourable Member uses language but he does not think he believes it but it is convenient when he is speaking. That would be imputing improper motives in my opinion.

Mr. L. R. TULL: Mr. Speaker, Sir, the Honourable Member, I remember the last general elections the Honourable Member for St. Philip South addressed the Democratic Labour Party mass meeting in Independence Square and he told his audience that what had happened during the period immediately prior to those general elections, the hardships of the early 1990s, were the Good Friday experience. In short, Mr. Speaker, the Honourable Member for St. Philip South admitted on behalf of the Democratic Labour Party that they crucified the people of Barbados. That is what he said, Sir. Well if they crucified the people of Barbados in the early 1990s with this budget we have Easter morning.

There is no doubt at all, Sir, that when the Honourable Member for St. Philip South talks about the economics of transformation that he hears regularly

discussed within the portals of the Democratic Labour Party that he really could not have been talking about meetings when the Leader of the Opposition was present, nor indeed not even when my friend the Honourable Member for St. Lucy was present because neither of them, I do not mind the others in between, has ever articulated in this House or beyond any economics of transmission. They are the ones who are grounded in a time warp and who go over and over again all the old statements, the oldshibboleths, that have worked hardship on this country for so long. 6.50 p.m.

We get back to the substance we have in this Budget, Sir. The same discussion that I have heard coming from some of the Members of the Other Side in relation to what are the people getting for the excess amount of money that was taken from them in the VAT levy. We are not running from that. If the figure is over \$100 million in excess that was taken, that is the figure that we will deal with.

Other Members before me made it plain, the Minister of Finance, he said it himself that he needs a period to review, it was a new system, it was an abolition of an old set of old confused and confusing levies that were very difficult to rationalise. Those were changed and replaced with VAT and the Minister of Finance, in a remarkable expression of, "I do not know it all," said, "let us see how this thing works and after it works for a while, we will review and we will make such changes as the circumstances require."

The VAT came into place, taxes were collected, it was reviewed, everybody looked at it and the period for review has arisen. The Members of the Opposition are inquiring, "what are the people getting back out of this money that was taken?" This was old talk that I heard on the steps at Love Rock corner at Ellerton around 2.00 p.m. last Saturday afternoon, Sir. I was talking to about 20 or 30 men. Some young, some not so young and we were discussing the very issue. What are we getting back?

I was able to start at Ellerton Corner and pointed the road toward Todds Tenantry that has had a road for the first time in over a hundred years. I was able to tell them, let us see what you are getting back. Take a trip over to Jordan Tenantry from Todds and they have had a road for the first time in living memory. So much so that on Sunday afternoons between 4.00 p.m. and 7.00 p.m. hundreds of young people from all over Barbados congregate in that tenantry to show off and be witnesses to the skate boarding skills, because the road is done and has a lot of turns. So, the people up in there will be

able to tell you what they are getting back. They will also be able to tell you what they are getting back in Monroe Village down in the back of Dash Valley, Sir.

Asides.

Mr. L. R. TULL: They also, Mr. Speaker, Sir, will tell you that Woodland Tenantry has never had a road, Sir, the people up there have not come into the Kingdom and the people of Buttals, which is within sight of the same corner where we had the discussion at Ellerton on Saturday afternoon, they are now about to get theirs, because the contract has been awarded.

This is true also of Windsor Tenantry. This was the worst tenantry road in the whole of Barbados, Sir. It is only fair that I should say these things because when these things were not happening, unlike some people who are reluctant to talk about it, I got in here during a Budget debate and spoke on television, into the homes of the people of my constituency and said,

"Listen, I am letting everybody know that I have all these roads and nothing has been done about them and I am calling on the Government to do something about them."

If I can tell the Government these are what I want in my constituency, now that they have started to do them, it is only fair that I should come back and tell the Government that I am grateful for what they have done. So, when you ask what are they getting back? They are getting back the biggest amount of road work building in the rural Barbados in the history of Barbados, all across Barbados.

Asides.

Mr. L. R. TULL: All across Barbados road works are taking place. It is taking place in districts and particularly in agricultural tenancies, where these people have never had roads. That is what they are getting back, Sir.

I know, Mr. Speaker, that you would like me to leave St. George and come down.

Mr. SPEAKER: You will have to say where, Sir.

Asides.

Mr. L. R. TULL: Now, Sir, it is important that we mention these things because when one listens to what the Honourable Members on the Other Side say, you wonder if they are talking about the same island. Where, for instance, Sir, in this new fervour like they now get win-over to a cause, because I have not been hearing it in the last few years, but suddenly they have been saying that we should pay back the 8 percent that they took from the civil servants.

Everybody is trying to find an analogy. Well, that is like a pick pocket, who takes money out of a man's hand, and not like the Honourable Member for St. Michael East who says, a man going out and hand back a chair. You take the money out of a man's pocket, run off and got the colossal gall to say that your neighbour should give you back what you carried away.

Asides.

Mr. L. R. TULL: This is what we are talking about. But, Sir, let me go very quickly before time gets against me, to this question of poverty.

You see, Sir, the good society requires that any decent and well-meaning person in this community should look after the poor. The politics of poverty is a recent thing in this country. There used to be in the old days, but for nearly three decades, the politics of poverty has been on the back burner, Sir. I never used to hear anybody talk about poverty in here. I spent a long time, and since then everybody is giving testimony at their cottage meetings, I might as well say it, Sir, having rooted my politics right in that area, the politics of poverty, and dedicated my whole public career to working in that field, I am really gratified that now all sectors of the community in Barbados have got on to this particular band wagon.

I remember, Sir, in the last Budget I said specifically that poverty alleviation must be the top priority in this country. I hear the Democratic Labour Party's people still saying that after a by-election in November or December last year that they hear about poverty alleviation for the first time. That is a joke, Sir.

Asides.

Mr. L. R. TULL: We have had for a long time, Sir, in this country a situation where there has been a lot of emphasis on economic policy and economic development, and rightly so. I have no quarrel with that. But, I have

repeatedly on the Floor of this House, sitting both in Government in earlier days and in Opposition in later days, been making the point that there cannot be any proper economic development that does not have man at its centre.

A man must be at the centre of development and that the economic development of this country would come to naught, unless they operated in tandem with a social policy that brought people along with it, Sir. I am saying, Sir, thanks to this Government, the first serious assault in recent years on the areas of social weakness in this community. 7.00 p.m.

God knows, Mr. Speaker, that the social fabric in this country has been severely strained because of the neglect of important areas and principally in the early years of this decade. We know that has been happening and any attempt by a Government to come to grips with that important area must be applauded.

Now, I want to say some things very quickly, Sir, about the way we should handle this poverty alleviation. I have not got as far as poverty eradication yet. The members of the National Democratic Party will talk about that because I know I can predict that rain will fall and if it does not fall for a year, and then one morning it begins to fall I can say: "You see what a great predictor I am?" You can say almost anything and at some time in the future it will happen but I am not getting to the question of poverty eradication now. I am dealing with the question of poverty alleviation.

I want to suggest to the Government that the best way for the delivery of programmes for poverty alleviation is through community-based organisations. There has to be a partnership between the Government and the communities, a partnership that involves, as I say, community-based organisations and non-governmental organisations. There is merit in that system, Sir, because it provides a transparency. It allows the beneficiaries to be involved at a primary level. The administrative cost of operating a programme such as that would be lower and in a very real sense it mitigates the absence of local government. It is important that any proper poverty alleviation programme take into consideration those concerns.

When it is so operated, Sir, it also allows a very clear targeting of the groups, the pockets of poverty, the individuals that really should be targeted. It is not a diffused system centrally managed, controlled by bureaucrats, unacquainted and not knowing what is

transpiring in particular communities. It needs to be properly and well coordinated. It cannot admit of politics.

I am deeply concerned, Sir, as I move around this country and in my constituency to see the residual pockets of poverty remaining in Barbados and this is a relatively affluent country. No political party can go wrong if it holds at the core of its policies the concerns of those people who obviously have slipped through the net. The good society demands an overpowering concern for the lot of these people. This is nothing new when I speak it because I have said these things over and over *ad nauseam* in respect of formulating projects to assist people to move out of poverty.

While I am saying that, Sir, I must take issue very quickly, Sir, because my time is running out, with a statement made by the Honourable Member for St. John who, as facetious as ever, because you can hardly take much of what he says seriously, he says that the Government was moving this society away from work to welfare. Could that be a Government that cuts unemployment in this country by half in three years, and provides thousands of jobs for Barbadians and comes up every year with new and creative programmes for the creation of more jobs? The Honourable Member says that we are moving this country from work to welfare just because it is a good phrase. It sounds good. That is what he is saying, Sir. That was only parenthetically. I move on.

The Barbados Labour Party in its effort to deal with this question of poverty must also look at the question of the preparation of projects. It is unfair, it is unreasonable to expect people in communities to have the creativity to come up with good and sustainable projects for poverty alleviation. That is an art. That is a specialty. Therefore, the Government has to move towards providing assistance from whatever source to put people in these communities to assist them to develop projects.

I applaud what is happening to the Pinelands Creative Workshop. They have been a stellar group in community activity in Barbados for a long time and I applaud them. But we must not assume that the skills that have been acquired by the Pinelands Creative Workshop are available in every community where there is poverty in Barbados.

People who live in a state of poverty are not the ones who are going to come up with a lot of creative ideas about how you deal with it. They are fighting for their daily existence. That is their only preoccupation. Therefore, Government has a responsibility in this programme to put people into the communities, not necessarily Government officers, in fact, perhaps, not

Government officers, but other persons who can assist people in putting together ...

Aside.

Mr. L. R. TULL: The question of poverty in Barbados is unlike that in many countries in this hemisphere, indeed, many in the world because human development indicators in Barbados are high compared to almost any other country in the developing world. I am talking about education, health, sanitation, housing and the general quality of life. Our indicators are high. Therefore, we do not have the back-breaking problems of solving this question of poverty as many other countries.

I want to say very quickly, Sir, under prompting by the Honourable Member for St. Lucy that I said last year in relation to the private public service vehicles that I really believe they can be given some ease. I am always reluctant for probably 20 years to speak about private service vehicles because there is a view abroad that I have some connection with them, that I may have connection with somebody who has them. I do not have any but people can believe or not believe.

I think they carry out a critical role in the economy of Barbados and I believe that since they are principally owned by young entrepreneurs of modest backgrounds that the Government should give them far more encouragement than has been given up-to-date. I would hope that the Government will not, like some members of the public think that I am doing special pleading. I am not giving any special pleading for any individual but really when objectively we look at this, I believe that it is the right of these people to get some ease from the hardship they are undergoing.

Finally, Sir, I want to state that one of the most remarkable acts of democracy we have witnessed in recent times is the relief of VAT in this Budget. This is democracy speaking. For people who say that the people cry out for it and therefore the Minister of Finance did it, makes it sound like a censor. It cannot be a censor. It cannot be a censor to say that a Government listens to the legitimate concerns of the vast masses of people across this country; who experience a sensitivity to people's needs and say we are prepared to listen to you and then do things in their interest and that is ridiculed by the unthinking. I consider that one of the most outstanding acts of democracy at work that I have seen in recent times. For that, Mr. Speaker, Sir, I am profoundly grateful, the constituents of mine of St. George South are happy to be relieved of the burdensome levy and therefore, Sir, I am happy to support the resolution as moved by the Minister of Finance on Monday. 7.10 p.m.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I am to indicate to the House that the Honourable Member for Christ Church West has given up his speaking time in the interest of the closure of this debate at a reasonable hour having regard to the fact that the Honourable Member for Christ Church East was slotted for 9.30 a.m. this morning but turned up this afternoon and we had to accommodate his right to speak.

Asides.

Hon. D. A. C. SIMMONS: Yes, we had to slot him in.

Mr. J. O. TUDOR: On a point of order. Mr. Speaker, Sir, I do not think the Honourable Member meant that he slotted the Honourable Member for Christ Church East at 9.30 a.m. because Parliament did not meet until 10.00 a.m. and I do not think they would have allowed him to speak before Parliament started. You could not do that to him, let him come and speak without the House convening.

Hon. D. A. C. SIMMONS: Mr. Speaker, the facetiousness is getting worse. The Opposition have a copy of this revised order of speakers for the budget debate prepared yesterday which shows that at 9.30 a.m. on Wednesday, the Honourable Member for Christ Church East was due to speak. The Honourable Member did not turn up yesterday, there was no indication as to whether he would have been in his place this morning and in all the circumstances, it was decided, assuming that he may not have turned up to start the House at 10.00 a.m. and leave that spot 9.30-10.00 a.m. empty. If he came later on in the day, his right to speak would be accommodated. It has not got to be presumed that every member is coming when there are channels of communication through the Clerk which were not used. Nobody knew whether the Honourable Member was going to speak or not.

Mr. SPEAKER: Could we move on, please?

Hon. D. A. C. SIMMONS: I have to explain why the Honourable Member for Christ Church West has declined to speak tonight, Sir. In the circumstances, still in the interest of ending this debate at a reasonable hour, we are going to move that this Honourable House be now suspended until 7.50 p.m.

Hon. R. N. GREENIDGE: I beg to second that.

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

RESUMPTION

Mr. SPEAKER: This Honourable House is now resumed. The Honourable Member for St. Michael North East.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I rise in this debate very conscious of what has been said over the course of the last three days. Over that period of time I have had cause to reflect on many things that have been said in this debate and indeed on my own position as a young person in this country, particularly within the last 24 hours. One of the things that strikes me is that as a young person like many other young people in this country, I have to take faith and courage in believing that we can help build a better Barbados and a stronger Barbados and one that will not be riddled with the iniquities and the injustice that our parents and grandparents were forced to suffer largely because of historical circumstances of imperialism and also, Sir, of iniquities.

Also, Sir, of iniquities in terms of the disparities of wealth and access to basic services but conscious that the effort to get where we want to get in terms of the quality of life which we would wish to have is not one that comes overnight but one that comes after substantial commitment and indeed, Sir, a belief that we can because we know that we can.

I therefore, Sir, take encouragement from the words of a young Barbadian poet, Mr. Ali Sandiford, who in a poem called "The Light Within a Nation's Heart", stated:

"I dream dreams that trampled nightmares of poverty, homelessness, littered streets, pollution, abuse and violence. I dream today of a brighter tomorrow when life will be made clear for us. A light burns within me, flickering light, love, laughter and unity. A light glows within me radiating respect, hope, faith and the belief in our ability."

Sir, it is that belief in our ability that I believe must be the hallmark of those of us who participate in this Government in every effort to ensure that the 30 years which shall follow us from here on shall not be riddled as the 30 years which preceded us with examples, Sir, of starvation and recession as we had in 1973 to 1974 and in 1981 to 1982 and in 1991 to 1994. Three periods that not only shook the core of this country to its foundation but more importantly, shook the ability and the dreams of people of this country and prevented many of them from reaching where they otherwise believed they might have been able to reach.

I therefore, Sir, speak in this Budget debate not only cognisant of the words of the Rt. Hon. Prime Minister as he spoke them on Monday but ever cognisant that the process of looking at where we are today cannot start on Monday, September 29, 1997, but must reflect the clear understanding and an analysis of where we were when we first came to this country and the path that we in the Barbados Labour Party stated that we wanted to outline to the people of this country and our Manifesto charted to change.

The national objectives, Sir, were clearly set out on page 5 of that document, a document with which we still remain bound not like those on the Other Side particularly the Honourable Leader of the Opposition who claim that this is not a document to which we should remain bound as a Government.

Sir, when I look at the national objective stated in that document, the Barbados Labour Party committed itself to creating a dynamic, prosperous and stable democracy capable of sustaining a high quality of life for all of its people. It went on to articulate a number of points clearly to which this Government will subscribe in the implementation of its policies. The restoration of the economy to a position of buoyancy and sustainable growth. The creation of sustainable job opportunities. The unleashing of the creativity and energies of our young people, particularly in sport and culture. The maintenance of the stability of the Barbados dollar, full economic enfranchisement for every Barbadian; the protection of the entitlement of all workers; particularly public service workers; the establishment of Barbados as a leading offshore services centre; the establishment of a knowledge base culture; the position of Barbados as a prima quality destination; the management of our national resources for the benefit of our people; the restoration of us as a society governed by laws which are appropriate to our traditions,, our cultures and times and Sir, the creation of a just and humane society, a compassionate society in which we respect our women and take care of our elderly. 8.00 p.m.

I, Sir, use this therefore as the point which I would wish to address matters in this budget because those things in this budget strictly seek to ensure that those objectives outlined by this Parliament, Sir, are capable of being achieved. I do so also, Sir, cognizant of the two preceding budgets of the Right Honourable Prime Minister, also set out to lay those foundations.

Indeed, Mr. Speaker, when we take the first one, the restoration of the economy to a position of buoyancy and sustainable growth, many speakers in this Honourable Chamber have already pointed to the fact that in the last 3

years this economy has grown by some 12%. Sir, one of the first tasks that this Government set about when the Right Honourable Prime Minister delivered his budget in 1995 was the continued stabilisation of the economy. But more importantly, Sir, was the provision of incentives in order to fuel the productive sectors of this country, because we understood that in order for us to attain sustainable development those sectors had to start earning and we could not finance development of our people through borrowing as was the case in the previous administration.

The Right Honourable Member, Sir, continued and believed that there were certain other physical considerations that would affect the capacity of this country to achieve its full potential and therefore recognising water as one of the scarce commodities, Sir, which we as a country would have to face, sought to put in place a number of incentives to restrain unreasonable and excessive use of water by persons in this country. But it did not stop there.

In 1996, Sir, there was a recognition that in addition to the productive sectors that existed being capable of improving their performance there had to be the capacity to generate more savings in this country so that there would be greater investment so that there would be a wider level of production, Sir, even within those same productive sectors, to ensure that sustainability. Therefore, Sir, a large number of measures were introduced to foster and encourage the level of savings so as to increase the levels of investment that would come hereinafter.

I recognise as well, Sir, that investment needed the capacity to have people participate in an economy whose very nature was changing in terms of the types of productive sector that were now performing for us, we therefore sought a large number of incentives as well as the provision of additional finance to encourage the further training of our people and I have spoken in this Honourable Chamber, Sir, about the expansion of the polytechnic from 1 400 to 2 500 people under this Government.

I have spoken, Sir, in this Chamber about the fact that the Hospitality Institute now the Hotel Pommarine has now gone from 200 to 650 persons full time and we are now exploring the possibility of establishing satellite training centres, one in the North and one in the South to meet the increased expansion of employment that has taken place in the tourism sector between 1991 when it employed 9 000 people and 1996 when it is employing some 12 300 people.

I have spoken, Sir, about our increased investment in the Youth Entrepreneurship Scheme because we

recognise that it is not simply a situation where we must create jobs for people but that people must have the opportunity and the capacity to create jobs for themselves. We therefore, Sir, ensured that we were capable of establishing a programme not only to give young people access to credit for the very first time through our cooperation with youth business trusts but also, Sir, to provide technical assistance whether in accounting, marketing or other aspects of businesses and indeed, Sir, training and to membership tvith persons who were already established within the business community of this country.

We, Sir, in the 1996 budget saw the implementation of policies to generate savings and to encourage development of our human resources for the further development of the economy of this society. In 1997, Sir, with the background of 1996 having been described by the Economic Report, Sir, at page 2 "In summary 1996 was characterised by strong export led economic growth, declining unemployment, moderate price increases, a buoyant balance of payments and a stable fiscal position." With those words, Sir, and 1996 having registered a "robust performance" and ending as it says on page 1 of the same economic report, "signalling the economic recovery from the recession of the early 1990s" we saw then for us as a Government that there had to be an issue which we had to consult relative to the access to wealth in this country by persons across-the-board. Therefore, Sir, the budget this year clearly recognises that there has to be the implementation of policies to allow persons from all backgrounds to be able to participate in this country's creation of wealth.

We, Sir, have continued in the thrust which was started last year with the small business development class, by the provision this year of a micro enterprise fund which will have a capitalisation of some \$7.5 million, it is not fully capitalised by the Government because the study which we have done, Sir, has clearly shown that it must have strong private sector input to maintain, Sir, its credibility and its validity to that sector. The Government therefore will put incentives to encourage the private sector to invest in the micro enterprise lending institution but we have done it because we recognise that the small business sector was not simply interested in venture capital funds to foster access to equity but they would still be prepared for growth by loans for small businessmen in this country.

Equally, Sir, we are determined that there should be an enterprise growth fund that should be available for businesses within the range perhaps of \$50 000 to \$500 000 being able to ensure they can have access to capital and that, Sir, has also attracted the provision of incentives for the private sector to be able to contribute since it is expected that that capitalisation should be at \$12 million. We, Sir, have to signal that we believe that

there should be a special code of taxation for small business people and that furthermore there should also, Sir, be the provision of legislation to govern the conduct of small businesses in this country. We do this, Sir, because we recognise that there are a large number of Barbadians who choose by dint of their ideas and their effort and their hard work to work for themselves rather than to go and work for someone else. Equally, Sir, in so doing they have the faith to invest their time and money into this country rather than those who would only come when things are going well for us.

I want to say, Sir, that this Government in its practices has supported the provision of contracts for small businessmen without having to beat our chests, as the Honourable Leader of the Opposition seeks to do, so as to persuade someone that he for the first time in his life supports small business which he certainly never did when he was Minister of Finance. Whether it is in the Ministry of Education through the rehabilitation of primary schools, whether it is in the Attorney GeneraPs Ministry in the rehabilitation of police stations, whether it is in the Ministry of Health, we have continued to support, particularly in the construction sector, the provision of services like small businessmen in this country.

In the School Meals Service, Sir, we continue to support the provision of produce by small businessmen in this country and I, Sir, started the practice of releasing the tenders awarded by the school meals in 1995 and 1996 and, Sir, will do it once again this year because the public of Barbados must understand this Government's commitment, Sir, to spreading what is available to all who can participate. 8.10p.m.

Now, Sir, in addition to that in this Budget, we recognise also that there was a category of persons as we had indicated who, perhaps more than any others, needed relief and at the end of the day a Budget had to focus on them in a substantial way. It is not only with the removal of the VAT by zero-rating a large basket of items on food or educational literature or inclusion of software for the first time, Sir, and recognising that the technology which is taking place is entering the schools and therefore it is not sufficient to remove it from the print media.

But we recognise, Sir, that in addition to the removal of that VAT that we had to vouchsafe with those persons who were basically minimum wage earners, earning \$170 per week or less, and therefore the provision for some 11 000 people, a cheque of \$350 so as to offset money to spend for the VAT. But it did not stop there. We further recognised that there was still need to adjust the income

tax level at which persons started to pay income tax in this country and by simply moving that from \$13 000 to \$15 000, some 14 000 persons in this country will be exempt from paying income tax. Many of whom would still not have to pay the VAT on food, will not have to pay the VAT on text books at the primary school level or work books at the primary school level or other books at the tertiary level, or software.

On top of all of that, recognising still that there was a category of workers in Barbados, called casual employees, who continued at the bottom of the public service in this country, employed, yes, Sir, but no security whatsoever, it is a significant thing that you can now say to some 3 500 people, many of whom live in my constituency, many of whom work in my Ministry, because in the schools you perhaps have a larger number of casual employees than any Ministry except maybe the Ministry of Health and the Public Works which are the only other two which have many casual employees as does the Ministry of Education. They now, Sir, are secure in the knowledge that when they retire, they have the capacity to be better able to provide for themselves with a gratuity and pension, Sir, virtually having been doubled just simply by the capacity to abolish the concept of casual employees within the public service of this country, Sir. All of the talk of the Democratic Labour Party and rhetoric! What have they ever done for the casual employees other than to send home many of them between 1991 and 1994?

Therefore, when I look back at the national objectives set out in the Manifesto of the Barbados Labour Party, the protection of the entitlement of all workers, notably public service workers, by the abolition of the concept of casual employees and by the decision to establish some 819 posts within the public service, following on the heels of the amendment to the Constitution to protect them from having their salaries cut again, following on the receipt of the first ever productivity paid bonus, I know within my heart that this Government has kept faith with the workers of this country, Sir.

Sir, the evidence is irrefutable and incontrovertible and all the talk that issued forth from the mouths of those who were in Government between 1991 and 1994 about the virtues of jobless growth and the need to provide busfare and lunch money for young people in order for them to get into the work force, Sir, all of that has been overtaken by a statistic which warms my heart tonight, Sir. Not only the one that shows 900 people for the first time ever being recorded, such a small number, as voluntarily idle, but if you look at the Central Bank's statistics, Sir, you will see that we are now employing more women in Barbados than we have ever employed. The level of female unemployment is at its lowest. This is in a society where there are a larger

number of women choosing to work than ever before. Yet, female unemployment is at its lowest.

Sir, let us deal with total employment, because the Honourable Member for St. John last night would have us believe that this Government has not created 10 000 jobs since we have been in Government. I want to suggest to you that if you look at the statistics that are available, you will clearly see that the last recorded statistics at the end of June 1997 show that some 115 600 people were employed in Barbados. If you compare that to the end of June 1994 you would see then that some 104 800 were employed then and that some 10 800 more now are being recorded as employed than at the end of June 1994. I want to go further, Sir. At the end of the day these are numbers. These are nothing but numbers. Your experience, Mr. Speaker, in Hill Road and Park Road, my experience in Bush Hall Yard Gap, my experience in Jackson, my experience in Grazettes, my experience in the area behind Bim Terrace and my experience at Hothersal Turning, show me that they are more people, young, old and middle-aged employed now, Sir, than there had been in the last few years.

Asides.

Hon. Miss M. A. MOTTLEY: There is absolutely no doubt about it and the Honourable Member for the Opposition gave away himself when he said that more people were coming to him about house spots than anything else. That is because, Sir, there are more people getting access to jobs. That does not mean we are happy with the fact that there are still unemployed people in this country. We have a commitment that we will not resile from, no matter what. And no matter how much the Democratic Labour Party seeks to jeer because all they are doing is seeking to create political points.

But, Sir, we have a commitment to the people of this country. And if there is one thing that the Right Honourable Prime Minister showed in this Budget this year is that this Party which will be 60 years old next year, has remained faithful to the majority of people, Sir, coming from the working classes of this country who support it, and having a perspective on life that recognises that they and their children must have opportunities to move on in life and that the want to be competitive is not a sin. Furthermore, Sir, that they must not only be able to participate in the ownership of land or plantation tenancies at 10 cents per square foot, thanks to a previous Barbados Labour Party Government, but in St. Michael and Christ Church too, they must be able to buy the land at \$2.50 per square foot and receive a similar subsidy.

Asides.

Hon. Miss M. A. MOTTLEY: I know you like that, the Honourable Member for St. Michael North West,

but your Party will never introduce that, has never done and will never.

Asides.

Hon. Miss M. A. MOTTLEY: I am glad it is your policy. The point is, Sir, that the introduction of that subsidy which this Government is committed to recognises, however, the differences in the pattern of ownership in St. Michael, where a large number of small black persons became involved in ownership at the turn of the century, that those persons who have the two and three house spots must also not be disadvantaged. They must receive the fair market price. Government therefore is paying the difference between the \$2.50 and what then is the fair market price. And I am proud, Sir, to belong to a Party, Sir, that says that thousands of people living in St. Michael must also have equal opportunity to be able to get to own the houses and land quicker like the ones who got it in the country in 1980.

But, it does not stop there, Sir. We have also determined that we are not only prepared to recognise traditional forms of business and in a world that recognises more and more knowledge based and creativity and that intellectual property is the one form of revenue that you do not only earn money now, but earn it for 50 years after you have died. So that your family can continue to benefit from it.

Therefore, Sir, the music industry which generates widely and which comes under the intellectual property rights has been one major beneficiary in this Budget. I am so proud that this Party, Sir, has been able to recognise and to put it on a footing where it can be recorded as a major sector in this country. We had a situation where Barbadian musicians were exporting product out of Miami because of the duty structure of importing it into Barbados. With this Act and with the reduction of the cost of recording, we cannot only become more competitive but we can start exporting Barbadian music out of Barbados instead of out of Miami, Sir.

So I therefore believe, Sir, that the Right Honourable Prime Minister has remained faithful to the people of this country, the ordinary man and woman. We Sir, have determined that we will continue to expand the basis of ownership by making from the Port, the Airport, the National Bank and the Barbados Mortgage Finance, ICB, CBC, all of those Government entities available for ownership by Credit Unions, by employees and by ordinary Barbadians. 8.20 p.m.

Equally, Sir, we have also indicated that persons who must rely on Government concessions and monopolies in

the future have a responsibility to allow ordinary Barbadians to participate in the ownership of their company.

I am not going to stand here, Sir, and be sidetracked by the comments about us not being able to open schools. We spent \$3V₂ million paying the previous contractor, Edghill & Co. for the school in St. Thomas that they stopped construction on. They had to remedy the roofs and you believe they have the gall to come and tell somebody about opening schools?

You know why we are in this position today? Not only because of the weather, Sir, but we took a decision as a Government which I am prepared to defend, that those children must not have to wait an additional year to get into facilities, particularly the ones down at St. Leonard's Girls' because you had more than 2 000 children being on a site that is less than 2 acres and complaining for five and six years when they had a representative who was a Minister of Health in this country that they were suffering and that Government did absolutely nothing. They could talk to us about schools not opening when we could find the money and give Parkinson School for the first time to be able to remove the asbestos roof that was there for years?

Mr. Speaker, I am not dealing with people who are only interested in making political points. I am dealing with the welfare of children in these schools where, for the first time this year, we fixed 42 primary schools. You know what the problem is, Mr. Speaker? They did nothing so they would never have a school opening late because they were not repairing any schools.

I do not like the fact, Sir, that the school is opening late but that is not my fault, or the Chief Education Officer's fault, or the Permanent Secretary's fault. What we have done is make arrangements for those classes that are critical to have tuition immediately, as we did for the Fifth Formers at St. Leonard's Girls'. Moreso, we started the process of negotiations with the Union so that the teachers will make up the additional time that has been lost as a result of the late start of school.

Sir, I would not be sidetracked by that. Nor will I be sidetracked by other people who want to say that the Barbados Labour Party has no social philosophy. He has resigned from everything in his life and perhaps he is resigned from his memory now and should go back to his memory and look and see the achievements of the Barbados Labour Party. I will not be sidetracked by that.

I want to say to the people of this country, Sir, that we have a commitment to ensure as much as possible

that those persons who are forced to live in this country for the next 30 years by choice will have the opportunity to spend 30 years where we will not face the spectre of massive layoffs, of massive unemployment, the inability to keep a stable exchange rate, the inability of people all throughout Barbados to believe that they can do better for themselves. We have the opportunity to put this economy on a sustained basis.

The Honourable Leader of the Opposition, Sir, can continue to try and fool people with his flawed argument about collecting \$100 million. This Government has not collected \$107 million from VAT and if he listened to the Right Honourable Prime Minister and he was not so interested in creating a deception, in my view, he would have accurately recorded that if we had kept on the trend without taking the VAT off food that would have happened. Therefore, if you want to compare, you must compare like with like. If you are going to compare 12 months' revenue from the VAT then you must compare 12 months' loss of revenue from taking VAT off the food. If you want to compare six months' loss of revenue from the VAT on food then you must compare it with six months' revenue from the VAT.

I want to say, Sir, as I wind up, I can truly understand why the Honourable Member for St. Michael North West looked as gloomy as he did during the presentation of the Honourable Leader of the Opposition's comments because we were told that he was coming in here to lock horns with the Right Honourable Prime Minister. Well, the only horns that were locked would be the horns that came down from St. John.

Aside.

Hon. Miss M. A. MOTTLEY: I would not say that he is a nanny goat or a billy goat. That is for somebody else to say.

I want, Sir, to end therefore by saying that this party has kept faith with the ordinary people of this country. Never before has there been a budget that has sought to put people at the centre of it more than this Budget.

I want to thank those persons who have recognised that, whether it is the Social Investment Fund, or whether it is taking the VAT off for the people in Bourne's Village who have asked me to thank the Right Honourable Prime Minister so that they do not have to pay VAT now for their houses, or whether it is those who are now benefitting from removing the VAT off food, that we believe that this is the right direction and that we believe you cannot play politics, or be facetious, or talk about congratulating somebody

because they wrote a budget in London. If that is the level of leadership that comes from a political party that is 41 years old, I have serious doubts about the capacity for us to maintain two strong parties in this country and look forward therefore to the third party replacing the second party because clearly the level of leadership coming from the second one is not worth anything if the debate can centre on such puerile and facile matters.

I end, Sir, as I started, with the words of Mr. Ali Sandiford and simply to say that when the sun sets and the darkness falls upon us, we must forever remember to shine as one people and to brighten the land. I say that out of a belief that the ordinary Barbadian, regardless of his or her background in this country, has a commitment to build in this country and has a commitment to make the best as we move along and that we will not be sidetracked by the comments, puerile, facile and political as they come from the Other Side that seeks to put a shade, a colour and a politics on people's suffering and people's success.

Thank you very much.

Sir HAROLD St. JOHN: Mr. Speaker, I rise to support the contributions that have been made by Honourable Members on this Side. Also I would like to say on behalf of the Honourable Member for Christ Church West that he so generously gave up all his time to ensure that the Right Honourable Prime Minister has an opportunity to conclude this debate at a reasonable hour. I myself would have done the same thing.

I believe we all have an obligation, those of us who have the honour to represent Christ Church, to let the public in Christ Church East in particular know that their representation will not in any way be diminished by recent unfortunate events. The Labour Party's record in the area of improving the lot of the people in Christ Church will continue.

The Honourable Members for Christ Church West, Christ Church West Central, Christ Church East Central and myself have met recently. We would like to assure the Member for Christ Church East that adequate arrangements have been made so that services of all of us would be available to look after the immediate needs of the people in Christ Church East. 8.30 p.m.

Mr. Speaker, Budgets are occasions when Governments take advantage of the opportunity given by Budget time to honour and to fulfill their commitments to the electorate and in particular to ensure that they

implement the promises that they make particularly with regard to the improvement of the standard of living of the people insofar as it is within their power to do so. This is the third Budget that the Prime Minister and Minister of Finance has delivered since assuming office. I am convinced myself, as other Honourable Members on this side, that once again this opportunity is being used by the Prime Minister and Minister of Finance to carry out those worthy objectives. This Budget is further evidence of the commitment of the Labour Party to honour its solemn promise to the public of Barbados in 1994 that it will ensure, so far as it is within its power, by the management of the economy, by the reform and changes that it will implement that more people would be employed and that the standard of living of the people of Barbados would be enhanced.

All around Barbados today, there is a talk that we are in the beginning of a great boom, particularly a building boom. I do not believe that I have seen for a long time so many advertisements for masons and carpenters, so much discussion about what is likely to take place next year if all of the plans and the projects, particularly those in the private sector were to be implemented and how it will be necessary to import labour, particularly skilled labour. When I sit and listen to the statements coming from the Other Side and from the critics of the Government, I sometime wonder whether they live in the same Barbados that we live in, that I live in.

I would like to say, Sir, that I hope that the Government will use every resource and every bit of influence that it has within its power to ensure that in the coming period of great construction activity which unquestionably will take place that the opportunity will be used to ensure that a greater number of young people are apprenticed in the building industry in Barbados so that when we come out of this boom we will be coming out with at least 2 000 or 3 000 more young people who have had the discipline of an apprenticeship in that period of boom.

We planned and fashioned this scheme out before, Sir. People forget that it was a Labour Party Administration that took a conscious and deliberate decision to ensure that the National Training Board was established with a view to modernising the delivery of technical skills to young people in Barbados. People forget that a Youth Employment Scheme was started, and a training levy was introduced to ensure that Government demonstrated its commitment in this area by encouraging employers to hire young people and by subsidising the cost of that hiring to the extent of \$60 a week.

Asides.

Sir HAROLD St. JOHN: Well, maybe it is \$75 a week. The point is, Sir, that opportunity should be taken, before any work permits are granted to any employer in Barbados to import labour to provide, there should be a rationale scheme agreed upon between the public and private sector for the training of young people in the area.

Sir, there are other areas of the economy that I feel should be mentioned in this debate. Much of the debate has taken place against the background of the introduction and the performance of the VAT. I believe that there are other important areas in the Budget speech which should be dealt with.

Barbados at this period of time in our history faces the threat of the impact of globalisation on our productive sector. There cannot be any doubt about that. Barbados faces the threat of whether we will be competitive in our traditional industries particularly the tourism industry. I want to say a few words about that because when one looks at what has happened in the tourist industry in the Caribbean over the last five or ten years particularly with the entry of Cuba once again, as an internationally competitive tourism destination.

When one looks at what has happened to the development in the countries from which we derive most of our tourists, namely the European Economic Community including the U.K. and the United States of America and the changes in policies in relation to competition, in relation to deregulation of the airline industry and now in Europe in relation to the removal of all internal barriers, one sees a development that is taking place that is impacting on Barbados and that is there has been a phenomenal rise in the number of mergers, and acquisitions amongst airline companies and amongst tour operating companies and also in the hotel industry. Larger and larger groups are emerging. 8.40 p.m.

We in the Caribbean have to be careful that as we approach our single market we understand that if we are to remain competitive in this area, if we are to remain relatively independent of the vehicles, particularly the airline companies and the tour operating companies that we too have to look at our structures.

Now, Sir, in my own constituency and in the constituencies of Christ Church we have seen some great developments that have taken place. I do not recall seeing so much development between the Hilton Hotel and Ragged Point as I have recently seen and witnessed. I am not talking about plans. I am talking about completed projects or projects that would be completed in this winter time.

The Honourable Member for Christ Church West will be able to tell you the great developments that have taken place in his constituency at Asta, Seaview and at Coconut Court Hotels. I understand, Sir, that recently around the Worthing View area that Coral Sands Hotel has recently been sold to be knocked down and redeveloped. I know because I have seen the advertisements in the newspaper only a few days ago that in Dover and St. Lawrence Gap that Turtle Beach Hotel expects to be opened soon. I know that, Sir, because I pass there and I see it.

I know that other developments are taking place in the Silver Sands area and in the Maxwell Coast area. These are significant developments that are taking place in the hotel and the rooms area. It is important that we understand, Sir, and I am very glad to see that steps are being taken by the creation of other institutional framework by the Government, the Urban Development Corporation, to ensure that the infrastructure for which Government is responsible in the form of roads, sidewalks, minor roads, amenities, such as the development of vendor malls, the development of playing fields will take place.

I have been an ardent fan of the creation of a tourism development strategy in which everyone in the community can participate and benefit from the economic activity that is generated by the tourist industry.

Dover Mall in Christ Church was a creature of the Barbados Labour Party. It was a prototype that we were trying to encourage all over Barbados in the other areas. The development of the beaches by the groyne in Oistins right down to St. Lawrence which was to have gone to the Hilton Hotel and which will be done. This Labour Party development will see that additional beaches are created so that the public of Barbados can share them, unrestricted. If you go and look in Christ Church you will notice that. You do not have to hold me to that I will carry you and show you what we have already done and what we will do in the future. You have to hold your party to the fact that in St. James we created one and your Democratic Labour Party leased it out to a German woman. At the back of Holetown Police Station that was the second prototype vendors mall and the Democratic Labour Party, when it came into office between 1986 and 1991 they changed the concept, threw out the women who were to sell their basketry and so forth in there and leased it as a restaurant. You have to hold yourself for that.

Now, Mr. Speaker, Sir, I wish to emphasise that the Urban Development Corporation is one of the principal instruments that the Government had to create in order to ensure that its objectives are carried out. Now, I make no apology for saying this because I have made this speech in here on many occasions. One of the principal obstacles to

any Government implementing its plans is the bureaucracy. My experience in politics has taught me that. After all these years I know that politicians can have the best plans in the world but if the bureaucracy do not help to implement them you cannot get them implemented. So that if it is necessary for Government to create alternative bypassing institutions to effectuate their objectives. I heartily commend the Government in creating them and I am very glad to see that they are empowering them by giving them \$5 million or \$6 million this year. I know that we in Christ Church wish our amenities to be done and we want our plans to be carried long before the election time.

Aside.

Sir HAROLD St. JOHN: I do not need any plans to be re-elected. I have implemented all of my plans.

Sir, I wish to say that the people in Christ Church, the people in St. Michael, the people in St. James South, who are part and parcel of this urban project and I want to assure them that we will be looking to the Urban Development Corporation to carry out its undoubted honourable mandate. The honourable mandate is to ensure that the plans that the Government has for the development of the amenities in those areas are carried out and that is a very important point.

Another point I would wish to make, Sir...

Aside.

Sir HAROLD St. JOHN: I do not have to speak for Oistins. Oistins speaks for itself.

Now, Sir, I also want to point out that there is something I have not heard much about in this budget debate so far but I want to mention it. I want to say that one of the interesting things about the development that is taking place in Barbados at the present moment is that it is not only Government driven but also, to some extent and to a large extent, it is driven by private sector investment and I would like to join and take issue with the Honourable Leader of the Opposition. I know he had a difficult task replying on this occasion having regard to the content of the budget but I want to remind him that when he speaks of the concessions granted in the special developments area that those concessions are relatively small in relation to the concessions that he, himself, as Minister of Finance granted when he was Minister of Finance in order to stimulate development in such things as the Golf Course at Kingsland or the one at Westmoreland.

Aside.

Sir HAROLD St. JOHN: Well you gave them the permission but that is all a Minister can do,

give them permission. He cannot make them carry them out but the point is that the range of concessions granted ... I am not talking about personalities I am talking about principles. The range of concessions granted when you scale them against the special enterprise regime that they are comparable. The range of concessions granted in relation to the special developments zone are comparable to those granted by way of concession. The Honourable Member need not be ashamed of that because if he goes to China he sees special enterprise zones. That is a communist system of Government or centrally planned economy. If he goes to Russia he sees them there. If you go to the United Kingdom, Mrs. Thatcher, was very adept at articulating the need for these enterprise zones. 8.50 p.m.

So that is the position. That is part and parcel of the difficulties that have taken place. If you wish to attract capital, you have to give incentives. What you must do though, is to ensure that having given the incentives that they live up to the expectations that you demand.

So that I do not see why the Honourable Member should try today, having regard to his history of generosity in the granting of concessions, to criticise the Government for granting concessions in the Special Development Area. I think we should ensure that we have a minimum level of performance that is necessary before the concessions, if not the concessions should cease to exist. I think we should ensure that we should have an understanding about employment levels, about training and so forth. I think we should ensure that.

Mr. Speaker, Sir, this practice of attempting to divide Barbados on the grounds that this Government has been more generous in granting concessions to certain people than that Government, does not bear examination. The truth of the matter is that all Governments in Barbados in an attempt to do their best for employment generation, which is a desirable objective of all political parties, they have used all kinds of techniques to ensure that we attract capital.

But, Sir, the creation of legislation is one thing, the creation of legislation does not guarantee that people will pick it up. I think, Sir, that one of the things that the Government has demonstrated here, and what the public has demonstrated is, they have confidence in this Government and the reason why there is so much private sector investment attracted to Barbados, is because they happen to have confidence in the Barbados Labour Party.

Asides.

Sir HAROLD St. JOHN: That is an important ingredient of the success that we have been. They have

confidence. They know that today we are not, and I say this with no criticism of the Honourable Member for St. Michael South, because the Honourable Member knows that he had more sympathy from this side than he had from that side when he was in his difficulties.

Asides.

Sir HAROLD St. JOHN: We did not massacre you. We did not betray you. We did not do that to the Honourable Member. It was his own Members that did it to him.

Asides.

Sir HAROLD St. JOHN: Now, Sir, what I would like to emphasize also, is this. If we are to implement, I would give a few words of advice, I am entitled to give some advice now at this stage of my life. I would like to ensure that the Government continues on its path of training and reform of the public sector. I continuously maintain that we cannot go into the 21st Century with the existent arrangements we have in relation to the public sector.

We have to look at our structure, our statutory boards or parastatal organisations. We have to look at our public service commission and I am very glad that the Government, true to its word, has appointed the Constitutional Commission in which everybody in Barbados has had an opportunity to state their views.

I went and gave my views very strongly. One of the views that I like to say publicly all the time with no apologies is that we, as politicians, have a finite time. We have to account to the electorate. Some people do not have to account to anybody at all. So speed is of the essence to us. Some people can stay there for all of their lives, they do not have to make any decisions or carry out any.

The point is that without reform in our decision making process, we cannot possibly as a Government, ensure that we can carry out the objectives that we set for ourselves and I think, Sir, that the Barbados Labour Party is well on its way to carrying out those objectives. Already, it has to be conceded that there has been a great increase in employment.

I hope, Sir, that with the measures that are introduced here today, coupled with the rest of the measures that have been introduced in the previous Budgets and those that will be introduced in the future that that mission will be accomplished and will come to reality.

I am grateful to you, Sir.

Mr. C. A. MASCOLL: Mr. Speaker, I would first of all wish to thank the constituents for having afforded me the opportunity of being in these Chambers. I wish to thank them from the bottom of my heart. And, before I deal with the Budget issues, I would wish to attend to a few constituency matters.

In his speech, the Honourable Member for St. George South suggested that he was capable and able to see what was being given back to him in the form of roads, lights and the like, given that there is a projection of an excessive amount of VAT revenue to the tune of \$107 million. I wish to suggest that perhaps I am best placed to require some of those funds because it was only in December that it was discovered that poverty existed in St. Michael North West and was the genesis of the entire programme that we see before us. So I am inviting the Government to look to repair roads in Danesbury, Millers Tenantry, University Drive, Carters Gap, Bridge Gap, St. Stephen's, Pile Bay, Brandons, to name a few. I am saying that the people of St. Michael North West are deserving of such generosity on the part of the Government. Why I wish to nvoke this point is because the Honourable Member for St. George South is unaware that the excess of \$107 million will come from all Barbadians but that the distribution of that pie may bear some relation to the political position of the particular constituency. I am asking for the Government not to use political expediency in determining how we allocate those resources over the next year.

I am also asking for the removal of asbestos roofs across the constituency. There was a parade in Golden Acre, we started with two roofs, we had the Prime Minister visiting Golden Acre, we had it being exhibited across the newspapers, but since then nothing has been done to alleviate that problem across the constituency. I am asking for it in the Farm Housing Area, Rosemont, Fernihurst, Golden Acre and wherever it has to be done within the constituency.

I wish to suggest that this whole question of poverty has been located in an economic argument but that certainly it has many other roots, particularly a social root and that to alleviate poverty cannot be seen strictly in terms of dollars and cents. In that context I am saying that the social services provided by the Government should attend to some of the needs in the constituency and that when the Sporting teams ask for the pastures to be cut that they are not told that they voted for the wrong individual. This has been said to members of the various sporting teams in the Farm and in Fernihurst when requests have been made to put the pasture in a state of readiness for the respective sports that are played.

In the area of Deacons Farm we have, following the example of the Pine, put in place, through the initiative of

two individuals, members of the Deacons community, a project which is funded by the UNDP in Government which offers to anyone in the area, particularly the youth, classes in Maths, English, Computers, Hairdressing, Accounts, Carpentry, Pastry, Baking, all forms of skills. Anyone who lives within that area is, in fact, encouraged to pay a mere \$30 per term to have such access. 9.00 p.m.

I wish also to make it public that I have already represented the constituents of St. Michael North West in this Honourable Chamber in the Urban Development debate because a proposal which was put in place during the bye-election in the form of the Brandon's Development project, I had already put a costing on that proposal. What is more important is that the Deacon's Project will, in fact, be providing the skills and the training necessary .to fully utilise the Brandon's Development Project which as was conceptualised, is designed as both a sporting and economic entity catering to the needs mainly of tourists, especially cruise ship passengers, I do not have the time to elaborate on that. I just wish to say that a costing of \$5 million public and private sector funding was put to this Honourable Chamber in the Urban Development debate.

Let me address my attention to many of the issues in the Budget in the short time which I have. Before I do so, I would wish to ask some questions of the third political party in Barbados. How could a party that is so much against over-taxation be so much for a budget that raises in excess of \$100 million beyond projected? It therefore means that if you accepted that the Barbados' economy is over-taxed that you must respect that during this fiscal year it will be more than over-taxed.

If you are saying to me that one of your main reasons for being involved in the political process is to reduce the burden of taxation and to allocate resources in this economy much more effectively, then that and that alone should be a basis for the National Democratic Party not supporting this particular Budget because, as the Prime Minister admitted, the VAT system will yield \$107 million beyond projected. Therefore it must be painful and difficult to sit in your seat and be told by the Leader of the National Democratic Party that he supports the Budget in its entirety.

There are some other issues which we will address but let it not be said that from the inception, and I have read every Budget speech since 1961, that every Prime Minister has identified full employment as an objective. Of course it has to be. It is desirable. Why would a political party not wish to employ each and every single individual in a country? Therefore, it must be an objective of every political party.

Poverty eradication started way back. As I said, if you define it only in economic terms, then you would suggest that its genesis was December 1996, but if you define it more holistically then poverty alleviation was again an objective of all political parties in Barbados from the inception. It was at the heart of the development of die Barbados Labour Party during the 1930s, whenever it was formed, and the Democratic Labour Party because the leaders of that time respected the need to improve the lives of the several Barbadians who were deprived an opportunity in the earlier years. So you cannot come now and confine poverty to an economic issue.

This is, in fact, where the Prime Minister of Barbados has failed us because he still sees the economy purely in terms of figures. Therefore, when we speak of a boom in Barbados tonight we are speaking merely of the growth of the net foreign reserves without understanding that the underlying economic situation is still not in a position where we can be proud because we identify the export sectors as those sectors which should carry us through and those sectors have not performed commensurate with our expectation.

Tourism has not performed commensurate with our expectation. The manufacturing sector has not and would be under pressure for a number of years to come. The offshore sector has not performed and the sugar sector has levelled out. So we cannot be proud and feel justly proud of the build-up in foreign reserves.

Let me explain a little later that that accumulation of net international reserves in Barbados is a direct consequence of correcting the fiscal deficit which we endured over the last 10 years or so. Do not feel that you are in a position where you can boast because this Administration, apart from an adjustment to the concessions for the manufacturing sector, apart from the restoration of a home allowance, this Administration cannot boast of a systematic set of policies designed to achieve the objective of full employment.

It cannot boast and I cannot see on the fiscal side where there can be a boast. I cannot see on the monetary side. Indeed, this Administration was supposed to reduce interest rates and has not succeeded in doing that. Rather, in December 1994 interest rates were increased. Last year to protect the balance of payments in a panic situation die Central Bank recommended an adjustment to the interest rate. Still, in spite of that, we have seen the accumulation of net foreign assets in Barbados. I am saying to you that when we look at it, we cannot be proud and be boastful of the economic circumstances which presently prevail.

We have to respect that these circumstances began with the programme during the 1992 era. We have to

respect that. It cannot escape any individual in doing a proper analysis of the Barbadian environment to suggest that the growth only started with the coming to power of the Barbados Labour Party. That is incorrect.

Let me go on, as I said, to some major issues in this Budget. First of all, the establishment of the two institutions, die micro enterprise lending institution and the other institution, the enterprise growth fund, must be looked at critically because it does not make sense to repeat die same mistakes of the Barbados Development Bank neither does it make sense to establish two separate institutions to deliver the same service. All that is happening here is that we are dealing with scale. We are saying on the one hand that we are going for the micro businesses and on the other that we are going for those slightly bigger.

I am suggesting to you that it is an alternative path that can be taken with respect to delivering financial services to these businesses and that the Government of the day would need to look at, in fact, channelling these resources through already established financial institutions, credit unions or even commercial banks, and giving diem some kind of compensation for conducting these two particular sets of money.

I am saying that when you establish a BDB again and give die impression that it is just a government enterprise, that you are going to give those who have borrowed the same impression they had before. It makes more sense to efficiently allocate these resources by taking Government funds as well as private sector funds with similar kinds of conditions and channelling diem through established financial institutions and they will manage those resources more effectively on your behalf than to be establishing these kinds of institutions once again.

We have to look at this whole question of die Stock Exchange of Barbados because if we are saying that the objective was to enfranchise small people in Barbados by allowing them to own shares in businesses in Barbados, then we must conclude that die Stock Exchange of Barbados has failed in delivering that objective. 9.10 p.m.

The Stock Exchange has failed and we have to find more imaginable ways of ensuring that small people become owners of capital and not to just expend funds on the Stock Exchange of Barbados. There are recent examples, die Pine Hill Dairy, Almond Beach, where we know what happens* is that insider trading can occur. There is this family of friends who control the resources of Barbados and I am asking you to please consider

whether or not we really do need, at this stage, a Stock Exchange of the magnitude or even of any kind which we presently have.

I wish to suggest that this whole question of VAT and the concessions which we are seeing have to be analysed more critically. There are basically three agents involved in the execution of a VAT system. There is the Government, there is the consumer and there is the supplier. In all fairness, these measures while they may be of some assistance to the consumer and there are definitely of interest and assistance to the Government given the yield, they may in fact serve to hurt some of the suppliers in the business. Just let me explain that for what it is worth. A number of small shops in St. Michael North West across Free Hill, Deacons Road and Brandons who presently do not reach the threshold to be registered, will never be entitled to tax credits on their inputs, will never be able to get back the tax which they pay for electricity, will never be able to get the tax credit on transporting the particular goods, will never be able to get any tax credit for any inputs into their process. But you must be careful when you zero-rate items say in a supermarket which can easily recover all the tax credit of inputs that you do not set a limit on the particular goods by way of price controls to the extent that you make small entities extremely uncompetitive in Barbados. This is not the price controls of the 1970s, this is a completely different kettle of fish because the VAT system differs from any that we have had before.

I am saying to you that given that the tax system exists as it does where suppliers are entitled to credits that small businesses will not be entitled to credits because they are not registered for VAT purposes and that in fact we may end up putting those businesses under considerable pressure as a result, not only of the zero-rating but of the price controls which we are pretending to put in place.

I must say to you that the greatest difficulty that I have had with the NDP supporting these particular measures is that fact that the NDR is well known for being rather more thorough in its analysis than this. They should have recognised that the \$45 million which we are suggesting will be given back to the consumer is in fact only \$22.5 million because the measure takes effect from October, from today, and it will take effect only for six months of this fiscal year. Therefore, I am saying to you, that there is no way in which you could deduce that you are saving \$45 million as a result of these measures. I am also saying to you that the Income Tax measures taken in this Budget purporting to relieve individuals of \$17 million takes effect from January 1998 and will only be effective for 3 months of the year and as a consequence of a fiscal year, you cannot be saying that individuals stand to benefit by \$17 million.

I am suggesting therefore that 107 minus 27 would give you a net gain for the Government of \$80 million this fiscal year and the flawed analysis of the Member for St. Michael North East must be dismissed for what it was, passion without power, passion without the ability to fully analyse and the belief...

Dr. R. C. HAYNES: On a point of order. The Honourable Member is free to say whatever he likes about the National Democratic Party. I would just bring to the attention of this House that there seems to be a lack of appreciation of the quantum of money which will be returned to taxpayers for the simple reason that I never dealt with it in my speech at anytime. At no time did I deal with it in my speech.

Mr. C. A. MASCOLL: I am suggesting, Mr. Speaker, that when the Member for St. Michael South Central accepted and supported the Budget that he supported each and every measure in the Budget. It would have to be as a matter of logic that he would be supporting each and every measure in this Budget. I will not be taken down that kind of road. I am too young for that. Each and every measure and the major measure in this Budget is that Government is going to recover \$107 million in excess of the projection and that the measures which they are supposed to be giving back results in only \$27 million being given back to the people of Barbados and therefore an excess of \$80 million will stay in the Government coffers. This is precisely responsible for the reason why the Honourable Member for St. George South was able to say that he is able to identify what the give backs are. I will not be taken down that road.

The next point is that those food items which are zero-rated cannot constitute any give back and there is another point which I accepted earlier but I can now criticise it, it cannot constitute any give back of \$45 million, not those items there. You are telling me that the base of expenditure to recover \$45 million would have to be \$45 divided by .15, which is \$300 million in expenditure on these items, that \$300 million in expenditure per year on fresh milk Barbadians would have to spend in order for you to get back \$45 million in VAT, \$45 divided by .15, because \$45 is supposed to be 15% of x, the unknown and x is therefore 45 divided by .15 which is \$300 million in expenditure.

Asides.

Mr. G. A. MASCOLL: I am suggesting to you that this cannot be the case in relation to this mere 35 items here. It cannot be. In any case I will suggest to you that imported food in Barbados, that these items will

constitute less than one tenth of the amount of items imported into Barbados. Therefore by extrapolation the entire Government's take on food including local food and imported food will have to be the order of \$450 million in VAT on food alone.

When the Prime Minister was selling the VAT in January to the public he suggested that \$35 million alone would be taken from food. You know what it means, that we could have zero-rated food. The entire basket of food could have been zero-rated if we accepted the Prime Minister's position that only \$35 million would have been taken from food. Now that he is selling the give-back of a mere one tenth of food items, the relief is \$45 million. This is most amazing that when you are selling the VAT on food to give the public the impression that it is not that burdensome by saying that the VAT take on food is \$35 million. Now that you are in fact giving back on less than one tenth of total food, the VAT relief is \$45 million. This is absolutely amazing. I will not stick on that point.

I wish to suggest that \$10 million transferred from the Public Enterprise Fund to a Social Investment Fund should never have been transferred because when the VAT was conceptualised and the 15% was determined that it included \$22 million to be put aside for social welfare programmes. This \$10 million should have come out of the proceeds of VAT. 9.20 p.m.

There is no reason why you should go and take this from a public enterprise fund and then you are telling me that you have another measure which relieves 11 000 people and you are giving them \$350.00 per year. Three hundred and fifty per year for 11 000 people is \$3.8 million per year a mere \$3.8 million per year. I am saying that there was a welfare fund.

I would not be distracted by you, you do not have that competence in this area to distract me.

I am saying to you that 11 000 persons would benefit, that it would only be a relief of \$3.8 million when it should have come from the \$22 million set aside for a social welfare programme at the conceptualisation stage of VAT. So I am saying to you that 11×3.8 is just \$14 million.

There is another issue in this budget. The Government is suggesting that when it moves the allowances from \$13 000 a year to \$15 000 a year that it is relieving 14 000 people of tax. How could you have a situation where 14 000 people lie in a tax band of 13 000 to 15 000? You are suggesting to me that there are 14 000 people conveniently so who earn in (his area. But, Sir, since I have 5 minutes I need to get to even more substantive issues, from inception we doubted the information on

unemployment. We doubted the 10 000 jobs which the Prime Minister suggested in 1995. He came first an evening on a call-in programme and then the following morning the other party came with a big press release after it was discovered in the early call-in programme that something had to be wrong with this figure. I am saying to you, Sir, there is confusion all over in relation to unemployment. I am saying that even the Central Bank of Barbados was confused by the unemployment data, that the Central Bank of Barbados, in the same year produced two different Annual Reports that contained in these two annual reports which were supposed to represent 1996 at different readings.

At one stage the Central Bank says that they are comparing 14.3% which is an end of year rate for 1996 with 16.4%. The Central Bank says in the other report that it is comparing 14.5% with 19.7% and I am saying that they had to carry back one and bring out the other because the unemployment figure has to be doubted and in fact from 1995 that is where the problem started. The unemployment figure fell to 16% in the last quarter of 1995. That is where the problem first started and you have to doubt that figure because in one fell swoop a drop from 19% to 16% unemployment in a quarter is a dramatic reduction in the unemployment rate. I do not believe that one and I do not believe the 14% now and they say in fact the economic report has the footnote which says, figure for unemployment rate in the fourth quarter of 1996 is low due to problems incurred in a survey process. I cannot trust this information. I am saying to you that I have considerable doubts.

We have recently talked of there being an increase in domestic exports by over 20%. Now if you are going to export more, Sir, you have to increase your output. So (here must be some correlation between domestic exports and output so if they are saying the manufacturing sector has increased its exports I should pick up the Central Bank Report, I should pick up the Barbados Economic Report and see that being reflected in the industrial production. When I did my investigation it is a company CF Caribbean Flavours Limited that is exporting concentrates from here to Venezuela and the figure increased from a mere \$5 million one year to \$35 million by the next year and they are just exporting syrup but it has employment effect neither is it recorded in the industrial production. But what has happened, the company is of the view that business is too expensive in Barbados and they have now decided to relocate to Brazil.

So I am saying to you, Sir, that when you look at the Budget in its totality that the major selling point of this budget should have been relief given to persons who suffered as a result of an error that was made on VAT

on food. It should never have been the case. As a young economist at the Central Bank I wrote to the Minister of Finance then and advised that we start VAT at 10% on food and I am saying that even now when we have made the adjustment that all food should be reduced from 15% to 10% in addition to zero-rating and I am saying therefore that if you accept that you are overtaxing the people of Barbados to the magnitude which we are doing, then we should have greater relief in terms of the VAT. In addition to that I have no doubt that we have damaged permanently the tourism sector of Barbados because of what we did on the accommodation side and as a consequence I am asking for relief for the small hotel subsector which they are deserving of. Unfortunately, Sir, I do not have the time to fully expand on some of the measures but we would have done things differently and my leader whom I must congratulate for his excellent presentation yesterday will deliver those issues later tonight. I thank you.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, as so many on this side have said, this is a budget presented by the Honourable Prime Minister about which we can all have great confidence and which should be a matter of inspiration for loyal supporters of the Barbados Labour Party.

The Honourable Member for St. George South and I this year are celebrating 40 years membership in the Barbados Labour Party. We joined in 1957 as school boys. We joined, Sir, because we were inspired by the policies and the vision of the Barbados Labour Party for Barbados. The Honourable Member for St. Michael North West just mentioned that among its founding principles in 1938 the Barbados Labour Party promulgated the promotion of social justice and the eradication of poverty. It was those and the prospect of the building of a real democracy that inspired the Honourable Member for St. George South and myself and other school boys to join the Barbados Labour Party 40 years ago. I am proud that the vision which the founding fathers of the Barbados Labour Party had for Barbados has been carried through by successive leaders of this party and that vision has contributed immeasurably to the transformation of Barbados and improvement and the quality of life of Barbadians over the last 50 years. I have been in here 21 years and Monday's budget was the most creative and imaginative in my experience notwithstanding two very outstanding budgets brought by Tom Adams. 9.30 p.m.

In the tradition of the Barbados Labour Party Monday's Budget offers a new vision and a new hope for the people of Barbados. It has shown that this Party is prepared to tackle the challenges and the opportunities that will confront this nation in the next century.

Among the challenges of the 21st Century will be those posed by the information age, trade liberalisation, the

primacy of the market and the need for the development of sustainable small businesses in Barbados. To drive the process of economic enfranchisement, the Government in power must take careful and clear economic and fiscal measures to ensure that enfranchisement.

In the 21st Century a new type of small businessman must be created. And, how then does the Budget address those matters?

First of all, Sir, the Budget has to be read in the context of last year's Budget. I do not think that point has yet been made here in this debate. Last year the emphasis was on the creation of a number of instruments, strategies, policies and programmes aimed at the development of the human resource base of Barbados. Thirteen pages were devoted in the Budget last year to human resource development, focussing on an expansion of educational and training programmes.

The emphasis this year is, to roll the wicket as it were, and prepare to give those who are being educated and trained, the capital and expertise to assist them in the development of enterprises. You have to have a trained population, work force and you then have to invest that work force with the finance, I am talking about the small business sector, in particular, and the technical expertise to run successful businesses.

We have erred in the last 20 years at least, in not properly developing the small business class because we have not given them the kind of technical assistance that is necessary. You opened windows at the BDB and you throw money at persons with good ideas. But you do not give them the support schemes or the assistance, for example, show them how to run books, how to manage their finances, where they should invest and why one year they should not pay dividends but plow back in the capital. None of that have we really done for small businesses in a structured way over the last 20 years. I think the Prime Minister has recognised that, we have discussed that as a Party and the Budget addresses it. We are now, as I say, empowering that small business class with the opportunity to be properly organised in business.

The Budget this year creates a number of instruments on the economic side. The Micro Enterprise Lending Institution, and the Enterprise Growth Fund, the expansion of trading systems on the Stock Exchange of Barbados and the Partial Privatisation Programme, all of those are instrumentalities for the empowerment of small businesses.

One must be particularly attracted to the Partial Privatisation Programme because the time will come when the comparison must be made about where the shares

are going in this Partial Privatisation Programme a block for credit unions, a block for workers, a block for Government and so on, as compared with the effort that the Democratic Labour Party had down in die Port and the further empowerment of the already empowered class. We are giving them all of the facilities down in the Pent

When you took over BARTEL, Cable and Wireless¹ shares what did they do with diem? Did you offer them as we are going to be offering the shares in the various institutions, CBC, National Bank and wherever else? Did you do that? No. They walk about parading a lot of nonsense, particularly out of Barbados and having it come back to Barbados about white people profiting and growing fat now that the Barbados Labour Party is in power. It is a lie and about how we sell out the land in Barbados to white people. Another lie.

The first person who sold out land on a massive scale in Barbados to white people was Errol Walton Barrow when he gave Laforet what is known as Sunset Crest Remember that. The last one was Westmoreland.

Asides.

Hon. D. A. C. SIMMONS: On the fiscal side, Sir, everybody has spoken. I am not going to repeat what has been said except to say that this Budget has had a wonderful reception throughout Barbados, except for the Opposition, and one understands that they are there to oppose.

The Leader of the Opposition spoke last night, Sir. The last half hour of his speech was the usual criticisms, sneering, some carefully orchestrated statements sounding, once again in 1997, of the politics of jealousy and envy. It is all well and good to make the point that in the last month or so, six weeks because of the bunching of projects in the Bridgetown area, there have been severe traffic problems. Because the 100 buses have not yet been delivered, there has been a shortage of public transport Persons have been inconvenienced. There is no problem with making the point. That is true. But the little cheap, nasty, envious politics, he said,

"While the public is waiting for Mercedes Benz buses to come, public officials are getting Volvos and Mercedes Benz."

One Volvo has been bought last year for the Governor-General of Barbados. If you are vexed that he got one, you should get up and say so.

Asides.

Hon. D. A. C. SIMMONS: That one. They had a Volvo before. There are four Judges, Mr. Payne, Mr. Husbands, Mr. Waterman, Mr. Chase who had Mercedes cars going back to 1985; two, MP94, MP98, 1985; and MP95, MP96 and MP97, those three are 1986, so the cars are eleven and twelve years old respectively.

Asides.

Hon. D. A. C. SIMMONS: It is about time that the cars should be changed. It is how you put it over last night You did not put it as a fact You tried to set die public against the Judges.

Asides.

Hon. D. A. C. SIMMONS: Four Volvos have been ordered to replace those present cars for the Judges. 9.40 p.m.

Mr. SPEAKER: Just one minute, please. As we approach this time we are going to do this orderly in here tonight I am not going to have those kinds of constant interruptions coming across the Floor, please.

Hon. D. A. C. SIMMONS: Since 1992 die Government has paid \$193 982 approximately on those cars for repairs to those wonderful Mercedes. In 1992 it paid \$9 518.15. In 1993/94 - \$74 360 in repair bills, 1994/95-\$34 784, 1995/96 - \$48 571, 1997/98-\$26 749.52. You are telling me that they should not be changed? The total was \$193 982. It would only be a mad Government that would continue to keep diem and subsidize others.

When the Leader of the Opposition speaks, he will talk about when they would like to get back in power they would give 20% of Government work to small contractors. He said it at die Annual Conference and I expect him to say it tonight, as though small contractors are not getting work in Barbados.

Let me read some facts from my Ministries, nobody else's, since 1994. During die period October 1994 to die present, this is Home Affairs. Tell me if these are die big firms about Town: Nicholls Plumbing, all police stations, Courts and Post Offices; Cecil Phillips - Hometown Police Station; Colin Mottley Electrical - Central Police Station; C. S. Construction, Colin Small; Crab Hill Police Station - Magistrates Court, Supreme Court. Paramount Builders is doing Dodds for over \$200 000. Do not say they are not doing anything. Paramount Builders - Belleplaine Police Station; Peet-Mar Construction (Caribbean) Inc. - somebody called Ivor Altman - Central Police Station, Oistins Court; Barbados Lumber Company; A. Team

Construction - Worthing Police Station; Barbados Mastic - District "A" Police Station; Super Build - Central Police Station and Magistrates Court; Mervin Watson Electrical - District "B" Police Station and Central Police Station; Lashley's Electrical - Central Police Station, District "C," Supreme Court, Hambleton Holder - Hometown Police Station, Central Station, Registry, Supreme Court No. 2, St. Thomas Post Office; Nasser Construction - Districts "B" and "C," Hastings Police Station; Falcon Engineering - Worthing Police Station; Western Construction - Central Police Station, Supreme Court No. 3; R.V. Design and Construction - District "E" Police Station; C. Q. Construction - Police Boys' and Girls¹ because you did not know you had that, the Government Industrial Schools; Lewis Satellite and Electronic Services - Police Stations; Everton Leacock - Belleplaine Police Station; somebody called Grenville Barrow - Fire Station.

Aside.

Hon. D. A. C. SIMMONS: He is an NDP? David Moore. Yes, Grenville Barrow, Canewood, Howells Cross Road, St. Michael - fire station, airport and headquarters; Hennell Dottin - Police Headquarters; Frank Lewis - Belleplaine Police Station; Greens Termite Service - Task Force Headquarters; Parsons Pest Control, Roy Arthur, Pioneer Road, Bush Hall - Immigration Department, Post Office, St. Thomas.

All of those are small people who have been working for my two Ministries since 1994. Do not behave as if small people are not getting any work. They are getting it and they are turning around and employing people.

Now, Sir, the Leader of the Opposition ended up last night saying that I had said that people should hang, yes, from down in December 1995, but now all you are getting are switch blades, guns and so on. Fair enough. There is nothing wrong with that, but he is wrong on the facts. He gave the impression that crime is skyrocketing, out of control. Listen to what was swinging, Sir.

Since 1994, Sir, there has been a drop in crime in Barbados of over 26%. I sent to the Commissioner today for the latest statistics up to August. Let me give you some examples of what has been happening in Barbados. This is very fortuitous.

The period January to August is a very important period. In 1994 we started Government in September so January to August is the time they were responsible for. Murder - January to August 1993 - 3 when he was the Minister of Finance. There were 10 murders between January and August 1993. The month before the election, January to August 1994, you know how many murders

there were under them? Fifteen (15). In 1995 there were 3. This year, let us count this year, 1997, there were 4 from January to August. We had 2 in September but from January to August we had 4 murders in Barbados compared with 15 under them in 1994. Serious bodily harm, 1993 when the Honourable Member for St Michael South was Prime Minister of this country, there were 261, January to August. This year there were 175. Rape, in 1993 there were 68 under them. This year there were 47.

Listen for this one now, Sir. Robbery under that Government when it was in Government there were 518 in 1993. This year, January to August, under us there were 209.

Aside.

Hon. D. A. C. SIMMONS: This is from one of your constituents. It will be made a document of the House. I get these every month.

Mr. SPEAKER: Please hold on a bit, please. The Honourable Member for St. Lucy, we have rules in here, please.

Hon. D. A. C. SIMMONS: Sir, January to August 1993, burglary in a dwelling house reported 1 919 under the Democratic Labour Party. Under the Barbados Labour Party there were 1 189, almost 800 less.

Even in the Post Office things were not good under you all. Theft on postal packets 19 under the Democratic Labour Party. Under the Barbados Labour Party there was one. You all were deceiving the country to such an extent that it was all pervasive, criminal deception under the Democratic Labour Party. January to August 1993 there were 278 reported cases. Under us there were 87. It did not even reach 100.

I happily make this a document of the House. This came from the Commissioner of Police today, Sir. It even has his complimentary slip on it.

Aside.

Hon. D. A. C. SIMMONS: This is just a sample.

The way the Leader of the Opposition finished his presentation yesterday you would believe that he would wish to see a perfect society. That is impossible. We cannot have a perfect society, no country in this world. 9.50p.m.

Asides.

Hon. D. A. C. SIMMONS: We have sought/Sir, in the last three years to stabilise this economy and to prepare it for a launch off into the 21st century as a settled society in which everybody could have confidence. A3 a society in which human capital will be developed, as a society in which there is real freedom. In only three years, I submit, Sir, that we served this country well. Confidence has been restored, construction is booming and I have a document here showing that whereas in 1993, for instance, 7 300 people were employed in the construction field/now in the first part of 1997, 9 500 are being employed and we are looking for another 2 700 next year and the year following. This document is from Price Waterhouse and as the document says there is so much Government and private sector work portended for those two years, that we really will have the shortage that the Honourable Member for Christ Church South spoke of.

Government projects on the civil side; Hilton Hotel Expansion, Government offices at Warrens, N.H.C. Office Complex, Government Forensic Lab, Pondside Complex, U.N.D.P. Headquarters, the Supreme Court, Airport Expansion, Bridgetown Port Expansion, Road Works Programme, South Coast Sewerage Project, Coastal Project, my head will get giddy.

We have reached a stage where all the production sectors in this country are firing. What the Right Honourable Prime Minister, when we were on that side, kept saying to the then Prime Minister was that the problem with the Barbadian economy is that only one of the cylinders is working, that was the Tourism cylinder and that we could only see real growth if we make all of the productive sectors fire.

With all that I have said, Sir, who really would wish to go back? Even the thought, far less, deed, to a Democratic Labour Party Administration to get the dose of medicine that we got on September 17, 1991 and on April 2, 1991. A "stab" tax, -a stabilisation tax which made you stand up straight - increase in severance pay contribution, increase in consumption tax on cars and petrol, increase in the cost of driving licences, increase even on the departure tax. All of that. The Right Honourable Member for St. Michael South was very careful to say to the country, "this one is going to cause great pain and distress, but it is necessary". There will not be a return to those days under this Government, we will not be apologising to the country for an affliction of pain, we have no desire to treat the Barbados public like that. That pain was self-induced, it was the result of the stubbornness, the intransigence of the then Minister of Finance who failed to heed advice from all quarters and forced Frank Alleyne to resign, forced Douglas Lynch to resign for only giving proper advice about running the country.

He called an election on the 22nd January, 1991, and by April was telling us that things are bad. There were good during the campaign in December but by January things were bad. We went straight into the hands of the IMF, World Bank and Inter-American Development Bank. I have to speak to the public about these things because sometimes I feel that Bajans cut their hair and cut their memories too. They left a whole set of unfinished buildings and unfinished roads like Lions Castle, Dukes in my constituency, St. Thomas Secondary School, Elsie Payne Complex, all of that was left A structure up in Oistins that was to be a Post Office, all of that was done to the people of this country.

I wish my constituents in Cane Garden could hear me tonight. The boxes that were left there we turned into nice dwelling houses for a large number of needy Barbadians and I gave them the assurance that any confusion in the law about VAT and construction services would be resolved in their favour. I am grateful to the Minister of Finance for assuring the House on Monday that my constituents in Cane Garden will not have to pay any VAT on those houses that we have constructed for them after you left them there out in the elements, open, just four walls and a lot of bush and rats and mice running all through the place. We have turned it into a lovely development with more to come.

At the end of the day, Sir, we took the blows about keeping the VAT on food but never did I believe that the people of this country hated us for the imposition of VAT. They were upset, irritated and impatient, even though we hinted that we were going to review it in September and we are going to remove it positively and when it was done on Monday, they believed.

The difference is this, the people of Barbados do not hate him, we might have upset them with the VAT but they do not hate him. They hated the Right Honourable Member for St Michael South. It was a terrible thing and I say this as his friend and a person who has been in here a long time with him that that is the difference between the two. Think carefully about what I have said.

Sir, I am proud to be a member of this Government. I am proud to be a member of a Government that could have brought these measures for the benefit of all Barbadians.

I am obliged to you, Sir.

Mr. SPEAKER: The Honourable Member for St John will now wind up on the amendment. We have come to that stage in our debate where we are winding up. I

would like to remind those Honourable Members who will be winding up that winding up means that you wind up relating to what has been stated before. At this point in our debate,, of course, we will not have time to go into any new debate relating to new matters. Could you proceed please.

Hon. D. J. H. THOMPSON: Thank you very much, Mr. Speaker. Perhaps, I should begin in acknowledging your directions by thanking all Honourable Members on this side for the contributions which they made to this debate, the contribution of the Right Honourable Member for St. Michael South, who celebrates 30 years as a parliamentarian, the first contribution of the Honourable Member for St. Michael North West as a parliamentarian and as the shadow spokesman on Economic Affairs as well as all other contributions on this side were outstanding. I am very privileged to have the honour to lead a parliamentary team like this which brought to bear on this debate a seriousness, a clarity and also their philosophical underpinning. 10.00p.m.

Mr. Speaker, I joined a political party in 1978, at the time of a great by-election which elected to this Chamber the successor to Sir Frederick Smith. Since then I have remained a member of the Democratic Labour Party and became a parliamentarian in 1987. I vowed then and I made a vow to the people of Barbados and my constituents that I would never use this Chamber to advance any personal interest or to make any special pleading or to ask for any special concession or benefit, nor will I come here to indicate to them via this medium what my political disposition may be. I will go directly to them. I do not think Parliament should be used for that kind of exercise and as a leader I also feel that if I had achieved everything I wanted to in life then I would not be in politics because what I want to achieve in life is not personal benefits, it is benefits for the people I represent and therefore if many things remain unchanged, undone, unachieved on their behalf, I could not come here to this Chamber and give the impression that having personally achieved everything I wanted to achieve in life that I am free and unshackled to say anything that I want to say.

Every member on this Side understands that their personal achievements as parliamentarians are also reflective of the desires, the hopes and the aspirations of their constituents so that I do not think there would be anybody on this side from whom it could easily fall for them to say that they have achieved everything they want to achieve.

I know the Honourable Member for St. Michael South wants to win a seat again and continue to represent the

people of that constituency in whatever circumstances and they do not hate him if not they would not have re-elected him consistently for 30 years and no matter what you may think there are very few parliamentarians who will ever reach that historic landmark in their political career. Those kinds of carpings, what was the word used earlier, snaring comments really do not have a place in this kind of debate and I am ashamed to hear some of the comments which have been uttered, not by the younger politicians but by some of the more seasoned and experienced politicians.

On behalf of my party I want to say I enjoyed the camaraderie in these debates, regrettably there are some clubs we cannot join even if the welcome was extended because Errol Barrow once said, do not join the club unless you can pay the subscriptions and we do not have the money in the Democratic Labour Party to pay the subscription so we cannot join the club. That is the problem you see, Mr. Speaker, Sir.

I want to say in this particular budget exercise that there could have been a number of options available to the Right Honourable Member for St. Peter. He must not see himself constrained by what other leaders have done. He must not judge what he wants to achieve for the people of this country by what Grantley Adams and what Errol Barrow and other leaders have done. If others continue to make our new emerging political leaders believe that those are the horizons that they must meet then they will remain powerless to change Barbados because great as those men were they only took Barbados to a certain point. The people of this country expect the next generation of leaders not to be bound by those achievements, to acknowledge the greatness of those men and their courage, but to flex their elbows to design and create a new Barbados and that is what this kind of debate and this kind of exercise should be about. This is why the Democratic Labour Party has to feel so concerned that initiatives which on the face of it should mean more economic democracy, more sharing of wealth, more opportunities, have not been translated on the ground into benefits for the average Barbadian. As long as that is not happening then we have to continue to speak. We cannot speak about structural adjustment and stabilisation only. You want us to talk about that but we have to talk about the distribution phase of our development and the fact that now the economy is growing this Government is failing to attend to what the Government itself characterised as the niggling concerns of the average Barbadian.

Now, Mr. Speaker, Sir, the Honourable Member for St. Thomas listed a whole series of contracts which have been given to small business people. That is in construction. Construction is not the only area of small business activity. We have to mobilise resources. We

also have to bring legislation, and I am waiting to hear about that, which will guarantee small businesses in Barbados, Government patronage to support their cash flow and to ensure that they also benefit. And I am waiting to hear about that. This is one of the key problems that has not been recognised. Yes, it is a form of affirmative action. It is an affirmative action plan to empower the majority. That may sound wrong. It is just like work to welfare which the Honourable Member for St. George South did not understand.

Aside.

Hon. D. J. H. THOMPSON: St. George South, the gentleman whose picture they took down from the executive room of the Barbados Labour Party Headquarters right after he delivered the good society speech in Carlisle Car Park and I will get to that shortly.

Mr. Speaker, Sir, we are talking about small business development and the important thing about it is that there are so many other areas in which small business people could be helped and assisted by legislation which guarantees them a certain percentage of government patronage. We had a debate in here in which the Honourable Member for St. Peter almost acknowledged that that was critical to their survival. He also acknowledged then, but it has not materialised itself into the budget that where there are large companies in Barbados which have consistently for two decades or more benefitted from government contracts and still continue to do so that the Government would put in place legislation to require them if they want to continue to benefit from those contracts to be listed on the stock exchange and so people can be involved in ownership. 10.10 p.m.

Look, there is also a need for small business people to own shares in big businesses and you have to engineer that. You cannot engineer it by talking only about legislation and capital. How is it, and I am not being critical of the Honourable Member for Christ Church West, how do you think that it is that he would have been involved in sitting on the Board of BS&T, or doing the kind of legal work that he has done over the years, by networking and contacts and the ownership of shares in those large corporations.

His children will grow up picking up the Annual Report of Cave Shepherd, Light and Power, B ARTEL, this will be part of their culture. What the Government is saying, "no", we set up a youth entrepreneurship scheme for people to go into small businesses, but without trying to link them and raise their consciousness about their relationship to big businesses. A big business which has

shareholders is more likely to give them some of that small work which needs to be done. When big business is successful, the small business can also be successful, particularly where the ownership structure between the two is horizontal.

That is the kind of engineering, Mr. Speaker, Sir, that we have to be talking about for Barbados into the 21st Century. It is not going to come through just setting up Venture Capital funds and Micro Business Windows and those kinds of activities. Sometimes as politicians we have to understand the limitations of this Parliament but understand the nature of our power and use that power extra-parliamentarily to engineer those results. Bring people to the table to do business together. Not one set, as I say, at Cattlewash planning their future and the another set who are not meeting to plan anywhere. It cannot continue like that. I think we need to be talking more about changing that aspect of our development.

The Right Honourable Member for St. Peter is about to put in a micro enterprise whatever. I do not know how long it is going to take to get it in place. For three years we have been waiting for the Venture Capital Fund, all of these other things that should be streamlined for small businesses. But we already have Credit Unions in existence which deal on a daily basis with the small people in Barbados. Civil Servants who may have a business on the side, or who may want to employ somebody to run a little business for them, selling bread or whatever. Could the Government develop a formula, since many of the credit unions now have Business Centres - the one there in Belmont Road almost looks like a bank - where the credit unions could be more integrally involved in getting these loans on the road for small businesses?

There are some people who would say you have to change the credit union legislation so as to bring them under the control of the Central Bank and other concerns. Those things can be done or you can set up a portfolio which they administer, but under different rules to how they administer the rest of their portfolio. But the institutions are there and they are indigenous institutions there to do this kind of thing.

Government needs to target the resources at those institutions which interact on a daily basis with the people who need to have access to resources for example, for small farming, meat processing, cooperatives and joint ventures, fish processing, which has high value added, cut flowers and projects like those.

Do not be hemmed in by what the IDB says and what the BDB says about it. Think beyond that and try to

understand the economic relationships in the country and capitalise on developments, as some would say, on the ground, with institutions that are in contact with people on a daily basis on the ground and which share an outlook similar to the one which the Government says that it shares. Do not be bound by what has happened in the past in that regard, except in relation to accountability.

Mr. Speaker, Sir, if the Right Honourable Member for St. Peter really wants to give some tax relief to those at the bottom, we discovered today that there are 11 000 people in Barbados earning at the minimum wage or below the minimum wage who are going to be receiving a cheque for \$350. But those people are paying levies. They are paying the health levy, they are paying the employment levy and they are paying the training levy.

The training levy is 0.5 percent, transport levy is 0.25 percent to the employer, health levy 1.0 percent, employment levy 0.5 percent for the employer and 1.0 percent for the employee.

Asides.

Hon. D. J. H. THOMPSON: No, some of those levies are still in place. It is about \$13 million. It is only training? I thought there were more levies. But the point is that that is off the top. Regardless to what you say, it amounts to \$13 million in one year. By the way, Mr. Speaker, Sir, if it has already been removed it was not the Right Honourable Member for St. Peter who removed them. It was the Democratic Labour Party which in 1993 removed the bulk of the levies in Barbados. It amounts to \$13 million which people even earning minimum wages in Barbados, it is being deducted from their salaries.

Mr. Speaker, Sir, if the Right Honourable Member for St. Peter wanted to give them relief, why did he not remove whatever levies remained off of the backs...

Asides.

Hon. D. J. H. THOMPSON: Which ever levy it is. It amounts to \$13 million though.

Asides.

Hon. D. J. H. THOMPSON: Fifteen? In the last fiscal year? So that is the point. Now, Mr. Speaker, Sir, that category of person had been forgotten. Instead of that the Right Honourable Member comes up with a fanciful figure of 14 000 Barbadians earning between \$13 000 and \$15 000 a year to give them tax relief which amounts to about \$4 million during the course of this fiscal year. Mr. Speaker, Sir, the Democratic Labour Party would have

removed the balance of the levies in circumstances such as this, if it is one levy. If it is two the rest of them could go in circumstances like this.

In relation to the issue of the removal of impost on materials used in the production or the manufacture as well as the actual items of recorded music in the entertainment industry in Barbados, the impost were removed both in respect of items that are imported as well as items that are made in Barbados and I understand that attempts are being made to set up, an operation here in Barbados to make them, which is going to have to compete at the same level as the imported products coming from other countries, both in the Caribbean and outside of the Caribbean. And the Right Honourable Member for St. Peter has to be conscious of the fact that if we are going to develop a music industry in Barbados that at a fledging stage of its operation, he may have to give it some very limited protection. Now, that may go against the trend which we are talking about with trade liberalisation, but I still feel that there should be a slight differential between the position of music which is imported from outside of Barbados and the music which is produced here in Barbados on whatever method is used to produce it.

The Right Honourable Member for St. Peter did not deal in his budget with energy. We are promised an energy White Paper for the longest time. We are waiting with bated breath on it. Because the Democratic Labour Party believes that the successor to Mobil should be an entity owned by the people of Barbados in which you offer shares. Because the importation of those products has a guaranteed market in Barbados, a guaranteed rate of return almost, and a pretty substantial one like that, once your pricing mechanisms are correct - and you can deliver reduced energy prices, but give Barbadians an opportunity to own the successor entity to Mobil when the refinery leaves. That should have been included in the part of Government's Privatisation Programme. Imagine this Government comes up with a privatisation programme to privatise assets which the Democratic Labour Party was in the process of privatising in 1994 and in most cases on the same basis on which we were privatising them.

ICB and CBC, we have made it clear that the people who should get first call are the workers, Credit Unions and other individual investors. Three years later the Government has now come up with this grand privatisation programme which is basically the same as what we had promised. 10.20 p.m.

Another concern I have is that resources are being put into the drafting of legislation to facilitate small business and to get the Attorney General's people to draft a

lot of legislation in that area, enterprise capital markets and so on. How long are we going to have to wait for the unfair dismissal legislation and for labour legislation? You mean resources cannot be made available also to draft the legislation which is necessary to protect the rights of workers?

We have had a speech in here today from the Minister of Labour and not one single word in affirmation of the rights of the workers of Barbados who he is charged to protect by the office which he holds, not a single word. We have a major dispute in Barbados right now which again seeks to threaten the rights of workers in this country, and you have a Government talking about how they care so much about workers, they have done so much about workers and one of the very fundamental things about the relationship of the worker to the employer in this country is under threat, and the Minister of Labour, not a soul on the Government benches has had the courage to say a word to the people of this country in relation to that matter.

Mr. Speaker, this is essentially, as the Honourable Member for St. Philip South said, a *status quo* Budget, a budget in which results are not being engineered by the Government to make capital available to business people and to change economic relationships in the country.

We have made some proposals and the Honourable Member for St. Michael West Central says that he views the Honourable Member for St. Peter like Moses coming down from Mount Sinai with tablets. I am not sure what kind of tablets he meant if Panadol, Valium, Prozac or something like that to deal with the pain of public office or the pain of the people.

His Honour R. D. MARSHALL: On a point of order, Sir. The Honourable Member is misrepresenting what I said. I said that the Right Honourable Prime Minister came down like Moses from the Mount with two slates in his hand containing the Ten Commandments. That is what I say.

Mr. SPEAKER: So there were no tablets?

Hon. D. J. H. THOMPSON: Oh, maybe he had swallowed them already, I do not know. I am sorry if that is what you said. I thought you said tablets. Words have several meanings. I heard tablets. You said slates. I do not know.

Now, Sir, the Honourable Member for St. Andrew got very agitated in this debate. I saw no reason why he should have been so excited. He wants to blame us for problems in the Barbados Labour Party. It has nothing to do with us

and therefore we do not and cannot accept responsibility for it.

What I want to hear about is the bus problem. The Honourable Member for St. Thomas has confirmed to me that Government has given priority to giving some of the top officers of State motor vehicles on time. I have no problem with that, but I am saying that priority should also be given to the thousands of people standing up at bus stops every morning in rural Barbados, and in parts of urban Barbados, trying to get to work. They must be given some priority.

The Honourable Member for St. Andrew tells us that he is doing the best he can. There is nothing else that can be done. People are losing their jobs on a daily basis and that is just in the area of transport.

In the area of housing, as the Honourable Member for St. Joseph said, it cannot be enough to say that you are building 50 houses a year.

The Honourable Member for Christ Church South has to understand that we are not saying there should not be foreign investment. We are saying there should be balanced investment where a person who wants a villa or a person who wants a mansion who lives in Germany, has never visited this country, cannot stand in priority over the thousands of Barbadians lining up day after day at the National Housing Corporation looking for a house spot or a unit. That is all we are saying and that Government, if it does not want to create the conditions which lead to alienation and indifference, has to practise balanced development in Barbados. I thought everybody was agreed on that.

It is not a question of whether Errol Barrow gave Fred Laforette land in Sunset Crest or whether Grantley Adams - the Honourable Member did not remember this - did the same with Sandy Lane Plantation.

Aside.

Hon. D. J. H. THOMPSON: We know the Labour Party's history too and that preceded us but he was a fledgling member in those days and obviously he had to check the records too clearly. That is what we are saying about the housing policy.

The Urban Development Commission, Mr. Speaker, my speech has been reproduced in the newspaper. I made no accusation of dishonesty. I do not know what the Honourable Member got excited about. I read the

Estimates, participated in the debate this year in which we gave the* Urban Development Commission \$5 million.

The Honourable Member tells me that no fund has been set up. Whether the fund has been set is irrelevant. Five million dollars have been voted by this Parliament and I assume that everything necessary to deliver the programmes of that Commission has already been done. I said in some of the cases loans have been advanced on the flimsiest of criteria including political support, and it is in the newspaper today. You have not read the newspaper and you did not listen properly.

I am saying that there is adequate evidence and we will have the chance to examine all these things. The Public Accounts Committee exists. We have been working on the Financial Rules and we are going to get to some other matters very soon.

Now, Sir, the Honourable Member for St. George South took issue with the speech of the -Honourable Member for St. Philip South. He was a representative for almost 20 years of St. George South and he can only now see, after the Prime Minister inflicted a VAT on the people and almost collected \$107 million, the benefits of his representation simply because he is trying to catch up with the Democratic Labour Party's potential candidate in that constituency.

The gentleman went into Woodland and then the Prime Minister went in Woodland. He did not carry the MP with him. He went in Woodland alone because the potential representative for St. George South went into Woodland. Then he listed all these roads one after the other.

Now all the Honourable Member for St. Philip South was saying is that he wants to see the benefits of those VAT resources as well. So what is the difference in your argument and his argument? What he will tell you is that the only road being built in his constituency now is the one that leads from Six Roads to the Rum Refinery at Foursquare which I spoke about earlier. What other road is being built in his constituency?

Aside.

Hon. D. J. H. THOMPSON: And it does not pass Foursquare? It goes to Rising Sun how? In the air? Mr. Speaker, we all know what it is about.

All of the talk made about the good society and so on, I was impressed with the speech of the Honourable Member for Christ Church East in which he said that this

debate was not about VAT relief. It was about Barbados Labour Party relief, relieving the Barbados Labour Party of the fear that it would lose the next General Election because of the VAT, and he is in a position to know. He is still the Honourable Member's friend, and he is still expressing what the Right Honourable Member for St. Peter calls legitimate dissent, and he accepts such dissent.

Mr. Speaker, I want to make our position very clear in this debate. We have moved an amendment to the Resolution. Some people have adduced the argument that they have to support this Budget. What we are being asked to support is a Resolution moved by the Honourable Member which calls on us to agree with certain premises.

Each of the items which is in this Budget has to be brought to the House by legislative measures. The measure to convert the casual workers into public officers, you have to bring a law and we will support it then. The measures to reduce the VAT on food you have to bring it by an order and we will support it then. All of those other measures that we agree with, we will support individually when they come to this Chamber. As for this Budget, we are saying that this Budget will not deliver either what has been promised in the Resolution or the promises which the Barbados Labour Party made to the people of Barbados in 1994 and that is why we cannot support it. 10.30 p.m.

Although we may agree with the VAT relief and the question of the casual workers becoming public officers and although we may agree with some of the things that have been done in this Budget to relieve the burdens on the people of this country, we will deal with those when they come to the House individually but we cannot congratulate the Government of Barbados on the economic course which it is pursuing and the growth which we are presently enjoying in this country. The Resolution calls on us to congratulate the Government on its social programmes as well but who could congratulate the Government on its social programmes? It also asks us to congratulate the Government on its economic and social policies, not only those in the Budget. There were no social policies in the Budget, we cannot agree with the Resolution on that basis. It said that it carried out comprehensive reform and all of these will continue to build a just society. This Budget alone cannot build a just society in Barbados. There is a basis for us to agree or disagree but in the context of this Budget and this Resolution you cannot depend on the support of the Democratic Labour Party. The operative paragraph says "that we take note and congratulate the Government highly for its skilful and effective management of our economic affairs. We cannot do that, Mr. Speaker, Sir, and that is why I have to vote against this Resolution today.

Thank you.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, a lot has been said in this debate about the mirror image we should have of ourselves. We have had the opportunity in this debate to see two faces of politics. For some people, Mr. Speaker, politics is about the people's business and they bring a seriousness of purpose to the business of politics. They believe that the issues have to be at the centre of their political discourse and at the end of the day the development of the society has to be the chief purpose of their contribution to public life. There is the other mirror image which see politics as a form of blood sport to be indulged in by political animals and that we are to set up artificial divides where there is no need for artificial divides and that politics is about innuendos and gossip and pandering to gossip. In some instances also unfortunately using the shroud of parliamentary privilege to slander people in the society who regrettably, are not in here to defend themselves. We have seen, Sir, these two faces of politics in Barbados represented in this debate. I want to begin by thanking all Members on this side who have so comprehensively evaluated, discussed and supported Government's programmes and Government's accomplishments and have sought to explain the direction along which the Government is taking the society. They saw politics as being about the people's business, dealing with issues, dealing with societal development, dealing with ensuring that at the end of the day we live up to the purpose of stopping poor people from being poor. As Michael Manley said "that is why we ought to be called to public life", to help poor people from being poor.

Mr. Speaker, I want to draw attention not only to contributions from my side but to the contribution of the Leader of the National Democratic Party who has mellowed. There have been times in the past when he has been involved in some of the most classic fights in this House. He has made a tremendous contribution to Barbadian public life from Opposition, his focus of the issues as he saw them as related to Barbados' development, he has never been known to give quarter as in this Budget he pointed out where what this party is doing coincides with what his party would do. He did not seek to cause the public of Barbados to feel that there is an artificial divide where there is no artificial divide. If he wants to claim credit for the success of what is being done, I just want to simply say that success, Mr. Speaker, has many, many sires but failure is always an orphan.

The Right Honourable Member for St. Michael South claims as well credit for the state of the economy but he stopped short of pointing out that the measures that he now says were the measures he put in place to bring about the recovery of the economy had to be put in place to deal with the problems that he caused. I want to remind him again, Sir, as I have said once that in this entire matter of

Barbados' recent development he stands in relation to problems and solutions in the same capacity as a person who sets fire to somebody else's house and then wants credit to be bestowed on him for being the person who has called in the fire service.

Mr. Speaker, there is a general acceptance in the House that the economy is doing well. I have come to public life, as I said, with no intention whatsoever to build monuments and the biggest monuments people tend to build in politics is the monuments within which to hold their egos. I have a view of how I should relate to the public and to the development of this society. My party has a Manifesto and I will seek to carry out what is contained in that Manifesto but I will not be purblind, Mr/Speaker, to believe that we are infallible on this side. If people in the Democratic Labour Party offer advice that is constructive, if people in the NDP offer advice; if the general public offers advice or if Eric Sedly from the People's Pressure Movement offers advice and I believe that it can advance Barbados' causes and that it can serve as well to stop poor people from being poor, I will accept the advice, Mr. Speaker and carry it into practice because that is my view as to how we in this country should proceed to build a participatory democracy.

I really want to stress that point, Sir, because everybody is claiming credit for the economy. I believe in the continuity of Barbados' development I have inherited a society that has been brought to a point in 'development by good people before me. I do not believe that everything that has been done before, I must reverse. If I came to office and found that there were policies that could work with refinement, I must not believe that I should create in the mind of the Barbadian person a notion that there is an artificial divide and grievances. I feel that Barbados has come safe thus not because of our people but because of the continuity of our development. I will never, Sir, lose sight of that in my leadership of this society. That is why I want to set this debate about the VAT and where we are going in that context.

A lot of the debate about the VAT is really about an artificial divide about things on which we agreed. I found that aspect of this debate the most unhealthy. The Barbados Labour Party did not start the work of a VAT tax. The work on the VAT started in 1992. The staff of the VAT office was employed prior to 1994 and millions of dollars were spent on planning VAT. Why I am disappointed about the tone of this public discourse, Sir, is because the week before the Value Added Tax came to this House, I met the Leader of the Opposition. A lot of business in this House is done not on the Floor but behind the Speaker's Chair and I told him what I was proposing to do. This is a fact. 10.40 p.m.

I told him it would include a VAT on food. He brought to my attention that a Mr. Mascoll had suggested otherwise but his party would have difficulty with that. I told him I was going to give a special rate to tourism. He told me what a former leader had said but he said he did not have a problem with that and I brought the VAT as then structured to this House on the understanding that the party that had been pressing me for 2 years to bring it, that had a week ago said they had no problem with the VAT was genuine in what they were saying to me. I brought it in good faith, believing that people in good faith were going to stand on what they had committed themselves over the year and a week previously.

Sir, we have an obligation to the people to stop the people from having less faith in politicians by believing that we create artificial controversies and that our word means nothing.

I have had to make judgement on the VAT, Mr. Speaker, in good faith. The question of food. I did not invent a tax on food, Sir, neither did the Honourable Member for St John. There has always been a tax on food in Barbados called the stamp duty on extra regional import. The judgement I had to exercise was the same judgement he had to exercise when he had to make a decision about whether VAT goes on food or not because we had to make a decision to lower the rate of taxes and broaden the base. If food was already in the base we could not broaden the base by excluding food and that is what made Barbados unique in relation to a tax on food because there was always a tax on food.

People in Barbados, Mr. Speaker, were paying a 20% stamp duty on sardines and corned beef before there was a value added tax. And it was these considerations that were in our minds when we had to make judgement about whether we tax food or not and the decision taken in good faith and represented in good faith has to be left to the test of experience.

There are a number of contentious issues that have been raised unfortunately in this debate that we can put behind us. I made it clear that for the first half of the year the Government had collected over \$109 million from all taxes but more especially so including from a more improved performance from import duties and from income taxes. More people are working so there is more income tax. There has been a lot of restocking so there are more import duties. So the \$109 million we have taken in for the first half of the year has not come just from the VAT it has come largely also from import duties and from income tax.

What I was at pains to say is that on trend if we were to leave the VAT in place without adjustments it gives rise

to more than \$107 million in revenue above what we projected. The purpose of this budget debate was to make sure that that does not happen, that we do not draw in \$107 million but that we stop the process now by taking things that are subject to VAT out of the net of commodities that must bear VAT. So that the perception has gone forward, Mr. Speaker, that I have collected \$107 million from VAT is simply not true. These measures are precisely intended to insure that that does not become the case.

Mr. Speaker, Sir, I think it is only a good thing that the Honourable Member for St. John who has supported the VAT on food all along should find himself caught up with toilet paper and with pampers and so on and he is calling now for the removal of VAT on those things. I just want to make it clear to the public, Mr. Speaker, Sir, that the call for the removal of the VAT on all of those other things is an unreasonable call for the precise reason that the items referred to by the Opposition were carrying stamp duty and consumption taxes that when added together were higher than the VAT and that the VAT is substantially now imposing a lower rate of duty than the taxes that were there before.

Let me illustrate, Sir. The Member for St. John called for us to remove the VAT on toothpaste but he does not tell the public what were the preVAT taxes on toothpaste. The facts are that before VAT there was a 20% stamp duty on toothpaste and a 21% consumption tax. We have taken those 2 taxes and replaced them by a 15% tax. Sir, is that unreasonable?

Sir, in relation to toilet paper, there was a 20% stamp duty and 29% consumption tax. On napkins, Sir, a 20% stamp duty and a 29% consumption tax. Matches a 20% stamp duty and \$4.00 per 100 containers and it could go on and on. Baby clothes a 20% stamp duty, 49% consumption tax and we have taken those 2 high rates of taxes, each higher than the VAT and replaced them by 15% VAT. And the Opposition cannot see the reasonableness in what we have done. So that, Sir, I leave the public with the facts as they are. I leave the public to judge whether we are reasonable people, Sir, or unreasonable people.

Mr. C. A. MASCOLL: Sir, on a point of order. It is really intellectually tiring.

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

Mr. C. A. MASCOLL: The point is this, that the stamp duty of 21% plus a consumption tax of 20% or the other way around, it does not matter, they come to 41% but it was on the import base. It was on C.I.F. value and the C.I.F. plus the import duty. What is not being said

is that the 15% VAT is on the import base, yes and therefore the reduction occurs at the port of entry but that a value added tax is now imposed on the local value added for the first time, that is on your wages cost, on your transportation, on your profit margins, on your costs. It is tiring, Sir.

Mr. SPEAKER: Okay, you have made your point, Sir.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, you say he has made the point, Sir, but I do not know what point he has made.

Mr. SPEAKER: I said he has made his point.

Rt. Hon. O. S. ARTHUR: Sir, I am talking in terms of VAT on clothes of which such a major issue is being made. The tax before VAT was 69%. He has not adduced any evidence to show that as a result baby clothes are more expensive by imposing a 15% VAT, Mr. Speaker.

Mr. Speaker, the Honourable Member for St. Michael North West is always misleading the Honourable Member for St. John, because he was the person who provided the Honourable Member for St. John with information that levies are still in place. And he came to the House in the Estimates Debate and he did not know that land tax had gone down because land tax rates had been reduced. I had, Sir, to bring that to his attention but I want to say to the House that he was the person who wrote a report, submitted it to the then Government saying that the VAT should have been kept on food and that the hotel sector should be zero rated. 10.50 p.m.

Mr. Speaker, a lot of innuendo has been passed about the BADMC jobs and a large number of other matters. I want to deal firstly with the matter of jobs. There is no question that there is a climate of confidence in this country and indeed if we have not yet brought unemployment down to negligible proportions, Sir, we are going in the correct direction. But, I want to illustrate how I am approaching this. Not just with policies at the national level, but by using the concept of the Special Development Fund as it applies to two constituencies in Barbados and how I am trying to ensure that those constituencies contribute to the national improvement by having jobs created in them.

St. John and St. Peter, Mr. Speaker, share a lot in common. Speightstown used to be a thriving town when agriculture in the North was strong. St. John has remained the most agricultural parish in Barbados and it is what Barbados would probably look like had we remained

largely agricultural. Speightstown would die if its income base is not expanded and therefore I have sought through the Special Development Act to broaden income in employment opportunities by encouraging marinas whereby cruise ships can go back through Speightstown and more activity can take place in Speightstown. Even as I speak to you, Sir, there are persons who are seeking to transform buildings along Sand Street into new offices to encourage the offshore sector to even be located in Speightstown.

I have not only done this in my constituency. The Special Development Act also applies to St. John. One of the first set of investors I met with were people who wanted to invest at Villa Nova, to bring a new concept of hotel development to Barbados by taking the old great houses and having an inland form of hotel development. But they were kind of extraordinarily at risk because there was no beach and all that so they asked for special concessions, Sir, for vehicles and so on, and I said, 'I'll give you the package, go ahead and develop St. John.' A whole package of concessions was given to them. One of the principal investors died in a plane crash and the project was put on hold. But I, recently, as Minister of Finance also approved a \$4 million loan to the new entities to get on with the Villa Nova project for St. John.

The Honourable Member for St. John also knows that I have had a large number of other meetings with leading businessmen in Barbados because Bath cries out for proper development I have been working, in Barbados, with leading businessmen from Japan to convert Bath into one of the major resorts in this country creating jobs for the people in St. John. I have told the investors that if they met with me, go and also meet with the Honourable Member for St. John to keep him in the picture.

Asides.

Rt. Hon. O. S. ARTHUR: At least my door was opened. Mr. Speaker, Sir, I am seeking to use new instruments to bring employment, not just to Barbados as a whole, but to focus concentration on those parts of Barbados that have historically been neglected.

I really wish that this would be the last debate in which the Honourable Member for St. John continues to criticise the very instrument, the Special Development legislation that is intended, for the first time, to convert St. John from being the poverty stricken, agricultural ridden parish that it is, into a service oriented parish, just like the rest of Barbados.

When the Honourable Member for St. John therefore criticises the Government's employment policy, it can

only be because we are not using the bus fares and lunch money approaches that he proposed, but that we are in fact, Mr. Speaker, Sir,' seeking to use new instruments for dealing with an old problem. What they will be doing in St. John, Sir, is that they are replicating in the St. Lawrence Gap where new activity is coming forth because of the Special Development legislation.

In St. Joseph, people are coming up with Special Development Projects to develop Bathsheba. In the Carlisle Bay area there is a vast range of new projects intended to take old derelict properties and transform them into the finances of the country. I just want to put out the challenge that I am not interested in the artificial divisions of politics. I am interested in poor people stop being poor and let the Government get on with its business. Stop criticising the Special Development Zone legislation, Sir, because it will help develop St. Peter and St. John because we need special development in those two constituencies because they have been neglected for too long.

Asides.

Rt. Hon. O. S. ARTHUR: I was using St. Peter and St. John as illustrative of a larger point. Mr. Speaker, Sir, it is the same thing about poverty. My Government has put together a tripartite approach to the relief of poverty. We must address poverty at the level of the communities. There are too many communities in Barbados that lack the identity of a modern society. Some people say they are behind God's back. We have to change the way in which communities feel they relate to the society.

We have to deal with poverty at the individual level beyond what the Welfare Departments do. I want to be able to reach the single mothers who cannot send their children to school because they do not have the bus fare. Or send one today and one tomorrow because that is real poverty. I want, Mr. Speaker, Sir, in addition to dealing with poverty at the level of the community and the level of the individual, to deal with poverty at the level of creating enterprise.

The Honourable Member for St. John came to the House to criticise what we are doing by using the Welfare Department, the Child Care Board and others as the secretariat that helps us to collect the information, but I say, thank God that we are using those institutions. The Honourable Member for St. John sent in three names of individuals to have their houses erected because they are in abject of poverty, but the same Committee that he criticised has ordained that based on their records not three but 20 people in St. John should start getting some help to prevent them from slipping between the cracks now. The very system, Mr. Speaker, that he is criticising is rendering more

assistance to his constituency than he would have asked for.

I deal with the question, Sir, of the B ADMC. I want to speak to it because it is illustrative of the difference between the rhythm of these two parties, Mr. Speaker. This administration does not have anything against the people at the BADMC *per se*. But, we have something against maladministration. The Democratic Labour Party formed the BADMC by taking two bankrupt institutions and putting them together. Mr. Speaker, when you take two bankrupt institutions and put them together you end up with one larger bankrupt institution.

Asides.

Rt. Hon. O. S. ARTHUR: Then, at a time when they were sending home people from the rest of the Civil Service, they added on to the list of the institution. I am not going into what was given as prerequisites to a former Senator, Sir. I am not in that mood this evening. But there was no injection of capital. Therefore, an institution that started as bankrupt kept going down hill because of increased cost arising from overstaffing. The situation was made worse, Mr. Speaker, because on the eve of the election, selected persons only, in the BADMC were given golden parachutes, for example, five-year contracts and improved terms. That is a fact. The numbers expanded, new terms, no injection of capital. We came in and found a system that was pestering and it represents this Government's approach to deal with problems whether they are at the BADMC or at the Hospital. 11.00p.m.

What we will do may be unpopular for a while but we will take strong action to correct disastrous situations. What did we do, Sir? We said in the same way that the Government has an agency rehabilitating unprofitable private estates that the same Government company, BAMC, should now rehabilitate the unprofitable public sector estates by sending all the plantations from the BADMC to BAMC for it to do what it is doing to the private estates.

Mr. Speaker, every other motor tractor scheme in Barbados is making a profit. We said give the motor tractors and the garage facilities to the workers there, let them run it on their own as a profitable institution and they are doing that.

The only dairy in Barbados that is making a loss is The Hope. Action will have to be taken to ensure that The Hope does not continue to be the only dairy in Barbados that is making a loss because it happens to be owned by the Government.

There are sections of the BADMC that are enjoying monopolies. Every one of us who wants to have a little dance in the constituency has to apply to some Pope at the BADMC to get a few chicken wings that are handed out like sacrament, but they are making a loss on that too, Sir. This Administration has made it very clear that we are not going to take up the taxpayers' funds to just pass on over and over again to institutions which are not making the effort to make themselves viable.

Mr. Speaker, why should an institution in Barbados having a monopoly for importing chicken wings be losing money on the importation of chicken wings? There is no reason for it whatsoever. So when we act to correct those problems, it is not that we have ill will for anybody but that we will not preside over the waste of the taxpayers' money by putting it down financial black holes in the nature of inefficiently run institutions, and that is the reality. It has to be restructured because an unsound institution, a bankrupt institution cannot, in the final analysis, provide jobs for anybody.

Mr. Speaker, the member spoke about the sale of Foursquare to a certain gentleman who will defend himself. Just let me say this very clearly, Mr. Speaker, for the record that the estate involved under the control, not of the Government because it has not been passed onto the Government yet and it was not intended to be passed over to the Government but at the time when the legitimate owners, the BSIL, put an ad in the paper advertising the abandoned factory for sale, there were three ads. The person to whom the factory has been sold put in the highest bid. He has paid down a deposit on it and the matter has taken the length of time it has taken because there had been a lot of confusion over proper title.

Mr. Speaker, I want to say this. We have inherited a situation where the BACT has assumed \$250 million in debt that was formerly vested in the Agriculture Division of the Barbados National Bank. We have to prudently sell off estates and non-performing assets of the sugar industry to be able to help work down that debt.

Recently the BACT has, I believe, struck a wonderful deal for Barbados in having Alleyndale Plantation sold for \$3.5 million, far in excess of the debt owed on the plantation, but it will be used for cotton production. Monies will be brought into Barbados as well to rehabilitate the old Alleyndale House but the cotton production will go along a different course than the old CARSICOT.

Recently, Mr. Speaker, I had discussions in Jamaica with the Minister of Industry and the agriculture producers

in Jamaica and there are plans now to have an integrated regional Sea Island Cotton Project on a regional basis as distinct from the narrow insular basis that was at the basis of the failure of CARSICOT.

The redevelopment of Alleyndale, Mr. Speaker, is part of the effort both to reduce the debt of the BACT and also to make sure that our agricultural resources are more effectively used in the future.

Mr. Speaker, a lot has been said in this debate about the small business sector and a lot of false tears continue to be shed about the small business sector. I will start from basics. The small business sector has nowhere to go until it is properly organised. For many, many years, despite the false tears, no attention was given to reorganising the small business sector so I have started from basics that it must have a properly functioning secretariat if it is to have a chance of success.

Mr. Speaker, the Government's philosophy in developing small business is not only just about contracts and awarding contracts. I am seeking to ask myself and answer one question. Why is it that in the past under Grantley Adams, under Errol Barrow and even before small black businesses emerged in this country and they lasted for one generation and then they vanished? We have seen it recently, Sir, in the case of N. E. Wilson. It is precisely because there has not been a business culture among small business that draws from what successful businesses do to put in place the systems that would allow small businesses to succeed and survive. Small businesses in Barbados only succeed and survive if they learn how to use equity and not just loans, if they are also responsive to the requirements of having to satisfy shareholders about management and the like.

Government's determination to bring equity financing to small business is not just about giving them loans. It is about starting the culture that will eventually see small businesses doing the same thing that successful white businesses have done in Barbados.

Mr. Speaker, the Barbados Labour Party, therefore, sees the need in encouraging this culture to hold the small business hands carefully to avoid the mistakes that have been made in the past in having a lot of money wasted on the sector's development.

Mr. Speaker, as I said, this debate has shown two faces of politics in this country. I was privileged in the period between November 1984 and March 1985 to serve

in a House in which the five Prime Ministers of Barbados sat. That Parliament also contained persons who could, with distinction, not only have been leaders of Barbados, but leaders of other Caribbean countries. I think on this side, Sir, the Honourable Members for St. George South, St. Joseph, the City, St. Thomas and Christ Church West. *On that side*, Sir, the Honourable Member for St. Michael South Central and St. Michael West who, while not being Prime Ministers, had the leadership qualities and have brought budget debates a quality of wonder in the way in which they have managed to try to deal with the issues, and serious issues.

I have historically enjoyed budget debates. In fact, Sir, I feel that the best debate I have ever participated in this Parliament was the Estimates debates of 1987 joining horns with the Honourable Member for St. Michael South Central. 11.10p.m.

Some of the best that I have ever heard is when he locked horns with Tom Adams. I recalled in 1987 Errol Barrow approaching me just impromptu before the Budget and said "I hear that you are a big cook, I want you to invite me to come and have a meal with you but I will bring people to judge whether you can cook or not and I will invite you to cook". Then he said "I will pay you the compliment in this Budget by treating you as an equal".

Mr. Speaker, there has been to all budget debates a richness with dealing with Barbados' development that I must say in this particular instance was lacking in the speech by the Honourable Member for St. John, such that I cannot say that on his performance that he has been equal to any of the other Members who I feel with distinction has led Barbados, that there is still that unfortunate tendency to believe that politics is a boxit a blood sport and that it must be about innuendos, half truths, lambasting people for the love of lambasting people, Mr. Speaker, Sir, that the same lack of leadership that we have seen in how he has approached the question of the Investiture of the Governor-General of Barbados, dealing with Independence Ceremonies, dealing with attendance at Estimates debates, dealing with the cola syrup and gambling issue is the same lack of leadership that came through, Sir. I have to say, Mr. Speaker, that at the end of the day while he was an Honourable Member in here he was also just a political animal and that he has not really sought to come to terms with the Budget as a budget in the traditions of this Parliament as has been enjoyed on all sides throughout its history.

Sir, I want to close by saying that this is going to be the last occasion that we will have, I think, the two part approach to the presentation of the budget. We have now

had indirect tax reform, we have had indirect and direct tax reform, we have had a lot of public funds spent on tax administration expenditure control, we should now be in a position to have one budgetary process take place in March of the year where the Estimates of Expenditure and the budgetary proposals are presented as one.

I also want to say, Sir, that I am greatly encouraged by the results that are already being reaped by at least one of the measure that I announced in the House. I received a letter today, Sir, from CIBC Regional Negotiating Fund indicating the CIBC banks operating in the Caribbean region will contribute US\$100 000 to the Regional Negotiating Fund. It says "All payment will be made in equal instalments over a period of three years and we are pleased that you have announced that companies will be able to claim 150% of their contribution for tax purposes. We believe that the regional negotiating committee that is in charge of the above funds and is under the Chairmanship of Sir Shridath Ramphal has very important work to do in relation to post-LOME, the free trade areas of the Americas and the World Trade Organisation".

Mr. Speaker, Sir, I just wish in closing to say that I would like to see all Barbadians respond to the measures in the same positive light that has been shown in this particular case by CIBC.

I close again, Sir, by thanking all of my colleagues for their sterling contributions to this debate and I give the House the assurance that we will continue to work purposefully and imaginatively and successfully in building a Barbados that will be a shining star by the earliest 21st century and will be a society in which within our lifetime poverty as my grandparents have known it would be abolished on the land.

I am obliged to you, Sir.

Mr. SPEAKER: Honourable Members, as is customary we will take the amendment to the Resolution first.

The question is that the words proposed to be deleted stand part.

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

Ayes: Rt. Hon. O. S. ARTHUR, Hon. D. A. C. SIMMONS, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENTOGUE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY,

Hon. R. St. C. TOPPIN, Sir HAROLD St. JOHN, His Honour R. D. MARSHALL, Hon. H. deB. FORDE, Mr. L. R. TULL, Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE, Dr. the Hon. R. L. CHELTENHAM and Dr. R. C. HAYNES - 17.

Noes: Hon. D. J. H. THOMPSON, Mr. F. J. STUART, Mr. B. M. TAITT, Rt. Hon. L. E. SANDDFORD, Mr. J. O. TUDOR, Mr. C. A. MASCOLL, Mr. H. F. LASHLEY and Mr. D. St. E. KELLMAN - 8.

Mr. SPEAKER: We will now vote on the Prime Minister's Resolution.

The question that this Resolution do now pass was put and resolved in the affirmative the House dividing as follows:

Ayes: Rt. Hon. O. S. ARTHUR, Hon. D. A. C. SIMMONS, Hon. G. W. PAYNE, Hon. R. C. EASTMOND, Hon. R. N. GREENEDGE, Hon. Miss H. E. THOMPSON, Hon. Miss M. A. MOTTLEY, Hon. R. St. C. TOPPIN, Sir HAROLD St. JOHN, His Honour R. D. MARSHALL, Hon. H. deB. FORDE, Mr. L. R. TULL,

Mr. D. CARTER, Mr. J. M. EDGHILL, Mr. G. A. CLARKE, Dr. the Hon. R. L. CHELTENHAM and Dr. R. C. HAYNES - 17.

Noes: Hon. D. J. H. THOMPSON, Mr. F. J. STUART, Mr. B. M. TAITT, Rt. Hon. L. E. SANDDFORD, Mr. J. O. TUDOR, Mr. C. A. MASCOLL, Mr. H. F. LASHLEY and Mr. D. St. E. KELLMAN - 8.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, that concludes Government's Business for today. I would beg to move that this House do now adjourn until Tuesday, October 14, 1997 at 11.00 a.m.

The question that the House do now adjourn until Tuesday, October 14, 1997 at 11.00 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER-adjourned the House accordingly. 11.20p.m.

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Mr. Speaker also announced receipt of a letter from Mr. W. C. C. Callender dated September 29, 1997 informing of his resignation from the Barbados Labour Party and his relinquishing the post of Chairman of Committees.

PAPERS

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1. The Representation of the People (Expenses) (Amendment) Regulations, 1997.
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9. The Annual Reports and Audited Financial Statements of the Barbados Port Authority for the period January 1 to December 31, 1996.

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10. The Annual Reports of the National Assistance Board for the years 1993-94, 1994-95 and 1995- 96.

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1. Resolution to approve the compulsory acquisition of land at the corner of Hill Road and Dash Road, Bank Hall, St. Michael for the establishment of a recreational facility.
2. Resolution to approve the compulsory acquisition of land at Six Men's, St Peter for housing development.
3. Resolution to approve the compulsory acquisition of land at Codrington, Spooners Hill and Long Gap, St Michael for road improvement.

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