THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 - 99

HOUSE OF ASSEMBLY

Wednesday, September 2, 7998

Pursuant to the adjournment, the House of Assembly met at 5.00 p.m. on Wednesday, September 2, 1998.

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. Sir Henry FORDE, K.A., 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)
Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)
Hon. Sir HAROLD St. JOHN, K.A., Q.C., LL.B.
Mr. L. R. TULL, Q.C., M.A.
Hon. Miss B. A. MILLER, (Deputy Prime Minister, Minister of Foreign Affairs, Tourism and International Transport) (Leader of the House)
Hon. Dr. 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.) LEC (Minister of Agriculture and Rural Development)
Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P. (Edin.)
Mr. D. CARTER (Chairman of Committees)
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.
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 Mr. Speaker. Mr.

SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Friday, August 14, 1998 and Tuesday, August 18, 1998.

Hon. D. A. C. SIMMONS: Mr. Speaker, the Minutes for Friday, August 14, 1998 and Tuesday, August 18,1998 have been circulated. I beg to move that they be confirmed subject to any motion for amendment to the same Minutes.

Mr. SPEAKER: If there are no corrections then let those Minutes stand confirm.

PAPERS

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I am commanded to lay the following:

Report on the Accounts of the Public Enterprise Investment Fund for the quarter ending June 30, 1998.

Hon. D. A. C. SIMMONS: Mr. Speaker, I am commanded to lay the following:

(1) The Police (Discipline Regulations), 1998.

(2) The Police (Promotions) Regulations, 1998.

(3) The Service Commissions (Police Service)(Amendment) Regulations, 1998.

Hon. R. C. EASTMOND: Mr. Speaker, I am commanded to lay the following:

The Annual Report of the Rural Development Commission for the year ended March 31, 1997.

SUSPENSION OF STANDING ORDERS

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

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

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

GOVERNMENT BUSINESS

ORDER NO 1: - THE FINANCIAL STATEMENT AND BUDGETARY PROPOSALS FOR 1998.

Rt. Hon. O. S. ARTHUR:

INTRODUCTION

Securing Our Future

I make bold at the very outset of this presentation to say that by every index, and in the judgement of every reasonable commentator, our nation is doing remarkably well in every sphere of economic and social endeavour, and that there is every reasonable indication that this well-being will be taken with us into the foreseeable future.

There is a popular saying that has much merit: "If it isn't broken, don't fix it". There is therefore a very great temptation faced with our pleasant present circumstances and our attractive prospects, to be lulled into the complacency of just allowing things to take their natural course.

As the chief steward of our nation's economic and financial affairs, there is nothing that I wish more than the continuation and the broadening and deepening of our national development and progress. As that chief economic and financial steward it is however my judgement that now, more than ever is the wrong time to be complacent, or to misunderstand the nature of the challenges which we must grapple with to avoid having our economic and social success disrupted. I also feel very strongly that it is precisely when things appear to be well that, acting under no pressure arising from conditions of crisis, we must set in train those initiatives that will succeed in making things even better.

The measures that I propose to present to this Honourable House have therefore been conceived from the perspective that the economic and social conditions of our nation are sound and the future is bright. But we must work to secure that future, and to make it even brighter.

This budgetary presentation of 1998 is therefore about securing the future of Barbados.

Economic Perspective

You may better understand the full relevance and significance of the focus that I have chosen to give to this presentation if I set the perspective of our recent economic and financial performance in the context of the strategic long terms challenges and the tactical short term management issues that truly confront us.

The Economic and Social Report for Barbados for the last year has been laid in this Parliament in sufficient good time for all members interested in the development of our nation to be fully appreciative of the significant progress that has been made.

Indeed, Sir, the Economic and Social Report for 1997 speaks of a strong enduring and broadly based recovery of the Barbadian economy that has been manifested in every significant aspect of our economic performance, and has translated itself into significant social gains which have improved the lot of the ordinary Barbadian man and woman.

It is a matter of national accomplishment that in 1997, Barbados succeeded in realising its fifth consecutive year of robust economic growth, and that growth was

not concentrated in any one area, but was spread across almost all of the productive sectors of our economy.

Indeed, it is of some major significance that our ecoriomy grew (after making adjustments for price increases) by the 3% in real terms that our macro-economic plan stipulates is the rate of real growth that Barbados needs to sustain to enable it to substantially lift its standard of living, without over extending its resources or having to make recourse to substantial foreign resources and artificial short term means of stimulation.

It is also a matter of the utmost gratification that we have succeeded in putting the spectre of "jobless growth" behind us, and that economic growth in Barbados succeeded in reducing unemployment to on average 14.5%, remembering that it stood at over 26% as recently as 1993. Every Barbadian can feel proud that we earned and paid our way in the world; that in 1997, the stimulus for our growth came from our increased earnings of foreign exchange, that we did not have to raise any commercial foreign loans to support our standard of living nor our domestic investment, and that we were one of the few countries in the world, developing or developed, which managed to expand its economy while reducing its foreign debt. 5.15p.m.

Indeed, Mr. Speaker, the Net International Reserves of Barbados which had plunged to as low as only $13.7 million in 1991, when we truly faced the spectre of a devaluation, rose to over $730 million at some periods in 1997. We were as a result able to service our foreign debt, including repaying the IMF in full, pay for our imports, and still end the year with our foreign exchange reserves in excess of the equivalent of 12 weeks of imports, without having to raise foreign loans to help to achieve that target.

It is also noteworthy that after our foreign reserves fell in the second half of the year to finance the restocking of imports after the uncertainty about the VAT had passed, they quickly recovered in late last year and the first half of this year, rising again to over $700 million, indicating that we face no structural balance of payment problems in this country.

We can confidently therefore continue to support the existing boom in our economy assured that the growth of our economy will not deplete our foreign exchange reserves to such unsustainable levels as to raise any concerns about pressure on our exchange rate.

Those who therefore sought to persuade the public in 1994 that this Administration had struck a secret deal with the IMF to devalue the Barbados dollar will have a lot of explaining to do to our people.

Mr. Speaker, 1997 was also an extraordinary year as regards the evidence revealed about the resilience of our economy in coping with far reaching fiscal change.

We shall never forget that the start of the year was shrouded by economic controversy and uncertainty, arising from the decision of Government to introduce a Value Added Tax to replace 11 indirect taxes under whose heavy and high rates and discriminatory application the competitiveness of our economy was being distorted and our real economic potential was being denied.

The introduction of the VAT was accompanied by the more dire predictions of gloom and doom. We were told that it would have destroyed the tourism sector, ravaged businesses great and small, generated a spiral of price increases, undermined any scope for investment - indeed, Sir, that it would have had an impact on this economy akin to that of a serious hurricane.

I must, on this occasion, also add that the introduction of the VAT unfortunately also inspired the writing of one of the shabbiest chapters in partisan politics in this country.

Millions of taxpayers dollars were spent between 1992 and 1994 by the previous administration in planning the structure of a VAT. And throughout 1995 and 1996 this Government was pilloried by spokesmen of the Opposition for not introducing the tax, no doubt having regard to the fact that as late as June 1994 the former DLP Cabinet had agreed to the introduction of a VAT, including a 15% VAT on food which was then described as being highly desirable.

On a matter, Sir, that was so vital to the restructuring of our economy it is therefore much to be regretted that although there was no opposition when the VAT Bill was debated in this Parliament, an attempt was mounted to stir public resentment against the tax, outside this Parliament, by some of the members who supported the legislation in here.

It is now generally agreed, however, that the administration of the implementation of this tax was one of the better examples as to how fiscal reform of such an overwhelming nature should be approached, and that Barbados now has an indirect tax system ideally suited to its needs.

I should also mention that after the initial spurt in its revenue yield, the returns from the VAT have now stabilised to expected levels, and as such our attention can now fully turn to so fine-tuning and improving

the administration of the tax as to make it an even finer instrument of public policy, and more friendly for the purposes of the public for whose ultimate benefit it was conceived.

It has to be said that far from destroying the environment for investment, the introduction of the VAT coincided with a surge in investment in Barbados. Indeed, Sir, in 1997, the level of domestic investment in Barbados recorded a 33.1% increase over the 1996 figure, much of which was geared to expand the country's capacity to generate foreign exchange earnings and sustainable employment over the medium and long term.

In addition, although the introduction of the VAT also generated a spurt in the level of prices that proved, as anticipated, to have been a one shot experience, the rate of inflation has subsequently stabilised to the low levels realised in recent years.

The substantial economic gains registered in 1997 made possible the parallel initiatives to underwrite social progress - including a substantial increase in our support for all the social services, the carrying out of the most comprehensive poverty eradication programme in our country's history, the introduction of new mechanisms and institutions to attend to the needs of the marginalised groups in our society and to support non-traditional enterprise and the creation of financial schemes to assist the working poor.

Mr. Speaker, all the available evidence indicates that the strong performance of our economy in 1997 has been carried into 1998. Indeed, in the first half of the year the Barbados economy maintained the trend of strong economic growth, low inflation, declining unemployment and healthy foreign exchange reserves.

The *output* of the economy in the first half of this year is estimated to have increased by 4% with the principal momentum being provided by activity in the construction and tourism sectors (15.1% and 9.9% respectively). The manufacturing sector also performed creditably, with output increasing by 6.2%. Indeed, the only brake on the overall expansion of the economy was the decline in agricultural production, due entirely to adverse weather conditions.

The expansion in economic activity continued to provide additional employment opportunities, and as a result, the unemployment rate fell to 12.1% by June 1998. This, Sir, was the lowest rate of unemployment in Barbados since 1981, and it was less than half the rate of unemployment which existed five years ago when unemployment in Barbados peaked at 26.3% in 1993.

Inflation, Mr. Speaker, remained moderate during the first half of the year. Indeed, in the 12 months ending May 1998, the retail price index actually fell by 1.3% on account of the October 1997 zero rating of a basket of food items under the VAT regime. Our Foreign exchange reserves rose by $108 million in the first half of the year compared to an increase of $138.2 million in the first half of the previous year. This relative decline in the rate of growth of our net reserves reflected the continued strong demand for imports to support the expansion of the economy and was due in large measure by higher debt service payments and particularly the repayment of a $40 million Japanese bond raised by the previous administration. 5.25 p.m.

With an estimated import reserve cover of over 14 weeks at June, Barbados' pool of Foreign exchange reserves is more than adequate to meet the expected seasonal draw down of reserves in the second half, to meet the build up of import stocks that will ensue.

We will however continue to exercise the greatest care in managing our foreign exchange reserves, for reasons I will outline shortly.

Overall, Mr. Speaker, it is expected that with minor modification, the major trends exhibited in the first six months will persist, and that 1998 will stand out as an exemplary year for this economy.

The momentum for the growth of the economy is being provided largely by capital expenditure in tourism and commercial development - all related to the expansion of our service economy.

Mr. Speaker, over the past two years, planning permission has been granted for the addition of some 600 new rooms and villas to our tourism capacity, and proposals for the addition of over 970 more are being processed, and are likely to be approved. This will constitute the largest single expansion and upgrading of Barbados' tourism capacity in recent decades.

This phenomenon of investment in new, modem productive capacity, particularly earmarked to support higher levels of service export activity, has not been restricted to the tourism industry, it pervades every sector of our economy. The facts are that the Town Planning Office is now receiving planning applications on a monthly basis at such a rate that it is estimated that approximately 3000 major applications will be submitted and processed this year, If realised, Sir, this will represent the higheft level of development applications received by that department in a decade.

The essential strengths of this Barbados economy are that our growth has been driven largely by foreign exchange earning activities for which there is buoyant international demand. There has been a commensurate increase in our, domestic savings and investment; the investment in new productive capacity in recent years has been designed not to create one shot employment opportunities but to support sustained expansion in jobs; much of the new capacity, Sir, is more efficient than the old, raising domestic productivity and improving our competitive position, and all this, Mr. Speaker, has been accomplished within the context of a drastically improved external debt position, and within the context of stable domestic prices.

On course, therefore, Mr. Speaker, Barbados can sustain the current surge in economic activity for many years to come,

A quite considerable effort, Sir, has been made over the year to bring Barbados to the point where we can contemplate a brighter, more prosperous future.

Many of the factors responsible for our present favourable circumstances are of enduring quality and must continue to be made part of our future.

I think immediately of the Social Contract which by establishing not only a consultative mechanism for the determination of prices and incomes but also a mechanism on all key aspects of the functioning of our economy and society has perhaps more than any other instrument created the environment of stability and confidence without which sustainable development is simply impossible.

Barbados is enormously indebted to the leaders of the social partnership for their commitment to national well-being.

I would also suggest, sir, that we would also do well to persevere with our commitment to sound macro-economic policies and a consistent and well articulated development strategy. The former features are resolved to incur only moderate fiscal deficits, to avoid the ruinous spending of money to support such deficits, to preserve and to protect our exchange rate and to make compensating changes in fiscal and other policies to maintain it, to continuously support the carrying out of measures, Mr. Speaker, to boost productivity and increase competitiveness at the level of the enterprise and the overall economy.

The latter, our development strategy, will require that we continue to accentuate the export of services as the cutting edge of our development thrust, and the reliance on our human capital and institutional reform as the chief means by which we stay on our development path.

Neither can we underestimate the continued importance of strengthening our social capital, the engendering of appropriate social norms and values and the creation of a cohesive society and an expanded range of new social and economic opportunities for the marginalised and the dispossessed as features of our programme to build a just and stable society.

These have been the critical ingredients in establishing the conditions of economic and social stability that have engendered the investment and general economic confidence which have driven our development.

They must be as much of our future, Sir, as they have been of our past.

In order, Sir, for us to realise the very bright future that is ours to have, there are however a number of short and long term challenges we must face; and face with resolve and a spirit of daring. And it is to these short and long term challenges that I now turn.

Mr. Speaker, for the short term, it is imperative that we institute measures to enable this country to weather the effects of the financial turbulence that is taking place in the global economy, in so far as it concerns Barbados, and to ensure that our prospects for sustainable development are not undeimined by the over-stimulation of the domestic economy during the next six months.

About a year ago, I warned Barbadians that the magnitude and the nature of the financial crisis which was then emerging in South East Asia were such that the crisis eventually would adversely affect the functioning of the world economy and hence adversely affect Barbados.

Most observers, however, thought that the crisis would soon be over because of the supposed strong macro-economic fundamentals of those economies concerned.

Today, it hovers like an ominous cloud over the industrial and emerging market economies, and threatens the steady growth that the world economy has enjoyed since recovering from the recession at the beginning of the decade.

The crisis, which has taken the form of a virtual collapse of the financial and capital markets and a deep recession in the economies concerned, has swept through Korea, Thailand, Indonesia, Malaysia and Japan, and has dragged on for much longer than anyone anticipated.

Even now, Mr. Speaker, there is no end in sight; whenever we think it has bottomed out, we discover that it had only settled upon a narrow ledge from which to take the next plunge.

As the crisis deepens, it will become more difficult for China and consequently Hong Kong to stave off devaluing their currencies, and being drawn into the vortex of economic decline.

There is no doubt, Sir, that this crisis has and will continue to dampen the prospects for growth in the US and the European Economies. Originally, it was envisioned that at most it would knock half a percentage point off the growth of the industrial economies. Now, even the most optimistic observers are anticipating a more severe contraction in growth, some going so far as to speak in terms of a major world recession. Indeed, the exports of industrial countries of machinery and equipment, and most consumer goods to the Asian market have contracted, leading to a loss of profits and threatening employment in these industries. 5.35 p.m.

The Asian crisis combined with the economic melt down in Russia has created intense nervousness in the international capital markets, making it more difficult for countries like Barbados to borrow if the need arose. Currently, the bonds of emerging market economies are trading in the region of 10 to 20 percentage points over the US Government paper of similar maturity and at these spreads no new issues are coming to market. In fact, only those countries that desperately need to borrow, or those that are too important to be allowed to collapse will borrow at the current interest rates. Venezuela is a good example of the former; and Russia falls into both categories.

In summary, the crisis in South East Asia is capable of having indirect adverse effects on this Barbados economy. These effects will come through two sources. First is through the likelihood of recession in the USA and Europe, which are our major tourist markets; and the second is through the closure of the capital market to governments of emerging economies.

Mr. Speaker, our experience in 1980 and again in 1991 has already demonstrated that the over-stimulation of the Barbados economy on the eve of a major recession in the world economy can lead to dangerous and potentially disastrous consequences in the years that follow.

There is now strong evidence that the surge in private and public capital expenditure in Barbados is putting pressure on the absorptive capacity of the economy, and will unchecked create a cost push inflationary spiral and put some pressure on the country's foreign exchange reserves.

As such, our economic situation today bears an uncanny resemblance to that of the late 1980s characterised by recent strong growth, evidence of overstimulation of the economy, hostile borrowing conditions abroad and the prospect of a slow down in global economic activity on the immediate horizon.

The appropriate short term response to these potential developments is therefore for us to bring the growth of the Barbados economy more in line with the sustainable rate (3%), to institute measures now that would enable us not to have to borrow on the international capital market and to institute measures to maintain higher rather than lower levels of foreign exchange reserves in anticipation of a possible recession in the world economy.

Medium and Longer Term Challenges

In addition to these short-term, macro-economic challenges, Mr. Speaker, Barbados will have to contend with a range of institutional and structural developments whose successful resolution will decide whether or not we realise the potential that this country possesses. We must begin the planning and implementation today to neutralise any potentially adverse effect of these threats to our national development, and in fact to turn these developments into pluses to our nation's advantage.

First, Mr. Speaker, our medium and long-term development will take place within the framework of new rules governing international trade and business which, if not properly addressed, will not only undermine old and long established industries like the sugar industry, but also those industries, like the offshore financial sector, which have recently been in the vanguard of our economic growth.

Indeed, Mr. Speaker, the future of commercial agriculture in Barbados is gravely uncertain. Under the reform of the Common Agricultural Policy, the Agenda 2000 initiatives and the forthcoming rounds of World Trade Organisation/European Union negotiations, the European Union's guaranteed price for sugar is expected to decline significantly each year, and cumulatively between 20%-30% by the Year 2009. In addition, the future of the preferential sugar market is uncertain and could disappear by the Year 2010. That would sound the death knell of our sugar industry and with it much of commercial agriculture in Barbados unless we initiate the appropriate adjustment measures now.

Barbadians are also very much aware of the challenge brought by the United States of America against the European Union's banana regime, and its potentially disastrous consequences for the economies in the neighbouring Eastern Caribbean States. Many are, however, not aware that Foreign Sales Corporations which are US companies, granted special concessions to promote and

sell USA goods, have since 1994 come to feature as an important and growing part of our offshore business sector.

It must, therefore, be a matter of the gravest concern for Barbadians that the European Union is now proposing to bring a case before the World Trade Organisation against the USA regarding the validity in international trade law of the export subsidy granted to these Foreign Sales Corporations. One is reminded of the African Proverb which says that when elephants fight, it is the grass that suffers. Clearly, Sir, in this context, we are meant to be the grass.

If that was the only challenge to our international business sector, the problem would be serious enough. The situation is further compounded by the fact that the widespread elimination of exchange controls which is accompanying the liberalisation of the global financial markets, and the emergence of domestic derivative finance in the major economies will significantly diminish the traditional roles performed by offshore financial centres. The functioning of such centres will also be affected by international programmes to control money laundering, by the application of the principles of non-discriminatory practices in the international trade in services and by the determination of advanced economies to prevent such offshore financial service centres from being used as sources of tax evasion. It is therefore imperative, Mr. Speaker, that we move with alacrity to safeguard the future of this important segment of our Barbadian economy.

On the second matter, Sir, our demographic trends are such that Barbados is becoming increasingly an aging society. The number of persons above the pensionable age is projected to more than double in the next thirty years, confronting us with the prospect that whereas recently the number of persons of working age for each pensioner was 5.37, early in the next century that number could fall to below two. This could induce either a collapse in our social security or the distressing situation where a child born in 1997 will by the year 2036 before attending to his or her needs have to contribute over 30% of his or her income merely to keep the National Insurance Scheme going. I submit to you, Sir, that is not the kind of legacy that we should leave for tomorrow's generation.

It behoves us therefore to start now to deal properly with the financial and institutional challenges that are associated with an aging society.

Thirdly, there is no question that the pervasive revolution in information and communication technology will for many years come to be the most important determinant of the economic fortunes and the social structure of all societies. For this reason, we cannot rest on our laurels in respect of education and training. Indeed, the issue is no longer whether education in Barbados is free and universal; it is whether it is relevant to today's purposes and tomorrow's needs. 5.45 p.m.

Only a radical new approach to education and training will succeed in creating the labour force required for tomorrow's world. The time to begin that new approach is now.

Fourth, Barbados will function in a new global economy characterised by the dismantling everywhere of barriers to the movement of goods, services, capital and intellectual property. This new economic dispensation will bring with it the requirement that we increasingly apply non-discriminatory treatment to local and foreign capital, on the understanding that in the new age of reciprocity in international economic trade and financial transactions, the same treatment we mete out to foreign goods and services in Barbados will be conferred on Barbadian goods and services abroad.

In a small society, this will raise fundamental challenges to us, as it already has, regarding our relationship to foreign capital, particularly as it relates to the ownership of our scarcest and most precious resource; our land.

This is a challenge that we must face by setting the appropriate framework that clearly establishes what the rules are for one and all. This we will do.

I wish however to state very clearly that the rights of Barbadians to work under the best conditions, to enjoy unfettered access to our beaches, which will never be private, and to other public places, to live where they want to and where they have always lived will not be bartered for any development which may now exist, or which we may wish to attract, no matter how significant a contribution that development can possibly make to the economy.

Fifth, in the new global economy in which our economic future will work itself out, it is expected that more and more of economic activity will be directed by contending market forces, in the context of a private sector led economy.

Too much of our domestic economic activity is today dominated by the pricing and supply policies of monopolies and public utilities, under the auspices of archaic rules for their regulation, and in a manner that works considerable hardship on the households of Barbados, and every producing enterprise.

To secure the future of Barbados, we must dismantle this archaic regulatory structure which has distorted the allocation and resources and reduced our international competitiveness, and put a structure in place that better reconciles and protects the interest of consumers, producers, investors and the national economy.

Sixth, Barbados still has a long way to go towards developing a capital market that can effectively meet its long term investment needs, is properly and effectively supervised and which can serve as an instrument of economic enfranchisement by broadening the base of ownership.

Recent efforts to foster the development of this market for capital must now be buttressed by additional measures to spur on its coherent and socially responsible development.

Seventh, it is clear that there are glaring areas in which our social development has not kept pace with our economic progress.

One such glaring area is housing where, by reason of the lack of major effort in the late 1980's and early 1990's in relation to the financing or supply of low income housing solutions, an alarming pent up demand has been allowed to build.

A major initiative is warranted and must be sustained to redress this threat to Barbados social capital and cohesiveness.

Eighth, the challenge also of sustaining our effort to eradicate poverty remains with us.

We must continue to improve our institutional arrangements to cope with the needs of the poor, including the working poor and to give coherence and wider scope to the initiatives to develop strong communities.

Ninth, the agenda of enhancing the competitiveness of productive sectors, especially manufacturing is an unfinished agenda, as is our efforts to create new opportunities for small and non traditional business.

To secure our future, new initiatives are required in these areas.

Tenth, our own development will take place in the context of commensurate efforts to deepen and strengthen the regional integration movement, and especially our relationship with our immediate neighbours in the Eastern Caribbean. Our determination to secure for ourselves a brighter future carries with it the obligation to help secure a brighter future for our neighbours as well, and that matter must be addressed.

I cannot overstate however, Mr. Speaker that our short and long term programme to build on our recent successes, must also be reinforced by every feasible effort to make Barbadians feel and be safe in their homes, on the streets, in their place of work and entertainment, and by the unflagging resolve to protect our stability against the threats of international drug traffickers.

More than ever, the stability that is so crucial to the creation of a climate of confidence conducive to economic and social progress is now dependent upon the strength of our fight against crime and violence and in the manner of over dispensation of justice. All of the initiatives recently launched in this regard from an integral part of the overall effort to secure our future.

Mr. Speaker, Sir, measures to bring about these desirable changes will concern us in today's presentation, as we set about the business of reforming the structure and functioning of our society, acting not under the pressure of crisis but from the vantage point of a strategic focus on Barbados' best interests, and the means by which best'to accomplish them.

It is in such a context, therefore, that I now proceed to the presentation of the Financial Statement so that we may best gauge the extent of the fiscal resources available to assist in this effort.

FINANCIAL STATEMENT

Mr. Speaker, over the past 4 years, our fiscal policy has been conceived to enable us to maintain low and manageable overall fiscal deficits to avoid the kind of ruinou^ dependence on Central Bank financing of such deficits that did such great damage to our economy in the early 1990's.

Lest we forget, the increase in the net credit by the Central Bank to the public sector from $18 million in 1989 to $150 million in 1991 was a major contributor to the holocaust that ensued . By the same token the conversion of the public sector into a net lender to the Central Bank to the tune of over $309 million has been one of the factors explaining our improved foreign reserves position in recent years.

The overall fiscal strategy for the year 1997-98 was to maintain a fiscal deficit equivalent to 3.0% of GDP. With this objective in mind, the fiscal programme for the year 1997-98 approved by Parliament on March 21, 1997 projected current revenue of $1,297.6 million,

current expenditure of $1,379.1 million and capital expenditure of $267.2 million resulting in a deficit of $348.8 million.

During the year Parliament approved supplementary provisions of $132.7 million. At the end of the fiscal period the financial out turn showed that the current revenue stood at $1, 458.3 million, current expenditure $1,447.1 million and capital expenditure $257.4 million. This resulted in an overall fiscal deficit of $246.2 million. When converted to the method used by International Financial Institutions the deficit amounts to $33.9 million or 0.9% of GDP well within the original target of 3.0% of GDP. 5.55 p.m.

Current Revenue 1997-98

As regards current revenue for the last financial year when compared with fiscal year 1996-97, current revenue in 1997-98 rose significantly by $226.1 million to reach $ 1,458.2 million, an increase of 18.3%. This level of increase was entirely due to the performance of the tax revenue which recorded a similar increase of $226.0 million. Non-tax revenue of $71.6 million was virtually at the 1996-97 level.

Taxes on goods and services increased by $234.5 million to total $723.0 million representing a 48.0% increase. The value added tax and the excise duties on motor vehicles, alcohol beverages, tobacco products and petroleum products accounted for this strong performance together generating $618.3 million.

Revenue from stamp duties continued to decline, as anticipated, amounting to only $12.5 million compared with $69.2 million for the previous year.

Revenue from taxes on incomes and profits continued to record growth, increasing from $385.4 million to $419.3 million for the period under review. This increase of $33.9 million surpassed the $21.4 million achieved in 1996-97. Taxes on incomes grew by a moderate 7.6% to reach $247.2 million while corporation taxes recorded a relatively strong 114% growth to reach $152.0 million. This revenue growth in this category can be attributed to increase employment and improved profitability in the private sector.

In 1996-97 a revaluation of Barbados' holdings of Special Drawing Rights with the IMF boosted revenue from special receipts by $17.0 million to total $50.2 million. However, with no such windfall gains in 1997-98, revenue in this category declined by $18.7 million to $31.5 million.

Taxes on property fell by $3.4 million to $72.5 million resulting from declining property transfer taxes. Land tax increased marginally, however, from $52.3 million in 1996-97 to $53.0 million in 1997-98.

Current Expenditure 1997-98

On the expenditure side, current expenditure increased by 10.6% or by $139.2 million, to total $1447.1 million in 1997-98 with each category of expenditure recording an increase. As was the case last year, current transfers recorded the highest increase of 22.0%.

Expenditure on wages and salaries rose by $39.5 million to total $490.6 million reflecting an 8.8% increase over 1996-97. This level of increase was primarily due to the 6.25% wages and salaries increase in the public sector.

Expenditure on goods and services recorded a moderate increase of $6.6 million moving from $138.0 million to $144.6 million.

Current transfers grew by 22.0% or by $69.1 million, to reach $382.5 million in 1997-98. The major contributors to this increase were transfers of $9.0 million to public institutions to satisfy the increase in public sector wages and salaries, $24.6 million to the Transport Board to finance its current operations and to liquidate outstanding debt, and $18.0 million to the UWI in respect of arrears and increased subvention due to increased student registrations. In addition, the Welfare Department received a $4.9 million increase for distribution to welfare recipients who were adversely affected by the introduction of the VAT while an amount of $6.0 million was provided for minimum wage earners under the poverty alleviation programme. There was also an increased provision of $5.2 million for retiring benefits.

Debt service for the period under review amounted to $398.2 million, some $22.2 million or 5.9% higher than in 1996-97. Total interest payments of $201.9 million basically remained at the same level as in the previous year while amortization increased by $20.8 million to amount to $196.5 million.

Domestic interest costs rose by $5.2 million, to total $158.6 million due principally to an increase in debentures issued in 1995-96.

Domestic amortization however declined during the year amounting to $109.9 million, $9.7 million less than in the previous year. Current amortization however showed a marked increase of 54.4% to total $86.3 million.

Capital Expenditure 1997-98

During the year capital expenditure and lending increased by only $31.8 million to $257.4 million.

Deficit Financing 1997-98

For the second consecutive year Government did not have to source the international markets for financing since $233.4 million, representing 94.6% of the deficit, was financed from domestic sources.

National Debt

The National Debt at March, 1998 stood at $2,764.2 million, an increase *of 2.2%* over that at March 31, 1997. There was an overall increase in the domestic component to $2,078.5 million, while the foreign portion fell by 5.7% to $685.7 million at the end of March. The details of the Domestic Debt at March 31, 1998 were as follows:

Treasury Bills	$ 579.9m
Government Overdraft At the Central Bank	$ 0.0m
Debentures Local Loans	$ 1,405.8m
Savings Bonds Tax	$ 9.9m
Refund Certificates Tax	$ 75.6m
Reserve Certificates	$ 0.9m
	$ 6.4m

6.05 p.m.

Mr. Speaker, as we bring the account of our fiscal performance for the year 1997-98 to a close, the issue that will arise is that as to how the fiscal dividend that was generated from the initial over-performance of the VAT was deployed.

The answer, Mr. Speaker, is two-fold. A substantial portion of it was passed back to the public in the form of increased expenditure on poverty eradication programmes, transfers to minimum wage earners, increases in payments to welfare recipients and the reduction in income tax and the price of energy products.

Some, Mr. Speaker, was also used to enable us to realise a lower deficit, 0.9% of G.D.P. than the initially projected deficit of 3% of G.D.P., helping thus to underwrite the further stability of the economy, the improvement of our reserves and contributing to the improvement in our prospects for sustainable development over the long term.

I turn to the Public Finances for this financial year 1998-99.

The Estimates, Mr. Speaker, for this financial year 1998-99 were formulated with the view of maintaining a fiscal deficit of 2.6% of GDP.

On March 20 this year, Parliament approved the 1998-99 Estimates projecting current revenue of $1,540.0 million, current expenditure of $1,537.8 million and capital expenditure of $325.2 million giving a deficit of $323.0 million.

The fiscal performance at the end of the first quarter of this financial year ending June, showed current revenue as $346.8 million an increase of 3% over the corresponding period for 1997-98 and 1% more than that projected for the first quarter in this year. This increase in revenue was due to improved performance from Special Receipts which recorded a 74.6% increase and rose from $7.1 million in 1997-98 to $12.4 million for 1998-99. In addition, Sir, Non-Tax Revenue showed a 25% increase realising $ 14.6 million as against $11.9 million the previous year as against $11.4 million projected.

On the other hand, Mr. Speaker, the Value Added Tax recorded a 3.7% decline for the first quarter of this financial year, falling to $108.7 million from $112.9 million realised during the same period last year. The amount collected for the quarter was consistent with the $109.4 million projected by our analysts. Revenue from Excise Tax showed a $3.1 million improvement over 1997-98 and was $3.7 million more than projected.

Total expenditure for the first quarter amounted to ^$410.9 million, was 7% more than the $384.2 million recorded for the same period last year and was only 1% over the projected $407.1 million for this first quarter.

The fiscal performance for the first quarter of this financial year is therefore in keeping with our projections for the current year.

It is reasonable to presume that should this trend continue, our original target will most likely be achieved - leading to an overall fiscal deficit equivalent to 2.6% of GDP as targetted.

However, Mr. Speaker, our fiscal programme for this year made provision for capital expenditure by Government of $325 million as compared to $257 million last fiscal year.

Earlier, I indicated that it was vital that we institute measures to prevent any damage ensuing from the over-stimulation of our economy, to pre-empt our having to look to the international capital market to meet our financing needs at this time, and to protect and boost our foreign reserves in the expectation of continued turbulence in the financial market and a possible slow down in the world economy.

To achieve these objectives, I now propose to set a new cap on Government capital expenditure. I propose, Sir, to limit it to $280 million rather than the $325 million approved by Parliament in March.

This $45 million projected savings in capital expenditure can be accommodated without seriously eroding overall real economic activity at this time. It is my judgment, Sir, that there is more than enough private sector activity taking place and planned to pick up the slack. In any event, Sir, the $280 million new target will be higher than the $254 million spent on capital projects last year, and will enable us to do all the small things that truly matter.

It will be achieved, Sir, by delaying the start of major expenditure projects as well as the rephasing of the implementation of others such as the Airport Expansion, the construction of a new judicial centre, the construction of a new Forensic Laboratory, the rephasing of the Bridgetown By Pass Road Project, the start of works not under Contract 2 A, which has started, Sir, but under Contract 2B of the South Coast Sewerage Project among others.

I do also believe, Mr. Speaker, that the fiscal restraint by Government will, at this time ensure that both Government and the private sector receive more reasonable quotations from contractors for the remaining works to be carried out than those which have been received of late.

It is of course, Mr. Speaker, politically unusual for Government to restrain capital expenditure in the years before elections are constitutionally due. It is however my judgement, Sir, that Barbados cannot be served by overstimulating the economy at this time. Overstimulation in 1980 and again in 1990, on the eve of a general election almost destroyed the Barbados society. The course of action I have set out is guided by what is in Barbados' best interest.

I submit to you, Sir, that in the final analysis, that is all that truly matters.

I turn now, Sir, to the other economic and budgertary policies which are now to be put into effect.

This budgetary presentation is the fourth in a series intended to be a continuum, in which each budgetary presentation has been designed to play a specific and a distinct role in helping to establish the conditions for the achievement of sustained and sustainable growth and development in this country.

Its objectives must therefore be assessed within the context of that continuum of which it is a part. In the years prior to 1994 a number of economic measures - termed a structural adjustment programme - were put in place to stabilise the economy after the wrenching recession of the early 1990's.

The 1995 budget was intended to consolidate the recovery, which at that time was still weak and incomplete and to bolster confidence. It was therefore set against the backdrop of provision of tax relief to manufacturing and agriculture as confidence boosting measures in October 1994 and contained a substantial debt relief programme to further improve the viability of producing enterprises.

We recognised, however, Mr. Speaker, that adjustment measures intended to stabilise an economy cannot in and of themselves stimulate sustained growth and development. As such, our next initiative, in 1996, was intended to stimulate savings and investment, for without increased savings and investment, stabilisation cannot be translated into sustained growth. 6.15 p.m.

I am happy now to report that this economy's growing capacity to finance a very large proportion of both public and private investment from local savings establishes only too clearly how well the purposes of the 1996 Budget have been achieved.

Last year's initiative sought to advance the programme to sustain development by making indirect tax reform a crucial element, while at the same time instituting measures to pass on the benefit of sustained development being realised to the poorest in our society.

Throughout each of these preceding presentations, Mr. Speaker, continuous attention has been paid to measures to support small business, to strengthen and expand our training programmes and to stimulate non-traditional areas of our economy. The conduct of economic policy has therefore seen a number of important measures, many of them fiscal, put in place to support the core processes necessary to bring about economic stabilisation and to cause stabilisation to lead to sustained development.

At this juncture, and given the challenges identified as facing the economy over the medium and long term, it is crucial that a new element be added to the menu

of measures to be deployed to induce sustained development in our nation.

I refer to this new element that will be our principal focus this year as capacity building and institutional reform. This approach signals that we will achieve more sustainable results by building new capacity in areas that are crucial to the evolving economy, and by changing many of the more important institutional arrangements which determine how sectors function, how resources are allocated, how prices are set, how factors are rewarded and how ultimately our international competitiveness is determined.

It is in this vein, therefore, Sir, that this Budget will set in train major new initiatives to generate capacity building in education, capacity building in agriculture, in manufacturing, in housing, in tourism, in our offshore sector and new institutional arrangements as regard the functioning of our utilities.

Many of these initiatives will not be fiscal in nature, but will seek fundamentally, Sir, to introduce new institutional measures to change the way in which these key sectors function, and how core processes - such as training - are carried out.

Without losing sight of these principal objectives, continuing concern will be accorded in the measures that follow to address issues pertaining to the viability of our productive sectors, to spur on the development of our small businesses and to create opportunities for marginalised groups to come more within the mainstream of our economic and social life.

CAPACITY BUILDING AND INSTITUTIONAL REFORM

EduTech 2000

I turn therefore, Sir, to the first capacity building measure and I will deal first with EduTech 2000. Mr. Speaker, the factor which has contributed most to the development of this country has been the considerable investment we have made in the education and the training of our people. There can be no doubt that the commitment of the Government of the day in the 1950's and 1960's and onward to provide for primary, secondary and tertiary education for every Barbadian was at that time the single most important decision for a young country seeking to diversify its economy from an agrarian society to a modern industrial one.

Our education system today however still exhibits many of the features relevant to the socio-economic restructuring of Barbados of the 1950's, the 1960's and the 1970's. The time simply has come for us to revisit the structure and the functioning of our educational system in an effort to prepare our citizens to deal with the realities of life in a post-industrial society.

In 1996, Parliament approved the White Paper on Education Reform entitled: "Preparing for the Twenty-First Century". A number of policies included in that White Paper have been designed in the form of an Educational Sector Enhancement Programme, popularly known as EduTech 2000. That Programme has been conceived of to be a $350 million programme to be carried out over the next seven years. That figure entails both the capital and recurrent costs of the programme and it will consist of four major components.

The first entails the rehabilitation of all primary and secondary schools, at an estimated cost of $110 million over the course of the next seven years. This component will include extensive repairs to the schools for as we know the deteriorated condition of the physical school plant at this time have been due in large measure to the postponement of regular maintenance over decades and it now requires urgent attention.

In addition, Sir, there is the need to adequately secure and protect the teaching and student population and the new technology to be installed. This major rehabilitative component of the project is necessary to create the physical conditions adequate for productive learning.

The second component, Mr. Speaker, is the procurement and equipping of our schools with computer hardware and software at an estimated cost of $152 million over the course of the next seven years. It will provide for the introduction of such technology into every primary and secondary school in this country. The goal will be to match the education and training strategy with the needs of employers, producing persons with a balance between technical capability and a positive attitude towards work while at the same time using computer aided instruction to improve the teacher's capacity to teach and the student's ability to learn.

The third component, Mr. Speaker, is that of training and technical assistance at an approximate cost of $37 million. Effective teacher training is seen as the key to the successful implementation of the Programme. Training will therefore be offered in a wide range of disciplines, including special needs education and the integration of information technology into the teaching/learning process. The technical assistance aspect will also involve comprehensive curriculum reform. This will include training for the Ministry's curriculum officers in evaluating and using software while allowing them to undertake the major task of developing a national curriculum to match the country's economic and social needs and

students' individual development. It will also involve review of the Ministry's testing and measurement and certification mechanisms so that assistance can be provided to schools in the development, preparation, marking and analysis of the students' competencies, knowledge and attitude. 6.25 p.m.

The fourth component of Edutech 2000 is provision of institutional strengthening to the Ministry of Education so that it will have the capacity to manage the Programme. This is estimated to cost $7 million. It will involve establishing a programme implementation Unit, an educational media resources review centre to facilitate adaptation and development of software packages so that they will be culturally relevant to and congruent with our curriculum needs. There will also be a National Educational Evaluation Centre, established in conjunction with the School of Education at the UWI, Cave Hill Campus, to assist the Ministry with the on-going monitoring and independent evaluation of effects of the Programme.

What we are seeking to do, Mr. Speaker, is to take one of this hemisphere's foremost educational systems and reconfigure it, redesign it, and restructure it to make it even more relevant to our needs in the Twenty-First Century. This is a historic necessity.

Parliament has to date only provided funding for the planning of this project. Given the extensive nature of the investment required, Mr. Speaker, a financial sustainability and economic feasibility study was commissioned by the Government of Barbados and the lending institutions involved. The results of the report undertaken by both local and foreign consultants have shown the project to be both financially sustainable and economically viable.

Mr. Speaker, in view of this conclusion and given the highly desirable objectives of the Programme, the Cabinet of Barbados on August 13, 1998 formally approved the size and details of EduTech 2000. Accordingly, the Government of Barbados has formally submitted loan applications in the sum of U.S. $85 million to the Inter-American Development Bank and U.S. $30 million to the Caribbean Development Bank. This Parliament should be made aware of the fact that once the loan negotiations are satisfactorily concluded it is expected that both loans will go before the respective Boards before the end of 1998.

The counterpart funding required from the Government of Barbados, Mr. Speaker, will be approximately $120 million over seven (7) years. The net counterpart funds required by us will therefore amount to no more than about $10 million to $15 million per year. You will agree with me, Mr. Speaker, that this is more than affordable for the Government of Barbados given the benefits as identified.

Mr. Speaker, in the light of the strategic purpose this project is intended to serve in Barbados' future development, EduTech 2000 will be the largest single project to be carried out by the Government over the next decade, and it will take priority over all others in our public investment programme.

The funding for the project will be raised on the concessional and not the commercial market, and will take place in the context of a situation where our external debt today is over $150 million less than at its peak in the late 1980's.

I can safely say that my Government has satisfied itself beyond any shadow of a doubt of our capacity to borrow, fund and sustain the implementation of EduTech 2000. To do otherwise, Mr. Speaker, might have resulted in the creation of an "educational" Sherbourne and you can be assured that my Government will not be guilty of such incarnation. Further, I can attest to the fact that no policy conditionalities have been attached to these loans by either of the lending institutions. Subject to satisfactory loan negotiations and tendering procedures, it is projected that work should commence on the rehabilitation of schools early in January 1999. The Government intends to bring to this Chamber a request for provision of supplementary funds for expenditure to be incurred to the end of the financial year.

Sir, I am sure that you will agree that EduTech 2000 will come to be known as the most significant step, not only in education, but in our country's development since the introduction of free secondary and tertiary education almost half a century ago.

Mr .Speaker, it is now the distinct privilege of my Government to commit each and every Barbadian to a Programme that will equally transform the social and economic landscape of this country, to empower us to rise to the opportunities of the new international economy, and its social realities, as we stand on the threshold of the next millennium. Indeed Sir, this is the dawning of the Age of Aquarius.

Pensions and related matters

I turn now to pensions and matters related to an aging society. I deal first with the National Insurance Scheme.

The stark predicament facing us regarding pensions is borne out by the 9th Actuarial Review of the Operations of the National Insurance Scheme which covered the

three-year period ended December 31, 1996. It concludes that the current weighted average contribution rate of 12.6% of insurable earnings for the National Insurance Fund is inadequate to continue funding the Scheme in the future. Consequently, if no changes are made to the rate of contribution or to the structure of the Scheme, its reserves will be depleted by the year 2022.

Lest we believe that this is a problem only for the future, the facts are that in each of the last three years the expenditure of the Scheme has exceeded contributions, and the difference has had to be met from income from investments. The problems of the Scheme are therefore very much with us today.

The demise of the Scheme would be hastened according to the Report, Mr. Speaker, if all pensions were indexed to prices. Therefore, to keep the Scheme solvent in the absence of new policies, those of our children and relatives still alive by the third decade of the new millennium, shall be required to pay about 31 cents out of every dollar earned in wages and salaries to fund pensions for their parents. We have to begin to act now and in each succeeding year to ensure that these unconscionable things never take place in Barbados.

These problems will arise not only because of the relative generosity of the benefits paid, but because we are an aging society. Since 1950, the population of Barbados has been the oldest among all Caribbean countries with 6 percent of its population age 65 and over. In 1990, it was 12 percent and is expected to reach 23 percent by the year 2050. As a consequence, the ratio of contributors to pensioners will decrease from 3.45 in 1996 to 1.26 by the year 2056. At that time if there are no adjustments to the Scheme, the break-even contribution rate, i.e., the rate at which benefits paid will equal income received, will be 35.6 percent of insurable earnings.

Clearly, Mr. Speaker, such a future is untenable. I therefore have accepted the recommendations of the National Insurance Board for changes to be made to our National Insurance and Social Security arrangements.

The proposals are based first on the recognition that the Scheme should no longer be burdened with paying a non-contributory benefit which logically should not be part of a contributory benefit Scheme. When the responsibility for paying non-contributory old age pensions was shifted to the National Insurance Scheme in 1982, it was expected that the greater number of persons reaching pensionable age in the future would qualify for contributory pensions. Consequently, payment of this benefit, buttressed by a contribution rate of 4 per cent, was not envisaged to be a problem to the Scheme.

The reality has been, Mr. Speaker, that though the number of non-contributory pensioners has declined from in excess of 18,000 in the early nineteen eighties to just under 14,000 at December, 1997, the cost to the Scheme often exceeded the 4 percent contribution rate. Therefore, even though the actual cost of this benefit is now less than 4 percent of insurable earnings, it is becoming increasingly difficult to justify the current method of funding it when the overall rate of contribution is insufficient to sustain the scheme in future years.

In these circumstances, Mr. Speaker it is incumbent upon us to explore alternate financing of non-contributory old age pensions. The National Insurance Board has argued consistently that such pensions should be met from the Consolidated Fund.

The current cost of such non-contributory pensions is in excess of $50 million annually. This the Treasury cannot fund at this stage. I therefore propose to transfer the cost of these pensions back to the Treasury on a phased basis.

Therefore, effective January 1, in the Year 2000, all new non-contributory pensions will be paid from the Consolidated Fund. Also, any increase in the non-contributory pension granted before then will have to be met from the Treasury. However, the National Insurance Board will continue to administer this benefit. Mr. Speaker, Sir, as you are aware, from January 1, 1997 the Unemployment Fund was separated legally from the National Insurance Fund and established with a balance of $50 million, representing three and one quarter years expenditure and expenses. The Actuarial Report has concluded that the current rate of 3 percent of insurable earnings is considerably more than the required rate of 1.1 percent and is likely to remain so. 6.35 p.m.

The Board has recommended that the unemployment fund contribution rate be reduced to only 1.5 percent and the rate payable to the National Insurance Fund increased accordingly. This proposal would, as noted earlier, result in no change in the amounts paid to the Fund by employers and employees in the Private Sector and in respect of persons holding temporary appointments in the Public Service.

Consequently Mr. Speaker, with effect from Monday, September 7, 1998 the rate of contributions to the Unemployment Fund will be reduced by 1.5 percent and that of the National Insurance Fund increased by 1.5 percent, generating a net inflow of $23.7 million to the National Insurance Fund.

Mr. Speaker, these proposals represent only an initial response to issues confronting the present pension arrangements in the country. After additional study, we will have to make decisions in each of the years to come regarding the structure of the Scheme, the structure of benefits and the criteria for qualifying for benefits to guarantee the future solvency of this important national institution.

Registered Retirement Savings Plan

Mr. Speaker, in order for us to assist citizens in preparing properly to live quality lives as they age, we must also put in place a system to give persons the opportunity to contribute to pension benefits beyond what is offered by the National Insurance Scheme. In 1996, I proposed to make this possible through creating a tax regime to allow persons to invest in Registered Retirement Savings Plans. This legislation is now before Parliament, and the incentive is to become effective from this income year. It will allow persons to contribute a percentage of their income to a fund that will permit them to retire with replacement incomes that are proportionate to the level of earnings they had achieved prior to retirement.

No tax will be paid Mr. Speaker, on income placed in the plan, or on interest and investment income that accumulates within the account. The income earned in the plan is automatically reinvested in the plan year after year.

The maximum allowable annual contribution to the plan by an individual on his own behalf or on behalf of his spouse, is the lesser of $4 000 or 15 percent of the assessable income from the employment of that person.

Mr. Speaker, this is effective from this income year, such contributions to a registered retirement saving plan will not be taxable, neither will the withdrawal of such funds to acquire a first dwelling-house for use by that person as a dwelling. If the house so acquired is sold within five years of the date of withdrawal of the contributions, the amount withdrawn will be included in the assessable income of that person in the year in which the house has been sold.

The plans have to be approved and registered by the Commissioner of Inland Revenue and institutions regulated by the Central Bank of Barbados or by the Supervisor of Insurance, and Credit Unions will be authorised to establish and manage these registered retirement savings plans.

Alternative Care of the Elderly

Mr. Speaker, while we plan ahead to make the circumstances of the pensioners of the future better, we also have an obligation to make the circumstances of the pensioners of today even more pleasing.

We are satisfied that the care of the elderly is a matter that requires much greater attention.

Consequently, it is our intention to create the kind of climate which will encourage more persons in the private sector to provide greater facilities for the care of the elderly.

Until now, the tendency has been for persons to rely on the Government to provide such facilities. But it seems to us that it would be far better for Government to put in place the appropriate fiscal and regulatory regime, including subsidies where appropriate, and to allow the private sector to provide such service on a greater scale.

Indeed, Mr. Speaker, so convinced are we that assisting the private operators in providing services for the elderly is a valid option, that for the first time this year, an amount of $2 million has been included in this year's Estimates to initiate the programme of alternative care of the elderly.

The initial goal was to cover the cost of elderly persons who are transferred by the Ministry of Health and the Environment to private nursing homes from the Queen Elizabeth Hospital. We recognised that a further option would be to assist the care-givers in covering any operating deficits that they may suffer. I therefore propose, Mr. Speaker, and commit the Government to meeting the deficits of nursing homes providing care for the elderly under the programme to be administered by the Ministry of Health.

Special care shall be taken, Mr. Speaker, to ensure that the level and quality of service provided in the private nursing homes are of an adequate and acceptable standard. All homes will be inspected to ensure that physical standards are met and care programmes are in place. Only homes and operators licensed by the Ministry of Health and the Environment in accordance with the amended Health Services Act, Cap. 44, would be eligible to participate in this programme.

Qualifying criteria for assessing the subsidies shall be determined following consultations with those involved in this area of activity and the officials of the Ministry of Health. 6.45 p.m.

Secondly, Sir, notwithstanding our proper concerns about the future viability of the National Insurance Fund and the need to take corrective action in a timely matter, a Social Security System, if it is to be relevant, must

provide benefits to its recipients that are meaningful. The non-contributory and minimum contributory pensioners were last granted an increase in January 1997, following that given in 1995.

It is now proposed, Sir, that non-contributory pensions should be increased from $74.75 to $80.00 per week and the minimum contributory pension from $90.25 to $98.00 a week, an increase of 8% applied to all pensioners.

The non-contributory increase estimated at $3.7 million will be financed from the Consolidated Fund and the contributory increase will be funded by the NTS, Sir, via the increase in the contribution rate referred to earlier. The proposed pensions are to become effective from pension date commencing October 12,1998 to facilitate the Department putting in place the necessary administrative arrangements.

Mr. Speaker, I turn next to capacity building and institutional reform measuring pertaining to our public utilities.

One of the gravest deficiencies in our economic affairs, Mr. Speaker, is the set of arrangements in place for regulating the affairs of public utilities and monopolies, and protecting the interests of consumers and producers who have to relate to these monopolies.

Only two of our public utilities, The Telephone Company and the Barbados Light and Power Company are regulated under the Public Utilities Act. That Act came into existence in 1955 and it bears all of the evidence of its antiquity.

It provides only for the setting of rates for the two utilities it regulates and does not at all speak to matters such as the regulation of standards, the monitoring of compliance with standards and tariffs, responding to customer complaints and customer service issues and other similar concerns that are now regarded as best practices in the functioning of regulatory systems.

It provides also that rates should be fixed only by reference to criteria that guarantee a fair rate of return to the utility. This formula does not provide utilities with any reason nor incentive to increase efficiency. Also, since our law was drafted, new incentive-compatible rate setting mechanisms, including price-cap systems and profit sharing arrangements have come to enjoy widespread application in the modern world.

The present Act also assumes that the Board will control its own operation on a case by case basis, such that no well-developed institutional structure has been evolved to speak to all the myriad issues concerning the regulation of utilities.

The Telecommunications Act, Sir, which provides for the regulation of BET and other external telecommunication carriers is perhaps even more deficient. It puts the onus on the company to submit to the relevant Minister proposals to change rates; and it is left to the Minister, without the requirement for transparent public hearings, to determine the rates at his discretion.

It is our judgement that the productive sectors of Barbados and the consumers of Barbados have been poorly served by these sadly lacking arrangements.

The prices of utilities constitute such a vital part of the cost of doing business in Barbados, and represent such a large claim on the financial resources of the households of this country that the regulation of utilities cries out for a new modern approach.

As such in early 1997, this Government commissioned one of the United Kingdom's leading regulatory firms, London Economics, to advise the Public Utilities Board on the modernisation of the system of utility regulation in Barbados. Cabinet has been presented with the recommendations of this report, together with a plan for its implementation and has agreed to put the following system in place:

1. The Public Utilities Board will be abolished and will be replaced by a new Fair Trading Commission;

2. The scope of this new Commission will include regulating the Barbados Light & Power Company and the Telephone Company, as at present. It will now also encompass regulating the Cable and Wireless BET, the Barbados Water Authority, the Transport Board, the National Petroleum Corporation and a special Telecommunication Reform Unit;

3. The role of the Commission will include, but not be limited, to setting rates. It will therefore also entail:

    - regulating services and setting standards;
    - monitoring of compliance with rates and standards; and
    - responding to customer complaints and customer services issues.

4. Rates will be determined by reference to new incentive-compatible regulatory mechanisms, such as price caps and profit sharing, that will allow the utilities to realise profits through efficiency gains, while requiring them to pass a share of those gains to customers in the form of lower prices.

5. An entirely new procedure for public hearings will be instituted, setting out clearly the establishment of criteria for decision making in advance of the hearings. A position of People's Counsel will be created to assist objectors at these hearing. This attorney will represent and appeal for members of the public at hearings of the Commission, and in judicial proceedings involving the interests of users of the services of utilities and the monopolies.

Finally, Sir, since this Commission will have an economy-wide responsibility for ensuring fair competition and will exercise a consumer watchdog role, it will be provided with a full professional staff and the resources commensurate with the scope and proposed continuity of its work.

The Commission will also be responsible, Mr. Speaker, for the administration of the Fair Trading and Consumer protection laws which are in the final stages of preparation.

Barbados, Sir, simply must not carry the present archaic system for regulating monopolies and utilities into the 21st Century. As such, all the legal, administrative and institutional arrangements will be put in place to bring this Fair Trading Commission into existence and open for business on January I*, 2000,

I turn, Sir, next to capacity building in the sphere of housing.

There is little debate, Sir, that the most serious social problem confronting Barbadians is that of inadequate housing conditions, coupled with poor access to the housing market.

These comments apply particularly to lower income households, whose applications for housing to the various public sector agencies with that responsibility are many, and in some far too many eases, regrettably very long-standing.

I feel a need on this occasion to spell out the philosophy underpinning tile housing initiatives on which this Administration has embarked, and whose purposes we will seek to advance today, by the measures to be announced.

Barbados, Sir, is and must always be a property-owning democracy. For many, the principal form in which property will be held in this country is in the home they own.

Government recognises that a small minority of our citizens will never have the capacity to build or own a home. Hence, it accepts the social responsibility to be a provider, on a rental basis, to that class of Barbadians who are unable to build for themselves. The reactivation of the NHC programme in schemes such as Pondside, Flatrock, Maynards and Farmers is evidence of our commitment to carry out that role.

We however perceive, Mr. Speaker, of Government as principally being a facilitator. Particularly, in relation to low income groups, Sir, Government should create sufficient serviced lots to meet the demand.

It should also within the confines of its role of facilitator, provide incentives to encourage persons to save to build a home and incentives to enable them to recover part of their mortgage interest and other home related charges from the taxes to which they are subject. It is also, Mr. Speaker, a proper role for Government to ensure that funds are available for vulnerable groups in sufficient volumes and at such reasonable terms to sustain high levels of home construction. 6.55 p.m.

On assuming responsibility for the Government of Barbados, some four years ago, it was quickly discovered that the major obstacles to a vigorous housing programme were the unavailability of land for residential development and inadequate housing finance. In order to address this situation, a programme of acquisition of land has been pursued with the ultimate objective of securing enough land to sustain a ten-year residential lot development and house building programme. Over the life of this Government approximately 400 acres of land have so far been acquired, solely for the purposes of residential development.

The challenge which currently faces the Government is that of converting these lands now acquired into homes in the shortest possible time. In this respect, Government has designed a housing programme which will realise the annual production of some 600 residential lots of an average size of 3,500 sq. ft. Government proposes to be directly involved in the construction of 200 houses annually, largely through its joint venture programme but also by the 'contracting out' of the work to local builders. While recognising the need among the lower

income household, for lots and/or houses to rent, the thrust of the programme will be directed towards the sale of both lots and houses.

This is an ambitious overall housing programme which over a five-year period will require some $200 million for its successful implementation. The financing of this programme presents a challenge which the Government and private sector must confront together. The plan envisions an injection of some $90 million by the Government over the five-year period 1998 to 2002, in addition to the funds which were received from the floating of a housing bond of $50 million earlier this year. To date, the National Housing Corporation has received $30 million of this overall issue.

Much of the funds intended to benefit low income earners will be channelled through the General Workers' Fund at the National Housing Corporation, and the Housing Credit Fund of the Division of Housing. The Housing Credit Fund, Sir, has been in operation now for the past fifteen years with a record of success in its loan activity, as a secondary lender. From an initial injection of $20 million at the time of its establishment the Fund now has assets of some $98 million. The replenishment of the Fund in order to enable it to perform a significant and effective role in the financing of this programme is now necessary in the face of its depleting cash reserves.

Private financial resources will also be required to implement this programme successfully. In this respect, private lending agencies are expected to provide approximately $15 million of their own resources. The ultimate beneficiaries, the households who are allocated houses and lots will also contribute to the financing of this programme through their deposits on the purchase transactions and the reflows on their loans.

Government therefore proposes to support this programme by replenishing the General Workers' Fund and the Housing Credit Fund, and in so doing to assume responsibility for the servicing of any loans raised by these funds so that the funds can reduce their rates to first time homeowners. The following measures will therefore be instituted.

Measures

1. The General Workers' Scheme needs to have an injection of $10.0 million and Government will facilitate its borrowing of that amount and will provide funds to service the interest payable on the loans raised. It will subsidise the General Workers by repaying the interest.

2. Similar arrangements will be made in relation to the replenishment of the Housing Credit Fund and Government will allow the Housing Credit Fund to go to the market for tranches of $10.0 million in each of the next 3 years on the understanding that funds will be provided by the Government to service the interest.

3, In addition, the National Housing Corporation introduced 100% mortgages to low income earners in 1997. In order to expand the programme, thus enabling a greater number of persons to access financing for housing, the following measures will be instituted:

- Maximum loan amounts will be increased to $75,000.
- The current rate of 9% will be reduced to 6%.
- Age limit will be extended to 65 years for potential borrowers.
- The maximum repayment period shall be extended from 25 years to 40 years.
- 100% mortgages will be made available for all purchases of house spots, terraced units and houses from the National Housing Corporation under the General Workers' Loan Scheme.

4. In the urban tenantries, Government is committed to ensuring that tenants pay no more than $2.50 per sq. ft. for their house spot. In doing this, Government is mindful of the fact that there are some cases in which the market price for these lands will be somewhat higher. In order to ensure that landlords are not disadvantage^ the difference between the stated prices to the tenants of $2.50 and the market price will be financed by the Urban Development Commission as part of its ongoing housing programme. The 100% mortgages will also be made available to all such tenants to finance the purchase of their lots through a loan from the General Workers' Loan Fund.

S, We also have currently before toe House, Mr. Speaker a new piece of legislation which will assist persons in acquiring their first home. The Registered Retirement Savings Plan will serve as a means by which working Barbadians can contribute a portion of their income to a fund primarily for retirement purposes, but which they can use to make a down payment for the purchase of a house. The amount that may be

withdrawn from the Fund for this purpose is the lesser of 10 percent of the purchase price of the house to be acquired or $25,000. This new initiative will be effective as of this income year and is specifically intended to benefit first time homeowners.

6. As a result of Government's plan to provide for the replenishment of the Housing Credit Fund and the General Workers' Fund under an arrangement that will involve Government assuming responsibility for the servicing of the interest, the mortgage rate to be charged by the General Workers' Fund will be reduced from 9% to 6% for a first time homeowner. It is also now proposed that a special window be created at the Barbados Mortgage Finance Company to provide mortgages at a rate of 6% for low income first time homeowners on mortgages up to a maximum of $75,000.

Small Business

Mr. Speaker, Sir, I turn next to capacity building in the Small Business Sector. Mr. Speaker, the Small Business Sector has played a significant role in the social and economic development of our country and can continue to play an even more significant role in the future if the appropriate environment is created for it to do so. In each year, beginning in 1995, I have therefore made special budgetary provision to assist small businesses and their Association in a tangible and meaningful way. 7.05 p.m.

I propose now to put in place a new fiscal regime for small businesses which will be incorporated into a Small Business Development Act. Therefore, instead of the present Corporation Tax rate of 40% there will be a rate of 25% for any enterprise which has majority local ownership whether owner managed or not and meets the following criteria:

1. Not more than Bds $1.0 million authorised or paid up capital;

2. Not more than Bds $2.0 million in sales annually;

3. Not more than 25 employees.

In addition, it must not be a wholly owned or majority owned subsidiary of a larger group, corporation, company or of directors of any such larger corporation or company.

The special regime will apply only to one enterprise per owner or director and to income directly related to the nature of the business and not to income from other sources.

It will be restricted also to one company within a group of connected or associated persons.

Secondly, small businesses will benefit from an exemption of Import Duty on plant and equipment.

Thirdly, there will be no Withholding Tax on dividends and interest earned on investments in small businesses as defined in the Act or in any fund approved for investment in such businesses.

There will be no Stamp Duty on all financial documents and their registration in order to encourage business to incorporate.

Finally, small businesses as defined within the Act will also qualify for the existing incentives on export earnings, market research and research and developmental activity.

Mr. Speaker, in addition to being able to have access to loan guarantees under the Export Credit Guarantee Scheme, the Government will provide technical assistance to any small enterprise for the purpose of start-up, expansion or general operational purposes.

This technical assistance will include the following:

Package design development Marketing

Label design development Participation

in overseas trade shows

Preparation of business plans to facilitate access to start-up finance and management of the business financing of feasibility studies.

The Government's capacity to provide these services will be greatly enhanced by construction of the new Small Business Centre at Fontabelle. The ground breaking ceremony for this project will take place this week. We are confident that any negative fiscal impact will be offset by an increase in the economic activity generated by small businesses.

Manufacturing Sector

Mr. Speaker, I now turn to the manufacturing sector. This sector has over the years made a significant contribution to the growth and development of Barbados, and in recent years it has regained much of the buoyancy it lost in the early 1990s.

The Government remains committed not only to this area of economic activity but is convinced that this sector with the appropriate stimulation can play a greater and a more strategic role in Barbados' development. Indeed, the future of manufacturing assumes heightened importance against the background uncertainty that is facing part of our offshore financial sector.

In addition, our employment creation strategies must be gender sensitive. The sector provides one of the most important outlets for the employment of women - a consideration that is of great significance at a time when unemployment in Barbados among men has fallen to 7% but for women is at 17%.

Mr. Speaker, it must be recognised that there are within the manufacturing sector two very distinct elements which function in very different ways and therefore require different policy approaches.

One element of the manufacturing sector consists of approximately 15% of the number of firms but is responsible for the majority of extra-regional exports and employs a substantial portion of workers. These firms are the foreign owned entities which have ready access to technology, finance, management and a market for their products.

The other 85% of the sector consists of a range of firms which are locally owned, vary in size and mainly serve the local and Caricom markets, and form the most vulnerable element of the manufacturing sector.

It is these firms, Mr. Speaker, which are the embodiment of Barbadian entrepreneurship and it is these firms which are most in need of our attention. We must assist these firms in becoming more competitive. This will allow them, first, to maintain their domestic market and secondly, to capture export markets.

The proposals to be made today, Mr. Speaker, will be aimed at improving competitiveness and will focus on further reducing the cost of production, increasing the efficiency of enterprises, improving product and package design in order to ensure that products are in fact what customers demand, and ensuring that Barbadian products meet and exceed applicable international quality standards including ISO 9000 and ISO 14,000.

Mr. Speaker, I now make the following additional proposals for this sector:

1. Since the introduction of the VAT one of the concerns of the manufacturing sector has been its impact on cash flow because of the time lapse between import of raw materials and their conversion and sale, all of which is required before the tax paid can be claimed. To eliminate this difficulty, manufacturers will be facilitated in the establishment of bonded warehouses for raw materials and the fees usually attached to the operation of this facility will be waived for the next five years.

2. The manufacturing sector needs to re-tool and re-equip itself with the latest technology and to assist in this, a tax incentive will be offered by way of a depreciation allowance of 150% on new equipment purchased by manufacturers.

3. It is clear that further progress will be slow without some restructuring in the manufacturing sector. This Is especially important in sectors such as Garments and Furniture in which the equipment and other elements of a fully established factory are high cost but where this expensive plant is idle for at least 60% of each day. The Government will provide funding for technical assistance to do the required studies, business plans, etc. necessary to encourage strategic alliances (e,g. joint ventures, sub-contracting, factory sharing, mergers) amongst manufacturers. Additionally, the sector will need to move urgently to improve quality. Technical Assistance will be provided in the areas of use of intellectual property protection. ISO 9000 certification, improvement in production management systems and product and package design. I will therefore allocate an additional one million dollars per year for three years to allow the Ministry of Industry to embark on this as a special project.

Tourism - Hotel Equity Investment Fund

The significance of the hotel and tourism sector to Barbados's economy is well known. What is becoming increasingly apparent, however, is the need of the sector, particularly the small/ medium size hotel sector for equity and long-term financing to fund refurbishment and expansion programmes. To meet this need, I will create an environment to bring into existence a Hotel Equity Investment Fund whose shares will be listed on the Stock Exchange.

The purpose of the Fund will be to raise a pool of private sector capital for investment in various projects in the productive tourism sector. The proceeds of the Fund will be used for the refurbishment and expansion of hotels and ancillary services providers. It is not intended that the Fund would compete with traditional providers of long-term senior debt financing or working capital.

In return for investing in the Fund, I am proposing the following:

(a) Individual investors will be entitled to deduct the amount of their investment, to an annual maximum of $10,000 against their taxable income.

(b) Corporate and institutional investors, other than life insurance companies, but including banks etc. will be entitled to deduct 120% of the amount invested in the Fund, to a maximum investment of $1,000,000 per annum against their taxable income. The amount of any unused deduction can be carried forward for a period of nine years. No cash refund of the unused deduction will be available.

(c) Life insurance companies will be entitled to a 48% tax credit of the amount invested in the Fund, to a maximum of $480,000 tax credit per annum. The amount of any unused credit will be available to be used as a reduction of the income tax liability of any taxable subsidiaries within the corporate group, as defined under the "Group Relief provisions of the Income Tax Act, or, alternatively, will be carried forward for a period of nine years. No cash refund of the unused credit would be available.

This proposal will not apply to Premium Tax.

(d) Dividends paid by the Fund from time to time will be free from withholding tax on dividends, which is currently 12.5%.

(e) No income tax will be payable by the Fund in respect of income generated by it.

(f) Any withdrawal of the funds under 5 years will be subject to the current provision of the Income Tax Act.

7.15 p.m.

Small Hotel Sector Initiative

I turn now, Sir, to special provision to build capacity among the small hotel sector. The small hotels of Barbados, Sir, face a number of severe challenges, particularly the small hoteliers of the South Coast.

The circumstances facing this part of the industry often result in enterprises that do not produce sufficient revenues to cover expenses, meet cash needs nor provide a reasonable return to hotel owners. As a result, Sir, financial resources to operate, maintain, renovate and expand their businesses are not available to our small hotel owner.

This dilemma has been recognized by Government, and we are committed to working with small hoteliers to develop a success model for this industry.

Hotels and Resorts Ltd. (HRL) was formed to overcome some of the challenges of small Barbados hotels. HRL combined a number of small hotels indebted to the Barbados Development Bank into one group, creating a portfolio of properties which will eventually number approximately 700 rooms. The size of this portfolio, together with the management expertise and distribution network of the management contractor - Unihost Corporation - provides an economic entity which has effectively addressed the challenges faced by some small hotels.

However, Sir, this model required participating hotels to transfer their properties to HRL in return for shares. A number of small hoteliers have expressed their desire to find another model which does not require them to cede ownership or management of the operation of their hotels.

It is therefore now proposed, Sir, that the small hoteliers should work together to form a "Small Hoteliers Business Co-operative". To address the needs of this Cooperative, the Government will support the creation of a $20 million Small Hotels Investment Fund to be built up over a 5-year period.

Government will make a capital injection of $5 million, of which $2.5 million will be allocated from the Social Investment Fund. It will provide incentives to raise the balance from private sources on terms similar to those provided to investors in Fund Access.

These funds, together with their reflows, will be used to finance refurbishing and expansion for entities which participate in the Small Hotels Cooperative.

This new arrangement, Sir, will be administered by Fund Access; the micro lending institution that has been established as a successor institution to the Barbados Development Bank.

By these arrangements, we are confident that we will assist in securing the economic and the financial future of this most important representation of indigenous enterprise in our country.

Agriculture

Mr. Speaker, Sir, I turn to capacity building in agriculture. Earlier I alluded to the very fearsome problems being experienced by the sugar industry despite the restructuring exercise that has been taking place over the past five years.

The facts are that over the past 5 years, over $72 million in Government supported financing has been spent on the restructuring of the sugar industry through the BAMC, to say nothing of the direct subsidies given to independent farmers in 1995 and 1996 to assist them with replanting. This also does not include the amounts expended by the Government during this period to service sugar price support bonds issued in the 1980's.

The grim facts are that despite the restructuring exercise, the Industry has not achieved the targetted sugar cane and sugar production. In addition, Mr. Speaker, the BAMC has operated at a loss in every year since it took over the industry, and the Government has had to assume responsibility for servicing the debt of the company to the tune now of $13 million per year. At June 1977 the company had accumulated a deficit of $29.5 million.

The poor financial conditions of the industry can be easily explained in the fact that whereas our average cost of production is about $1 340 per tonne, we receive only $1 049 per tonne from the sale of the commodity to the European markets. These cost conditions persist despite the focus of the restructuring effort on reducing costs at both the field and factory level.

This already grim situation is made entirely fearsome by the fact that the price paid under the European Sugar Protocol is scheduled to decline by between 20% - 30% over the next 10 years.

The situation therefore facing this industry is so grim that without corrective measures, the industry will vanish within the next ten years, taking with it almost all of commercial agriculture in Barbados.

Our new Physical Development Plan recommends the retention of sufficient lands in agriculture to quell any fears about the availability of land to satisfy food security requirements and to support export production.

It is also, Mr. Speaker, the fundamental philosophy of this Government that a viable agricultural sector is crucial to our overall national well-being, is vital to the quality of life of our rural society, and is absolutely vital to the protection of our environment.

The Government will therefore not let the sugar industry and agriculture slip away. We recognise that very difficult issues must be faced and non-conventional solutions must be found if the objectives that we seek are to be accomplished.

Hence, a study was commissioned recently by the BAMC to put before us the options for the future of the industry. This study has concluded that a single, modern factory, having a capacity for the co-generation of electricity provides the only marginal form option for making the industry viable, subject of course to the condition that the other reforms at the level of the field and the management of the industry will continue to be carried out and to be expanded.

We are prepared, Sir, to accept this option, and to give permission for a full feasibility and design study to be carried out to inform decision making about financing and implementation.

We however, Sir, recognise also that worldwide, because of its special circumstances agriculture is subsidised and otherwise provided with access to concessional resources.

To stave off the dire crisis facing the sector, it is now proposed that a new Agricultural Development Trust be created to make available resources to subsidise the sector and to provide concessional financing and funding for technical assistance to our farming community. 7.25 p.m.

Mr. Speaker, this study of the features of the proposed Development Trust should be available for public comment within six months. Meanwhile, Sir, it is my view that funding for the Trust should be secured from several sources, including proceeds from the sale of non-arable land by the Barbados Agricultural Credit Trust, the imposition of tariffs in place of non-tariff barriers on imported foods and beverages and accessing funds which are available at the international level for the protection of the environment.

To widen the opportunities for the transformation of the sector, Mr. Speaker, I now propose also that a special regime of full duty and tax relief be provided for entities making Barbados the location for the carrying out of a fully integrated Sea Island Cotton production activity - from the primary product through to the production of sea island cotton, garments and products.

I turn, Sir, to the International Financial industry.

Government recognises that in view of the importance of the international business and financial services sector to Barbados' development, the effort must be made to ensure its stability and future growth.

This will require that we review and amend the regime for international business and financial service to bring about a greater convergence between the offshore industry and local entities providing similar services. The intention will be to remove the threat posed to the industry's operation by the charge in some international circles that its fiscal regime is both discriminatory and artificial.

Another guiding principle behind the reform of international business and financial services legislation will be to encourage both local and foreign participation in international businesses emanating from Barbados.

Parliament has before it the Insurance Miscellaneous Provisions Bill which is intended to bring about the convergence of the international regime with the domestic regime for the provision of insurance services. The International Business Companies Act is also being amended to allow full local ownership. This will bring it in line with the Offshore Banking Act and the Societies for Restricted Liabilities Act.

Supervision, Sir, and regulation is also of critical importance in order to ensure that Barbados maintains its reputation as a clean jurisdiction. With the advance of information technology and the fluidity of capital flows it will become much more difficult to police monetary and other transactions. In order to do so, it is important to strengthen the regulatory framework of the international business sector. This will include more stringent client acceptance procedures and annual review of clients and transactions.

The International Business Division of the Ministry of International Trade and Business will therefore be provided with the necessary human and infrastructural resources in order to carry out an expanded role and vision in supervising and regulating the sector.

Mr. Speaker, Sir, in spite of its many shortcomings which exist in the existing public sector transport industry and I am referring, Sir, to the mini buses, ZR's and others, it is a fact that the operators in this sector play an important role in the social and economic life of the country.

It is the desire of all of us, Sir, that these individuals perform their functions in a most orderly fashion.

It is therefore, Mr. Speaker, Government's intention to move in the direction of granting route rights to persons who are prepared to form a cooperative to provide the scheduled services, and to grant a reduction in the fees payable by operators participating in the cooperative.

A number of proposals in this regard are under consideration, and our decisions on these matters shall be announced shortly.

In the meantime, Sir, the Government fully supports the efforts of persons in the sector to conduct a feasibility study to determine if it makes business sense to set up an insurance company of their own and we will assist them in every way possible.

In fact, the Government will fund the study once its terms of reference have been finalised and will be willing to entertain an application to the Social Investment Fund for funds of $1 million to provide minimum capitalisation to assist with the capitalisation of any insurance company established as a consequence to provide insurance cover for the sector vehicles of Barbados.

I turn next, Sir, to the Capital Market.

I am very concerned about the fact that at present the Financial Intermediaries Act makes no provision for the regulation of commercial paper issued by companies.

While I do not want to hinder these companies in any way or prevent them taking deposits, it is my view that the depositors must be protected against the repetition of the Trade Confirmers disaster.

Therefore the legislation shall be amended to give the Securities Exchange the authority to regulate such commercial paper. The following conditions will apply:

1. All companies issuing or desiring to issue Commercial Paper must be rated by a reputable rating agency;

2. The maximum life of the Paper must be 365 days;

3. All companies issuing Paper must be listed on the Securities Exchange of Barbados;

4. Only domestic Paper can be traded on the Securities Exchange of Barbados.

Mr. Speaker, Sir, since my intention is to provide some measure of protection to the public and not to impose any undue burden on these companies, I will allow the expenses incurred in obtaining a rating to be deducted from Corporation Tax.

This administration, as you are aware, Sir, has been relentless in its efforts to further the development of our Capital Market. It not only provided an annual subvention to the SEE but it has relieved it of the burden of paying Corporation Tax and is assisting in funding the computerisation of its operations including the establishment of a Central Securities Depository.

Notwithstanding the increase in trading activity over the last eighteen months, the market is not developing as quickly as we think it should.

We are assured, Sir, that when the new legislation on Mutual Funds and Registered Retirement Savings Plan currently before Parliament are passed, a further fillip will be given too the market. Yet many owners of private companies are still way off being listed as public companies.

In my view, Sir, the further development of our market must involve making "going public" more attractive to such companies. I therefore propose to allow companies listing their shares on the Exchange to deduct for tax purposes 120 percent of the costs incurred in doing so.

I make this proposal based on the fact that the expenses involved in listing on the exchange are quite substantial and can be prohibitive especially for small companies.

Last year, Sir, during my presentation on this subject I indicated that the development of a capital market of any worth would require the enactment of amendments to the Property Transfer Act, a new Insolvency Act, a new Securities Act, and a Take Over Bid in addition to amendments to the Companies Act.

Recent events have convinced me that I was right and that there is need for oversight bodies to regulate the activities of self-regulating bodies such as the Securities Exchange.

Therefore, very shortly, Sir, I will be bringing to Parliament the draft Securities Act which makes provision for the establishment of a Securities Commission. The days when the Securities Exchange of Barbados regulates itself, by itself, for itself must come to an end.

Mr. Speaker, Sir, the prime lending rate and the average lending rates charged by commercial banks have fallen over the course of the last year from 9.75% to 8.75 and from 11.9% to 11.1% respectively.

Both of these rates are now at their lowest levels since 1986 except for a brief period in 1993.1 therefore do not propose any change in interest rate policy at this time.

The price of all petroleum products were reduced in March this year, consistent with the reduction in crude oil prices and as a result of a reduction in excise tax. No further reduction is proposed at this time.

However, these prices will be kept under review with a view to passing on any further reduction in the price of crude oil to the consuming public.

In relation to Exchange Control, Sir, the turmoil taking place in the global economy, generated in large measure by the unrestricted movement of capital for speculative purposes reinforces our view that Barbados should approach the liberalisation of its exchange control regime with the greatest circumspection.

On the advice of the Central Bank, no further liberalisation of exchange control is proposed at this time, save for one important measure. 7.35 p.m.

To strengthen the economic relationship between Barbados and the Organisation of Eastern Caribbean States all transactions between Barbados and those countries the OECS in EC dollars will be delegated to the commercial banks of Barbados. These transactions will be monitored by the Central Bank.

Also, permission will be granted to allow Governments of countries of the Organisation of Eastern Caribbean States wishing to issue paper on the Barbados financial and capital market to do so, in accordance with a calendar of issues to be determined by the Central Bank.

FISCAL MEASURES

Remission of Arrears of Taxes

I turn next, Sir, to my fiscal measures. I will deal first with the issue of the remission of arrears of taxes. The recession experienced in the Barbadian Economy in the early years of this decade had a serious and negative effect on most of us. In recognition of the hardship they experienced in trying to keep businesses afloat during those trouble times, I sought, in my 1995 Budgetary presentation, to provide some debt relief to those in the productive sectors agriculture and manufacturing particularly. The measures adopted then were aimed at giving the businesses time to meet their indebtedness to the Customs, Land Tax and National Insurance Departments, while relieving them of the excessive interest and penalty costs.

I have been advised, Sir, that these measures did not fully meet the needs of the entities at which they were targetted. Mr. Speaker, Sir, I have accepted the arguments made and have decided that it is in order to provide more effective relief to those businesses than I did in 1995.

Though some measure of relief will be provided generally across the various sectors, I wish to single out the manufacturing sector for special consideration.

One month after assuming office in 1994, this Government, as its first order of business, removed all duties and taxes on imports, including machinery and spare parts for the manufacturing sector. The decision resulted in revenue loss of $10 million in a fiscal year.

Consumption Tax

Today, Sir, I propose to write off the $6,828,554.67 owed to the Treasury by the manufacturing sector in respect of Consumption Taxes. When taken together with the interest and penalties due, the total sum being forgiven is in excess of $12 million. It is expected that the removal of this substantial liability from their respective balance sheets should allow these businesses to better access funding for the future development of their operations. This measure, Mr. Speaker, will have little or no effect on the Treasury as the outstanding sums have not been factored into the Estimates of Revenue.

National Insurance Arrears

Mr. Speaker, the National Insurance Board has reviewed the 1995 debt programme as it affected its operations and has determined that a more broad-based approach to the exercise can be carried out. The Board has proposed, and I have accepted, that with regard to all contributions outstanding as arrears to the National Insurance Scheme as of July 31, 1998, the following waivers shall be granted:

- With respect to self-employed persons, three quarters of the interest outstanding as of July 31, 1998 will be waived, provided that the arrears of contributions are settled in full by December 31, 1999;

- With respect to employers, three quarters of the interest outstanding as at July 31, 1998 will be waived, provided that the arrears of contributions are settled in full by December 31, 1999;

- Anyone benefitting from these concessions shall continue to do so provided that all current contributions are paid with effect from August 1, 1998.

Should the programme be successful, it is estimated that about $25 million in interest will be foregone to the benefit of self-employed people and the productive sectors of our economy.

I turn next to Land Tax.

Land Tax

Land, Mr. Speaker, is a very emotive topic at this time, evoking comments from the sublime to the ridiculous. I wish at this juncture to deal with the issue of land tax and I shall address matters involving property transfer tax subsequently.

The Land Tax Department estimates that it is owed taxes, interest and penalties amounting to some $102 million. Of this amount, some $70 million are owed by a hard core of 3,500 entities which are major and persistent delinquents. In the estimation of the Department, some of the taxes go back to the period beginning 1972.

I propose now to provide some measure of relief from the payment of arrears and penalties, while encouraging defaulters to become current.

Asking or demanding the show of a receipt of payments made some 25 years ago is foolishness and unconscionable. Therefore, for the period 1972 to 1981, the total sum outstanding of $5.3 million in land taxes, penalties and arrears shall be written off.

Secondly, Mr. Speaker, I have agreed that with effect from September 3, 1998 for a period of one year, owners of property in Barbados shall be able to settle the outstanding indebtedness to the Commissioner of Land Tax free of penalty and interest. Such penalties and interest are estimated at $30 million. This concession shall not be granted to external companies and offshore entities. Therefore, companies seeking to avail themselves of this opportunity must present to the Commissioner a declaration signed by their Secretary that they are domestic companies incorporated under the Companies Act of Barbados.

While on the issue of Land Tax, Sir, I wish to point out that the new triennium valuation exercise will cover the period from April, 1999 to March 2002. When the last valuation was done for the current period, the general rate of tax was lowered in keeping with our Manifesto Pledge of ensuring that the impact of the tax was not unnecessarily burdensome.

In fact, Sir, the rate was reduced from 0.9% to 0.8% with effect from the commencement of the present period on 1st April, 1996. As a consequence, the tax collectible was $58.7 million as against $69.7 million had the rate not been changed, giving rise to tax concessions of $11 million to the public of Barbados.

I am today to announce, Sir, that the present rates will be reviewed when the new valuations have been

determined to ensure that the average Barbadian house owner is not faced with any increase in land tax payments because of any rise in the value of their homes.

Estate Duties

This tax was abolished in 1981 but amounts payable before March 30,1981 are still collectible. The outstanding liability inclusive of penalties and interest is presently less than $2 million. Collection of these arrears is an administrative nuisance and therefore, Mr. Speaker, I propose to remit all outstanding amounts. 7.45 p.m.

Property transfer and stamp duties

Mr. Speaker, a Parliamentary Committee, as you know, is currently examining issues relating to the sale of land to non-nationals and I do not wish to pre-empt their conclusions and recommendations on the matter. However, there are certain issues relating to property transfer tax that I propose to address this afternoon.

We are aware that during the period 1988 to 1997, there were some 1 246 transfers of properties to non-nationals. Of this amount, a staggering 848 occurred between 1988 and 1994.

Now these 1 246 were the ones that were executed locally.

My concern today is the loss of revenue to the Treasury which occurs when the transfer of property is effected by the sale of the property owning external company. The sale of the shares of the company in a foreign jurisdiction takes place unknown to the local authorities and consequently the property it owns changes hands but no tax is levied.

I understand that under the former Companies Act, companies were required to file annual returns which contained inter alia, the names of the directors and shareholders and the number of shares held by each shareholder. The filing of annual returns was abolished under the new Companies Act in Barbados, but I am advised that both Trinidad and Tobago and St. Lucia have retained this requirement in their new legislation. These annual returns permit the Registrar to determine whether a Company is a citizen or permanent resident for the purposes of the Property Transfer Tax Act.

I therefore propose to curb this loss of revenue by:

prohibiting external companies and offshore entities from owning real estate in Barbados;

permitting only domestic companies, i.e, companies incorporated under the Companies Act of Barbados and not licensed under any of the offshore legislation to own real estate in Barbados;

requiring all companies, except those licensed under the offshore legislation, to file annual returns provided that if property is to be purchased prior to the due date for the filing of an annual return, then a Notice of Shareholder(s) is to be filed prior to the purchase. Both the legal and beneficial owners, if not the same person, must be named.

It is proposed also to allow external companies owning real estate locally to incorporate domestic companies to hold such property at no further cost as they would have paid to be registered as external companies in the first place. Companies licensed under offshore legislation which own property in Barbados shall be allowed to incorporate a separate company to which to transfer the property. Such incorporation shall be allowed free of costs.

Mr. Speaker, the section of the Property Transfer Tax Act which deals with the exemption of the tax on the transfer of shares on the floor of the Exchange was intended to facilitate the development of local and regional stock markets.

There is evidence, however, of attempts by some persons to use this mechanism to cover other transactions. Consequently, I propose to amend this section to bring it in line with the provisions applicable to the Exchanges in other regional jurisdictions to remove the concession with respect to extra-regional transactions done through the Exchange. The provisions of the Stamp Duty Act shall apply to such transactions.

It may be, Mr. Speaker, that the time has come for us to review in a holistic manner this Stamp Duty Act together with the Companies Act, Property Transfer Tax Act and the legislation governing our offshore operations. This would be done with a view to determine their effectiveness and efficiency. It should allow us also to avail ourselves of the new business opportunities which have arisen.

We have been seeing, for example, Mr. Speaker, new opportunities arise in the area of financing foreign transactions through local companies. The security documentation required for these transactions usually involves hundreds of millions of dollars. The Stamp Duty Act as currently drafted is presently presenting some difficulty for the development of this type of business.

I am committed, therefore, to the establishment of a Committee to examine this matter. The Committee will be

expected to make recommendations to allow Barbados to fully exploit the business opportunities in this area. The work of this Committee will be coordinated with the review mentioned earlier.

Value Added Tax

Mr. Speaker, as is to be expected requests continue to be made for the VAT to be removed from an ever widening range of items. The goods for which requests continue to be made carried pre Vat taxes in excess of 20% and sometimes as much as 50%. The VAT has therefore substantially lowered the taxes payable on the good concerned.

As such, I do not propose today to make any amendments to the rate or the scope of coverage of the VAT. Rather, Mr. Speaker, I wish to deal with some issues relating to the administration and effect of the tax.

The issue of refunds continues to be raised whenever VAT is mentioned. The cries of excessively long delays in having claims for refunds processed are myriad. Yet, Mr. Speaker, between February 1997 when the first returns were received and July 1998 when the returns for the period June 1998 were submitted, the VAT Division has disposed of 8,339 of the 10,924 applications for refunds, paying out $73.1 million.

I am informed that about one quarter of the claims for refunds are not valid. A large number of persons/businesses who do not qualify for refunds still apply. A number of merchandising operations which should be among the principal collectors and payers of the VAT have applied for refunds on as many as eight consecutive occasions. Clearly, Mr. Speaker, such actions can only serve to delay the refund process and are causing the Division to, devote time and effort from serving the needs of legitimate business, to preventing persons from beating the system.

Mr. Speaker, this administration, and its administrative agency the VAT Division of the Customs Department, will spare no effort to ensure that additional staff is provided to properly serve the public A legal counsel has been recruited to ensure matters of interpretation of the provisions of the legislation are resolved quickly where possible and to give general legal advice to the Director and staff. In addition the services of the Consultant Audit Trainer have been retained for an extended period to assist in the on-the-job and formal classroom training of the staff.

Finally, Mr. Speaker, as is to be expected with any new tax, and especially one as comprehensive as the VAT, the Department continues to identify a number of areas where the operations may be improved, but which require legislative action. I have agreed to a number of these proposals and the draft amendments which all concern the improved administration of the tax will be introduced into Parliament for its consideration in the near future.

Income Tax

Since 1995, I have introduced a series of measures aimed at reducing the tax measures aimed at reducing the tax burden on persons earning more than $13 000 per annum. The home allowances provision was reinstated with effect from income year 1996, and the allowance for savings in a credit union increased from $1 800 to $3 000 per annum. In addition, allowances are now available for persons purchasing Mutual Funds, investing in venture capital funds, and purchasing new shares.

For this income year 1998, every person earning more than $13 000 will benefit from the raising of the basic allowance from $13 000 to $15 000. This means that every person in Barbados earning an income above $13 000 will benefit from a reduction in income tax.

In addition, I have today introduced the Registered Savings Plan regime under which Barbadians will be granted an allowance of up to $4 000 in savings for their retirement or to purchase their first home.

These changes have resulted in a substantial reduction in the tax burden of persons with income in excess of $13 000 per annum. They have also in fact led to the situation where at a minimum every Barbadian taxpayer is now in a position to pay less income tax than 4 years ago. In order to illustrate the point, Mr. Speaker, let us take the case of a person with income of $25 000 in 1997 compared with the position in 1994. Since the allowances are now more generous than they were in 1994, a taxpayer who is a saver with a Credit Union and who claims the maximum allowance of $3 000, claims the home allowance, has two children and of course claims the personal allowance of $15 000 will have total allowances of $23 000 in 1998 compared to $15 800 in 1994. 7.55 p.m.

Thus, his taxable income today will be $1 500 compared with $9 200 in 1994 and the income tax payable by that Barbadian today will be $375 compared with $2 300 in 1994 - a saving of almost $2 000. This, Sir, is a substantial improvement.

However, while those persons with income in excess of $13 000 have benefitted those persons to whom I refer to as the "working poor" who earn less than $13 000 and who do not pay income taxes have not benefitted from the allowances introduced. I refer to our agricultural workers, maids, workers in garment factories and those employed at minimum wages.

Therefore, it is my view that something needs to be done to assist such persons. Since they are not liable to income tax, we must find a way of passing back to this group some of the indirect taxes that they pay.

In 1997 when the VAT was first introduced a grant of $350 was given to some 14 000 minimum wage earners to help them cope.

On this occasion, Sir, I propose to go a step further and to build into the tax system itself a mechanism which will hereinafter apply on an annual basis. Therefore, effective this income year, I propose a refund of $500 per annum to each person earning less than $13 000.

It is estimated that there are approximately 20 000 persons who are earning less than $13 000 per annum and that the cost of this reverse tax credit will be $10.0 million.

Mr. Speaker, as I have said, the persons to benefit from this proposal include shop assistants, agricultural workers, maids and workers at our various industrial estates. They will have to file a simple form with the Commissioner of Inland Revenue at the end of income year in order to receive the payment.

Administrative arrangements will be put in place to have those simple special forms available by the end of the year so that this deserving group of Barbadians can have their tax refunds as early as possible in the next year.

Fiscal Effects

Mr. Speaker, Sir, the core of the fiscal programme outlined this evening is a commitment to spend $280.0 million instead of $325.0 million on the capital programme thus saving $45 million in projected expenditure.

The principal new spending measures arising from these proposals will be the capital expenditure on EduTech, and the increase in the non-contributory old age pension. All of the concessions given while having an immediate economic effect will have a fiscal impact in following financial years and to the extent that they boost production, their fiscal impact in the years in which they take effect is likely to be positive.

The other additional measure is the Reverse Tax Credit estimated to cost $10 million. The overall effect of this fiscal measure therefore will be a net reduction in the projected fiscal deficit of between $20-25 million.

In the country's present circumstances this is the correct approach to prevent overheating of the economy and to protect our reserves and to safeguard our society from any sudden alarms and from any deteriorating circumstances.

CONCLUSION

Mr. Speaker, there is the expectation, excited in a certain section of the media, that I will need to wrap the presentation I have made to this Honourable House today in some evocative slogan or package it in some fancy pre-election tinsel.

I feel under no pressure to do either.

Four years ago, the people of this country conferred on me the honour and the dignity of giving leadership to our nation in charged and difficult circumstances. I asked to carry out a Charter for Change; to take a society, battered by recent economic turmoil, overtaken by an overwhelming loss of confidence, and struggling to find its identity and its way in the world and to restore a sense of purpose and coherence to its public affairs and to set it in new directions of social and economic aspiration and realisation.

The most alarming evidence of that overwhelming loss of confidence of which I speak was the presence in 1994 of an official of the International Monetary Fund in the Ministry of Finance, to direct our economic and financial affairs.

One of my first acts, Sir, was to require the International Monetary Fund to remove its official from the premises of the Ministry of Finance so that I could get on with the people's business.

Since then, we have been on our own; left to our own devices to find ways of our own conceiving to carry this country forward.

I have made bold to say today in this debate that Barbados has in the course of the past four years made remarkable strides in every sphere of its social and economic endeavour.

We have proven that without external direction of our economic affairs, a society whose resources are as fragile as those of Barbados, can be lifted out of the doldrums of economic recession, stabilised and set on a course to self-sustaining and sustainable development. It is a record of which many countries facing the same circumstances cannot boast. 8.05 p.m.

The credit for this goes to the many eager and enthusiastic public servants in the Ministry of Finance and Economic Affairs and throughout the public service of

Barbados who, given the opportunity to prove their worth, have done so in ample proportion.

It goes to the social partners in the private sector ahd the labour movement, and the extraordinary patriots who lead them, who have in their advice and every action sought to put our national interest first.

It belongs to the ordinary man and the ordinary woman who have never lost faith in Barbados and have done everything in their power to ensure that our nation succeeds.

I must particularly give credit as well to members of my Cabinet and members of my Parliamentary Group who when faced with even the gravest challenges never doubted the course on which we were embarked nor our certainty in reaching our destination.

I have only been an instrument of their will. And to the extent that I claim any credit, I do so in the name of the children of poor people who too aspire to lead nations,

Many years ago this country made an investment in my training as a professional economist. I have been grateful for this marvellous opportunity to express that investment in service at this level and at a most difficult period in our country's history.

For as John Bunyan said in Pilgrim's Progress -

> **"Though with much difficulty I have got hither; Yet, I do not repent me of the trouble I have taken."**

I have presented to this House an economic programme intended to secure our future, and to make that future brighter for every Barbadian. It has been conceived only with regard to what is in Barbados' best interest.

I stand ready now to carry it into execution, as my training and my experience show me the way, and as God grants me the light and the wisdom to see that way.

Mr. Speaker, Sir, I now have the Honour to move the following Resolution.

WHEREAS by outstanding stewardship the Government has succeeded in restoring the Barbados economy and lifting it to new heights of excellence;

AND WHEREAS these economic gains have been translated into a substantial improvement of the quality of life for our people and a reduction in unemployment;

AND WHEREAS the outlook is for the continued strong performance of the economy and an improvement in the standard of living;

AND WHEREAS to achieve that strong performance and secure our social economic gains, Government has presented to this House a set of policies and a programme to strengthen our fiscal position and to build up our social and economic capacities;

AND WHEREAS that programme and those policies reflect foresight, realism and imagination as will take us into the 21st century as a stronger society.

BE IT RESOLVED that this Honourable House takes note of the 1998 Financial Statement and Budgetary Proposal;

AND BE IT FURTHER RESOLVED that this House congratulates the Government highly for its outstanding stewardship of our economic, fiscal and our social affairs.

SUSPENSION

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, I beg to move that this House be suspended until 5 o'clock tomorrow afternoon.

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

Mr. B. M. TAITT: Mr. Speaker, on the motion to suspend and I am not complaining, but I just wish to put it in the record that today I arrived here at 5.11 p.m. to find the House saying prayers. My Order Paper indicated the House will begin at 5.00 p.m. The Rule of this House is that we have 15 minutes grace...

Aside.

Mr. B. M. TAITT: ...and that is a one-off. I want to make sure that for the number of years I have been in this House that we are not changing the rules. That is all and if the rules are to be changed, Sir, then there is a methodology.

Aside.

Mr. B. M. TAITT: I reserve the right, irrespective to what people say from their seat, I am speaking in my capacity as a Member of this House, Sir, and there are persons who would have observed me come in who would believe that I was late and I have the right to speak about that. I do not mind what anybody says. I have the right to come in here at 5.15 p.m, if I receive an Order Paper that says the House is meeting at 5.00 p.m. That is my understanding.

Mr. SPEAKER: May I remind Honourable Members based on the comments we just heard that this is a 'suspension[1]. It means that we start promptly at 5 o'clock tomorrow evening.

The question that this House be suspended until 5 o 'clock tomorrow evening was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly. 8.15p.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 but he has 3 hours television time. The Honourable Member for St. John, please.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I have the honour to represent the people of St. John in this Chamber and I wish as I always do at the beginning of my presentation during the Budget to thank the people of St. John for conferring this signal honour on me.

This 1998 Budget comes at a vital time in our national progress. It also comes at a very interesting time, a kind of anniversary of sorts or maybe we could describe it as many anniversaries incapsulated into one. On Sunday coming, the 6th September 1998 it will represent the fourth year that the Barbados Labour Party has been in office. The Minister of Finance, I am certain, is also mindful of the September 2, 1976 anniversary, 22 years ago when the Barbados Labour Party won its first post independence victory. The Honourable Member has never forgotten the significance of his political godfather Tom Adams and he always says this and I believe that he scheduled the Budget yesterday to honour that gentleman since it was not possible for him to make him a national hero.

It was also at about this time in 1981 that the then Barbados Labour Party Minister of Finance presented a mini-Budget, two months after a general election, which heralded the very famous statement, you never had it so good, uttered by someone who is still a Member of this House. Within those two months the economy had[1] contracted, thousands of Barbadians in the public sector were laid off, a credit squeeze was introduced and the International Monetary Fund was called upon to assist Barbados. The latter two are just reminders of times past, to some the glory years of the Barbados Labour Party, to others a political holocaust during which many were consigned to political victimisation, threats of starvation if your initials were close to the DLP, corruption, drugs, unsolved murders, the works. This, Sir, is all part of our country's history. The time has now long past for a critical assessment of this Government. The Minister has had a good run and we should form an opinion of whether the Government has delivered, not just on its promises, Mr. Speaker, Sir, but on the promise which Barbados offered in 1994.

The question arises, has the Government met the needs of the people and what were the people's needs?

I think you have to remember, Sir, the circumstances of the 1994 elections. It came as the result of the fracturing of that coalition of interest which banded together in 1986 to rid the country of a wicked Barbados Labour Party administration. The 1986 mandate was the strongest in our post independence history giving the Democratic Labour Party 24 seats. It was a people's mandate which ended up being frustrated.

In 1994 when that continuum from the 1986 mandate ended, Barbados was emerging from a relatively short but intense period of economic restructuring and I say short, Sir, because there are other countries in the world, some even recently in the past few months which have faced similar crises and economic challenges and have taken 10 times longer to get out. In the Caribbean particular countries with natural resources like Guyana, Trinidad and Jamaica and there are larger countries, Sir, where the financial crisis is so deep and the countries so divided that there is political and economic turmoil even as I speak to you tonight. Many of these countries had favourable trade balances with the industrial countries, high savings rates, strong foreign investment, substantial reserves but those economies are now in turmoil.

Sir, the national consensus in 1998 has therefore to be that the Democratic Labour Party did what was necessary to rescue Barbados. No one now denies this, not even, Sir, on that side of the House. It is recognised that it was done neither out of spite nor malice. The economic response by this Party in the time of crisis in 1991 represents a new model for stabilisation. In 1993, just cast your mind back to 1993, Sir, the then shadow Minister of Finance, the Right Honourable Member for St. Peter said in a speech in this House before the television cameras that the economic programme had failed. He said the Government had gone mad. Those were the exact words that he used, Sir, the Government had gone mad and he railed and launched a tirade against the Democratic Labour Party for the difficult economic programme which we had to put in place.

In recent times, Sir, the Honourable Member concedes that he is wrong and that the corrective measures taken by the Democratic Labour Party have worked which tells us, Sir, that if we as politicians spent less time sparring with each other to demonstrate who is brighter and better and if we worked together for the common good we would be much better off.

Mr. Speaker, Sir, the fate of opposition parties is always, and particularly opposition leaders, that you are criticised for not attacking the Government enough and statements are often made that this party is relatively subdued but, Mr. Speaker, Sir, you have to take the Government and assess it over a period of time and we have now done that. Four years is enough and we can give the people of Barbados a very clear synopsis of what has happened since 1994.

In 1994 it is my considered opinion that the people of Barbados were looking for a kind of deliverance. Honourable Members on that Side would be happy to hear that because they obviously would feel that I mean deliverance from the Democratic Labour Party but, Mr. Speaker, Sir, that is not what I mean at all. If they were reading the signals correctly they would understand exactly what kind of deliverance the people of Barbados were looking for. As in previous elections when a Government had changed, as in previous elections even when a Government did not change, even during by-elections the hopes and expectations of the people of this country rise because they expect a kind of deliverance from economic and political and social arrangements which do not serve the interest of the majority of Barbadians.

In 1994 they understood the economic crisis had as much to do with the world economic scejie as it had to do with the economic arrangements into which they had been locked for centuries. A traditional private sector which wanted more power, not to provide new creative opportunities but to consolidate its lock down on the economy of Barbados.

The Honourable Member for St. George South has often criticised me, Sir, in this Chamber, for being anti-private sector but I am extremely clear about whose interest I serve in politics. The people wanted a kind of deliverance from old politics, from old economic arrangements, from the elements of the old social structure, all of which combine to frustrate them and keep their lives in a state of uncertainty and insecurity. They wanted to be sure that having made the sacrifice, the rewards would be theirs. The Honourable Member for St. Peter interpreted it in this way. In the final words of his Budget speech or what somebody characterised as his farewell address to this Chamber, he said,"four years ago, the people of this country conferred on me the Honour and dignity of giving leadership to our nation in charged and difficult circumstances. I asked to carry out a charter for change; to take a society, battered by recent economic turmoil, overtaken by an overwhelming loss of confidence and struggling to find its own identity and its way in the world and to restore a sense of purpose and coherence to its public affairs and to set it in new directions of social and economic aspiration and realisation." 5.10p.m.

Mr. Speaker, Sir, the masses of our people have historically suffered economic disability. They feel that they have been wronged and deprived down through history and it manifests itself in several ways. For example, people trying to beat the system, lack of community cohesion, disintegration of family life, crime and so on. But you have to be able to read those signals, Sir.

The Government of Barbados on the 6th September 1994 and since then has had a golden opportunity to change this country. The Right Honourable Prime Minister was the Leader of the Party which had the so-called charter for change. But the Right Honourable Prime Minister has been unsure of whether it was to change back or change forward and in his closing remarks he quoted with Mr. Valiant of Truth out of John Bunyan's Pilgrim's Progress, but there is also another character in the Pilgrim's Progress, called "Mr. Facing Both Ways". And I have no choice but to describe the Minister of Finance as I heard him yesterday as, "Mr. Facing Both Ways".

The question after 1994 was, has the Barbados Labour Party undergone an inner conversion? The answer to that, Sir, is that the Party has changed its political garment, but not its heart. She accepted it as a convenience like an improved system of telephones, but she did not dedicate herself to it, as the expression of a moral ideal of comradeship and equality, the avowal of which would leave nothing the same.

The Right Honourable Prime Minister had, Sir, within its grasp in 1994 genuine opportunities to recast the economic landscape of Barbados. He had the chance then, Sir, to choose between the kind of politics and economics which would entrench the historically favoured, the affluent and the rich, including the corporate bureaucracy and the business interest, or to advance the agenda of the socially and economically deprived the vast majority along with those who help and support them.

What has he done? And we have to look at it carefully, Sir. The spotlight has to fall, today, on the Minister of Finance, not anybody else, because the destiny of Barbados, he said in his speech was placed into his hands, not his party's hands, in the last election. And he is merely the instrument, not only of his back bench and his front bench, but he is the instrument of the people, carrying out what he perceives to be their wish.

The first thing that he did and I have said it before and one has to repeat it because it is very important, Sir, and it tells you a lot about the economic arrangements in Barbados today, was to announce that the doyen of the business class in Barbados was to be one of his first and most important Ministers. His first act as Prime Minister was not to tune into the frequency, Sir, of the elected Members of this House who had to knock on doors, I presume visit rum shops, articulate policy on a political platform, listen to people, identify their concerns, get into the hustle and bustle and the difficulties of Barbadian politics. Oh, no, Sir, his first and most important decision in the first few days of coming to office was to tune into another frequency - the frequency of the business class.

Foreign trade which we have been told only a few weeks ago in the foreign affairs debate in this House, which constitutes the most important area of Government activity

at this time, and the Honourable Member for St. Peter himself made that statement, that at the heart of foreign policy is foreign trade, at the heart of the future of Barbados' economic arrangements is foreign trade, at the heart of our future as a region, Sir, is foreign trade. And, Mr. Speaker, Sir, those new economic arrangements which will affect all of us which have been described by the Prime Minister as central to his economic focus as central to the focus of the Government as central to our lives and Mr. Speaker, Sir, do you know who the Minister of Foreign Trade is? He has placed the most significant aspect of Government's operations in the hands of a non-elected doyen of the traditional business class. The mission, Sir, of that doyen is to get the traditional business class ready for the new economic arrangements - not to get the rest of Barbados ready for the new economic arrangements - because there is no connection between what he does in terms of his daily affairs as Minister of Foreign Trade and the people who are involved in trade on the streets of this country. So he is readying the traditional business class, Sir, for their historical mission of getting themselves ready for the new world in which there will be new trading arrangements.

The philosophy of the Honourable Member for St. Peter, Sir, is as follows: as long as the traditional businessmen in Barbados are ready for foreign trade the rest of Barbados will be ready for foreign trade. That is part, Sir, of a golden tread that we are going to see running through the policies of the Honourable Member for St. Peter since he was elected in September 1994. That as long as arrangements are made to secure the future for that class of individuals in Barbados the rest will be carried along in the process.

Mr. Speaker, Sir, that thesis goes against historical reality, because as far as I know the post adjustment phase in almost every Caribbean nation that has gone through structural adjustment or stabilisation has produced a core of new entrepreneurs. Either because of the migration of many of the old entrepreneurs or because they have been in structural adjustment for so long that those old entrepreneurs have died out and been replaced. Or because the Governments themselves have seen it as a necessary step in creating a creative and capable new business class to carry the country forward. That is not the case in Barbados today. That class, if it was about to emerge out of stabilisation was stopped dead in its tracks by the steps which the Honourable Member for St. Peter has taken, and I have only spoken about one so far, Mr. Speaker, I am going to go through this systematically so that Barbadians would fully understand exactly what compass the Honourable Member for St. Peter is using to guide this country into the next century.

He then appointed, Sir, the chief servant at that time and negotiator of the traditional private sector as the Minister responsible for domestic business, the man who had always been under the whims of the doyen of the business class was then appointed to lock off domestic business arrangements in Barbados. One was handling foreign trade and the other handling the domestic business arrangements.

And, Mr. Speaker, Sir, as Honourable Members on that Side know, he has almost anointed him as his heir apparent. He has moved swiftly through the ranks, but he has locked down the local domestic business arrangements. That is the kind of government the people of Barbados have in 1998.

Not a single Member, Mr. Speaker, Sir, can be found from the Christ Church constituencies to fill a Cabinet post to carry this country forward in a critical area of its economic development. The two most senior between them have settled for Knighthoods, ambassadorships, commissions and chairmanships of committees, retainers and some say debt relief.

I know of no modern government, Sir, which has not been able to produce at least one senior Minister from the Christ Church constituencies. But, Mr, Speaker, Sir, the priority was not to satisfy the people who elected the Barbados Labour Party. That was not the priority of the Right Honourable Member for St. Peter and, surprisingly, all the rhetoric that we heard last night was a veneer, a facade, Mr. Speaker, Sir, disguising the true intent of certain strategic moves, and it might explain, why in 1998 it is impossible for the Right Honourable Member for St. Peter to reshuffle his Cabinet, because he dares not move certain critical persons from certain key Ministries in which they are essentially directing the economic arrangement of the country. 5.20p.m.

Now, Mr. Speaker, Sir, I need lo go on, One Minister came from St. Michael, at that timf a parish which has produced the most progressive, forward-looking DLP politicians who sit with me here and one of whom sits behind me, who at that time was elected as part of a DLP team in St. Michael St. Michael was always the stomping ground of some of those bright, progressive, DLP parliamentarians.

But, Mr. Speaker, Sir, the point that I want to make is that the Right Honourable Member for St Peter was never tuned to the people's frequency. Hf was not interested in what they wanted. His mind was always tuned in to what the traditional business class wanted from the day that the Barbados Labour Party was elected, And I remember the comment that night, Sir: "We have got pur man." "We have got our man," was the comment that was made by those in those positions.

Mr. Speaker, Sir, then the Right Honourable Member for St. Peter, by a series of very strategic actions, has positioned other members of the business class in very strategic positions, and I mean the traditional interests that they serve: the Central Bank, the sugar industry, the Board of Tourism - almost every key area of Government policy there is a carefully crafted arrangement, Sir, to empower that section of the Barbadian population.

And I hate, Mr. Speaker, Sir, to see my Prime Minister bound and gagged. I hate to see it, but I saw it yesterday. Imagine that the headlines in this country, including front page editorials, were screaming about something that borders on a high level of corruption in the business sector in Barbados, asking questions in relation to a Board on which Government has representatives dealing with one of the largest financial institutions in Barbados and the waiver of $9 million in fees that that entity should have paid.

Mr. Speaker, Sir, the Right Honourable Member for St. Peter was like a mouse. He did not even squeak on the issue. Mr. Speaker, Sir, for some reason he cannot even speak on the issue. So what kind of Government do we have today, Mr. Speaker, Sir? And that CIBC Securities Exchange of Barbados issue is a clear example.

Mr. Speaker, Sir, the Right Honourable Member for St. Peter and his Government gave the Securities Exchange $1 million a couple of years ago as a subsidy or a subvention. I do not know what you want to call it. Having given them that subvention or that subsidy, we now have a $9 million fee according to the Press being waived.

The Central Bank's Governor, still a creature of the Minister of Finance, according to reports, supported it. The Minister of Business, according to reports, said that he would not give them a $9 million waiver, but they should pay at least a million. So he would have given them an $8 million waiver and they would have paid $900 000 more than was supposed to be paid.

Mr. Speaker, Sir, that is just one example of some of the concerns that I have about this Administration and about the way it has conducted the affairs of this country since September 6th, 1994. Barbados cannot create a good or just society with such manifest injustice.

A Prime Minister must not, nor must a Minister of Finance, whether he is the same person or not, by silence or indifference give any comfort to those who promote the interest of the traditional business class to the detriment of the people. Now, Mr. Speaker, Sir, do you know why it is critical? When you read through this Budget, the Right Honourable Member for St. Peter has no discomfort whatsoever in offering concessions to put small businesses and other Barbadians at risk of going to list on a Securities Exchange which is fraught with that potential conflict of interest and a situation like what has been described.

So you have incentives. If I were Minister of Finance I believe I would have excised that part of my Budget for the time being until I could be assured, Mr. Speaker, Sir, that there is not such a high level of manipulation in the private sector of Barbados that when a small company listed on the Securities Exchange that one felt comfortable that there was not that aura of suspicion.

But, Mr. Speaker, Sir, it is business as usual. Concessions, incentives, structures set up to list on the very Securities Exchange which every citizen in Barbados, including people who are just commentators on what is happening in the private sector in this country today are saying needs to be investigated.

Mr. Speaker, Sir, that would be like telling somebody to invest in the Mafia, set up an institution and let the Mafia trade it for you! That is the kind of concern that I have.

Mr. Speaker, Sir, that is the context.

When I left this Parliament last night, that is the level of discomfort I felt between crossing the gates of this Parliament and reaching my home in St. Philip, that we seemed to have lost all sense of proportion about what this society should be about, about things like justice and fairness, because those things only seem to apply when you are dealing with certain levels in the Barbadian economy. But once you cross the threshold, Mr. Speaker, Sir, it does not matter.

I am going to go on to describe some of the further concerns that have occurred in the past four years but more particularly those which have occurred in the past few months. The staggering fact, Mr. Speaker, Sir, as I say, is that if it is true that what was waived was $9 million, that is $ 1 million short of the amount of money which the Prime Minister gave back to the people yesterday, the $500 contribution which Honourable Members thumped the desk on two occasions in support of.

That is almost equivalent, that one transaction in an economy of this si^c, the size of the waiver is almost equivalent to VT " rt ^ Government is giving back to 20 000 Barbadians cs relief from the impact of the VAT. So think about the si? * cf It, rot through the eyes of the business person. TIir.L - o 1 ^ size of it, not through the eyes of the directors of tbr bcc.jrities Exchange of Barbados. Think about the size of it through the eyes of a young man whose mother is going to send him this evening to some shop to buy six tins of milk, some macaroni and a few tins of corned beef, because that to me is the only way, Mr. Speaker, that we can analyse the politics particularly when we are faced with the kinds of challenges which we are faced with in Barbados, 5.30 p.m.

I want to tell the Honourable Member for St. Peter that you cannot serve both interests at the same time. You cannot say you are serving both business and the dispossessed in our society at the same time. Some people will ask why I say that because there are some people who believe that you can do it, but it is in essence an either or equation because by and large those interests are antagonistic in nature. You cannot stand for both. You have to very clearly delineate as a politician what ends your economic policies are going to serve. For some reason the Honourable Member for St. Peter, despite the economic training which the people of Barbados invested in him, despite the social origins that he is so proudly wearing on his shoulders, cannot understand that, Mr. Speaker, Sir. He cannot understand it. You cannot say that you are serving Barbados' best interest until Barbados has defined what its best interests are. We had a budget presentation yesterday in which the Honourable Member, without saying what Barbados' interests are, said that he is serving Barbados' best interests.

The one thing that I have learnt in politics in Barbados is that the business class and the masses do not share the same vision. Black Barbadians and white Barbadians do not share the same vision. Workers and employers do not share the same vision. Mr. Speaker, Sir, to the best of my knowledge, since we started to have social relations, we have never shared exactly the same vision and very seldom have we had common interest. What we do not have right now is a Barbadian vision. Individuals may have it, the Chamber of Commerce has one, the Hotel Association has one, foreign investors who invest here have an idea of what they think is the Barbadian vision. If we have a Barbadian vision and if there are Barbadian interests which the Honourable Member for St. Peter says that he is serving, why does he not outline them to us. Why do we not hear exactly what is that vision and what are those interests being served by the Barbados Labour Party, led by the Honourable Member for St. Peter.

Mr. Speaker, Sir, we are not arguing in this debate about strategy. If we were arguing about strategy, the Honourable Members on that Side would be able to say, "look the two Parties are the same, it is only a matter of how you implement it." As I said when I left here last night, I realised that was not what this debate is about. This debate is about objectives. This debate is about a vision for Barbados, a development path and whose interests we serve as politicians. That is what this debate is about.

Mr. Speaker, Sir, if we share the same objectives the strategies would not matter. As long as we said we were going towards that same goal, we could use different strategies, different approaches with different emphasis.

One experience I have had, Sir, just prior to becoming Minister of Finance, in fact, when I was in the Ministry of Finance, as the Minister of State, was to find a point which I spiritually and intellectually thought was the closest Barbados had come to having a common vision of the future but it only hinged around one thing. Crisis created that and that was the objectives or the vision that the entire country should avoid a devaluation of the Barbados dollar.

Now, fortunately, the Opposition, to the best of my knowledge, in none of the debates advocated a devaluation of the Barbados dollar. Sometimes they were soft on some of the related strategies that the Government should implement but the point is, it was one of those occasions when, based on my experience, there seemed to be a common goal. Mr. Speaker, Sir, we still have not built sufficiently on that consensus. Once Government changed and things started to ease back into the old habits, Mr. Speaker, Sir, that vision or the starting point of that vision had been lost to Barbados.

Mr. Speaker, Sir, do not ever make the mistake of believing that the document which we have in here called Protocol 3 is the basis of any such vision. I will explain why that cannot be the basis of a vision for all Barbadians. I predict from the vantage point of this Budget - I have to predict it - that if social and economic arrangements in Barbados do not more genuinely change, all of this tinkering, which as I have said is born of economic training from the mythical son of poor people - it is the son who I am yet to meet, Sir - will come to nought.

We need to deal with question of leadership at the economic level. It was Tony Benn, who as we all know renounced a hereditary title to be elected by the people, who said that when you get to Number Ten, meaning the Barbadian equivalent of Government Headquarters or Ilaro Court combined, you have climbed there on a little ladder called the *status quo* and when you are there the status quo looks very good.

Apparently, Mr. Speaker, Sir, it is more important in the context of what is happening in Barbados today in the debate about the economy and participation and so on to say where you have come from rather than what interest you serve. Mr. Speaker, Sir, in this Barbados of 1998 it is quite interesting. Everybody is scampering to say that they were born into poverty or their father was a poor man or that their grandparents were poor. The leaders of the private sector are all telling Barbados, "our parents were poor whites". It is not relevant now what interest they serve in life. It is not relevant what business practices they pursue, they can join the Rt. Honourable Prime Minister of Barbados in resting back on this concept about being born in poverty. It does not matter what interest you serve in life, all that is important is to shout every now and then to neutralise people and to tell them that you come from the poor.

I have heard it, Sir, from the leaders of the business class and one of the most landed men in Barbados constantly

remind us that he comes from the poor, the foreign investors who come to Barbados all remind us that they were self made men who started out with a two penny hardware store hi the back of London. Everybody, Sir, is on that band wagon. Everybody is pulling themselves up by their boot straps looking for common cause, Mr. Speaker, Sir. They are not looking for common cause on the basis of what they are saying to the people. They rest back on that as an excuse for their failure to advance the interests of those people.

Mr. Speaker, Sir, I say it again and I have noticed it in this debate, I have not tackled this issue before, the Honourable Member for St. Peter launches back on wearing his social origins on his shoulders. He says that he is the son of poor people, a mythical thing. But Mr. Speaker, Sir, I am not really interested in that and I,am going to tell the Honourable Member for St. Peter that that does not interest me. What interests me is not who you are the son of, what is critical is whose sons and daughters your policies are to going liberate.

That is what is important. What is important is whose children in 1998 your policies are going to take forward. Mr. Speaker, Sir, whose grandchildren are getting a fair deal in Barbados today. Mr. Speaker, Sir, when my political career is over, I would hoped to be judged by that standard, not where I cam from. That is why I say the status quo has been extremely helpful to the Honourable Member for St. Peter. The Government is running around putting out every little fire, but it has not sought to take on the structures which inhibit the full expression of every Barbadian citizenship. That is what it has not done.

The Prime Minister has been very content to let certain private interests highjack the Government and derail the interests of the thousands of hopeful Barbadians who elected his Government. And let me describe that economic philosophy for you, Sir, because that has to be done in this debate. I need to describe the philosophy. It rest on this thesis that as long business is doing well -1 hear all of them on that side with this story - that as long as business is doing well, the people are doing well. As long as accountants and economists say that when the Budget is over that the Minister of Finance has done the right thing and is on the right path, the Honourable Member for St. Peter and his Government seem to believe by some unseen and microscopic process of transferation or political osmosis, that the people are better off, that the vast majority of Barbadians are also doing well. So, Mr. Speaker, the signals that this Government is receiving are the signals from the traditional business class in Barbados none of whom have lost sleep over any budget and certainly not one of them that I know of would have lost any sleep last night. 5.40p.m.

There has been a tremendous dislocation between the expectations of the people from this Barbados Labour Party leader and his Government and his achievements on their behalf and I will explain that in more detail but suffice it to say this for now that nowhere in the world has so great a political mandate cast so small a shadow.

There is an impression abroad that Barbados has a strong feel good pattern which comes from foreign investment. Mr. Speaker, Sir, the interesting menu of statements that are made, VAT revenues are high, people are spending, so people are doing well. The foreign reserves are growing so people are doing well. The GDP has recorded 20 consecutive quarters of growth so the masses are parrying. Foreign investment is stronger so there is a feel good factor among Barbadians. There is a social contract so we are all happy and then to cap it all yesterday in the Budget we heard that the Town Planning office has received 3000 applications so we are all advancing.

Mr. Speaker, Sir, it would be very difficult for us to see Barbados from that menu because there are a whole host of other concerns which attack Barbadians every day as they go about their daily rounds therefore it is for us to see Barbados through their eyes and we know that there is a disconnection between the level of growth in Barbados and the prosperity for those at the bottom.

We have the kind of Government in Barbados today, Sir, which believes that as long as there is growth it will trickle down or that it would spread down to the people. This is called developmentalism by the economist. That theory says that economic development may simplistically be advocated as an end in itself, that once you are achieving high foreign reserves, high levels of growth, revenues are high, the deficit is low, that quite independently, Sir, of the requirements of social justice in a society or the requirements of good sense that you should feel that you are achieving something. So economic development then is seen as an end in itself and we would have heard that kind of presentation here yesterday where all of the achievements of the Government were set out as if they were an end in themselves and very little was said in yesterday's budget to show the connection between what Barbados achieved at the macro level in terms of the fundamentals and where people had advanced. The only time that happened, Sir, was when the Honourable Member for St. Peter sought to compare somebody earning $25 000 at a time when the overall tax burden was 32 cents in the dollar in 1994 to somebody in 1998 when the overall tax burden is at 38 cents in the dollar, four years after he was elected but he said that person was better off now because they got an additional $500 or some other tax benefit than they were in 1994. So you have to wipe out of that equation the VAT. You have to wipe out of that equation inflation. You have to wipe out of that

equation wage freeze, all of that. It is assumed by the Honourable Member's equation that a man who was earning $25 000 in 1994, who may still be earning $25 000 in 1998 with the tax burden increasing substantially, is better off under the Barbados Labour Party, and that was the first occasion when the Honourable Member for St. Peter tried to connect what he was saying in this debate to the income of the average man in Barbados. Mr. Speaker, Sir, to me it was economic madness.

So, Mr. Speaker, Sir, we believe in the Democratic Labour Party that economic development is a means to an end. It is not an end in itself. The end economic growth and development should serve to empower the masses and to improve their quality of life. The Prime Minister progresses this developmentalism as his desiderata. He believes that he is faithful to his profession as long as it can be said that the economy is growing. Details about who is benfitting in Barbados has now been subsumed.

I want you to read the language in the Budget. When the Right Honourable Member for St. Peter gets to the issues of distribution, in other words who is benfitting, he shifts from growth to poverty alleviation so to justify what he extracted from the VAT, he says, I gave you back in poverty alleviation. To justify the politics of distribution under the Barbados Labour Party he has lumped every beneficiary of Government's economic programmes into a category in Barbados called poverty alleviation. It is an amazing thesis, Mr. Speaker, Sir, but if you read yesterday's Budget carefully, at no point were we able to see the connection between the growth in the economy and the challenges that middle-class people in Barbados face.

Between the growth in the economy and the challenges of single mothers or children, between the growth in the economy because the economy has been growing for 20 consecutive quarters, but there has been no explanation as to why Statutory Corporations in Barbados despite 20 consecutive quarters of growth have not been able to deliver housing programmes and other benefits to the people. That is because there is no connection between the objectives of growth, and growth in the Honourable Member's mind is an end in itself, as long as I can leave Barbados and put on my jacket and get on a plane and tell the world Barbados is growing, that there is a feel good factor. Mr. Speaker, Sir, that is not my kind of politics and I saw it yesterday. Every concession to the distribution of the benefits of adjustment in Barbados was lumped under the concept of poverty alleviation.

I do not have the pages marked off because to my mind it was unbelievable that for the over $200 million that was collected in excess VAT receipts, the Honourable Member said he dealt with it in two ways, he closed the fiscal deficit and he put it into poverty alleviation measures so I would have to understand from that that all Barbados needs to do is for the economy to grow and for you to identify poverty alleviation measures and that would be the substance of the distributive aspect of the Government's economic programme. But the Honourable Member for St. Peter carried this thing a step further in a way, Sir, that demeans, to my mind, the intellect of Barbadians. The idea was to exercise tokenism of interest and support for the dispossessed by giving them $350 one year. Some people who received the $350, saw it was a Government Department and called and asked me what it was all about, because no letter of explanation was enclosed. 5.50p.m.

The Government needs to think about this because it is part of a programme to assist citizens, but it is our money. The Right Honourable Prime Minister is not giving back his money. What he gave back was money he collected from the pockets of every citizen in this country, who at that time were buying milk, pampers and burying people. The Honourable Member was extracting money from them so when he gave them back the $350 to my mind the Government had a moral obligation to at least attach a letter to the people who received it, saying what it was about.

Some people said that they received it and before they tax it, let them go in town and buy some shoes or buy a dress or put some money down on a stereo set or whatever.

Asides.

Mr. D. J. H. THOMPSON: That is a fact. I could not tell them what it was all about because, true to fact I did not even remember. There was such a long time the announcement of the relief from the impact of the VAT on Old Year's Night 1996 when people were about to get ready to go feting. After hearing at 4:00 o'clock the evening before, by 2:00 o'clock the next morning the people of this country were forking out the VAT at dances and in shops in Barbados, but, Mr. Speaker, Sir, that did not bother the Honourable Member for St. Peter.

This is one occasion when I have to credit the private sector because the private sector advised the Honourable Member for St. Peter that he should indicate what alleviating measures he was going to put in place. The Barbadian traditional private sector agency had to advise the Honourable Member for St. Peter that they think he should quickly announce what measures he was going to put in place. And, Mr. Speaker, Sir, at 4 o'clock on Old Year's Day the Honourable Member for St. Peter was moved to announce it anH me months later people are now receiving $350 cheques in the mail without even a complimentary slip. So everybody in Barbados knows that they were the minimum wage earners in this country.

I do not believe in that kind of politics, Mr. Speaker, Sir, and it was repeated again this year in this Budget that the Honourable Member for St. Peter believes the answer to the impact of the VAT is not to look at those categories of persons like single mothers and pensioners who are living on non-contributory pensions and children who may be growing up in a home without resources to take them to school, but he is giving out $500 cheques to 20 000 people.

I am very glad for all the 20 000 Barbadians who are getting them, but I am still at the end of the day perplexed.

Aside.

Mr. D. J. H. THOMPSON: Of course the Minister of Finance will get it back because he has not done anything with the VAT this year, so every cent that he gives them he will get back. He made it clear. I have never seen anybody with such glee announce how much he had raked in from a tax, as I saw yesterday in this Chamber, because the Honourable Member is playing political strategy. He feels it is a good strategy to have all this money. He did not expect this, but it has come in. So what he will do, is close the deficit and he will buy people through a series of financial measures, some of which were announced yesterday. So after the $500 is paid out...

Mr. SPEAKER: I do not think we can accept that as very parliamentary. You are saying that the Honourable Member is implementing a measure to buy people. Could you rephrase that, please?

Mr. D. J. H. THOMPSON: I withdraw those words. I will say that having given them the $500, Mr. Speaker, Sir, that you have them in the palm of your hands.

Asides.

Mr. D. J. H. THOMPSON: Now, Mr. Speaker, Sir, prior to that these are the same people who were being terrorised by the payment of VAT on every conceivable item. But the Right Honourable Prime Minister was adamant that for six months they had to pay it. They were terrorised by the Barbados Water Authority with their water being cut off, terrorised by the National Housing Corporation by being turned out on the street, terrorised by the Land Tax Department by receiving land tax bills, and we had to bring a Resolution in here to beg the Government to regularise the position of land tax. There were old people who were almost crying blood when they received land tax bills with erroneous calculations of tax on them for tax arrears. Citizens in this country have been terrorised by the Government, Mr. Speaker, Sir. And for the terrorism they got $350 last year and $500 this year.

So, Mr. Speaker, Sir, the philosophy of the Honourable Member for St. Peter is that you create this veneer, this facade, but under this same veneer is rotting wood and an element of indifference which I have to describe in my presentation as I go on. And a few examples of my point may suffice. Let us look at the issue of taxation.

Without the slightest remorse, Mr. Speaker, Sir, - no remorse was on the Honourable Member's face yesterday when he spoke about raking in the additional nearly $200 million in revenue in the last fiscal year according to the Economic Report, $260.9 million. Without the slightest of remorse the Government has moved the tax burden in Barbados, a familiar statistic, to certain Members on that side, because in 1989 and 1990 we were hearing constantly about a tax burden in here. He moved it from 32 cents in the dollar to 38 cents in the dollar.

It has presided over an 18.7% rise in food prices between September 1996 and September 1997. Overall inflation increased by 7.7% in the 1997 calendar year. Prices skyrocketed as a result not only of the VAT, but what the Honourable Member for St. Peter describes as price gouging which to this day he seems unable to put mechanisms in place to control.

This Government raked in $260.9 million in additional revenue over the previous fiscal year, between 1996 and 1997 and 1997 and 1998 - $260.9 million in addition revenue, a 22% increase in revenue in one fiscal year.

Yet, Mr. Speaker, Sir, when the Budget came to be presented - now the Honourable Member for St. Peter knows all this. He knew how much he had collected, he knew how much he had given back and he knew what the fiscal position was when the Budget comes to be presented in September 1998 as we lead up to it, because it was supposed to be in mid-August but the Minister of Foreign Affairs insisted that her Foreign Policy Debate took precedence and therefore they had to shift it into September. But she had it on the Order Paper for a long time, so as usual appropriate courtesies were extended to her as they always are. So we had to wait, having set a day in mid- August the Honourable Member for St. Peter then set another date sometime in late August. Then he changed it to the week in between the Barbados Labour Party Annual Conference, assuming that it would set the greatest difficulty for Honourable Members on this Side.

But it has not bothered us one way or the other. It is neither here nor there. So as we led up to this Budget, Mr. Speaker, Sir, a Minister of Finance who had taxed people by an additional 22% and raked in $260.9 million then tells the public there will be no gravy train. There will be no response to blanishments. Why do you expect he would say that, Mr. Speaker, Sir? Because he is not in

tune with them. He is not in tune with the consumer, the people who pay the VAT, the people from whom he extracted the money, because the VAT is a tax on consumption. It is not a tax on businesses. 6.00 p.m.

He was in time with the people whom he is always in tune with. He was listening to what they were saying about the economy, how they were responding to the needs that they had in our economy. So what you had, Mr. Speaker, Sir, was the unforgivable. It is such an unbelievable situation that having asked people to bear that hardship the Right Honourable Member for St. Peter tells them, "And don't ask for anything either because this is no gravy train." So he was not in tune with the consumers.

As I said, the VAT is a tax on consumption. You pay it in Barbados from the cradle to the grave, but the Right Honourable Member for St. Peter is not in tune with that.

Revenues are over 20% higher. The economy is growing and the Right Honourable Member for St. Peter views it as the height of foolishness to pander to those who want him to deliver what he describes as an election Budget.

We do not want the Right Honourable Member to deliver an election Budget. You know, Mr. Speaker, Sir, all we want is for the citizens of this country to be given their just deserts. That is all, and to be given some relief, particularly those at the bottom of the economic rungs of the ladder from the impact of the Value Added Tax, and to offer some concessions and hope to them. That is what we are speaking about in this debate.

Two years ago, the words "gravy train" were not even part of the political discourse in Barbados. Those words did not arise when the Minister of Finance had absolutely no qualms about relieving investors in special development areas like Speightstown, St. Lawrence and Carlisle Bay from the following taxes: Import duty, stamp duty, consumption tax, Value Added Tax, charges on repatriation of interest and capital, land tax, property transfer tax, a reduced rate of corporation tax to 30% and relief from income tax.

At that time, Mr. Speaker, Sir, nobody heard about "gravy trains". That was a Bill which was quietly passed in this Chamber, not in full glare of the public. So the public would not know that the gravy train started in 1996. But that was a gravy train for the investing class, a gravy train for the business class, a gravy train for the people who could design plans to put up office blocks for Speightstown and tourism development in St. Lawrence and Carlisle Bay.

But when the citizens of Barbados, the thousands who elected the Right Honourable Member for St. Peter to be Prime Minister, started to call for some relief, what were they saying? They were saying, "Minister, look, give us some ease on the VAT on funerals. Give us some ease on the VAT on non-prescription drugs. Give us an ease on the VAT on our children's clothing. Extend the basket of goods, nuh!" That is all they were saying.

And his answer to them was, "Listen, you all want to be on a gravy train; but the gravy train is not for you."

You see, the gravy train is for the people who invest in the special development areas because they already had. Even before the VAT was introduced, the Right Honourable Member for St. Peter exempted them from it. Do you know that the Right Honourable Member for St. Peter exempted the special development areas from the VAT before he told the pensioners, six months before he told the pensioners of Barbados what relief he would be giving them from the impact of the VAT on the basic food stuffs that they buy.

Special development areas ~ waiver of import duty, stamp duty, consumption tax. We even waived, Sir - I do not know whether it would be contrary to our Rules - a tax which was not even in place yet, the Value Added Tax. We were so generous to these people that we waived them from any future tax, the Value Added Tax, because it was not in place then.

Charges on repatriation of interest and capital, land tax, property transfer tax, a 30% rate of tax and relief from income tax. Of course, the Right Honourable Member for St. Peter said that I am the Minister who gave the biggest set of concessions in Barbados to any project; but there are some categories here that I know that we did not waive. So I will wait for the Right Honourable Member for St. Peter's reply because he will not have the last word on this subject.

I believe that foreign investment in certain critical areas should be given concessions. The issue is not whether they should get concessions or not, and the Right Honourable Member for St. Peter and all the other Members on that Side have to understand that. But I also believe that Ba[r]oadians come first.

I believe that you have to tell a pensioner who is getting less than $80 every two weeks how the VAT will affect her. You have to tell a single mother of young children who lives in Barbados and cannot go where the foreign investors live - the only place they know is Barbados - how the tax will affect them. That is what I mean by Barbadians first, looking after the little people first.

But, Mr. Speaker, Sir, the Honourable Member comes in here and he says he is the son of poor people. He wears it on his shoulder but when that same category of Barbadian is faced with one of the biggest challenges of its life, repayment of the Value Added Tax and so on, he is not interested in them at that point. He is interested in the people who are going to come here and build marinas and recreation

centres for tourists and golf courses. Yes, like Royal Westmoreland. That is what I am telling you. He is more interested in all of those investments.

You can say Royal Westmoreland a thousand times. It does not bother me, because I know whose interests I serve in politics. So you will not sidetrack me. The problem is that I also know whose interests the Honourable Member serves, and our interests do not coincide on this subject.

Mr. Speaker, Sir, the Honourable Member has no problem saving investments for Members of Parliament through the GEMS Project. He has no qualms about waiving debts and taxes and duties on the business class and certain Barbadians and non-Barbadians. He never accused them of a gravy train. Nor did we.

It is only when, Mr. Speaker, Sir, a little fellow says, ease me with the VAT on funerals; ease me with the VAT on my children's clothing; ease me with the VAT on food, that the Honourable Member says, "No, no, no, no. That is a gravy train."

It was not a gravy train when he was waiving debts and tax relief and putting new companies in place to save the businesses of people who, I assume, are politically near and dear to him.

Look, I believe the first people who should be near and dear to a parliamentary representative are the dispossessed. This is a Government that has done everything in its power to tokenise those people but they put all kinds of structures in place to benefit certain interest in Barbados, not for the short term but for the long term because many of the structures which have been put in place by the Honourable Member for St. Peter are going to lock up certain assets in this country for decades. 6.10p.m.

You see the GEMS Project, originally conceived to save certain hotels, this thing has now mushroomed into a 700-room owing project. People from the indebted hotels are not sitting on board. This was an enterprise that before it brought a single tourist to stay in a room in Barbados was buying a box at Kensington for $75 000. It has not received a cent in revenue but was entertaining in grand style....

Asides.

Mr. D. J. H. THOMPSON: They were renting it then. He said that they did not buy it, but for $75 000,1 thought they would have bought it. If they did not bring a single tourist here who has not paid $750,1 cannot understand how $75 000 in taxpayers money together with the entertainment cost could be thrown away like that. This is an enterprise that has moved from saving certain hotels in Barbados to mushrooming into what will eventually be a 1 200-room project. That has implications for the rest of the hotel sector in Barbados, small hotels and other hotels on the south coast. Government is guaranteeing bonds, writing off debts and putting in place a hotel super-structure on the south coast where they are going to end up competing with some of those little guys on the south coast.

I do not want to call any names because they always say that I favour certain politicians on that Side but I know that licks are going to come at the end of the day. Some of those men who have to struggle, eking out an existence in the cheapest hotel room when the Tourism Board was out promoting Barbados. Fellows in the Hilton, they are in Howard Johnson, trying to pick here and there to get a few people to stay in their hotels. And the Government in 1998 is getting the private sector of Barbados to buy bonds which it is going to guarantee in the setting up of a super-structure for a 700-room development, taking over hotels like Silver Rock and Worthing Court and it is not only saving indebted hotels, Mr. Speaker, Sir, oh, no, no, no, no, it has gone a step further than that. All kinds of other hotels which were not in debt - I have a list of them. Only today I received information about another one in St. Peter. They are coming under the new Gems Project.

The Gems Project, Mr. Speaker, Sir, which started out as a little $30 million project to save certain investments .....

Asides.

Mr. D. J. H. THOMPSON: I have no problem with the investments they are saving. I have said to the Honourable Member for St. Thomas that his family is a black family of enterprise. All enterprises do not work and I will say so to the Honourable Member for Christ Church South too. All do not work and I am certain that when the Honourable Member for St. Peter, at least I assume so, was attacking the people who owed money to the Barbados Development Bank, he was not attacking either one of his colleagues even though he did not exclude them. Remember that he talked about....what did he call them again? I cannot remember the words but it was some rancid criticism and it was unparliamentary for me to repeat it at this time, Sir. It was not like 'brigans and sharks' and so on but it was close to that. I associated whatever word he used with that. He did not refer to any Member in this Chamber but he said that there were people who raped the Barbados Development Bank.

The next morning on the call-in programme Barbadians were calling and asking who are they. Let us hear who they are but the Honourable Member for St. Peter, as with the CIBC and the SEB and all of these

other issues maintained a stony composed silence because he does not answer those kind of people. If the private sector asked him who they were, of course he would answer them, because he needs their millions of dollars to support the monument of his ego - the new GEMS Project.

This is a Prime Minister who was not interested in any large scale project, all he was interested in, Mr. Speaker, Sir, and I remember it, was to deal with the little things, the niggling little things. He was going to put flooding behind us forever. The people in Bangladesh would like to know how you do that.

Asides.

Mr. D. J. H. THOMPSON: And in Bank Hall too, in Headley's Land. In Kendal, St. John, they would like to know how you put flooding - especially when you do not have tenantry roads - behind you forever. But the Honourable Member for St. Peter set up a flood unit. That was not in the Budget, that was institutional reform. It was flood relief.

Asides.

Mr. D. J. H. THOMPSON: Well, he came in the House on flood relief so floods have a special meaning. $3.5 million spent in St. Peter would give you 200... I am not going into that now. I do not pray for a flood. That was a wash in.

Mr. Speaker, Sir, the only reason why I have tried to be humorous in this exercise is because I want to ease the tension that the Barbadian hoteliers on the South Coast have transferred to me by their several telephone calls. You know that Dover Convention Centre was demolished recently? Did that go out to tender? That is practically a Government building, you know. There was no tender system. Who is building and doing all these contract works on the GEMS? Do the people they bring in have work permits? Are the jobs advertised - the recent Food & Beverage Manager, the Interior Decorator? You mean that there are no Barbadians who can do these kind of things?

Something has to be wrong if Government is in direct complicity in this, Mr. Speaker, Sir, in relation to these kinds of things. There is a lot more on the GEMS Project and I am not dealing with it now because we never had a full explanation. We deserve a full explanation as Barbadians. Who is it set up to save, who did you add to the list to be saved? What is the arrangement between the people you save and the business they save and the new business? What is the compensation paid? All of these are Parliamentary Questions that have been asked but that does not answer the Honourable Member for St. Peter because he does not answer Parliamentary Questions either.

Since October, 1994 there are questions on the Order Paper. The Honourable Member for St. Peter does not answer them. He does not care about those things. As long as the economy is doing well and VAT revenues are high and he can say that the foreign reserves are high, he believes that he is invincible, Mr. Speaker, Sir, and that what he is carrying as the son of poor people are the great achievements on his back.

Whereas at a micro-level in Barbados, this society is reeling under these kind of sweetheart deals. You know what the effect some of these arrangements are going to have on average Barbadians who fought to keep a hotel open for 30 years? I do not want to call any names. You know what it is like? And the Government does not do itself any good when it knows that there are persons associated with the Barbados Labour Party who are benefltting substantially from this Project and is not explaining to the public what it is about so it leaves them open to all kinds of speculations, some fair and some very unfair.

That does not bother the Honourable Member for St. Peter. Older politicians will tell me that is a good technique because all that does is keep one in the Cabinet quiet and another one quiet too because nobody will ever know and if he risks and tell the public...

Mr. SPEAKER: The Honourable Member, please, those are some very serious implications you are making there of the action of Government and relating to Cabinet Members and so on. Are you saying that Government's actions is calculated to keep a Cabinet Member quiet?

Mr. D. J. H. THOMPSON: No, no, I am not saying that at all, Sir. I did not say that and I am not saying that now. If you wish me to withdraw any implication you might feel I have made, I withdraw it.

Mr. SPEAKER: I would prefer that you withdraw that implication there.

Mr. D. J. H. THOMPSON: Well, Sir, I withdraw the implication.

Mr. Speaker, Sir, the truth will have to come out in all of these matters. Mr. Speaker, Sir, you will remember that we had a lot of talk in here. Millions being spent on Commissions of Enquiries, all kinds of remarks were made about Members of the Democratic Labour Party, ranging from CARISCOT right through, you could not stop them, Mr. Speaker, Sir. You could not even stop the imputations but I do not mind being stopped, if there is an imputation — because I will abide by the rules but some things have been said in this Chamber up to 1994 which went way beyond that but I am glad, Sir, that you are keeping this Chamber in good order.

I will always say this. That anything I say in here, I will say outside. The next public meeting that the Democratic Labour Party has, more information will be made available to the public of this country about the serious nature of this GEMS Project which is the brainchild of the inner circle of the Prime Minister's office.

Mr. Speaker, Sir, none of that was a "gravy train", it is not a "gravy train". You see, it could cost $200 million, it could cost more than all the VAT that should be given back. But it is not a gravy train because it empowers certain people in Barbados. It provides opportunities to certain business interest in Barbados. The Government guarantees the debt so 20 years from now other children of poor Barbadians will not be saddled with a memory of the Honourable Member for St. Peter as a beacon to their advancement, they will be saddled with debts that all of these fancy arrangements which he is guaranteeing on the local capital market, under an SEB, which is under a cloud right now, they will be saddled with paying back those debts. That is my prediction, Mr. Speaker, Sir. 6.20 p.m.

We have seen this time and time again. So, Mr. Speaker, Sir, when it comes to giving you back a hefty part of that $200 million he unlawfully extracted and I only use unlawfully in this sense, not in an unparliamentary sense. When the Honourable Member moved the Bill in here he said that the effect of the VAT was supposed to reduce revenue. The law that he passed increased the revenue so I went along with the unlawful Act of passing some legislation which put an additional $200 million in taxation on the people of Barbados, on the strength of the projection which the Honourable Member for St. Peter made that the VAT was better than the DLP VAT because the DLP VAT was revenue neutral. It was not going to raise more taxes. But the Honourable Member said his VAT was better because it would raise $30 million less taxes. Instead of that he raised nearly $200 million more from the VAT alone, Mr. Speaker, Sir. So I say it would be unlawful of me, Sir, but I went along with an arrangement which ended up extracting substantial amounts from the consumers of Barbados.

Mr. Speaker, Sir, what you can deduce from all that has happened in Barbados in the last few years is that the man in the street is a gravy train type. When he asks for things he wants to jump on a gravy train. He is a bandwagon type. But when the business sector gets benefits they are not on a gravy train. I do not know what they are on, perhaps somebody in this debate will better describe it. But you are not to listen to the blandishments of the man in the street. You are to follow the requests of the business sector and that kind of thing.

So the Government takes in $260.9 million more of your money and gives you back about $55 million in poverty alleviation measures. So you are out by $205 million.

It removed some VAT off food and at the end of the day you are to feel that the Honourable Member for St. Peter is a magician. He is the economic wizard because even when he tells you things are rough he still gives you back something. Even when he tells you the Budget will be very simple, it is complicated because he has to give back a lot. It is all part of this illusion, Sir. An illusion which does not boost the Barbados Labour Party, the object of it is to boost the Honourable Member for St. Peter in the eyes of the people.

But there are times when you can go for overkill and Mr. Speaker, Sir, no Government should be seen to try to bribe people with their own money. That is my view. If you take money from people and you give it back to them you do not have to ask for anything in return. If you take $260.9 million from them and only give them back $55 million, the Honourable Member for St. Michael East in a Budget debate sometime ago talked about the man who went in somebody's house, carry away everything. When he was going through the door, the house owner stopped him and said, why are you carrying away all my things? He said, come let me give you back some of the jewelry. Give back the jewelry and you are supposed to praise him and say that he is a wonderful man who has helped you in your hour of need.

The Honourable Member for St. Peter likes another analogy. If you set fire to your own house and then call the fire station to ask them to out it. That is what happened with the VAT. The Honourable Member set fire to his own house, people start to holler for murder, he calls the fire engine, it saved a window, a settee and the toilet bowl and we are all supposed to be grateful for the generosity which the Honourable Member for St. Peter has passed on to us. So that is a very serious matter, Mr. Speaker, Sir. I am taking a long time to deal with it. What the Minister of Finance has done is extracted from every single citizen of Barbados, ten times the amount that was taken in the 8% pay cut in one year. You work it out yourself.

Now, Mr. Speaker, Sir, you have to remember that the VAT is a tax on consumption. It is a tax on spending. It is the consumers who pay the tax. It strikes me, Sir, based on what the Honourable Member for St. Peter said, that if the VAT revenues last year were not as high as they were the deficit would have been much bigger. Now that is a very frightening prospect because I was reading the Latin America Monitor and I read some other journals which make exactly the same point.

The last two budgets in Barbados have been expansionary. There is no reason to expect that this one would not be. The reason why the Government was able to contain the deficit last year is because it raised 22% more in revenue. Now that may tell us that the underlying position of Government, its fiscal position, as well as the prudence of

the Honourable Member for St. Peter, may be in question. It is the VAT revenue that financed this higher level of spending.

The Honourable Member did not borrow commercially. The Government, I believe, was about to go on the commercial markets recently when they had the crisis in Asia and so on. What the Honourable Member for St. Peter did, he did not have a deficit to finance by borrowing other people's money, it was financed on the draconian way in which the Value Added Tax in Barbados was introduced and all the people of Barbados are getting now is some of the money which the Honourable Member took from them. There is no magic in it, Mr. Speaker, Sir. Consider the position we would be in today had the VAT revenue been lower. The Honourable Member said he was an excellent forecaster until the VAT came along. He had some good excuses for why the VAT did not come out as he wanted it to come out. He did not say that he always knew it was going to yield a lot more because if he had said that we would say he misled the House and that would be a serious matter. He never said that and I do not believe that he genuinely believed that he would have got less money from the VAT, that is why he stepped up spending. You can work out his logic. He spent more because he knew he was going to get less from the revenue. Now only I, Mr. Speaker, Sir, somebody whom the Honourable Member would describe as an economic novice, could come to that conclusion. That must tell us that somebody knew, since the spending was at the level it was at, somebody must have known that the VAT revenue was much higher than was anticipated. I go further to say that they knew that on the 1st of January 1997 when the VAT was introduced. I make that bold charge in here today. I do not know who it is that knew it. I do not want to say whom I think knew it but I am saying it must have been known.

Our view is that further VAT relief is necessary in Barbados. Non-prescription drugs, infants clothing, funerals. We have a Resolution on the Order Paper. The Honourable Member for St. Michael North West and I have looked at this matter and it is simply unconscionable, the impact of the Value Added Tax on some areas of life in Barbados. 6.30 p.m.

But, Mr. Speaker, perhaps the most interesting feature of the taxation policy of the Government was in the area of land tax. Two years ago we were pleading with the Right Honourable Member for St. Peter to sort out the situation at the Land Tax Department. There are Barbadians who went and paid taxes which they did not owe because the Land Tax Department's computer system was not working.

We constantly begged the Honourable Member for St. Peter to get the situation in the Land Tax Department regularised because there were elderly citizens of Barbados living overseas and poor Barbadians who were getting tax bills showing arrears and threats of their property being sold.

Do you know that for two years that did not move the Honourable Member for St. Peter? For two years the Honourable Member for St. Peter has allowed that situation, by and large, to persist. And now, Mr. Speaker, Sir, two years later the Government gives tax relief going right back to part of the period for which the records were faulty which is something that could have been done two years ago, to give those poor Barbadians who were getting these tax bills some peace of mind that the Government was not about to sell their property. But none of that moved the Honourable Member for St. Peter.

Of course, at the end of the day a lot of businesses benefitted from the tax relief he gave yesterday. If you look at the benefits from the debt relief, it is substantially businesses that benefitted, not individuals and I know of no poor Barbadian who owes consumption tax. I know of no poor Barbadian who owes $40 000 in land tax.

So, Mr. Speaker, Sir, when you look at it, yesterday's exercise in give backs, reliefs and benefits was in keeping with the Honourable Member for St. Peter's approach to running the economy of this country.

Now, let us look at the issue of jobs, Mr. Speaker, Sir. Last year the Honourable Member for St. Peter said, "mission accomplished" and that was the basis of his Budget last year. Some tax relief and the bold statement, just like this year he is talking about institutional reform, he reformed one institution, but characterises his Budget as "capacity building and institutional reform." Last year it was "mission accomplished."

Now the situation in relation to jobs obviously suits the private sector in Barbados and the Honourable Member for St. Peter obviously cannot speajc out about what is happening. They do not seem to have any further responsibility because much of the job creation in the past four years has come from Government. Almost 5 000 of the 11 000 jobs created in Barbados between 1994 and 1998 has been created in the Government sector. That is almost half

Two thousand two hundred were created in the construction sector, so that means between Government and the construction sector, 7 500 jobs would have been created. I am very glad that all of those persons found jobs. I am extremely glad because I know about the hardships that v/ere faced by those who were employed.

But, Mr. Speaker, Sir, that is another fluke on the part of the Honourable Member, because his job strategy was not based on Government's creating nearly half of the jobs in Barbados. The Honourable Member for St. Peter in a debate

in this House, five times repeated these words, that his strategy for the creation of jobs was that they would be created through the creation of new enterprises and the expansion of existing enterprises. That was the credo.

Now, Sir, construction jobs have never been counted by the Honourable Member for St. Peter. In the 1994 general election when I said there were 800 people working at Heywoods, he sent a gentleman who is now the High Commissioner in England, down to Heywoods to count the people and he announced on radio that it was not really 800 on that day, it was 731; but in any event you cannot count jobs in the construction sector because they are temporary.

Asides.

Mr. D. J. H. THOMPSON: You ga and check the records of the last election. They said you could not count the 1 200 people on site between Julie'N and the other commercial investors because according to the Honourable Member for St. Peter those are temporary jobs. So what he was aiming at were sustainable jobs, created by new enterprises which his policy would create and expansion of existing enterprises. What you have in Barbados today are 7 500 jobs, 2 500 of which are temporary jobs according to his definition and 5 000 of which are created in Government out of the 11,000 jobs created between 1994 and 1998.

Mr. Speaker, Sir, on that projection, unless Government is willing to take on the other 19 000 people who are supposed to get jobs under the Honourable Member's stewardship - 11 000 and 19 000 make 30 000 - it seems to me that this job strategy in Barbados is not on course. And therefore since the boast of a 12% unemployment rate, though it is something that I am pleased to see - as I said I am glad that there are Barbadians working wherever they are working - the question has to be asked if the Honourable Member for St. Peter did not see those kinds of jobs as sustainable in 1994 who has convinced him in 1998 that those jobs are sustainable? What economic incarnation has he gone through, that he at one time believed when he was soaring high in 1994 that the strategy could be based on new enterprises and the expansion of existing ones, but in 1998 when we see that the jobs have not been created that he supports this strategy, what has happened?

Ten thousand jobs alone were to be created in the informatics sector.

Asides.

Mr. D. J. H. THOMPSON: You did not say it. You are not in charge of business arrangements. You are in the wrong Chamber and you come from the wrong background.

Mr. SPEAKER: Let us proceed orderly, please?

Mr. D. J. H. THOMPSON: The Minister of Business who is not in this Chamber, neither foreign nor domestic business pledged that 10 000 jobs will be created in the informatics sector and every year he trots out a few statistics, 500 here and 200 there, but it has not gotten near to the 10 000.

So, Mr. Speaker, Sir, does the business class in Barbados still have an obligation, under the Honourable Member's strategy in terms of job creation in Barbados? Now, look at the issue of wages. Wages have declined in Barbados. Now the IMF Report and the IADB Report say that the information is sketchy. I am not surprised that they will say that. The Government does not want that information to be easily made available to the public.

But, Mr. Speaker, Sir, at the end of the day there can be no doubt about this and that is not the original intention of the Protocol in 1992. It was always the intention that competitiveness in the Barbados economy would be based on improved levels of productivity and that prices would be controlled.

But, Mr. Speaker, Sir, the first step of this Government was not to look at the wage levels of those at the bottom, it was to look at the wage levels of those at the top and we have had to ask a Parliamentary Question in here about the compensation packages of people right across the public sector. Not only in statutory corporations because with this plethora of private companies that Government is investing in and is incorporating, compensation packages and benefits are being given to top executives which are way beyond persons in comparable positions, sometimes in the private sector but by and large, in the rest of Government. That, as I understand it, is not the intention of the Protocol but I am going to get to that issue of the Protocol shortly. 6.40 p.m.

What we need to say on this is that we have told the Government already, as did the Honourable Member for St. Michael South Central, that we would support the introduction of a minimum wage across sectors in Barbados and we are waiting for that legislation. You can get all kinds of legislation in here to amend the Insurance Act, to respond to problems in Canada, to amend Acts to create investments, to amend legislation to confer benefits, but we have not had one major piece of labour legislation since 1994.

You could not call the constitutional amendment in pay cuts labour legislation because subsequent events have shown that you do not really have to cut pay. You can introduce a VAT and get ten times the amount the Democratic Labour Party got by introducing the eight per cent pay cut.

So, Mr. Speaker, Sir, that constitutional amendment I would dismiss as the sham for which it was and the editorial in the *Advocate* which was on the front page describing my lead on that issue as a lead of shame. If you read the contribution of the Honourable Members on this Side about the many tools that are available to Government through the back door to achieve the same effect as an eight per cent pay cut we have had exactly that in the Barbados economy in the last fiscal year.

Look at public transport. This is a sector in which you had genuine black business ownership in which people had moved from conditions of poverty into the middle class because they were earning money for themselves on a self-sustaining basis and the first thing the Right Honourable Member for St. Peter did was to introduce high fees and all kinds of penalties on that sector in Barbados, the public service vehicle sector. At that time he was like a cowboy riding into town saying that he did not like their behaviour and these penalties were to cut out and stamp out all the nonsense.

We have heard all of that before. They did it with the management of the Queen Elizabeth Hospital. They did it with so many different people. They rode rough shod over their future.

So the Right Honourable Member introduces penalties on a sector, one of the only sectors in Barbados in which there was genuine ownership by black Barbadians, an emerging sector which had been carefully crafted to produce that result.

There will be some aberrations but, Mr. Speaker, Sir, I have noted the Transport Board has had quite a few bus accidents recently, at least five or six in one week, and he did not impose any penalties on the Transport Board. Their loans were guaranteed. They are in direct competition with the private operators in that sector. The Right Honourable Member for St. Peter is not moved by that. Of course, we do not buy buses locally. The public service vehicle people do not get any benefits when you buy buses. We know exactly who benefits.

Mr. Speaker, Sir, this is a very serious matter which one has to consider. A sector, it is true, has not been wiped out but by a process of concealed arrangements a lot of owners of permits have had to give them up because they cannot survive. So they put in place all kinds of arrangements to earn some money off their own permits.

Let me make the point very clearly to the Right Honourable Member for St. Peter in case he does not understand that. A permit, as far as I am concerned, is a piece of property. If you can lease it and earn more from it and use your ingenuity and creativity to do so, that is a positive development.

There are Barbadians who own property on the West Coast who take them and rent them out as restaurants. If they themselves operated the restaurants, they may not be able to operate them to make the kinds of profits that they make so they may get higher returns from leasing them.

Apparently, Mr. Speaker, Sir, because the PSV is essentially a black sector, the Government is running around pimping behind Public Service Vehicle operators to see who really owns the permits. They are not walking up and down the West Coast to see who really owns land and is leasing it to foreigners. They are not walking around in any other sector.

In the duty free sector, Mr. Speaker, Sir, the Right Honourable Member for St. Peter introduced a tax in 1995 which he said was a tax to stop people in the duty free sector from selling goods to Barbadians.

Mr. SPEAKER: Honourable Member, I did not want to stop you there but you made a reference earlier to the Government "pimping" behind...

Mr. D. J. H. THOMPSON: I will withdraw that. I will say peeping up under.

Mr. SPEAKER: Honourable Member, I am not accepting any "pimping" or "peeping". I am suggesting to you that you should rephrase that.

Mr. D. J. H. THOMPSON: I said "peeping" behind not "pimping" behind...

Mr. SPEAKER: The Rules are here and I am suggesting to you that you should not in any way... I am looking for the Rule for you. It is Rule 28 and it is clear and I do not want you to impute any kind of improper motives to Government or to any Members of the Government. I am suggesting to you to rephrase it and say it a little better.

Mr. D. J. H. THOMPSON: Mr. Speaker, I cannot wear that cap at all. So you know it could not mean me or anybody on this Side. I did not know that you would assume that I meant anybody on that Side but if that is what you assume I meant, Sir, and the cap was fitting somebody over there, I withdraw it altogether.

Mr. SPEAKER: Honourable Member, surely it is the Government over here if you say that the Government is pimping behind you. All I am suggesting to you is to withdraw the words, rephrase the words.

Mr. D. J. H. THOMPSON: I have withdrawn them.

Mr. Speaker, Sir, do you know why people would get emotional about an issue like this? I will tell you why people could get emotional about an issue like this.

Aside.

Mr. D. J. H. THOMPSON: Let me explain to you what happened. In a Budget in 1995 a tax was imposed on the duty free sector. Well, we know who controls the duty free sector in Barbados. In that same Budget penalties and increased fees were imposed on the public service vehicle operators. The Government went ahead and implemented the penalties and the fees on the public service vehicle operators, including the people who take commuters to St. Peter on evenings home from work and when the Transport Board was in a complete mess due to incompetence saved the workers of Barbados and got them to work and home. They were penalised.

But to this day, to this very day, as I speak to you, three years later, the penalty that was imposed on the duty free sector has never been collected. No legislation has been brought to the House. Nothing has been done to collect it. Nothing.

Now, Mr. Speaker, Sir, if that is not manifestly unjust... And what, as I say, hurts is that you do not have anybody from the Ministry of Finance going down into the duty free stores every day checking to see who is doing this and who is doing that. But in this sector in Barbados, the minibus sector, you cannot get to renew your licence if you don't do this, you got to bring a new thing....you know that Bajans have to carry their passports to MTW to demonstrate, if the permit is in the name of a company, to demonstrate that they are citizens of Barbados? Do you know that, Sir? Every week something is done in the Ministry of Public Works to frustrate and destroy the aspirations of the owners of public service vehicles licences and so on. That is the one sector where we have seem jobs created, opportunities for new ownership and so on. Commissions of Inquiry, all kinds of things but not a single Commission of Inquiry in the duty free sector. Not even the slightest tax is to be paid by them. 6.50 p.m.

The Honourable Member for St. Peter has even forgotten that he introduced that tax in a Budget in 1995 but he does not forget the public service vehicle operator, he does not forget that he is to forget them. Every Budget he remembers that he is to forget them, to do something, as I have said, to empower those groups in Barbados.

Mr. Speaker, Sir, that is why I say that it is an extremely emotional point and it has to be dealt with because one could hardly think that the compass which guides the Honourable Member for St. Peter, after all those statements about his social origins and who he is empowering, is a compass which has caused him to unleash a war on the public service vehicle operators and to announce a tax but never implement it in respect of the duty free sector. This is another example of the way the Honourable Member for St. Peter has been proceeding with this matter.

The incentive structure, debt relief and so on, has catered again to big traditional business. Mr. Speaker, Sir, that is why the Honourable Member for St. Peter has had every year to revise and change and adjust the concessions and the institutions that he is putting in place for small business. Because from the outset the Honourable Member for St. Peter did not know how to create in Barbados an environment to stimulate small business.

He let the Barbados Development Bank remain closed for nearly three years which was their salvation for many years. Then he threw about four institutions at them, Micro Business Window, Fund Access, this, that and the other. After, of course, professing that he did not agree that you should throw too many institutions at the sector. This year we get tax exempt incentives. Sir, there was even a picture in the newspaper of the Honourable Member for St. Peter in the Cabinet room presenting a cheque which he had blown up about two times the size of these papers. A big thing with $2 million written in large black print and presenting it as the Venture Capital Fund and helping the small man.

Do you know that not one single small business in Barbados has benefitted from that Venture Capital Fund up to this day? Not a cent has been disbursed as venture capital but the Business Association, well, they did not think that it was demeaning. I could only speak for myself, Sir, but I would have considered it demeaning to go to a Prime Minister of a sovereign nation up in the Cabinet room to receive a Xeroxed placard of a cheque for $2 million or so.

This cannot be the way that Government treats its own citizens. That, Sir, to me, as I have said, will be demeaning. I would not go through that kind of charade not for anybody, and certainly not to boost the ego of any individual, politician or any Government.

Up to this day, Baxters Road has not been listed as a special development area as promised. A big discussion took place about that and the Honourable Member for the City said that that is the next place to be listed, she already instructed the Prime Minister that Baxters Road must go in the Schedule, it must be a Special Development area that was to pander to certain elements in Barbados.

Mr. Speaker, Sir, from 1996 to now - two years - these special developments areas are in place: Speightstown

already benefitting, St. Lawrence already benefitting, Carlisle Bay already benefitting and Baxters Road is not even scheduled in the Special Development Area legislation.

In relations to the housing programme, there are no incentives for the construction of low income housing in Barbados and I am talking about incentives to induce the contractors to be involved in the construction of low cost houses in Barbados. These are not priorities over Port St. Charles, Sandy Lane and others developments in our economy.

The real question is what kind of Barbados do we have? The mass of the population has historically, Sir, as I have said, suffered economic disabilities and harbours to this day a particular sense of being deprived and wronged. If existing arrangements have, by and large, not delivered, then it is the role of Government to engineer results for their benefit. There are so many examples where the extended beneficiaries are being frustrated. Any effort at institutional reform cannot start with a fair trading commission. It cannot start there. Not as long, Mr. Speaker, Sir, as you have existing institutions in Barbados which have been there for decades and whose principal objectives are to serve the needs of the poor and I start with the Queen Elizabeth Hospital.

How can we even conceive of talking about institutional reform in Barbados in 1998, Mr. Speaker, Sir? At the top of your agenda would have to be a Queen Elizabeth Hospital. The Commission has its job to do and so does the Government. You never waited on a Commission to tell the people to elect you. What Commission what? If I were the Minister responsible for Health, could I see the situation going down the road - I was in the hospital up to yesterday - and talk about I am waiting on a Commission? Yes, the views of the Commission will be respected and the Government is who decapitated the Queen Elizabeth Hospital. In a big Press conference - of course, the actors, when the act came back to haunt them, the inventors of the....

Asides.

Mr. D. J. H. THOMPSON: I do not want to quote too much Shakespeare....

Asides.

Mr. D. J. H. THOMPSON: Macbeth, that is right. When the evil deeds came back to haunt those who had hatched those plots, to plague the avengers, all of a sudden people say, we never told anybody to fire anybody, no, it was the Services Commission. The Services Commission directed that they should be fired. So the Services Commission had a Press conference but we did not see the Services Commission at it. Who we saw were members of the political directorate announcing that staff had been sent on special leave and that immediate arrangements were being put in place to replace those who were sent on special leave with other managers. These people were paraded before the public of Barbados in the worst possible terms as young Barbadians, some of whom had just started out their careers in the hospital. They were blamed for all the ills of the Queen Elizabeth Hospital and terrorised. I would not say, by the Government, Sir, but you have already told me that you interpret the Government to mean Members on that Side...

Mr. SPEAKER: To include.

Mr. D. J. H. THOMPSON: So you would like me to say Government excluding the Members on that side. I cannot say that either because that would give me great difficulty because I know exactly what I mean.

Mr. SPEAKER: You might want to say that.

Mr. D. J. H. THOMPSON: I cannot say that. That is the problem.

This institution, the Queen Elizabeth Hospital wa[c] originally conceived to give quality health care to Barbadians, particularly those who are not well off. Today as I speak and despite the Government, as I have said, callously trying to get rid of the entire management staff and belatedly setting up a Commission of Enquiry, the Queen Elizabeth Hospital is sinking further into the mire. Our national hospital cannot deliver to those who most need it. The poor and those who have no health insurance, who cannot afford private health care, who need the Queen Elizabeth Hospital, who need the polyclinics, who need the sanitation services and the related health care machinery to work in their interest.

Mr. Speaker, Sir, how could you expect a Prime Minister, who cannot reshuffle his own Cabinet to introduce institutional reform anywhere else? His hands are already tied. Can a Cabinet which was receiving a weekly management report on the Queen Elizabeth Hospital during which time the institution has no linen, no drugs, no toilet paper, no operating theatres in use, no x-ray machines working, two doctors at an Accident and Emergency Department, air conditioning not working, elevators not working, how could the Prime Minister even conceive that he, in this debate, Sir, could convince me that he is undertaking institutional reforms? None of those alarm bells which went off in relation to the Queen Elizabeth Hospital affected the Prime Minister because he was not listening to that station. The station which poor Barbadians are tuned in to and which talks about their problems in the hospital is not the station he was listening to at that time, Sir. And to this day the Honourable Member for St. Peter is still not tuned in to that channel. So tonight as I speak diabetics, hypertensives, arthritics and others who are chronically ill are only getting limited drugs. 7.00 p.m.

On Saturday I went to a house in Society, St. John, a gentleman told me, "I need, I think, 30 tablets for the month, they have given me 16." So he must have had to take *1/2* tablet every day and if they cut back further it would be a *1A.*

Tonight, as I speak to you, Mr. Speaker, an ambulance may leave some rural settlement in Barbados with someone in it who may never return because of some misdiagnosis which is the result of intense pressure which is placed on health care professionals because of the conditions at the Queen Elizabeth Hospital and other institutions in which they work. The health professionals are under severe pressure. Of course the Government believes the best way to deal with them is to lambaste them whenever they can instead of trying to get an arrangement in place. That is where institutional reform is needed.

The National Housing Corporation. If the Prime Minister wanted to truly deliver institutional reform in his Budget which would help the poor, he would first pay attention to the National Housing Corporation which was conceived to provide housing to Barbadians who have no access to housing. But the National Housing Corporation is in a complete mess. The financial position of the NHC is as follows: The total loss for the fiscal period ending March 1998 is $6.28 million. That is the NHC. I wonder if the Minister of Finance knows this. The only area in which they made a profit was in real estate, the generation of revenue through the sale of land and property, $22 000. Loss of $3.2 million on rental of housing units and lease of property. Loans - Revenue generated from interest on loans, a loss of $1 million.

The Prime Minister has already picked up that despite the NHC having in its possession millions of dollars on fixed deposit in the bank, it is paying out to the bank more in interest than it is receiving on deposit, paying out the bond interest is higher than the amount they are getting from the fixed deposit. So they are already sustaining a loss by putting the money on deposit. I do not know if that is what accounts for the turnaround in the BNB. I really do not know but they should be much better off if it is the BNB that the money is deposited with.

Loans - a loss of $1 million, the revenue generated from the interest on loans, a loss. Capital projects - this is generated from construction activities for various ministries, they lost $2.1 million.

The National Housing Corporation is a bankrupt institution as I talk to you and what the Prime Minister has told this bankrupt institution to do is to build office blocks. So instead of providing housing by whatever means for the citizens of Barbados and the poor people whom the NHC was established to help, the NHC has totally lost focus and is now gearing up for the building of an office block which is going to cost over $10 million.

I do not think it went out to tender. The Minister has never answered who got the tender. We asked him. This is a stunning indictment, Mr. Speaker, Sir.

The Barbados Labour Party promised to build low income houses and terrace units for those who cannot provide for their own housing in their Manifesto. This was part of the charter for change. This Government has built 24 units in 4 years. There are some people who have built or refurbished 2 houses in those 4 years out of their personal resources but the NHC has built 24 in 4 years. Who would believe the Prime Minister when he now tells us in this Budget that the NHC is going to build 200 houses in a year, every year 200 houses and they could only build 24 in 4 years.

A bankrupt National Housing Corporation which is building commercial buildings is the institution which the Prime Minister says is going to deliver housing to the poor in Barbados. Nonsense!

But of course again, Mr. Speaker, Sir, that does not matter to the Honourable Member for St. Peter because he is not looking at that compass, he is not tuned in to that wavelength. The thousands who line up at the NHC are not bothering the Honourable Member for St. Peter. As long as construction is taking place in certain parts of Barbados visible to him, he believes everybody in Barbados is benefitting. Mr. Speaker, Sir, that cannot be a development path I could subscribe to.

Aside.

Mr. D. J. H. THOMPSON: Poverty alleviation. And here we are speaking of institutional reform.

The National Assistance Board was conceived to deliver to the aged and the disadvantaged.

Mr. Speaker, Sir, as I have already told this Chamber, the Board did not meet for an entire year and apparently nobody knew. The Minister of Labour and Community Development was not in the least bit interested. Applicants were frustrated and instead of dealing with the challenges that the NAB faced the Prime Minister then sets up another tier of bureaucracy, a poverty alleviation committee in his office. Now that, as I say, is a statement of very strong confidence in the Minister responsible for welfare. A very strong statement of confidence, that you took all the major new resources for welfare and told the Minister not for you skipper, I want that under me. So millions of dollars were made available to this committee to do exactly what the National Assistance Board and the Welfare Department are supposed to do. So you write to them and they write back and they tell you that they are going to send your letter to the

Welfare Department and the National Assistance Board for them to carry out an investigation to get back to the Poverty Alleviation Committee which would then get back to you. That is institutional reform, Mr. Speaker, Sir. So the people who are supposed to benefit from this are still waiting interminably for these benefits to be passed on. 7.10p.m.

If you want to speak of institutional reform, let me tell you how we have to deal with all these institutions. When I want a street light in St. John, although they do not give us many, I write to MTW at the Pine and I copy it to the Depot and I send a copy to the Rural Development Commission. When I want assistance for the poor, I write to the Welfare Department, the National Assistance Board, the Poverty Alleviation Committee and the Rural Development Commission, but I do not tell any of them that I am writing to the other. Because the fastest way for you to have a problem is for the Rural Development Commission to know that you wrote to the Welfare Department or for the Welfare Department to know that you wrote to Rural Development Commission or, for the Poverty Alleviation Commission to know that you wrote to the National Assistance Board, nothing will happen. Because everybody will assume that everybody else is dealing with the problem.

So what you have is mass confusion, one house which three different agencies visited, the Rural Development Commission, the Welfare Department and the National Assistance Board, and up to now the house is not fixed. So that is institutional reform apparently.

Mr. Speaker, Sir, recommendations had been made for reform in this area. Consultancy was done but that is not a priority for the Minister of Finance. His priority is business, business, business. So the poverty alleviation mechanism conceived to deliver quickly is mired in more bureaucracy than the entities that were there before.

So, Mr. Speaker, Sir, you can go through the list and I probably can deal with a few of them later. The Honourable Member for St. Peter made a big speech in this House some years ago about the closure of Bulkeley Factory. The Honourable Member for St. George South would remember, because he made a case that it should not be closed. Would you believe that in the Budget yesterday the Honourable Member for St. Peter said that he is prepared to accept the option of a one factory sugar industry? Now the factory would not be at Bulkeley, Mr. Speaker, Sir. So the Government is prepared to accept the one factory option.

Now, Mr. Speaker, Sir, I have a copy of a report which would have been given to the Right Honourable Prime Minister, leading up to this Budget on issues relating to agriculture in Barbados. I plan to deal with certain issues that arise out of this Report along with some other submissions that were made to him and I will deal with them in due course.

So, Mr. Speaker, Sir, I think we need to understand what the institutional reform is all about. Elections were held in 1994 which was heralded on the notion that this Government was one of change. My assessment of what the people wanted was a Government that was really committed to changing the way hi which people in Barbados relate to institutions of Government.

They needed a Government that was relevant to their needs. They hoped for a Government which would set in place a partnership between the masses and those they elected. Would you believe that was 1994 and they still in 1998 need that? All of that they still need. Because what they have gotten from the Honourable Member for St. Peter is the view that as long as the people at the top in Barbados are happy everybody else is okay. And unless we can get to the stage in Barbados, Sir, where we can find an alternative vision for taking this country forward, we are going to reap a whirlwind.

Mr. Speaker, Sir, just as it is the tradition for a Minister of Finance to deliver an election budget of giveaways, it is also traditional for a Shadow Minister of Finance to make a list of alternative budgetary proposals, simply because of suspicions that an election is around the corner. But if I follow that useless path, I will be condemned by the historical reality that no alternative budget has been fully implemented. Few promises made by Shadow Ministers other than in one case have actually been implemented and then the debate regenerates into one up-manship in which the respected skills and abilities of economists who respect the respective sides are tested. The public is then called like a jury to weigh evidence by a rival psychologist called by the prosecution and the defence, neither of whom there is a strong reason to believe.

I am not on that road. I do not subscribe to that kind of politics and more than this, Mr. Speaker, Sir, I am one of the Shadow Ministers of Finance who have been a Minister of Finance. I am replying to a pre-election budget. No one knows if it is the last one or not.

When the Honourable Member for St. Peter replied to my Budget in 1994, he had never been a Finance Minister. He was a junior functionary in the Ministry of Finance. But I am sure that he will agree with me that having had the experience of a Minister his perspectives have changed. Now, I have my own clear perspectives about what is happening in the Barbados economy and the essence of our philosophy on this Side, Mr. Speaker, Sir, is 'what you vote for is what you will get'.

Therefore, I want to provide some alternatives, not at the level of tinkering, Sir, but an alternative to economic policy and some concern about the broader vision which the Honourable Member for St. Peter did not take into consideration in his presentation yesterday.

Socially desirable change is often criticised because those who benefit most from the *status quo* find strong, justification for opposing that change. And it is the natural approach of a person in a privileged position that he develops his own political justification and a political and social doctrine that serve him best.

The Minister of Finance has had the luxury that we had achieved since 1994 of substantial and reliable economic growth - substantial and reliable growth in production to the extent that he has changed his view on how jobs can be created in relation to employment from year to year. We predicted that in 1994 and there is nothing the Minister of Finance has done to create those new opportunities.

The overall performance of the Barbados economy was inspiring. He inherited a good wicket, a windfall. He has had elbow room to recast and reshape, but after four years no one can say that Barbados is on a path leading in a different direction. The same path leading in the same direction cannot deliver the goods for Barbados. Now there is a difference being on different paths leading to the same direction. But in the case of the Honourable Member for St. Peter, he is on a path but as John Bunyan would describe him, he is 'Mr. Facing Both Ways'. He is looking in this direction and looking in that direction at the same time.

As an example of that, Sir, I heard the Honourable Member for St. Peter on the subject of the institutional reform yesterday and I smiled as I heard him. I was alarmed to read a revised report on issues relating to the future of agriculture in Barbados which was presented to the Right Honourable Prime Minister in preparation for this Budget.

The major issue confronting the sector in 1998 is whether agricultural land should be given a special dispensation to ensure food security, maintenance of our agricultural heritage and to hedge against possible man-made or natural disasters that could threaten tourism and other current popular developments, or whether the allocation of such lands should be based on purely competitive markets and economic consideration.

This is a very important stage that the Ministry of Agriculture has come to. Because what they are essentially saying is whether there is any future in Barbados for agriculture, because you cannot practise agriculture in the sky. And therefore there is no connection between a land policy and agriculture. And if the 1 300 acres of land and the other 400 acres are approved for development, other than agriculture as set out in this, and other developments come on stream in Barbados, other than the acquisition of John Moore's shop on the West Coast, other than that Barbados would have no agricultural sector left. In fact, we may not have any land left and we all know why John Moore is being acquired. Apparently, that is the answer to the land problem in Barbados, to announce on television that you are acquiring the land on which a rum shop stands in St. James so that future generations of Barbadians will say what an excellent leader we had when the country was faced with dealing with a crisis in relation to land or a perception of a crisis he acquired the land on which a rum shop sits. 7.20 p.m.

The Ministry of Agriculture as I speak to you is fighting for its life. The entire agricultural sector is fighting for its life under this Government. Issues of food security in an era of free trade and environmental threats seem to mean nothing to the Government. The Ministry of Agriculture - and I am very upset about this because the Honourable Member for St. James North does not deserve this - recommends that a task force be set up to look at the future of the sugar industry but that Ministry goes on to recommend that the Prime Minister chair the task force, not their own Minister. That is the situation that presently exists in the Ministry of Agriculture.

They have lost all confidence and the reason why they have lost that confidence has less to do with the Minister than it has to do with the interference in the Ministry of Agriculture by the Prime Minister.

If you turn to page 34 of that report, listen to what the Ministry of Agriculture said about what the Prime Minister directed the Ministry to do verbally.

> "The Prime Minister has verbally indicated that the Ministry should seek to identify an alternative site for its operations, preferably in a rural setting."

Is that how the Prime Minister communicates with the Honourable Member for St. James North as a Minister or to his officials, verbally? To tell him to shut down a Ministry headquarters?

> "He has also verbally indicated that the Ministry's Research and Development Services should be..."

Asides.

Mr. SPEAKER: Honourable Member, what are you quoting?

Mr. D. J. H. THOMPSON: I am quoting from the same document, Issues Related to the Future of Agriculture

in Barbados, dated August 30, 1998. It was a document which originally was presented to the Prime Minister and in his Budget assuming that they did not quote him for this, he quoted them substantially in relation to issues relating to agriculture. If you want me to show the connection between the two I can.

Mr. SPEAKER: It will be made a document of the House.

Mr. D. J. H. THOMPSON: That is no problem to me, Sir. It does not have to be because it is a report but if you want it to be a document, you can have it as a document. The Honourable Member knows what it has in. Don't let the Prime Minister confuse anybody. He knows that it has in that he gave verbal instructions to shut down the Ministry of Agriculture. He has also verbally indicated that the Ministry's Research and Development Services should be transferred to BADMC and that the Ministry should only retain regulatory services and policy development and advisory services. You know the direction we are going in, Sir?

Listen!

> "The Prime Minister also indicated that he was in favour of allowing members of the Ministry's Technical Staff..."

[he, not the Minister]

> "... to undertake certain aspects of the Country's RD (research and development) portfolio on a project basis, outside of the Ministry. He did not however specify the conditions under which such a development would be entertained.
>
> The Prime Minister's concept on the abridgement of the Ministry's role from its traditional one in Barbados, to that of concentrating on Policy and regulatory functions should lead to significant improvements in productivity and efficiency without, in any way, negatively affecting the well-being of current, productive Staff members."

Listen to what it says over the page!

> "The re-siting of the Ministry's services from Graeme Hall will mean that a number of manual workers will have to be severed..."

So they are not productive. They do not qualify under the Ministry's report as people who... In fact, their going home would lead to significant improvement in productivity and efficiency without in any way negatively affecting the well-being of current productive staff members. What an indictment on the agricultural workers at Graeme Hall. A studied indictment! But it says a lot about how this Government perceives people at that level in society.

I wanted to tell you what they say about the manual workers. They do not care about them. That is why the Honourable Member for Christ Church East Central had to cross the Floor. I want members to remember that. They wanted him to send home 400 people from the BADMC, including his own constituents.

So, Mr. Speaker, the Ministry says that the Prime Minister's concept would lead to improvement in productivity and efficiency without in any way negatively affecting the well-being of current productive staff members. But over the page, "the resiting of the Ministry's services from Graeme Hall will mean that a number of manual workers will have to be severed as the new site for crops research and development should significantly be smaller with a greater reduced requirement for manual labour."

But the manual labourers in the Ministry of Agriculture can be dispensed with, knocked off like a hoe handle and dropped against the road. So I read from that report.

Mr. Speaker, Sir, have we really considered an alternative path to agriculture in Barbados? Of course not. We are going in the same direction. In 1994, there remains the basis also for a significant role to be played by the State.

Asides.

Mr. D. J. H. THOMPSON: Again, the Prime Minister should have focussed his attention on the critical role that the State should play because the State has not been whittled away. The Government said so, and some of those who did not understand the issues said so; but I am not going into that.

So the strong economic performance and the continued role of the State provided an opportunity for this vision to take shape.

What is the role of the Government? For the masses, the Government can be central to their well-being and for some even to their survival. For the rich and comfortable it is a burden, except when it serves their peculiar interest, social security, rescue of failed institutions which support their enterprises. For example, a good example is the subvention given to the SEB and expenditure on the police to protect them. They are happy when Government does that, but they see no other role for Government.

And what do we expect from decision makers in Barbados? Practical judgement, the ability to respond quickly and effectively to unforeseen circumstances. But

this should not be a substitute for a vision of the future in which your philosophy will make a significant difference, a core of basic political values which inform public policy and a mission which will facilitate opportunities for all to enjoy their citizenship to the fullest.

Our job is to make the future safer and better for all Barbadians, and to do this we need to commit ourselves to certain critical decisions and also understand certain basic preconditions are vital. Economic growth is one of them.

In recent times, there is a growing unease about the fact that all of our eggs appear to be in one basket, even if you look at the Economic Report. Tourism which performed moderately in 1997 is the anchor, and it is not a particularly strong anchor at that. The sugar industry's future is in doubt, the offshore sector is not only in doubt, but the Economic Report shows that there has been a decline in registration in every category, except societies with restricted liability. Offshore banks are down, IBCs are down, foreign sales corporations are down and the manufacturing sector, of course is going to be faced with new challenges. This is the situation we are facing.

So it is against that background that you have to have vision and you do not escape into tinkering. In that regard, Sir, every Barbadian citizen, regardless of gender or race, should have access to a rewarding life. There must be economic opportunities for all and in preparation for this, the young must have the physical care, the discipline and the education that will allow them to seize and exploit opportunities.

I am alarmed that in the face of social combustion in Barbados the Government does not understand yet that a number of initiatives need to be implemented in Barbados to focus on the family. The family is at the core of social relations. Children growing up in extremely poor homes need help. Single unemployed mothers need more support. Even single working mothers are facing great challenges.

When those mothers cannot activate their responsibilities, then you are placing a tremendous handicap on the next generation of Barbadians.

The Democratic Labour Party feels strongly that every conceivable support mechanism must be put in place to strengthen and support families in Barbados, and I will deal with some of those details shortly. But we also need an expansion of opportunities, jobs which match aspirations, and by aspirations we do not refer only to economic aspirations - we are referring to fulfilling employment. 7.30 p.m.

We must ensure first of all that work is rewarding in Barbados and I mean financially rewarding. That workers are principally financially better off when they work and that they are also non-financially better off when they work. In order words, that is not more advantageous to be unemployed. That is why the Democratic Labour Party supports a national minimum wage, but this must go hand in hand with laws which tackle exploitation in the work place and promote greater fairness. When people are unemployed or underemployed, economically deprived and without hope, the most readily available recourse is an escape from harsh reality by drugs and violence.

The practical manifestation is crime and revolt and I do not mean revolt on the street, I mean other forms of revolt against authority which is then met by futile efforts and substantial resources spent on repression. Crime and social rebellion come largely from poverty and also from a perversed class structure. We know this, this is not new. It is a class structure that ignores and disparages the poor. The presently accepted solution to deal with them are police action, incarceration and an expensive, almost futile attack on the drug trade. The better solution is to really attack poverty that induces the social disorder. This is why we in the Democratic Labour Party continually say that crime is a social problem and not a legal one. It has to be tackled by dealing with the causes of crime.

We also believe in support for the aged through adequate and secure retirement income. Even yesterday's increase in pension is not going to push some pensioners above the poverty line. I am certain the pensioners welcomed an increase. There are pensioners in Barbados tonight whose pension support a family. They are over 65 but they have an unemployed daughter, a single mother wim three or four children and that pension has to spread among that family.

Therefore, Mr. Speaker, Sir, we need to get a social services structure in place in Barbados that really helps these Barbadians. That also means that being on welfare should not be stigmatised. We need to introduce mechanisms which are more modern and effective in counselling and assisting welfare recipients. Mr. Speaker, Sir, we will never receive a fair and just Barbados if the foreign reserves are high and VAT revenue are healthy and we have continued growth but there are citizens who are allowed to starve or be without shelter. Our country is far too small for this. There must be a safety net in Barbados for all. This means a large role for the state on behalf of those who are less fortunate.

Mr. Speaker, Sir, this brings riie to the issue of the Protocol - the Social Contract or the Social Partnership. It has so many names now you do not know what it is. The first point that I want to make about labour relations in Barbados

is that the people of Barbados cannot rely on this Government to set the stage for a fair labour environment. Four years have passed and there is no legislation. Industrial disputes come up and are settled without any reference at all to the Minister of Labour. The Labour Department itself has great challenges in seeking to deal with the many problems that it faces.

Of course, we all know it historically that the business class and the private sector has no such obligation to provide any fair working environment. They do not feel so and they have never been taught to feel so in our country. Any social partnership negotiated in 1998 or before would have to be strongly committed to a redistribution of power in Barbados so that wealth can be distributed. The reason why wealth is distributed the way it is distributed in Barbados is because distribution of income is closely linked to distribution of power. We all know that. I wish the Honourable Member for St. Peter would come to that realisation next time he sits down with the so-called Social Partners.

If under the 1998 Protocol, as with the one before, profits are up and revenues are up, productivity is up but real wages are declining and poverty is still a major concern in Barbados, then it means that all that the Social Contract has done or the Social Protocol or whatever you want to call it, is to endorse the *status quo*. That is all it has done. Endorsed the *status quo*. We like Barbados as we know it, this is how we want to continue and therefore there is no need for adjustments between the competing interests in Barbados. What the last Protocol has done is certified the *status quo* in Barbados.

It told Barbados, look, Barbados as it is now, is acceptable. And I say no, it is not. It tells workers to be satisfied with what they have, no more powers belong to you. It tells the private sector that you are entitled to more because profit is not a dirty word, but we have now come to understand that profit is not a dirty word. You deserve more power and it then seeks to reduce Government to a sector of the economy.

Now, Government is not a sector of this economy. Government has a wider role which is extremely important in protecting Barbadians and in focussing on those who are less well off and who may not be covered by any attempts at a social contract.

Mr. Speaker, Sir, when we speak of distribution, we do not refer to equality because we are not mad men. We know that equality of income is not the answer, but we understand, Mr. Speaker, Sir, that the forces which control distribution and the factors which historically led to the views we adopt about income distribution - our present system of income distribution is extremely distorted. What we need in Barbados are strong ameliorating actions that reflect and address these inherent and damaging ^inequalities. The Honourable Member for St. Peter has to look at the very damaging impact of regressive taxation like the VAT and then the expenditure concessions to the affluent.

Mr. Speaker, Sir, since we understand that distribution of income derived from the distribution of power our response is that the empowerment and public protection of the powerless is critical and that is why the Protocol or the Social Contract should be speaking to these issues.

In our economy the natural focus has always been the business firms. Therefore to redistribute some of that power, the right of workers in Barbados to join together and assert a counter-vailing authority must be central and accepted. This is why we are unalterable in our view, that workers have the right to organise. It is the best guarantee of redistribution.

Mr. Speaker, Sir, that is a serious matter. You have a situation in Barbados in which when those issues arise, the Government again, seems powerless in the face of the business class to respond to the question which the workers raise. This Social Contract has not empowered workers and the sudden rise in labour disputes and the unfairness of some employers come about because the social contract has not redistributed power in Barbados. In fact the present Social Contract has made those employers feel more emboldened, not the workers. Workers feel more insecure in 1998, Mr. Speaker, Sir, as a result of the introduction of the latest social contract. 7.40 p.m.

Mr. Speaker, Sir, the Honourable Member for St. Peter can talk all he wants but he cannot deny that the private sector did not have the power in 1992 that it now has. It did not have the power in 1994 that it now has. But in 1998 the traditional private sector wields inordinate power and it is extremely confident in some areas in its oppression of workers. So we need to resist the decline of power of workers organising together because this is one of the strongest bulwarks against exploitation.

The second point, Mr. Speaker, Sir, relates to education and no one can,fault the Government for placing some emphasis on education in this Budget for in doing so the Prime Minister is obviously trying to balance the very competing interest of those ambitious youngsters yapping at his heels, the Minister of Education and the Minister of Business. So he could not have dealt with small business without also dealing with education and he could not have dealt with education without dealing with business.

Education has a vital relationship to social peace and tranquility, providing the escape from lower less favoured

social and economic strata to those above. It helps people govern themselves intelligently and it helps them to enjoy life to the fullest. It is going to have a decisive role but too much emphasis is being placed on the economic contribution of education.

Mr. Speaker, Sir, we hear these new theories that the social sector is an economic sector and I do not adhere to those theories. The theories that you need to restructure education purely for economic reasons will replicate itself down the road. The man who starts to say that he is doing something only because he is trying to make a living will find justification, Mr. Speaker, Sir, for that position. He will get confidence from a Government that can only measure the contribution from education in economic terms.

Mr. Speaker, Sir, if you read the latest IDE document on Edutech 2000 you will see they make a direct connection between Edutech 2000 and the development of Barbadians for the work force. Mr. Speaker, the arguments in support of good education are not simply economic, it has a much larger political and social role and deeper justification. It is the strongest tool in development and we therefore believe that education must serve those wider goals and that is one of our concerns about Edutech. We do not want a situation where essentially you are producing economic robots.

Another aspect of that vision relates to the bureaucracy. We have far too many institutions in Barbados which are simply not serving people's needs. Public Servants are not allowed to be creative and not encouraged to be forthright. This is a terrible blot on our development. Our institutions are very often not serving our citizens, but bureaucratic reforms cannot be tokenised and made into gimmicks. There is a genuine lack of service to citizens at this time.

Mr. Speaker, Sir, perhaps I should deal now with the focus of some of our policies at this time. As I say, I have noticed the $500 given to individuals earning less than $13 000. This is a strange way of ameliorating the impact of the VAT. Firstly, it is a paltry refund which amounts to about $ 10 million. Secondly, it has no focus whatsoever. There are some people earning less than $13 000 who definitely need it but there are obviously some who do not. Thirdly such a grant is highly discriminatory between a person earning $13 000 and a person earning $13 001 or $13 115. Apart from those who really need that $500,1 can think of certain categories of Barbadians who really need help of this type.

Families, single mothers who are both employed and unemployed and who are raising young children, Mr. Speaker, Sir, they need direct assistance, not just at the level of a grant but they need to be given substantial other support in helping to raise their children.

Pensioners who cannot live on the non-contributory pension and who may be supporting a family and be in need of direct assistance. Persons who are disabled and cannot survive on a NIS disability pension.

A new family unit needs to be established within Government to deal with the several problems facing these families.

Mr. Speaker, Sir, there are also other concerns in the area of small business development. The measures announced yesterday are hands-off measures which seek to encourage small businesses to incorporate and give further tax benefits. These benefits are not enough. For example there is no stamp duty on the incorporation of a company so that is no benefit to anybody. Also, Sir, the Corporation Tax deduction will not address the pre-tax problems in a small company. Pre-profits position in a small company and this pre-profit position faced by small businesses, cash flow, cost of input, national insurance, managerial needs and so on are critical.

What we need is a new and a fresh guard taken in relation to small business. Has the Minister not realised that having created the Venture Capital Fund which has not disbursed a cent yet, the Micro-Business Fund and about four other funds that the thrust for small business has not yet been realised? What are the reasons? There is no real incentive for self-employment in Barbados. Government has taken up much of the unemployment slack and some of your most creative young people are now under-employed in Government.

And thirdly, there is no incentive to develop family businesses. The small business sector needs small institutional development. It needs a real hands-up by Government which focuses on the development of small business incubators where you actually set up the businesses with 10 or 15 small businesses, providing related goods and services to each other and to the public out of a building, for example an old plantation house. Government must give a fixed amount of its tenders and contracts for goods and services guaranteed to small businesses which are incorporated, employ a specified number of persons and meet certain development targets. This is a small business affirmative action plan designed to improve business cash flow and to see the orderly expansion of the enterprise. 7.50p.m.

Mr. Speaker, we need a stronger connection between small business and big business both in terms of incentives for cross investment and for network and partnership which build the small business on its strength of its contact with big business.

Mr. Speaker, Sir, under the issue of labour the introduction of a minimum wage legislation is critical if work is to pay in Barbados. There are still categories of workers in Barbados earning less than $100 a week and this exploitation needs attention. Legislation which deals with unfair dismissal, exploitation in the work place and recognition rights for trade unions must be introduced.

In the area of public transport, the most penalised group in Barbados since 1994 has been the public sector vehicle sector. As I said, a Democratic Labour Party Government will reduce the fees charged on licenses and permits. And, Mr. Speaker, Sir, insurance for public sector vehicles is, in my view, also the responsibility of the Insurance Corporation of Barbados. Unless we believe in Barbados today that state capitalism exists, where the Government sets up an insurance company simply to compete with the private sector and when there are categories of businesses in Barbados that cannot get insurance, that company stands idly by, then it means there is no social utility to having the Government owning the Insurance Corporation of Barbados. We would put those mechanisms in place.

In housing, the proposal to subsidise urban tenantry purchases is an idea that Clyde Mascoll has come up with some time ago, but this Democratic Labour Party is firmly commited, Sir, to writing off...

Asides.

Mr. D. J. H. THOMPSON: Sorry, the Honourable Member for St. Michael North West came up with that some time ago. But we are firmly committed to writing off the arrears in house rents on the National Housing Corporation estates. Mr. Speaker, Sir, we believe that a case has been made for cleaning up Government's accounts. The Honourable Member made it recognising the hardships of the adjustment periods, and therefore we will give the National Housing Corporation's tenants a clear conscience to start over, just as how all of the business people have been given benefits in this Budget. We believe it is time.

Asides.

Mr. D. J. H. THOMPSON: But our policies have to have incentives for the construction of low income housing. We believe that the Government has to help people to afford houses. The Government has to intervene in the market to ensure that housing in Barbados is affordable.

Mr. Speaker, Sir, the final matter in that regard is the private sector. It can hardly be fair that in times of improved revenues and public finances that no consideration has been given to the public officers who made the supreme sacrifice in 1991. The cost of repaying the 8% to public workers has to be seen now from two perspectives.

First, the issue of fairness. The new Government itself said that it was wrong and changed the Constitution. If you felt it was so wrong, you should have paid back the public servants the money that was taken from them on the basis of morality. But the second basis is more important, Mr. Speaker, Sir, and it is based on the performance of the Barbados economy. Investors are investing today in Barbados because it is stable and there is confidence in the economy and those who made the most significant sacrifice should be rewarded, not by an increase in their burden - because they now have to pay the 1.5% National Insurance contribution on the first $3 100 which was introduced yesterday - but by the repayment of the advance that they made to the people in 1991.

Mr. Speaker, Sir, I give the public servants my commitment that the Democratic Labour Party will repay uV public officers of Barbados.

Asides.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, the Right Honourable Prime Minister waxed warm in his contribution yesterday. Journalists normally at the receiving end of his bifurcation and abuse both at home and abroad, would not envy me in the responsibility I have to respond to today's Budget. I cannot exorcise demons, neither can I control them.

Asides.

Mr. D. J. H. THOMPSON: I cannot exorcise them either because I do not have any in me.

Mr. Speaker, Sir, when I was younger, I was always taught not to be afraid to put my case. In the 1970's I joined with a group of young men and women from our secondary schools who took on other men and women of great experience and intellect. We fought them at the level of ideas. I am grounded in that. I do not need earthly props to bolster my image nor my Party's reputation, neither my social origin, my profession nor the friends I keep.

My contribution to Barbadian politics has been to lead a great Party which has done much to advance Barbados. Nearly every major reform the Right Honourable Prime Minister has announced, had been the reform of a policy which the Democratic Labour Party would have introduced in this country at some time. These were by and large good policies when they were introduced which simply needed

reforming with time. But at the core of my philosophy, Mr. Speaker, is that power when given by the people must be used on their behalf. It must deliver them from conditions which retard their development. It must help them to have a positive, rewarding life, strong families, work which they enjoy, fairness in the way society distributes benefits, educational opportunities and a hand up when they are down, adequate recreation and sound health.

If the Honourable Member for St. Peter will not use his power to help them, then he must stand aside because the Democratic Labour Party will.

I thank you.

Aside.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I want to move the following amendment to the Resolution deleting the third to fifth recitals and the second operative paragraph and by amending the first and second recitals and the first operative paragraph to read as follows:

"WHEREAS by its stewardship the Government has continued in restoring the Barbados economy;

AND WHEREAS these economic gains have not yet been translated into a substantial improvement of the quality of life of our people;

BE IT RESOLVED that this Honourable House take note of the 1998 Financial Statement and Budgetary Proposals."

Asides.

Mr. D. J. H. THOMPSON: The first line, Sir, should read:

"WHEREAS by its stewardship the Government has not continued to build upon the measures previously taken to restore the Barbados economy;"

Asides.

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

Mr. SPEAKER: Order please? Order.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 9:00 p.m. this evening.

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

The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly. 8.00 p.m.

RESUMPTION Mr. SPEAKER:

This House is now in session.

Dr. R. C. HAYNES: Mr. Speaker, I believe that it was 20 years ago that I first had the honour to respond to a Budget in this Honourable House. Since then, I think I can probably take credit as being the only person to have responded to a budget from three sides of the House over the years, whether it be as Minister of Finance, principal spokesperson for one or other of the Opposition Parties over the years. So, Sir, I believe that I can see these things in a very broad perspective with that wide range of experience.

When the Right Honourable Member for St. Peter started to bat yesterday, at first he looked a little unusual to me and a little different from the picture I saw in one of the newspapers when he scored some runs while batting some time ago. That, Sir, was a definite improvement in orthodoxy on the one I saw when he was teeing off on the golf course. I looked at him more carefully, Sir, and I noticed what was the reason why he looked a little different, that in fact he is taking a three-eyed stand. One eye was cautiously gazing at any opening for an election. One eye was focussed on the turmoil in the international markets at the moment and then I noticed when I looked at his helmet which he had on, that in fact there was a mirror in the helmet and he was looking towards his legacy just in case a stumping chance came along.

From time to time, Sir, I noticed that he was wearing NDP gear. As a matter of fact, Sir, for a moment I thought it was Peter Miller and at another time I thought that it was Wendell McClean.

Sir, after all of these years of experience I want to say this. The most important aspect of this Budget is the fiscal stance which has been taken. Everything else I consider to be secondary or tertiary and I say this, Sir, because I have had the unfortunate experience of speaking in Budgets at critical times in this country. I recall, Sir, the recession of the 70's followed by rapid expansion in the last four years of the 1970's and I came in this House in the middle of that.

I recall the Budget of 1981 in the midst of an expansionary period at a time when there was clear evidence of a recession around the corner. I recall my responses in that Budget. I recall what happened over the next four years in terms of job losses, the need for ever increasing taxation, whether it be levies, stamp duties or whatever; and I recall the suffering of Barbadians during that period.

Then, Sir, ten years later, we had six years of expansion, 1985 to 1990, and then we had a repetition of the same thing only with greater problems for the people of Barbados. I was determined that if I saw any evidence whatsoever of any irresponsible fiscal policy on the part of this Government in a pre-election period then I would take every step to break up this House single handed. That was my position and I was pretty firm in that.

I am pleased, Sir, and I will say that we are now faced with exactly the same situation. Five years of economic expansion, clear evidence of the likelihood of an international recession and an election due by the end of December next year. My position now is exactly the same as it was in 1981 and the same as it was in 1990 and I am satisfied that this Budget does not contain any element of irresponsible, expansionary policies; that it will not lead to money creation and that the deficit will be kept under control.

I just wish to be absolutely clear about this because this is the most important aspect of this Budget. Social policies and all these things entirely depend on what can happen if you take the wrong decision. Having said that, let me make it clear that I will be watching very carefully to make sure that that expenditure conforms to what is expected in the Estimates and this Budget and any deviation from that will draw my wrath in the terms which I expressed earlier on.

Sir, we must all be concerned by what is happening on the international scene at the moment and it would be very foolish not to be concerned. I have spoken repeatedly only during our last televised debate on the negative impact of free trade and globalisation on the emerging economies and on third world countries around the world. The events in South East Asia, Japan, Mexico and very likely in Venezuela near home and indeed, Sir, the virtual collapse of the Russian economy. This should send a very powerful signal to Barbados that unless it keeps its house in order we could be in a lot of problems in the years to come because, Sir, the nature of what is happening now not only involves a collapse of those capital markets with tremendous losses to corporations and individuals but involves a massive transfer of development finance from the international lending agencies to those economies.

Recently I noted that the funds of the International Monetary Fund have been exhausted and, on top of that, Sir, we have a situation where central banks around the world can no longer intervene to defend their currencies. As a matter of fact, the Russian central bank just closed doors and have left the Rouble just to continue to devalue almost on its own.

Added to that, Sir, we have the dangerous situation where at the present moment we have the lowest level of commodity prices internationally. When you take those two things together when there is only one group of countries which can be most severely hit and that is the developing world. For example, Russia is the largest buyer of sugar on the international markets as we all know. Because of lack of resources, the demand for sugar by Russia has dropped dramatically over the past four weeks. That will spill out over time in the kinds of prices that we can get for our sugar, even in our protected markets. That is going to condition any sugar negotiations that should be coming up soon. 9.20 p.m.

Sir, I want to make a few comments now in the nature of the overall performance of the economy. There is no question and you cannot argue with it that there has been growth in the economy and that the growth is continuing. You cannot argue that the growth is not balanced because that is reflected in your foreign reserves. If it was not then your foreign reserves would have fallen. You cannot argue with the fact that there has been significant job creation over time but you can argue and you can demand as I am demanding now, accountability from the Minister of Finance who still has to deliver 30 000 jobs.

The deficit, Sir, last year has been low and reasonable and the projected deficit is reasonable. The reserves are healthy but I would say this in the light of the prevailing economic situation around the world. Even if you do not need it, I would suggest that if you can raise some foreign borrowing up front in case you need it to finance the deficit, then think about that. That is a decision that the Minister of Finance has to take but it is something that certainly some thought should be given to because I believe when you see a hurricane or hear a hurricane is coming you start putting up your shutters up front and you wait and see what happens.

The foreign debt has declined, the interest rate regime in the country, I think is reasonable and has been stable and net lending to the Central Bank is now $309 million. I left it at $188 million, if you may recall.

Asides.

Dr. R. C. HAYNES: I said net lending to the Central Bank. In other words, there is no borrowing from the Central Bank, it is the reverse.

That is at the macro level but certainly there must be concerns about the level of taxation. There is no question in my mind because we have had significant increase in revenue, 18.3% which is above the norm in relation to the level of growth. Tax revenue has increased by some 24% between 1995 and 1997 and the tax effort has increased from 33.7% to 38.2%. Even if there is some underestimation of gross domestic product, when you look at the increase in tax revenue, I think that it is something that we need to look at because it may not be impacting on the economy immediately but over time it will.

I think that the Minister of Finance still has opportunities to reduce taxes further in Barbados. Maybe he might chose another occasion probably in six months time, I do not know. I am saying that the opportunity is there when you look at the level of the tax effort.

Sir, I cannot complain about the VAT tax credit, the reversed tax credit which I call the VAT tax credit. I called for it and it is here but I think the Honourable Member for St. John made a valid point in relation to that. That by giving a lump sum there is obviously some kind of inversion that will take place at the level of $13 000.1 would like to make a suggestion that probably if you took the lowest level at which income tax is payable - 25% and instead of giving $500 probably give 25% of the difference between what someone is earning and $15 000, if you accept that as the reasonable amount. What would happen then that those who are earning less will get more and as you get nearer to $15 000, it will decrease so that what would happen in that case is that the VAT tax credit would spread over a wider and fairer range.

In other words, the principal of a VAT tax credit, that is, although these people do not pay income tax, they pay indirect taxes and therefore they are entitled to a tax benefit by means of a credit. It has been given in the form of a lump sum. What I am saying is that some consideration should be given to whether or not it is not worthwhile restructuring this in the future in such a way that you would use that lowest band of 25% and what you would do is the difference between what one earns and $15 000, 25% of that would be the tax credit. Someone earning $14 000 a year would get less, someone earning $10 000 a year would get 25% of the difference.

The next point that I want to raise and I must say that I am very glad to see the $15 000 appearing again. The Honourable Member likes the $15 000 so much that he has brought it in two Budgets. I am very, very pleased with that because I think that it is very reasonable to maintain that $15 000 tax free in Barbados. I would hope that over time that that would be gradually increased. As I have said earlier there is room, looking at the tax effort, there is room there for an increase in the $ 15 000. There is some room there and I have no doubt about that.

The VAT in my view, Sir, and you know my views on this, I think that the VAT needs to be further refined over time. There is an intrinsic regressivity in all forms of indirect taxation. The removal of certain goods from the VAT reduces the regressivity. I think that other things can be done over time to make sure that the impact at the lower levels is less. This is a question of refining and tiering the VAT to the needs of Barbadians.

On the issue of housing, Sir, I cannot complain about 100% mortgages being the centrepiece of the housing programme. It would be wrong for me to complain about that. I have spent so much time trying to impress that this is very necessary. I also feel, Sir, and I have said this again and again, we really need about 10 000 units in Barbados over a five-year period, that is what we really need. We need about 10 000 of the combination of houses and sites and services. I really believe that you need to do this thing on a massive scale. Again and again I will call on the Government to look at those plantations that they have that are growing every variety of grass over the years and nothing else, that have lost money year after year and commit one or two of them for housing and be done with that and move on thereafter rather than spending money on buying land and then have to build houses.

I also would like the Government to look into that very important policy of allowing people who have lived in these housing districts over the years to buy the units that they live in. Let them get the benefit of the 100% mortgage. I believe that when the thing stabilises that you can probably sell those mortgages and create a secondary mortgage market and the funds being released can be used to help in the programme of further building of houses by the public sector in Barbados. I think that this is important, Sir.

The other area, Sir, that I must say I am glad is being addressed is that area relating to the public utilities in Barbados. The Public Utilities Board should have been scrapped years ago. Mr. Wendell McClean has fought long and hard on behalf of the people of Barbados. That Board over the years has done a major disservice to consumers in Barbados going back to 1979 when they allow that issue of deferred taxes to creep into the rate hearing as a cost of service in rates determination in Barbados. It has not only affected higher rates in terms of electricity but I will tell you what it has done. It has generated a considerable amount of profits for the shareholders and has so skewed the capitalisation programme of the Barbados Light & Power that they find it easier to use equipment such as gas turbines which they should only use, I think, to generate 5% of the electricity, but it suits them to use that cheaper kind of equipment because they can manipulate the deferred taxes component of the whole exercise.

In many respects, not only in terms of rates but in terms of the capitalisation programme of the company as a whole, it has had a disastrous effect.

The matter relating to BARTEL. When you have a Public Utilities Board that cannot face the fact that it has made arithmetic errors and correct them you have a very serious problem and the sooner they are got rid of, the better. I have no doubt about that in my mind whatever, and many of the issues that I have just referred to probably need to be dealt with long before the year 2000.

These are serious matters, Sir, because in terms of the overall economy of Barbados, things like the cost of telecommunications, the cost of electricity, the cost of telephones and so on, these things have the effect of an excise tax on the economy. On the one hand, you have major public sector effort by successive Ministers of Finance in order to try to create conditions for economic growth and you have these public utilities being regulated by an incompetent Public Utilities Board, having the opposite effect on the economy. I am very glad and very grateful to see the Minister of Finance has decided once and for all to do something about it. For too long we have had to fight this. 9.30 p.m.

I have appeared as an objector way back in the seventies and I know what I am talking about. I pay close attention to every single rate hearing in Barbados and I know what the issues have been.

Sir, on the issue of pensions, I welcome the fact that there will be some increase in pensions for old age pensioners and for the non-contributory pensioners and others but I want to repeat the call today for a supplementary old age pension for those who live on an old age pension only otherwise we will spend more and more money on pensions and we do not really deal with those who are really trapped in poverty. So I think we need to look at our total welfare system in a sense and see whether or not we do not have to skew things a bit, in such a way that those at the bottom get more benefits to try to lift them out of poverty. This is very critical to the whole question of poverty eradication.

I also want to call, Sir, for a national pension plan. The Honourable Prime Minister has indicated quite clearly the serious problems resulting from changes in the democratic profile of Barbados, the impact on the NIS, the impact on pensions.

We have in Barbados now a regime for old age pensions, a regime for NIS contributory pensions, a range of private pensions schemes and now we have inducements in this Budget for savings for pensions via a registered retirement pension plan. Somebody somewhere needs to sit down and put this together in the context of the changing demographic pattern of Barbados and see what all this means down the road. And there is definitely a need at this juncture, particularly in light of the demographic changes which exist now and which would tend to develop further in this direction, there is need for something to be done.

The entire welfare system, in my view, and I have spoken to this again and I would like to recommend and commend to the Government that outstanding document on poverty eradication by the year 2005 by the National Democratic Party.

I have also said that we might as well exempt all pensions in Barbados from taxation. We are up to $30 000 now we might as well go for the other 5 to 10% and at the same time get the benefits of the economic value of Barbados being a place where no taxes are paid on pensions.

Sir, on the issue of the eradication of poverty, I am very glad to see that this now forms part of a Budgetary Statement and the issue of social capital development is recognised by one and all as a key factor in the eradication of poverty. It is also recognised that the best means of measuring social capital development in a country is the number of institutions that it has. Barbados has a lot of institutions but there are two key institutions I believe are necessary because it is widely recognised that at the pinnacle of these institutions must be local government. It is not only my view but it is the view that is recognised throughout the world, all the international agencies, that it is an indispensable component of any effort for the eradication of poverty.

I believe, and I have said this again and again that the Roett Report made a very valuable contribution when it suggested that we should have one Ministry where all these things and all the expertise in this area can be put together in terms of being able to influence things more effectively.

Sir, I am very glad that the days are gone when persons would ridicule the idea of eradicating poverty and that it is now part of policy. I do not have enough time to deal with education, Sir, but I want to make the point that education is fundamental to the human °nd economic development of this country. Equally important is health and as some would say, even more important because there is no point being educated if you do not have good health, then you cannot make use of the education.

I notice that the Budget has been very skimpy in relation to health especially as the Budget addressed issues of social engineering to such an extent.

The elderly for care poses one of the biggest challenges to the health system in Barbados today. One welcomes the tax incentives to nursing homes but I think you need other incentives, tax incentives for example for the construction of new nursing homes in Barbados. And this is why I am talking about a single Ministry. Everybody in different parts of Government know today there is a major problem with the elderly. The elderly, most of them have some kind of pension, some of them have substantial Government pensions, substantial non-contributory pensions, some of them have property and have savings and you know what happens, probably in the majority of cases today, the relatives and friends take these people and dump them in the hospital, dump them all over the place and proceed to eat out their money and would not even bring them a biscuit.

Now, Sir, the Government clearly has to address this problem and one reason why it has not been addressed, except in relation to stopping old age pensions for those who go to the St. Michael District Hospital or the other district hospitals is because there is no central agency dealing with these important social problems so that once you have a national pension scheme, once you have the appropriate infrastructure, once you can utilise the resources of the elderly themselves, then the problem becomes a little lighter for the public treasury but all these things need to be put together so that we would be able some time to offer a better deal to pensioners in this country.

Small businesses, Sir. Way back in the 1986/87 period when I was Minister of Finance, I am fairly sure it was a budgetary measure but a committee was set up to look into the question of taxing small businesses at a lower rate. I think it was headed by Peter Boos and they had recommended a different basis for determining a small business. I think it related to the share capital of $250 000 or something like that. I cannot remember what it was. I have no problems whatsoever because it is something that I have been committed to and it is something I have taken some steps in regard to that. But I think a legitimate criticism is that they would need to exclude the ceiling of 25 employees because many small businesses could have a lower turnover and yet employ more than 25 people and it might be a disincentive to employees.

The area of public transport, Sir, I am the only Minister of Finance in this country who ever reduced the taxation on mini-buses. Indeed, Sir, I believe that they are the highest taxed people, not only in Barbados but in Christendom. When you think of the import duty, the VAT, the taxes on petroleum products, the licence fees, all that escalates into high insurance rates, high finance charges and they have one of the highest rates of depreciation among all businesses in Barbados then you begin to see, Sir, that many of these people really have non businesses. They have a cash flow but they will never be able to expand that business unless something is done somewhere along the line. I would invite the Minister to do exactly what I did in the 1986/87 period and reduce the license fees in relation to those. 9.40 p.m.

In the area of Property Transfer Tax, Sir, the budgetary measures I think are very much in order. The Right Honourable Prime Minister is free to speak on these matters. I am not. I am a Member of the Select Committee and therefore I would not wish to be in contempt of Parliament by any premature disclosures. But I would wish to say that there are a lot of lawyers and accountants and a lot of rich people in Barbados, apart from foreigners who have been up to all kinds of schemes in order to avoid Property Transfer Tax in Barbados and to send to a message to them that Parliament is aware of their conduct in this regard. I can say no more without running foul of the Rules of the House in relation to being a Member of the Select Committee of which you are the Chairman. So I think that I would not like to go further on that.

One point arising from that that I would like to make is this. There are lots of Barbadians, individuals who have shares, who may have property, who would like to transfer those shares or property to a company. Very often the banks require them to do this, for lending and so on and many Barbadians may wish to do this in order for better management and further continuity of their businesses. At the present moment you can get a waiver from taxes on application to the Minister of Finance.

What I would like to see is that the law relating to property taxes is amended where, if an individual transfers his assets to a company and he and his family are the sole beneficiaries of that transfer that that should be exempt from property transfer taxes.

Aside.

Dr. R. C. HAYNES: I thought that I had heard this mentioned in the House before, but checking with the Attorney General sometime ago there is no legislation in place for this. And it is very important otherwise there is no point having a new Company's Act in order to facilitate Barbadians getting involved in business on a corporate basis and when you have a situation with property transfer tax which effectively stops them from transferring those assets to a company and they are not making any capital gain. They are not making any money out of the exercise at all. All they are doing is reorganising their business in such a way that the business would be able to grow.

So whilst the foreign companies have been facilitated in terms of not paying transfer taxes in order to encourage them to form local holding companies so that you can monitor these land transactions and make sure that they pay the taxes, I think a similar courtesy should be extended to Barbadians who wish to make that transfer in the interest of Barbados. Basically, that is what it is. And so, Mr. Speaker, when I started, I said that the Right Honourable Prime Minister had taken a certain type of stance in his budget.

I remember some years ago, Sir, there was a document circulated before the elections called "Promises and Performance".

Asides.

Dr. R. C HAYNES: I am in no position to circulate such a document, but I can say this, that just as the Minister of Finance has sought to give an account of his stewardship on the basis of the authority conferred on him, I think I have

a duty to take this opportunity to give some account of my stewardship on the basis of the influence derived from the power of ideas which will not go away. He has kept an eye on his legacy and I am entitled to keep an eye on mine.

Therefore, Sir, I would like to say that the National Democratic Party since its foundation in 1989 has fought for the acceptance of the following policies as part of the national development agenda, full employment. A $30,000.00 proposal was a variation of that, the eradication of poverty. The restoration of the $15,000.00 tax free. Tax-free pensions and we are near enough to that. Increased pensions for the elderly, which we got some today, but, Sir...

Aside.

Dr. R. C. HAYNES: I have another couple of minutes. I know. Thank you very much. Five, is it?

Increased pensions, Sir, but that supplemental pension I think is very important.

Low interest rates and I noticed some reduction in interest rates in this Budget and a general commitment to lowering interest rates and the rejection of the notion that interest rates are a useful tool in the regulation of balance of payments in Barbados. The abandonment of money creation as a means of financing the fiscal deficits; the removal of VAT from basic foods; a lower rate of Corporation Tax to small businesses; Minimum Wages Legislation and the Resolution is now on the Order Paper attracting support from all parties in this House; VAT credits to relieve the burden of the VAT on the poor; relief of taxation of public service vehicles and there is some promise in the budget; lower energy cost as an instrument of economic development and there has been some reduction; reform of the requisite mechanisms for public utilities. One hundred percent mortgages and other matters relating to such things as venture capital, *et cetera;* and reduction of taxes on small business, *et cetera*,

Mr. Speaker, these concepts are to be found in our several Manifestos. It would be wrong and ungenerous of me, Sir, if I did not congratulate the Minister of Finance for seeing the wisdom of those policies and to have used the authority vested in him to pursue them. We in the National Democratic Party can take much comfort in the fact that our labours have not been in vain and good sense for the benefit of the people of Barbados has prevailed.

The people of Barbados appreciate the job being done and the job that we are doing. Our legacy, Sir, must be one of truth, honesty and integrity in public life. I certainly, Sir, cannot find anything in this budget which is offensive to the interest of the people of Barbados.

Asides.

Dr. R. C. HAYNES: I cannot spend time and energy at my age developing policies and when those policies are put in place, come in here and oppose it. And anyone who wishes to take any decision which does not conform to the fundamental policies of the National Democratic Party, a commitment to truth, honesty and integrity in public life, I am very sorry, that person is mistaken because that is the soul of our existence.

Asides.

Dr. R. C. HAYNES: The main reason for our existence. Now, Sir, there are many other areas of Government which I can take issue with and be very critical of. I had half an hour and I have dealt with the budget.

Asides.

Dr. R. C. HAYNES: I had half an hour and I have dealt with the Budget which is my responsibility. There are other areas, Sir, which can be expanded on and where there is ample room for criticism, but, Mr. Speaker, I do not have the time. You have already signalled to me that I must take my seat and I will not seek in anyway to abuse your generosity, Sir.

I thank you very much.
9.50 p.m.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, this Parliament in the context of the annual exercise of the presentation of the Financial Statement of Expenditure and the budgetary exercise has come to know over a period time a practice encouraged by successive Ministers of Finance to use the Budget as an instrument of social engineering, partially borne out of a strong feeling and tradition within the culture of this country that the inequities and the lack of benefits that have been shared among the people of this country over the course of our history should become a thing of the past once those of us who represent the majority of the population have the opportunity, not only to serve at the highest level but, indeed, to influence and change policies so that those who are there may be able to benefit.

We have seen particularly in the course of the last 50 to 60 years, policies persued by Government that led to the social and political enfranchisement and economic enfranchisement of our people and we recognise, Sir, that the continuity that must of necessity take place if all of our people must benefit would necessitate of course the continued use of fiscal policies for the purposes of social and economic restructuring in the country.

I want to suggest, Sir, that the Budget, as described in its terms by the Right Honourable Member for St. Peter, reflected a commitment to the continuation of policies that would see to it that Barbadians who today have not fully benefitted from what wealth has been created in this country, that Barbadians who may be marginalised for whatever reason at the verge of the new millennium should have the opportunities like those of us who have benefitted over the course of the last 50 years to come in also to their own and not to do so in a system that is dependent upon hand-outs and mendicancy but one that allows them to be able to provide for themselves by dint of giving them the quality of opportunity and by ensuring that the environment within which they operate is one that is marked by the extent to which it holds social justice as its primary concern.

In that conte/vt, Sir, one can only but find that the Minister of Finance in his presentation yesterday held firm and delivered in trying to develop further an environment within which persons who have not yet fully benefitted, whether it be those who still remain unemployed - and we recognise that those numbers have dropped substantially from the high of 26.3 % or over 30 000 that were unemployed in 1994 to less than 15 000 today and that is an indication that the policies which this Government has been pursuing over the course of the last four years and the ones which we set in train yesterday, whether it be in the context of the incentives given to the small business sector recognising as most people do that that is the sector that is charged with the responsibility and produces the results in terms of the creation of jobs or the incentives given to the small hotels sector recognising that they who may well make an operative profit but who face the spectacle of not being able to service their debts because of the high cost of capital that if they be given the opportunity to receive lower cost capital that they too may be able to expand their ventures just as the manufacturing entities who have benefitted from the write-off of debt owed to NIS or on the Consumption Tax etc. may also be able to borrow and expand, creating a climate thereby within which further jobs can be created.

At the same time, it was one which reflected an understanding that while we seek to provide for the immediate and long term where Barbadians will be able to provide for themselves by giving them equal opportunity that we must also attend to some urgent needs for Barbadians who at this point in time may well be still having some difficulty in meeting needs. Hence measures which reflected themselves in either the form of the reverse tax credit, the $500 going to all persons earning under $13 000, over some 20 000 persons, and indeed, persons who have had difficulty in finding access to decent housing or house spots.

Mr. Speaker, Sir, while those measures were applied, what we saw here this evening on the part of the Leader of the Opposition was not in any way an attempt to speak to the terms of the Budget. In fact, Sir, I think I can safely say that during the course of the three hours he studiously" avoided major contact with the Budget; that it reflected indeed a person whose commitment is to a form of adversarial politics that is marked by vitriol and rather than seeking to deal with the substance of how we should seek to improve persons' welfare in this country.

It is unbelievable Sir, that I could hear the Honourable Member for St. John deliver of himself words that would seek to determine that a person could not serve both interests, be it the private sector and that of the poor at the same time. Perhaps those words were born out of an experience on his own part which saw him when he had power serving the interest of the private sector and pursuing policies of jobless growth or what he described this evening as the trickle down policies and when he has no power pretending then to serve the interests of poor people in this country.

I can only say, Sir, that it is interesting that he should only want to serve poor people when he knows that he cannot deliver to them in this regard. I would not want to suggest that there is any hypocrisy but, suffice it to say, that it is this type of behaviour that reinforces in persons watching on the outside a level of cynicism with the words of politicians.

Lest I forget, Mr. Speaker, Sir, this Leader of the Opposition comes from a Party that had absolutely no difficulty in dismissing and tearing up their manifesto claiming that once they brought a manifesto to the people that there was no commitment on their part to follow through. I can only say, Mr. Speaker, that given that, one can only wonder what is the worth and value of their words when they make oral representation on the verge of an election.

Mr. Speaker, Sir, I do not wish to spend anymore time here except to say this. It is also difficult for me to have heard the Honourable Leader of the Opposition speak with such self-righteousness this evening in respect of the waiver at the Securities Exchange of Barbados of the $9 million to CIBC when he perhaps would have known his own role as Minister of Finance in the amount and value of concessions that the Honourable Member granted to the same CIBC. I would only say that this Government does not and has net endorsed any action on the part of the Securities Exchange of Barbados for the activities over the course of the last week. Sir, that will continue to be dealt with at another time. 10.00p.m.

Mr. Speaker, Sir, during the course of yesterday's Budgetary presentation, the Rt. Honourable Prime Minister started his proposal in the context of wanting to place before the Honourable Chamber the proposals that he believed would be necessary in order to have sustainable development

at the level at both the economy and the society over the course of the next ten to twenty years. Indeed, Sir, he described it as measures designed to build capacity and to reform institutions.

I would only wish to say, Mr. Speaker, Sir, that there is absolutely no doubt that if we are going to tackle the problem of poverty in this country once and for all that it can only be done by creating an environment where people can provide for themselves and that we have consistently shown over the course of the last four years that that is the intention of this Government, that it cannot be on the basis purely of handouts although we recognise that there is a duty on the part of the Government to assist people in terms of their day-to-day needs where that need arises.

Mr. Speaker, Sir, there is perhaps no greater opportunity to create an environment within which people can provide for themselves than through the course of giving them the opportunity to have a decent and sound education. In the 1950s and in the 1960s Governments of this country recognised that access to an education was the greatest single gift that they could give to any citizen of this country if that citizen was to be able to have a chance at providing for him or herself. Indeed, that is so by giving it to them, that they would also be developing the capacity to fulfill the needs of labour in the areas of the economy which they believe would be the driving forces during the period of that time.

There is no doubt, Sir, that they were right in that judgement and there is no doubt, Mr. Speaker, Sir, that during the course of the 1950s, 1960s and 1970s, Barbados benefitted substantially from the investment which was made in the offering of free secondary and tertiary education. Like with everything else, Mr. Speaker, Sir, one has to compare relationships to the times in which one lives. In the course of the decades that have followed particularly in the 1980s and the 1990s, we have seen a transformation both in our economy and in our society that has brought us to the stage where we can only admit, Sir, that the educational system which we have had in place, really, is not meeting the needs of the economy or indeed the general needs of the society in terms of the ways in the which the society and the structures the society has changed.

In those circumstances, Mr. Speaker, Sir, we have seen a greater move towards investment in the tourism industry. We have seen a greater move towards investment in the international investment sector and the informatics sector. We have seen participation by Barbadians in other areas of value added services that require a different kind of skill and more importantly that require a person who can be readily trainable at any stage of his or her development.

We have also seen, Sir, a social transformation in this country. Not always for the better but we have seen a transformation where people organise themselves differently, where we no longer have the extended family network at the level of the village capable of offering that level of supervision and guardianship to young people, capable of providing safety nets outside of the ambit of Government and we have seen the requirement of young people to be far more self-reliant and capable of analysis and decision-making on a number of challenges that other young people generations before them may not have been faced with.

In those circumstances, Sir, we are determined as a Government that we would be negligent if we were to leave this parliamentary term, Sir, leaving intact an educational system which we found and have come to judge to be irrelevant to the needs of the times in which we live. We have also determined as a Government, Sir, that if we operate from the basis that an education philosophically serves three purposes. (1) the individual developmental needs, (2) the developmental needs of the economy and the society as a whole and (3) building of the national consciousness of the society, that we must at all cost seek to re-fashion and to re-configure the educational system which we have.

It is for that reason, Mr. Speaker, Sir, that my Ministry had the pleasure of bringing to this Parliament in July of 1996 a White Paper on education reform which at that time was entitled "Preparing for the 21st Century". In that White Paper, Sir, we sought to outline the major strategies and the major objectives which this Government would pursue in the hope, Mr. Speaker, Sir, that by so pursuing, the kind of transformation that has taken place over our social and economic landscape over the course of the last 30 years, that we would be able to replicate, recognising fully that the global environment within which we were functioning today, perhaps even heighten the demand for us to make those changes in the system.

We could no longer proceed with an educational system that continues to teach people to learn by rote when we have an economy that requires people to analyse and use value added skills. To that extent, Sir, one's judgement that the educational system was lagging some 20 to 25 years behind the economy would be a fair judgement to make.

Having laid, Sir, the White Paper on educational reform a number of policy initiatives whether there be flexible transfers allowing persons to move into secondary schools when they were ready and when (hey had acquired the skills as opposed to having reached a certain age, allowing for certain levels of equity in the system through systems of partial zoning, allowing, Sir, for levels of parent education and it is of note that the Honourable Member for St. John indicated that he had seen no policies dealing with the families. Perhaps, Sir, he would not have known or does not remember that this Government implemented a massive

parent education programme in 1996 and in 1997, training over 1 100 parents in each of those years and spending funds, Sir, in an area where traditional Ministries of Education have never deemed necessary.

Indeed, Sir, we also then in that White Paper recognised the challenge to provide fully for early childhood education. We have developed, Sir, a programme that has now become a model in the Western Hemisphere where we continue to provide subventions to the National Council of Parent/Teachers Associations and they in turn, Sir, have a system of current volunteers who go into schools to assist teachers in the three to five year old age groups. I am happy to say, Sir, that this year we have continued to expand that programme and that we are servicing just on or about 35 schools already with that current volunteer programme.

Equally, Mr. Speaker, Sir, we expanded the level of training in our tertiary institutions. Whether it be the University of the West Indies, whether it be the Barbados Community College or whether it be the Samuel Jackman Prescod Polytechnic. Of course, Sir, we took the very fundamental decision that we would not turn back the hands of the clock and cause people to pay fees at these institutions as was the intention and commitment of the last Government.

Sir, in that context we recognise that the changes that were needed in the system were still fundamental. To that extent, Mr. Speaker, Sir, we developed a programme known as the Educational Sector Enhancement Programme or better known as EduTech 2000. That programme, Mr. Speaker, simply seeks to do one thing. To be able to improve the rate at which children learn in our system by using a number of strategies. We felt, Sir, that if we could make learning child- centered as opposed to teacher-centered, you, Sir, would appreciate this perhaps more than anyone else in here, that you would allow a system to develop where you focussed on the competencies, the abilities and the attitudes and knowledge developed by a child as opposed to a completion of a syllabus by a teacher. To that extent you ensure, therefore, that the foundational aspects of education could be held and complied with, because a child would not move forward unless he or she had acquired those core competencies.

In recognising, Sir, that in our desire to be able to improve the rate at which learning took place, we recognise that we had a system where 30% or 40% of our children were learning and learning well. The public of Barbados, Sir, should be aware that for most countries in the world no more than 30% or 40% of the population in fact do well, but for a country the size of Barbados and for a country with as limited resources as Barbados it becomes imperative that we not rest on 30% or 40% doing well, which is the norm in all other countries but that we seek to get as close to 100% of our children doing well and being able to meet the needs in these high value added areas that are opening up in the knowledge base and skill intensive industries. 10.10p.m.

It is imperative not only for their individual development but it is entirely from an economic perspective and also a social perspective because they would reduce the levels of expenditure that we now have to spend within the social sectors for persons who have become dysfunctional. In those circumstances, Mr. Speaker, we have therefore to identify the strategies by which we would achieve this objective.

It is our judgement, Mr. Speaker, that the technology which is available in today's world is absolutely critical in its capacity to enhance that learning environment. Not only does it open up a new world to persons teaching in terms of access to materials but it also gives teachers an opportunity to be able to handle the administration of teaching in a more efficient and effective way.

Equally so, access to technology by students has the potential of raising the levels of motivation among the student population all across the world where it is introduced. Indeed, Sir, the evidence of its introduction at the St. Mary's School has shown us very clearly that the areas or the levels of motivation among students who might previously not have been as interested before has jumped significantly.

I have said on the Floor of this Honourable Chamber before, Sir, that the research project we ran at that school, of the 96 children who were involved, more than 60% of them made academic gains of a whole academic year in less than 2 school terms and I think that is significant especially bearing in mind that these children come from backgrounds where they are perhaps coming from the lowest of the socio economic backgrounds given the lack of earning potential of their parents.

Equally, Sir, we recognise that the programming which was available for use on this technology much of it is designed to be able to aid slow learners and that there is a whole package of computer aided instruction that changes the way in which children learn and the way in which teachers teach.

We also believe, Sir, that you could not introduce technology without ensuring that you had adequately exposed your teaching staff to the levels of training that are necessary for them to successfully implement this programme and I am happy to report to this Honourable Chamber that even before we entered the formal detailed planning of EduTech 2000, because conceptually we knew

it was coming, having planned the White Paper when we negotiated the loan with the Caribbean Development Bank for the construction of St. Thomas Secondary School we also added a part of that loan for teacher training of over 2000 teachers over the course of 1996 to the year 2000. And to that extent, Sir, we have been systematically training teachers not only in information technology but in special needs education since 1996 recognising that at some future point, very shortly, we would have been implementing EduTech 2000.

This training, Sir, has been expanded significantly to include as well the Education Officers in the Ministry, the tutors at Erdiston College, and indeed, Sir, in each of the 15 EduTech schools due to come on stream next year we have given the opportunity for that in-depth training for 3 persons, the Principal or Deputy Principal, a Head of Department and an Information Technology coordinator and each of those 3 persons at 15 schools - Mr. Speaker, Sir -I should point out to this Honourable Chamber, have been given leave from their teaching duties since January 1998 until September to be able to help in the planning for the reorganisation and the introduction of the schools for this substantially new shift in education policy and reform.

Sir, tomorrow morning at 9 o'clock I will have the honour of giving them their certificates, they having completed 350 hours of training over the course of the last 8 weeks and I want to use this opportunity, Mr. Speaker, to publicly commend all 80 persons, the Education Officers, the Erdiston Tutors and the 3 teachers from each of those 15 schools who have given up their summer vacation, who have given up going away in some instances and other commitments that they have to commit themselves to 7 weeks of arduous and hard training, not in the interest of increased pay, but in the interest of being able to successfully implement this programme.

I want also, Sir, to say that they will, in future be the ones who will also be primarily responsible for the training that must take place now every summer for the next 6 years in order to broaden this across the entire system.

Equally, Mr. Speaker, Sir, we have ensured that you could not introduce technology without also ensuring that the environment within which you were introducing it, was one fit for persons to operate and feel comfortable in, teachers, students, janitors, who else.

It is a fact, Mr. Speaker, that we have not pursued a programme of regular maintenance in schools for decades and while we are happy at the fact that Barbados inherited a school network that saw us having 200 primary schools at the turn of the century it is also a fact that because we have an'old school plant that the physical problems of the plant are such that unless we spend a substantial amount of money now rehabilitating that plant we would be getting decreasing returns from what we are doing in terms of education at that plant.

The health and safety of the children and the teachers are foremost in our minds but at the same time, Mr. Speaker, we are also cognizant of the fact that we need also to ensure that the electrics of the building are brought up to a certain standard because that too would aflFect the health and the safety of children interacting with technology. To that extent, Sir, almost Vb of the funds to be spent on EduTech is devoted entirely to the task of rehabilitating the school plant with the one exception of an entirely new primary school to be built at Carrington's Primary in Year 4 or 5 of the programme and an expansion of the Louis Lynch Secondary School which has been undergoing serious hardship in terms of access to space.

Equally, Mr. Speaker, Sir, one could not achieve all of this and do all of this if you left in place a curriculum that was archaic in terms of content and in terms of relevance to this society's needs.

Barbados has not had a national curriculum, Sir, and it is the intention of this Government to ensure, within the very near future, that through regulations we establish a national curriculum with credit core subjects and a series of option variables would then be chosen from by the various principals of the various schools. Once we have those standards, Sir, then the principals and teachers must have the flexibility to operate within it. But it is our duty as a Government to create that environment within which those core knowledge variables are covered and core skills and competency areas are covered while at the same time ensuring that there is sufficient access to enrichment areas. 10.20 p.m.

Equally, Mr. Speaker, Sir, we also must recognise that if we change the way in which we teach and what we teach, we must also change how we test students in terms of what they know and what they do not know. Mr. Speaker, we have concentrated too long on testing students purely for academic reasons and through a written mode without recognising that people store knowledge differently and communicate knowledge differently. To that extent, Sir, we are working on a totally new system for testing and measuring children's abilities, while at the same time recognising that the form of certification must be different.

I say all of this, Mr. Speaker, to reinforce one point. Contrary to popular opinion, EduTech 2000 is not simply about putting computers in schools, nor is it about making children computer literate. It is about ensuring that children

in this country have the opportunity in all of their numbers to learn regardless of their original ability when entering school and regardless of whatever kind of disabilities they may have. Regardless of whatever kind of enhanced abilities they have. Recognising that our duty is not to fill Harrison College and Queens College, our duty is to ensure that every child who goes to school in this country has the capacity to learn to the maximum of his or her ability and that every child can be trained at any stage of his or her development.

We do not know what technology will be relevant in ten years time, Sir, so we cannot teach them to learn the technology that is relevant today. We must teach them to learn any technology at anytime wherever, whenever and however and that can only come from a sound education. We must also teach them to be sensitive to their needs as individuals and to the needs of their families and their communities. We believe, Sir, that the programme that we are putting in place has the capacity to do it. We have been preparing for this programme, Mr. Speaker. We have had extensive consultations. We had over five town meetings. We had a number of sessions of special interest groups from PTAs to Principals to community groups to church groups, with the private sector of this country, Sir, who have started to contribute not because any fiscal incentives are available, but they recognise that their investments in education in an investment in their profits in five to ten years' time.

I believe, Sir, that we have done extensive consultation. In fact, perhaps the only group remaining is the Members of this Parliament and to that extent we will arrange a special session for all Members of Parliament.

Asides.

Mr. SPEAKER: Would the Honourable Member wind up, please.

Hon. Miss M. A. MOTTLEY: Thank you, Sir. We have also been planning this project for the last 18 months. We have started the training and all of the detailed project designs.

I believe, Mr. Speaker, as the Right Honourable Prime Minister in his wisdom indicated yesterday that this programme of EduTech 2000 will come to be known in 20 to 30 years as one of the most significant contributors to this country's sustained development particularly since the introduction of free secondary, tertiary education.

I believe, Sir, that it would be remiss of me if I did not end by thanking the public officers who have worked beyond the call of duty over the course of the last three months in taking this project from conceptualisation to where it is now where we are about to be going before the Boards and perhaps doing it in the shortest period of time a project has ever gone from conceptualisation to Board approval in respect of a project of this magnitude. I want therefore to publicly salute them for their commitment to Barbados and to the Ministry of Education.

Mr. Speaker, Sir, one cannot help but support this Budget which seeks at the same time to lay the ground work for the provision of a sustainable life for our people over the course of the next ten to twenty years, while recognising that there may be some urgent reasoning that is required in respect of those who are having difficulty, whether it be in the form of housing or in the form of tax credit, the $500 to those twenty thousand.

I want therefore to end by saluting the Right Honourable Prime Minister. He said that what can be done in four years' time is minuscule compared to what can be done in ten years' time. I sincerely hope, Sir, that we will have the opportunity to prove that point whenever and however our time comes.

Thank you.

Hon. R. N. GREENIDGE: Mr. Speaker, yesterday evening I listened with interest to a superb and classic presentation by the Right Honourable Prime Minister. Indeed, Sir, I formed my own impression as to that particular performance.

Mr. Speaker, I do not think that I could say it as the Honourable Member for St. Michael South Central has said it, and so I am quite willing to adopt his words. I cannot see anything in this Budget which is offensive to the people of Barbados. 10.30p.m.

I want to thank the Right Honourable Prime Minister on behalf of the many pensioners in Marley Vale, St. Philip, East Point, the many pensioners in Church Village and Padmore Village and Lynches, Well House and Brereton, and Duncans, as I was told by the Honourable Member for St. Michael South.

I also want to thank the Right Honourable Prime Minister for the idea of giving to those rather unfortunate persons those who work for less than $13 000 annually, their $500 per year. I know the many maids, shop assistants and those who work on the industrial estates from Bayfield, St. Philip who will be very grateful for this. TEose in Lucas Street who are going to be extremely grateful for this. In fact, I can think of certain houses where there are three or four such persons who are the beneficiaries of this. It is going to be very difficult for anyone to argue with them that they did not benefit from these budgetary proposals.

Mr. Speaker, if the Honourable Members of the Opposition do not want to say thanks to the Right Honourable Prime Minister on behalf of their constituents who will benefit I am not too proud to do it and I am doing it on behalf of mine and I will also do it on the behalf of theirs for them and also on behalf of yours, Mr. Speaker.

Mr. Speaker, the Honourable Member for St. John has said that this Budget is about objectives. I beg to differ. To my mind this Budget is about leadership. That is what a budget of this nature is about.

Throughout his entire term of office the Prime Minister of Barbados, the Right Honourable Member for St. Peter, has demonstrated excellent leadership. I think that he steered his ship very well and I think he has chosen his priorities extremely well and he must be highly commended as a leader. We, on this Side, value the splendid contribution which the Right Honourable Prime Minister has made and continues to make to the people of this country.

He took the reins of Government, Mr. Speaker, at a very trying period in our history and because of his management he averted a complete collapse of the economy. He undertook the kinds of changes which he knew would have been necessary to restore the economy. The Prime Minister in this Budget is simply emphasising the correct course for us to take. All he is doing is emphasising the correct course.

If he wanted to, the Right Honourable Prime Minister could easily have given more tax relief. He could have given old age pensioners, if he wanted, a bigger increase. He could have reduced VAT by 10%, if he wanted to. He could have given concessions to every interest group in Barbados, if he wanted to. But that would not have been the correct thing to do. It would not be in the best interest of the country.

The point I am making, Mr. Speaker, is that he could have taken the popular course, if he wanted to. He could have made himself and his Party extremely popular if he wanted to, but the popular course is not necessarily the correct course. It is not personal interest which is paramount here, but what reigns supreme here is the national interest of Barbados.

In other words, the point I am making is that all this talk about a pre-election budget perhaps another leader might have thrown caution to the wind. The Right Honourable Prime Minister did not do that. In cricketing terms, batting pads were Ijeld very close together and prudence is his watchword.

I believe, Mr. Speaker, that the Right Honourable Prime Minister knew what we went through in the 1990s and clearly he does not want us to walk that road again. He is actually leading from the front by example and I was very pleased to know that he has even cut back on some of his own capital expenditures. That, is good leadership. This Budget, as I said, is about leadership. I remember just a few weeks ago the Right Honourable Prime Minister made statements which perhaps surprised a few when he said he would not do foolishness which the people of Barbados know is foolishness just to win an election. He went on to say, "I am not at all about to wreck the economy of Barbados by doing things which I know to be economically unsound but which may be politically popular in the short term."

I believe Mr. Speaker, that those are the words of a very responsible leader, a very responsible Prime Minister, a Prime Minister who knows what economic and financial leadership and management is all about. This, Mr. Speaker, is not some fumbling, weak and ineffectual type of leadership that some have grown accustomed to. This Budget defines our future.

We may for all we know, Mr. Speaker, be standing on the threshold of an international recession. Perhaps it looks on the horizon and may come to us sooner than we think. In effect, what the Prime Minister was actually saying with these budgetary proposals is that we have to be very prudent since we live in a highly interdependent world. What happens in Asia can have a disastrous effect right here in Barbados.

I know, Mr. Speaker, that even in the face of the demands from his fellow parliamentarians, his fellow MPs, when a lot of us have been calling for spending in our constituencies the Right Honourable Prime Minister remained calm about what the priorities should be for Barbados. That, Mr. Speaker, is good leadership.

I believe that his most valuable contribution to his people has been the restoration of self-confidence in the Barbadian people, something which I believe we had lost about six years ago. The energy and the optimism of the private sector provides a very stunning and startling contrast to the political and economic lethargy which prevailed some six years ago. Good leadership, Mr. Speaker, gives inspiration. It fuels togetherness and it sparks admiration.

Mr. Speaker, I recall being in Geneva at the ILO Conference and I was approached by a gentleman from New Zealand and he said to me, "I like your Prime Minister." I said, "My Prime Minister is not in Geneva". He said, "I know he is not in Geneva but I attended a conference and he made some very important contributions". He went on to say that the meeting was chaired by the Prime Minister of Great Britain, Mr. Tony Blair, and at the end of the meeting when everyone was ready to go that the Chairman, Mr. Blair,

said, "We have now come to the end of this session and all that is left for us to do now is to sign this document. My technical team has prepared the document and it is right here ready for your signature." He said - and I have never told the Prime Minister about it. Strange enough - that all the delegates decided that they would sign the document because they had a social event after.

Mr. Speaker, he said the Barbadian Prime Minister asked for the floor and the Barbadian Prime Minister said to the Chairman, "It is all well and good, Mr. Chairman, for you to say that your technical team has prepared a paper for us to sign. We are Heads, we have to take this document and go through it item by time and line by line." It was at that time that I said it sounded like my Prime Minister. He said, "It is only after we have done that that we can decide whether or not this document is to our satisfaction." Mr. Speaker, the gentlemen went on to say that their Chairman turned to the others and asked if they agree that was what had to be done. Indeed, Sir, they all agreed. Mr. Speaker, Sir, not only was it done but they had to make substantial changes to that document and he said he was sure that were it not for the Barbadian Prime Minister they would have signed that document that evening and they would have gone to that social event. The Rt. Honourable Prime Minister of Barbados said that we cannot do this for the sake of a social event. We have to go through that document item by item and line by line. Mr. Speaker, Sir, the point I wanted to make is that leadership is about someone who has put his country first and self afterwards. That too, is what this Budget is all about. 10.40 p.m.

Mr. Speaker, when the Rt. Honourable Prime Minister delivered his Budgetary Statement one of the things which I heard the Honourable Member for St. Joseph, sitting behind me said was, the Rt. Honourable Prime Minister has just wrapped himself in the Barbados flag. He is putting his country first. I think, Mr. Speaker, that the international community respects our Prime Minister. I feel, Mr. Speaker, that our Rt. Honourable Prime Minister stood up to the IMF and we all know that. We know that he stood up to the World Bank, we know that he stood up to the United States with the Shiprider Agreement. These things about the Prime Minister, the Honourable Member for St. John says that it is a nancy story.

Mr. Speaker, I think it was the words of Sir Shridath Ramphal who said of our Rt. Honourable Prime Minister, that he is not a Prime Minister of the Caribbean but that he is a Prime Minister for the Caribbean. I do not think you could want a better testimonial, Mr. Speaker, than that. That, Mr. Speaker, is not only leadership but it is quality leadership.

Mr. SPEAKER: Order, please, let us hear the Honourable Member, please.

Hon. R. N. GREENIDGE: I recall, Mr. Speaker, the days when the Rt. Honourable Prime Minister used to come and reply to the Budget - the Rt. Hon. Errol Barrow - and I remember he used to subject those Budgetary Statements to a kind of surgical analysis that won the admiration of the whole country. I also remember that a similar exercise used to be carried out by the Honourable Member for St. Michael South Central when he used to pick Budgets to pieces.

Mr. Speaker, these days, the reply to the Budget has become an annual pageant. There is no substance whatsoever in the replies to the Budget. Mr. Speaker, not a single issue in the Budget was addressed by the Honourable Member for St. John. As I have said, it is an annual pageant. It was very painful, Mr. Speaker, to hear the reply of the Opposition Leader. He did not speak to the Budget, he could not handle the Budget, Mr. Speaker. He ducked from the Budget and it was painful to watch him struggle. He launched an attack on certain Members of Cabinet and that is really and truly all he did.

I remember he spoke something about sweetheart deals which washed in with a flood and that a man was going into a house and going back to give back jewelry, toilet bowls and a cowboy riding into town, everything, Mr. Speaker, except dealing with the Budget.

He had 108 minutes allotted to him, Mr. Speaker, and only 11 minutes dealt with anything at all in the Budget. I believe that the Honourable Member for St. Michael South Central in the time allotted to him made more impact as to what was in the Budget than the Honourable Member for St. John.

Mr. Speaker, the Honourable Member for St. John urged us to listen to the man in the street. I now, Mr. Speaker, turn to the crisis of leadership. Mr. Speaker, politics is really and truly about perception. Everywhere I go, Mr. Speaker, whether it be to a cricket match or to the rum shop which he said that we should go into or with fellows on the block, everywhere that I go I can hear people and people who were faithful to the Democratic Labour Party saying that Party has gone nowhere under its present leadership. Every way I go I can hear that. I can hear them saying that leadership of that Party is extremely questionable. Mr. Speaker, they say that the leadership shows no depth, that is pitiful and that it is concerned about trivia. That is what I can hear them say.

They say, Mr. Speaker, that the leadership woes of that party have increased their difficulty in attracting people to the Party. This is what I can hear them say. I can hear them say, Mr. Speaker, that lack of leadership is making it difficult for them to sell the Party to anybody. This is what I can hear them say. Two long-standing supporters of the

Democratic Labour Party spoke to me only yesterday after the Budget and Mr. Speaker, they have actually told me that they can never form the Government the way this Party, the Democratic Labour Party is presently constituted. In other words, he cannot mount a serious challenge. People, Mr. Speaker, will continue to distance themselves from that type of sad and sorrowful leadership.

The conclusion which I have drawn therefore, Mr. Speaker, is that while this Party on this Side is making long, smooth and healthy strides, the other Party remains paralyzed and crippled because of the leadership. That, Mr. Speaker, is the conclusion which I have drawn.

Asides.

Hon. R. N. GREENIDGE: It is painful, Mr. Speaker, to hear them speak of a leadership which immobilises and incapacitates that Party. It is tiresome, Mr. Speaker. The Leader of the Opposition cannot evade the perceived consequences of his leadership. A leadership which can only be described, Mr. Speaker, as persistent mediocrity. It appears to me that his leadership has killed that Party's soul.

Mr. Speaker, he said today that some people have described the Party as being subdued. That is the word he used. I, Mr. Speaker, think that it is a nervous party. I, Sir, a few weeks ago recalled cleric saying that there is nothing really attractive now in the Party the way it is constituted. There could never have said so, Mr. Speaker, in the days of someone like the Rt. Hon. Errol Barrow or the Rt. Honourable Member for St. Michael South.

Mr. Speaker, I want to say that certain accusations have been levelled at the Ministry of Labour and I want to say that this Labour Minister has gone to Canada about four different times and each time I go, I do things which no other Labour Minister has done. I walk through the fields, the cauliflower and the tobacco and everything with the workers. I speak to the farmers and I try to make sure that Barbados get more workers on the Farm Labour Programme. I do it, Mr. Speaker. I have done it every year. I am sure that were it not for that input we might not have had 100 workers there. I know that for sure and I can say that.

Mr. Speaker, they have talked about settling disputes. Mr. Speaker, as long as the correct procedure is followed, I am willing as Minister of Labour to sit down with the parties having disputes for 15 hours straight or whatever time is required. When they find the correct procedure I am willing, Mr. Speaker, to do it. Mr. Speaker, let me say this. That where the Royal Westmoreland dispute was concerned, if I were not Minister of Labour and I had brought Royal Westmoreland to Barbados, I might have intervened too. If I were not Minister of Labour and I had given them all of those concessions I might have intervened too.

Asides.

Hon. R. N. GREENIDGE: Mr. Speaker, if I were not Minister of Labour and I could encourage those persons of Royal Westmoreland to sit in the front seat and in the front row of my annual conference, I would do it.

Mr. SPEAKER: Order, order, please.
10.50p.m.

Hon. R. N. GREENIDGE: Mr. Speaker, I want to say that greater love hath no man than this, that a man lay down his arms for his friends. Mr. Speaker, also in the area of Labour, the Honourable Member for St. John spoke about legislation. It was only in Cabinet today that I took to Cabinet 3 Bills, the Labour Department Act, the draft Bill for Unfair Dismissal and I took the draft Bill for the recognition of Trade Unions. Those bills followed the CARICOM model and they are now sent to the Attorney General's Chambers for refinement and Mr. Speaker, I hope that by the next couple of months they would have that legislation out and ready.

In the area of Sports, Mr. Speaker, I want quickly to say that this year we have completed pavilions at Brereton, St. Philip, at Bridgefield, St. Thomas. There is work in progress at Blackman's, St. Joseph, Ellerton should commence in two weeks' time, the hard courts at Hill Road and Dash Gap, Mr. Speaker, should commence.

Aside.

Mr. SPEAKER: The Honourable Member, the noise. I did not hear you. You said the one in St. Michael Central will start when?

Hon. R. N. GREENIDGE: The hard court at Hill Road and Dash Gap in two weeks' time.

In two weeks' time, Mr. Speaker, we will also have lights installed on the hard courts at Church Village, Drax Hall, Horse Hill and Bagatelle. A pavilion to come at St. Elizabeth, a playing field at Reservoir Road in Cave Hill and a playing field at Cane Vale.

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

Hon. R. N. GREENIDGE: Mr. Speaker, Sir, in terms of the National Training Board, I want to say that the trainees are now building their second house at Eden Lodge. They have built it from scratch and I believe that is extremely

good work. The thrust of the Training Board this year has been in the area of construction and that second house has now reached roof level. All this is work done from scratch by our young people of Barbados and sometimes when I hear people saying how bad the youth in Barbados really are, I say to myself, they might not have thought about the youngsters at the Training Board. I want to highly commend the instructors at the National Training Board.

Mr. Speaker, in terms of the Child Care Board, I want to say that we are now having the certification programme where we are insisting that every single person who deals with the children must have a certificate to show that they have been trained in this particular area and 57 such persons, Mr. Speaker, will graduate this month. Approximately 12 agencies sat down and worked out the curriculum and the syllabus. They included the University of the West Indies, Erdiston Training College, YWCA, YMCA, the Ministry of Education, the Barbados Community College, the Polytechnic, 12 of them, and it is a beautiful curriculum, a beautiful syllabus. So when I hear the talk, Mr. Speaker, about the Ministry of Labour, Community Development not doing a lot, Mr. Speaker, sometimes I have to smile because I know that there is extremely good work going on in that Ministry.

I conclude, Mr. Speaker, by once again adopting the words of the Honourable Member for St. Michael South Central, I can see nothing in this Budget which is offensive to the interest of the people of Barbados. I thank you.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 9 o'clock tomorrow morning. We had proposed as you would know, Mr. Speaker, that at least 2 more speeches would have been made tonight.

The Leader of the Opposition and myself have been conferring from time to time during the course of the afternoon and he has recently advised that the Opposition is not in a position to continue tonight and this causes therefore a re-ordering of the schedule of speeches.

Perhaps, Mr. Speaker, I might read the letter the Opposition Leader wrote me then.

Mr. SPEAKER: There is no need to. Just proceed, please.

Hon. Miss B. A. MILLER: It speaks of people not willing to speak. I am trying to accommodate, Mr. Speaker, Sir. We would have started ...

Asides.

Mr. SPEAKER: The Honourable Member for St. Michael East, please!

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, we would have started at 10.00 o'clock in the morning in all of the circumstances since tomorrow night we are going down into half past eleven anyhow already. I have spoken with the Leader of the Opposition and we have agreed that we will start tomorrow morning therefore at 9 o'clock and I just want to remind Members again that the House is suspended and not adjourned so we must be here for 9 o'clock in the morning. We start at 9 o'clock and we are going to have a long day which is not likely to end much before half past eleven or some time like that. That is the motion.

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

Mr. D. J. H. THOMPSON: Mr. Speaker, I rise to speak on the Suspension. I just want the record to reflect what is happening here. I was presented with a document which was not prepared by me, called Order of Budget Speeches for Thursday, September 3rd, 1998 which shows that it was the intention that the House would suspend today at 11.00 p.m. When after dinner it was clear that we could not have concluded 5 speeches between the time that the Honourable Member for St. Michael South Central had finished his speech and 11.00 p.m., I indicated to the Leader of the House that none of my Members would be speaking tonight, in writing. That is a clear position and I am following that particular position. You cannot expect people to be speaking in a televised Budget debate until well after 11 o'clock and until 12 o'clock.

Mr. SPEAKER: Okay, you have made your point.

Mr. D. J. H. THOMPSON: I am merely responding to what the Honourable Member said and I want the privilege to do so, Sir. It is a matter, in my view, of basic consideration to Members and courtesy to the staff and the officials of the House and to the viewing public and on that basis I think it is an eminently reasonable position. We would try to cooperate to the fullest extent possible tomorrow to ensure that the order is concluded in an orderly fashion. That is the most guarantee I can give at this stage.

The question was put and resolved in the affirmative and Mr. SPEAKER suspended the sitting accordingly.
11.00p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. The Honourable Member for St. Michael South East.

Mr. H. F. L \SHLEY: Mr. Speaker, Sir, indeed I am extremely happy to be given this opportunity to participate on behalf of the wonderful people in St. Michael South East in today's Budget and the Budgetary Proposals and Financial Statements as enunciated by the Right Honourable Prime Minister and Minister of Finance.

Sir, I am particularly happy also that consideration has been given to the care of the elderly in Barbados. And it is against this background, Sir, that I would like to begin my presentation by examining the role of the National Assistance Board firstly, in the development of policies for our senior citizens.

But before I begin to get into the National Assistance Board, Sir, let me say that I want to congratulate the staff of that institution for doing a wonderful job over the last year, despite the fact that they had limited resources to work with at that time.

Now, Sir, I am concerned and I have always been concerned about the social programme and the development of our elderly. Because I have said in this Chamber on more than one occasion that the development of this country and this nation cannot and should not only be measured in dollars and cents. Somehow, Sir, I believe that we in our minds tend to put the elderly on the back burner or believe that when you get to the age of 65 you are placed in a kind of psychological reservation and then left to die.

I am saying, Sir, that it is okay to grant tax concession and relief unto the elderly, but there is a more fundamental aspect to the development of our elderly that we have to examine and examine very carefully. We have got to make these pillar bearers of our nation who have contributed immensely through sacrifice and hard work to the development of this society, we have to reward them.

I am looking at the fact Sir, that we need to restart the Senior Citizens Awards that used to be with the National Assistance Board so that at least four senior citizens from each parish in Barbados at a particular time of the year, and I believe that time of the year should be October 1, which the United Nations has designated International Senior Citizens' Day, Sir, that the selection of these senior citizens, should come particularly from the lower echelons of the society, Sir, and bring them to the forefront of our society, and honour them for their work and contribution to this nation. Similarly, Sir, like we did our national heroes awards system, we should do a similar thing for our elderly. Not only should we put them in a small conventional centre and hide them away. I feel their achievements and contributions to this country, Sir, should be highlighted at its fullest.

So, Sir, when you look at social programming for the elderly it is at this junction that I would also like to congratulate the Soroptomist Club in Barbados for doing a wonderful job of social programming for the development of the elderly in this country.

Sir, many utterances have been spoken that Barbadians have short memories. Now, Sir, I have been in this Chamber for the proximate period of four years. I do not know how much longer I would be in it because I do not have the zest, power and will to pursue policies on a partisan basis, but more or less my own philosophy is to pursue policies in the interest of Barbadians first. And whatever programme or policy is developed by social groups, cultural groups or by any political party foremost, I am willing to work with, once it is for the development of the people of this nation, Sir.

Sir, we have to look at the policies of the elderly again and I believe that like Trinidad and Jamaica which have their own memory bank, we in Barbados should tap on the memories of our senior citizens and preserve them for posterity, hence creating a memory bank. Not leaving it for historians to write our history for us but basically we have this bank or reservoir of authentic information that we can tap into that our senior citizens have created.

Mr. Speaker, please tell me why we cannot have reciprocal exchange programmes for our senior citizens? Why cannot we, as a people fund programmes for our senior citizens? Why we cannot, on a national basis, select those senior citizens from the various parishes and let us travel to Trinidad and do exchange programmes with them. Exchange progammes in Guyana and Jamaica, in fact, Sir, throughout the Region. That is why I am so happy, Sir, to know that the Pinelands Creative Workshop has established a regional grassroots region for the interaction of ordinary people, but I will get to that later in my presentation. So, Sir, I am calling for more exchanges for our senior citizens.

Also, something that has me a little bothered and I need clarification from the Honourable Minister of Community Development and it is that the senior citizen's bus is currently in the MTW's yard just lying idle, Sir.

Aside.

Mr. H. F. LASHLEY: I have just been told by the Minister that it is working. Sir, but if it is working, I would like it to work in the interest of not only the senior citizens, but there are many other NGOs out there that are doing work for senior citizens in Barbados and in some instances, the disabled in Barbados and that bus should be made available.

Also, Sir, that a driver be hired on a permanent basis to administer this bus so that the elderly in Barbados could have more expeditious services of this bus to do various things in Barbados.

Sir, when we look at the area that I represent, there are basically three housing areas, Pinelands, Wildey, Parkinson Field but there is one senior citizen's home in this densely populated community and that is the Golden Rock Senior Citizens' Home. I am saying that we need to reshape our policy when we really and seriously look at it. One senior citizen's home in a particular community or constituency should be put there for those senior citizens living in the immediate vicinity of that senior citizen's home. The one in Golden Rock has people coming from all over Barbados. Not that I have objections to that, but I am saying that as we go into the 21 st century the time has come when each and every housing area in Barbados and each and every thickly populated community in this country, Sir, should have a senior citizens home attached to it.

Presently, Sir, the Geriatric Hospital and all the other senior citizens homes are overcrowded. I do not think we should go down the line of privatising senior citizen's homes, I think it is the responsibility of the Government. Because what we are seeing is that people who do not really care about the needs of the elderly are exploiting them. So I do not want that to happen and we have to look at that.

Also, we have to look more carefully at our day care programmes for the elderly in Barbados. Currently there is one in Golden Rock and there is one at Black Rock, but we need to have them throughout Barbados. So that the elderly in Barbados, like now, could go into day care centres and learn skills and do productive things so that we can bring them back into this society.

Something is bothering me and it is that those seniors between the ages of 50 to 64 are finding it very difficult to get work. It is just because nobody is really employing those people between the ages of 50 to 64. What are we going to do? Are we going to leave them aside and forget that they exist? We have to do something about this and I am saying that we have creative ways and measures of making these people employable.

Sir, I do not want this to sound like a commercial expedition, but the fact is that currently I am directing a production for the senior citizens of Barbados. It is currently being done at Queens Park and is called "The Culture too". I know that every year when we do this production, the Honourable Minister normally supports them. I am saying now on the Floor of Parliament that production should open within another six weeks and again, I will be calling on the Honourable Minister not only to lend his physical support but also his financial support in the staging of this production.

We have to realise, Sir, that as we go into the new millennium we cannot honour tradition all the time. We have to set a pattern for changes. We, the Honourable Members of this Chamber have to act as the catalysts for change. We have to set the right precedents for our young people to follow. We have to start building a harmonious and interactive society, Sir, so that young and old could live harmoniously together and the old not be ostracised on one side and the young on the other.

Sir, it is against that background that I am calling for youth groups in Barbados to be attached to the National Assistance Board not only in the care of the elderly but, let us look at it seriously. The days of sponsored walks and little raffles or draws are basically over in terms of the programming of various community groups in Barbados.

I am saying that if we attach, particularly during the long summer vacation community groups to the National Assistance Board to offer them contracts like painting houses and debushing around the old people's houses, Sir, we will be doing two things, not only will you be having the young interacting with the old, but also those youth organisations, Sir, will be gaining valuable finance in their fund raising activities.

We have to look at it from that side of creating opportunities in Barbados for the marginalised and that is what I am talking about. 9.15a.m.

Sir, there is a serious thing developing towards senior citizens in the Government housing estates. There are too many senior citizens in Barbados living in upstairs houses alone. One of my constituents fell down in one of those two-bedroom upstairs flats and seriously injured himself. He was 71 years old. Here we have many young people out there trying to get Government units and you have senior citizens living in two-bedroom units alone.

Sometimes resident's relatives do not even come and look at them. All I am saying is that we should work a transfer policy: we take all of those in estate units in Barbados that are currently living in upstairs units and transfer them to single unit flats or welfare houses. Therefore, you will have more available spaces for those young people who need these flats. It is a serious thing.

Sir, I am making a call in this Honourable Chamber that no senior citizen living alone in Government housing units should pay rent, once they are 65 years and over. I know what I am talking about. I see a lot of delinquent family members in Barbados who abandon old people. The Honourable Member for the City refers to it as "granny dumping". This is the conscience of Barbados that I am talking about. Sir, I would like to see that policy enacted.

Also I am saying that the same way that I am calling for relief for senior citizens living alone in Government housing units there is no way that senior citizens' water in Barbados should be turned off. They should not be disconnected.

I was in my office last week and two senior citizens came to me crying and that hurt me because the water... I will explain the problem. The problem has nothing to do with Government because we like to get in this Parliament and play a lot of political grandstanding but I am not here for that. I will explain what the problem is. The problem in my view is that there seems to be a breakdown in communication between the Welfare Department and the Barbados Water Authority. That has to be corrected. They are going about disconnecting and reconnecting and the Welfare Department is shuffling files. Human beings, poor human beings are suffering and we have to correct this imbalance. We have to. We cannot allow it to happen any longer.

At this stage, I would like to compliment the Urban Development Commission. I know that they have a good staff working there and I congratulate the staff of the Urban Development Commission. In Barbados we like to point at people. We like to say you see that old lady, that house is a welfare house - because of the design. The Urban Development has changed that concept by redesigning those houses that they have given to the elderly. The National Assistance Board has to follow the same programme. That outdated 16x8 structure that everyone can point a finger and say that is a Government welfare house has to be finished. They have to get new architects and start designing a new type house for the elderly in Barbados.

Sir, I would like to turn to the whole aspect of housing in general and when I do that I want to look at the National Housing Corporation. I heard a lot of talk during the debate about how people perceive how development of housing in Barbados should go, but I want to use this occasion to congratulate the National Housing Corporation for 25 years. This is their 26th anniversary. The Honourable Members acknowledged that it is an institution that has served Barbadians' in housing. Sir, this is their 26th year of celebration.

I would like to congratulate them because I am in the National Housing Corporation regularly and I would like to congratulate the staff working in three sections of the National Housing Corporation and that is the Legal Department, and if the Honourable Speaker allows me to call the persons names not in a derogatory manner but congratulatory - Mrs. Neblett Brown, an excellent person, and one of these days I hope that she will be the senior executive officer at the National Housing Corporation. She is a Barbadian who is doing a job for Barbadians, in my view, and I am sure that when I go into the National Housing Corporation I do not see other Honourable Members in there except possibly my friend here.

The point is that their legal section and their accounts section after much agitation have begun to understand the plight of those senior citizens in the Government housing estates and we should be looking to revolutionise this entire country through new housing policies. It is against that background that I am again calling for a waiver of arrears of all of those persons living in Government housing units who through structural adjustment would have been grossly affected.

In 1995 on this same Floor of Parliament I made that call and I am making it again because, as I said earlier today, sometimes we tend to forget. I am calling for the waiver of the arrears for those persons who have developed arrears to the Government housing units due to the austerity measures.

In addition, Sir, I am happy to see that the National Housing Corporation has put a number of these Government units up for sale. I would like to see also particularly the older ones like the Princess Royal, Regent Hill and Golden Rock put up for sale so that the residents can buy these units. I understand the problem is a technical one. They are only selling the ones that have fire walls but I am saying that many residents have asked if they cannot put up their own fire walls themselves and buy the units. Why should we restrict them because of a technical disability when these residents are ready to make this correction, Sir?

Sir, we have to make the residents feel proud and happy with themselves and because of the 25th anniversary I feel that the time has come when we should spruce up all the Government housing estates. Follow the example of the Honourable Member for St. Michael South East! Ask the residents to participate in a cooperative scheme with assistance from the National Housing Corporation! Government cannot afford to do everything.

Because we .have a lavish amount of money that we have collected from the VAT we cannot afford to spend it. I personally would like some because I am from St. Michael South East and I know that I would make it the capital of Barbados and change it from the Honourable Member for the City's constituency and bring it to St. Michael South East. I know exactly what I would do because we have the vision and the plan.

Since it is the 25th year of the National Housing Corporation one of the things that I would like to see happening is that we should encourage entrepreneurial development within the housing areas itself. In other words, I am talking about building entrepreneurial villages so that all of those young men that we see on the block that we criticise so harshly yet they are gifted and intelligent young people and that is exactly why they stay on the block because

they challenge the bureaucrats and the politicians which they despise so much to bring out their creative energies.

Sir, as we go into the 21 st century we have to create an entrepreneurial thrust within the communities. Hence we would not see tourists arriving at Grantley Adams International Airport and the Deep Water Harbour going just on a coast to coast visit and never being taken into the communities. Here I am talking about building community tourism, creating those villages, bringing some of that valuable foreign exchange into the communities where the fellows on the block who have never seen a little $100 in their hands as yet can handle one. We are creating entrepreneurship, creating business in the community.

I understand that Urban Development Fund and all these agencies are doing it but I am saying that the step has to be taken by National Housing because it is in control of Government lands and we have to get permission from them first. Therefore we have to involve them in this 25th anniversary development plan.

Sir, the General Workers' Loan Scheme Fund is very popular with Barbadians. It is extremely popular but I am saying there is a restriction to the housing loan and I am calling on the Right Honourable Prime Minister to make that same General Workers' Loan Scheme Fund available to general workers across Barbados primarily to help pay their own domestic repairs that they do without having to go to the commercial banks in Barbados to be charged exorbitant interest rates.

I am saying that a $5 000 loan scheme should be made available almost immediately to Barbadians to do the domestic chores, pay their arrears etc.

We should also look at a new system of garbage disposal for Barbadians in the housing areas because you can preach from now to Resurrection morning people will still illegally dump their garbage after the sanitation trucks have passed and we have to look to going underground as is done in Britain and other overseas countries.

We have a number of people living in these housing tenantries who refuse to adhere to proper discipline as posed by garbage disposal and the time has come when we need to embark on a new policy and introduce environmental policing which is a common practice in Malaysia and Indonesia. I know politicians like to refer to the Malaysian and Singaporean model and I am saying that we have to take those corrective actions because the environment is a very serious cause for concern.

Sir, when the land becomes available at Lower Bumey I am hoping that the good people of St. Michael South East would be given their proportionate share. I understand that there are 174 spots coming on board at Lower Burney and all I am asking for out of that 174 is 74, because I adhered to the Minister of Housing and Lands call for Honourable Members to show him spots and he would help us. I am asking for my 74. Keep the 100! That is all I want.

Sir, the mini-stadia. I want to get to this whole issue of mini-stadia. We try to deal with the effect of crime but we have to talk about preventing crime. We have to stabilise the communities and if we could create wholesome activity after six o'clock in Barbados the crime level among the youth in Barbados would drop so dramatically it would be unheard of in the annals of Barbados history. Therefore against that background all I am saying is that the time has come when after six o'clock every single hard court in Barbados should be lighted. Every single community in Barbados should have a mini-stadium attached to it. I am saying this against a background that when the sun sets in Barbados crime escalates and that is when sporting activity normally ends except those sports like lawn tennis and basketball inside a gymnasium complex that is reserved for the few people who can pay and who have the luxury to afford that.

Therefore, I am calling for the fourth time in this Chamber for all hard courts in Barbados to be lighted and mini-stadia placed in every single community as we go into the 21st century.

Sir, the Seventh Day Adventist Church - and this is another serious problem in Barbados. Our morals are seriously on the decline and we need a religious and moral awakening in this country. The Seventh Day Adventist Church in the Pinelands has been for the last two decades asking for a piece of land to put their church on. Their voice is like the voice in the wilderness crying in these modern days for a sanctuary for their congregation to worship and I am saying how long are we going to stand by and listen and pay deaf ears to these people when we could be giving them the necessary assistance.

I am sure that when we get into our old age, and this is an aging society, when we look back and reflect we will see that this is a grave injustice. I am calling again for us to give the Seventh Day Adventist Church in the Pinelands a spot of land so that they could get ahead with their business.

Sir, a lot has been said about poverty alleviation. I worked in conjunction with the Commonwealth Liaison Unit some time ago attending the Poverty Alleviation Conference in Trinidad and Tobago where the NGO sector met and looked at these problems. If we are going to seriously tackle the problems of poverty in Barbados we have to look at the role of the NGO sector in Barbados, the CBO sector which is the community based organisations, the Urban Development Commission, the Rural Development Commission, the Welfare Department, the National Assistance Board, the disabled and the family unit which I feel should fall under one Ministry with all of these agencies together under one Ministry. When we group them together

under one Ministry we would have a more effective programme towards our elderly and others that cannot help themselves, particularly the disabled.

Sir, the Co: nmunity Development Division in Barbados is grossly understaffed in my view. They should be given more staff and, in addition to that, all the community sectors in Barbados should be handed over to those organised community groups in Barbados and not only EduTech should be centred at the schools but also the community centres where computers and other learning utensils should be placed at the community centres and given to those organised community groups.

Sir, I also want to say that and I have a document with me which is the Community Development Division's application form for use in the community centres in Barbados. The permit for the Ministry of Health is $50 and you need to get this to operate a community centre, police protection is in the vicinity of $300, health certificate handling food is $50, the liability insurance has gone up from $127.50 to $500 and I am saying that this is wrong. I am saying the evidence of funds from the performance of BAMCI is $57.50 and the renting of the community centres has gone up to $207 which brings it to $1 164.

I am saying that for the little "dreads" by the street that use these fetes to raise an income to help their families we have to revise this.

In conclusion, I would like the roads in Salters Tenantry Road, in Paynes Land, Mapp Hill, the bus shelter that I have been asking for ever since in Mapp Hill I need to see replaced because the residents and pedestrians share the road with the traffic and this is a dangerous thing. I want that land in the Pine given to the farmers, not only one but a number of farmers throughout Barbados. 9.35 a.m.

Sir, it would be remiss of me if I did not say something about the United States Embassy in Barbados who in my mind have the best business in Barbados operating and I would like the Government to give me a share in the United States Embassy because it is the best business in Barbados. Every year Barbadians have to look for $90 for a visa and then not knowing whether or not they are going to get this visa, and not only Barbadians but Caribbean people.

I always say that if the United States Government has the audacity to charge Caribbean people this tax where not a cent remains in the Caribbean as far as my understanding, I am saying, Sir, we as good Caribbean brothers and sisters of Government we should reciprocate the Americans hospitality. We cannot be afraid of the Americans. Every single North American that comes through Grantley Adams International Airport we should charge them an arrival tax and take that money and put it into sporting development and community programmes for the development of this country.

Mr. SPEAKER: Your time has expired, Sir.

Mr. H. F. LASHLEY: I will be back. Thank you very much, Sir.

Mr. G. A. CLARKE: Mr. Speaker, I am indeed happy to speak in this debate this morning. First of all, Sir, I would like to thank my constituents of St. George North who have given me the opportunity to serve them as their Parliamentary representative. I also want to say that over the last four years this Government has done a lot of work to uplift the constituents of St. George North and indeed the people of Barbados. During this debate, Sir, I would like to concentrate primarily on the housing sector, the sector in which I have the honour to help participate.

Mr. Speaker, as you are aware, there is the Minister of Housing who understands the needs of poor Barbadians for housing. During the past four years, Mr. Speaker, a number of measures were introduced to improve the lot of the poor man in this country. I would like to also examine these measures in a meaningful way.

On the subject of housing, Mr. Speaker, there is little debate that the most serious problem confronting Barbadians after unemployment is that of inadequate housing for the poorest of the poor. Government has therefore committed itself to the promotion of home ownership for the widest group of Barbadians.

Mr. Speaker, on assuming office, this Government realised that the major obstacle to a vibrant and vigorous housing programme included the unavailability of land for residential development and adequate housing finance. We recognised that land and finance was the two major problems that confronted housing. Therefore, over the last four years, Mr. Speaker, over 400 acres of land was acquired solely for residential purposes, for housing development, Mr. Speaker.

The acquisition of this land was done against the policy that in every constituency and in every community there exist marginal land on which housing could have been developed. And, Mr. Speaker, we have acquired land throughout Barbados. We have acquired land in St. Joseph, Horse Hill; we have acquired land in St. George, St. Peter, St. James and across Barbados this Government has acquired land for the development of housing for poor people and we cannot dispute that.

I want at this point to set the record straight because the Democratic Labour Party over the last couple of months have gone ahead and gone about this country saying that this administration performed very badly in housing. I want to

set the record straight and I also want to say that we must look at housing in its totality. We must not look at housing, Mr. Speaker, only as building terrace units because in my view that is not adequate housing.

What is the Democratic Labour Party's record for eight years? Between 1986 and 1994, the Democratic Labour Party built 51 terrace units at Church Village. An average of 6.5 per year. They also did a few lots for housing at Husbands, the Venezuelan Project, they did fifty houses at Cane Garden which they abandoned and left at ring beam stage which this Government completed and not only this, we continued to put in another 145 houses in Cane Garden. When that Party formed the Government and they built 51 terrace units at Church Village, one would have thought that in keeping with the policy that they have always enunciated, that they were catering for the poor, that they would set the rents at Church Village at the normal rent. Mr. Speaker, I want to be very careful on this, the rent was set at $96 per week for the three bedroom and $84 per week for the two bedroom when the other people in the other districts across Barbados were paying $40 and $50 and the highest at $60.

When the Opposition talks about catering for the poor people you see what the record is. Not only this, their record is very dismal as far as housing is concerned. They talk about we should build terrace units. But also in the field of housing, the Democratic Labour Party in 1990 amended the Tenantries Freehold Purchase Act and that amendment, Mr. Speaker, threw a number of people off the tenantry. Persons who were qualified to buy the land at 10 cents per square foot now found themselves without the lots that they had the right to purchase. Hundreds of tenants, Mr. Speaker, faced eviction orders across this country and they turned up at the National Housing Corporation. They turned up at the Ministry of Housing seeking lots but could not find anything.

One would have thought that after the amendment in 1990 that that Government would have provided land for those persons. They only provided 45 house spots at Haggatt Hall, Phase One 45 house spots were left by that administration at Haggatts Hall. They did not put one single mechanism in place to solve the problem in housing. Therefore, we must dismiss them as claiming to find solutions in housing. Nothing had been done.

Mr. Speaker, I want to give an example. When we became the Government in 1994, when I look at my constituency, St. George North, not a single lot was purchased by that administration up to 1994 for housing. The people were crying our for house spots. When I look at my records up to a week ago, I realised that over 550 persons in St. George are asking for house spots. We have taken that seriously and within the space of four years, Mr. Speaker, we have acquired over 40 acres of land in St. George to provide spots not only for the residents of St. George North but also for the residents of St. George South. We have lots in Flat Rock, we have lots at Constant, we have lots at Ellerton, we have lots at Cottage & Groves and the truth of the matter is that we are trying to address the matter of housing in a meaningful way. 9.45 a.m.

We have also, Mr. Speaker, done in-filling at Walkers, we have done in-filling at Parish Land and we have also done in-filling at St. Helens. So therefore, Mr. Speaker, we must understand that if we are supposed to correct the problems in Housing we have to provide financing too. It is against this background, Mr. Speaker, that the Housing Credit Fund and the General Workers' Fund must be looked at this time.

In 1994 the General Workers' Fund contained $6 million and the Housing Credit Fund contained $21 million. Yet, Mr. Speaker, that administration did not do a single thing for that fund to make sure that it addressed the problem of the poor and thousands of poor people walked day after day, Mr. Speaker, up to the Housing Corporation seeking loans. But what did they do?

I want to examine that fund to show you, Mr. Speaker, what happened over those years. Do you realise, Mr. Speaker, that they had $6 million in a Fund but in 1990 they could only disburse 7 loans. In 1991, they disbursed 10. In all for 8 years, Mr. Speaker, 431 persons got loans at the National Housing Corporation.

Let us look at the record since then. The record will show, Mr. Speaker, that since 1994 we have used the General Workers' Loan Fund to help provide the solution to housing in this country. Persons obtained loans, Mr. Speaker, to repair their homes. They obtained loans to fix their roofs, to put in windows. They obtained loans to buy lots and we, Mr. Speaker, can boast that only last year, 1997, 813 persons received loans from the National Housing Corporation.

Last year, Mr. Speaker, over $7 million was loaned from the General Workers' Loan Fund and this year it is expected that a further $10 million will be lent out between this year and next year. So the General Workers' Loan Fund has been used to help solve the problems that exist in housing and it has been used wisely and across Barbados hundreds of people are now looking to the General Workers' Fund for that $5 000 that we have initiated.

I must say, Mr. Speaker, that it is a very popular loan. Many persons have been going to the corporation knowing that the $5 000, you can get it on a promissory note. You do not have to have a lot of security but they have been acquiring and they have been using that loan to the benefit of improving themselves and that is important.

As far as the Housing Credit Fund is concerned, Mr. Speaker, I want to say that again with $21 million in the Fund in 1994 it was not used wisely. Since then, Mr. Speaker, we have on-lent funds to the Barbados Mortgage Finance, to the Public Workers Co-op and the Caribbean Commercial Trust.

We have on-lent, Mr. Speaker, in 1995, over $3 million. In 1996 we have on-lent $10 million and we have on-lent more than $9 million in 1997. So we have done a lot of work in terms of providing the solution for housing across this country not only the General Workers' Fund but also the Housing Credit Fund, a fund that was created by a former BLP administration and today, Mr. Speaker, that fund has on-lent more than $98 million and today has an asset base of about $80 million in its fund. Mr. Speaker, we have done a lot and I want to look also at some more solutions.

Mr. Speaker, as I said before the building of rental units is not the answer. We see housing as sustainable especially for the poor, as affordable and as durable. All Barbadians, Mr. Speaker, as far as this Government is concerned, must have access to safe, comfortable, healthy shelter in an environment which allows them to realise their full potential.

We believe, Mr. Speaker, that the General Workers' Loan Fund can be used to the advantage of poor people and we want to encourage all persons in the income group of below $1000 a month to have access to that fund. It has been used very wisely.

I want to remind Honourable Members that it was not the DLP that set up the Housing Corporation because some members feel that the Housing Corporation is only 25 years but in reality when one looks at the system the Housing Corporation was set up since 1947. If you look at the figures it shows that over $13 million was lent out between 1947 and 1950. Between that period although loans were made by the Housing Authority it would never reach that figure. But one finds today, Mr. Speaker, that we are trying our best to look at the solution for the urban area and if one looks at another creation of this party we will find that the Urban Commission has looked and has demonstrated, within the space of one year, that it can do a lot for housing.

Mr. Speaker, I want to say, Sir, that within one year that Commission has built 34 new homes. They have repaired 48 homes and they have done over 95 wells. Mr. Speaker, it is important to note too that the Urban Commission has employed more than 44 contractors to do its work and throughout the urban area which encompasses the constituencies of St. Michael, some of Christ Church and some of St. James they have done a lot of repairs to roads. We have on-lent money for urban enterprises fund and we have done loans for housing.

Mr. Speaker, I am saying that the urban commission has done tremendous work in this Barbados within the urban areas to make the life of the poor more habitable. We have done so because we are a conscious government, a government who understands the need of the people and I am sure that the staff at the Urban Commission, a young staff that is trying its best, and are doing the best, we must compliment them for the job that they are doing. If you look, Mr. Speaker, at one constituency in St. Michael, the constituency of St. Michael Central, for example, you will find that in that constituency of St. Michael Central, for example, over 13 new homes were completed and 5 are in progress.

I also understand from that Commission that another 12 new houses will be erected very soon and another 24 will be repaired. That is only one example, Mr. Speaker, of what is happening in St. Michael. And across St. Michael many people are looking for loans, many people are looking for progress and as you look, Mr. Speaker, at that Commission I believe it is for the future. I believe that in another 10 years or so one will see the work that that Commission has been doing.

Mr. Speaker, I also want to look at the big lie that has been told on this administration, the big lie that was told by that Opposition on this administration. They have said, Mr. Speaker, that we have only built a few homes. Mr. Speaker, the reality is that within a space of 4 years we have built 25 terrace units at Maynards and we are in the process of building and they are almost completed, 43 terrace units at Pondside. We are building 20 at Flat Rock, 56 at Deane Town and of course we are starting within the next month or so, 12 at Bush Hall and 6 at Bonnetts.

Aside.

Mr. G. A. CLARKE: At Bush Hall, south of Howard's Supermarket where I understand that the path has been cleared. That is St. Michael Central, the area Mr. Speaker, represents.

So, Mr. Speaker, it is unfounded that the Opposition will say that we have only built a few units. At the end of this year, Mr. Speaker, more than 300 residents will occupy the 160 units and terrace units that we have planned.

Mr. Speaker, that is not all. We have also completed 145 homes at Cane Garden. We have done 32 homes across Barbados. We have done some at Bakers, at the Crane and at Passage Road. So that the National Housing Corporation, Mr. Speaker, within the space of three years have built more than 300 houses in this country. And we have also repaired a lot. We have done over 1 146 repairs to roofs in the Pine. We have done repairs in Fernihurst, in St. Stephen's Hill and we done a lot of work across Barbados that was not previously done by that administration. 9.55 a.m.

Mr. Speaker, when you look at it in total, the National Housing Corporation has done a humanly service. We have done enough work. We know that they can do more and of course you know we are now planning a new building for that institution and I would hope that as we turn to the new century that when persons are employed in good surroundings they will produce more.

We know that already the young staff at the Corporation is doing their best. Of course, one Honourable Member has already praised that institution and we know that all the loans department, the legal departments and all the departments at the Corporation understand what we are doing and they are geared up to perform it. We have a new, very good accountant at that institution who is trying her best to improve the circumstances of the Corporation and we would like to compliment her in a meaningful way.

So, Mr. Speaker, I can say that this administration has been improving and has been going forward despite the criticism. And when you look at the provisions in this year's Budget, what do you see? Already the Right Honourable Prime Minister has announced that $ 10 million will be going to the General Worker's Fund and over the next three years, $10 million each year will be going to the Housing Credit Fund and that will help. But the most important thing, Mr. Speaker, is the 100% mortgage for persons within the lower income group to the maximum mortgage of $75 000.

Mr. Speaker, if you look at that new innovation and I would like Honourable Members to follow this very carefully, because a person now requiring a mortgage for $50 000 for 35 years, and of course the majority of persons acquiring loans today, happen to be between the ages of 31 and 40. So a 35-year mortgage will be sufficient and helpful to the persons in that category.

But, Mr. Speaker, once before the person acquiring a loan of $50 000 for 30 years was paying $402.31. With the 6% that person will now pay $299.78, a savings of $102.

Mr. Speaker, if you look at the $60 000 mortgage, a person who had a 20-year mortgage before for $60 000, was paying $539.84. Today, that person will now pay under 6% $429.86 a savings of $109.98. All these are savings and if the person takes the $75 000 mortgage for 40 years, you will find that at 9% the person was paying $578.52. That person will now pay $412.66, a savings of $165.85.

Mr. Speaker, the provisions in this year's budget have helped to create and to solve the problems which existed in housing. Mr. Speaker, do you understand that a person could now obtain a house without paying a cent. This is the point. A person could now obtain a house once he has the salary. All he has to do is to go to the mortgage company, which is the Barbados Mortgage Finance, the General Workers' Fund, or the National Housing Corporation, prove that he has an income and once he qualifies, he can get the house without paying a cent. All he has to do is to pay his monthly instalments. So that you have a turn key now arrangement and that is the solution, because we have found within this Government that a number of people cannot pay the down payment.

So now, the 400 acres of land that we are acquiring across Barbados, persons will be able, Mr. Speaker, to attract the 100%. This is complete financing. The persons at Flat Rock, at Bagatelle, in St. Thomas, in Christ Church and across Barbados can get up to $75 000 - 100% mortgage without paying that initial payment, and that is important.

And I believe, Mr. Speaker, that over the next year or two we will see a complete revolution in housing in this country. We have waited and planned. Mr. Speaker, we have to understand that to develop land it does not take two months. It takes time to develop land, but we have the plan and we are going forward. Within the next five years, Mr. Speaker, this administration will be able to provide the necessary house spots for Barbadians. And I want to reinforce that we do not believe that the housing solution rests only on units. I think that is really the great divide. The other side believes that you must provide an opportunity where people must rent, rent, rent.

We believe that Barbados is a property owning democracy and we must provide the mechanism, the wherewithal where Barbadians can own their homes. This idea is what we have been planning for. It took us a long time, Mr. Speaker. We have the White Paper on Housing. We have all the research done. We have put mechanisms in place and now we can go forward.

Already we have seen a number of developments in the country. Development has started in St. John. The 60 lots at Colleton have begun and we have lots across Barbados. And therefore, Mr. Speaker, I want to say that we are on the right path.

I think the Right Honourable Prime Minister has done well in his Budget and we are going forward with our housing plan. I am very supportive of the idea that we introduce the 100% mortgage. I am very happy with this.

Mr. Speaker, I also want to say that within the constituency of St. George North, we have seen a new dynamism in terms of housing. We are going to transform the entire area of the Glebe and we are going to make sure that the people in that area are now able to purchase their land.

It took a long time. Since 1979, Mr. Speaker, the people of the Glebe have been asking to purchase their lots.

In 1994 we have put in more roads and the remaining three or four roads will be put in within the next year or so.

We have also developed the Charles Rowe Bridge, Flat Rock and we have looked at a number of roads and we have repaired them and the people of St. George are generally happy, Mr. Speaker and I am sure that they understand what we are doing for them and they have informed me that this year's Budget is one with which they are quite satisfied. I want to thank you. 10.05 a.m.

Mr. D. CARTER: Mr. Speaker, I too would like to join my colleagues on this side in congratulating the Prime Minister on the presentation of a good Budget this year. When we assumed office in 1994 I remember the first Budget that was held here and the Prime Minister made it known that his first job was to stimulate the economy. In the 1996-1997 Budget, the aim was to stimulate savings and investments. This year we have had a wider budget and a budget that the majority of people in this country are really proud of.

When we remember 1994, the state that the country was in, it is amazing today that the people of this country can smile again. In 1994, people were on their knees. Unemployment in this country was some 24% to 26%. People were losing their homes. People were losing their pride and it was a real problem. The people of this country saw the light and elected the Barbados Labour Party to assume office in this country. Today we are a proud people. Because of the hard work by the Prime Minister, his Cabinet and other members from this side we were able to work hand in hand until today we can smile to see that full employment is now down to 12%.

There is no doubt in my mind as we go into the next year that it will even reduce more. A few years ago I referred to the Prime Minister as an economic guru and he looked back at me and said not to call him that. I do not know an adequate synonym to use but what I know is that he is a man who knows what is going on in this country and he has done all the things possible to make this country a better place.

It would appear that the members of the other side are a bit worried because foreign reserves have risen to the height of $730 million and I remember well in 1994 we were at an all time low of $30 million.

All I can say is that the Prime Minister and his Cabinet and we on this side seem to be doing all the right things because things are improving day by day and will continue to improve.

Yesterday when the Leader of the Opposition made his reply as a new member of this House I was looking to hear some alternatives which would probably suit the country sometime in the future. As the Honourable Member for St. Philip said he spent nearly three hours making a political speech as if he were in St. John and then the last five minutes he attempted to bring in some alternatives. When he speaks he sounds sweet but the content of what he has to say leaves a lot to be desired.

I would just like to let the people of this country know and they know even better than me because they were calling and telling me that they have got the persons who are looking after their problems in this country. He is doing well and they say external forces are now looking at Barbados through their Prime Ministers to say how lucky we are to have a man of his stature to lead this country forward.

I am glad in this presentation that we looked at the pensioners. There is only one thing that worries me and I realise that those pensioners, the non-contributing pensioners' money was raised from $74 to $80 and those on the other side were raised from $90 to $98. Looking at the presentation I realise that the money was raised by some 8%. It would have sounded better to the average poor people of St. Patricks and Edey Village and those places if rather than stopping at $98 it had reached a Grantley, I mean $100. As I said, I am not an economic guru and I know the Prime Minister must have had a good reason why he had to stop at $98 rather than going to $100 but it sounds nicer to have a Grantley in hand rather than $98. But I will not be critical of the Prime Minister for that.

A few months ago, some 14 000 people in this country received a golden handshake when they received $350 from this administration. To my amazement the Prime Minister is now making it possible that some 20 000 ordinary people, poor people of this country, will receive that golden handshake of $500.

As I can see it, in this Budget, the Prime Minister is making sure that he is looking after all of the ordinary people of this country and certainly as Prime Minister he is making sure that people in the higher echelons of society are also looked after because we in this Party must produce policies where everybody would be reasonably happy.

I was a bit worried over the past few months that every week people come into my office asking about houses and house spots and the Honourable Member for St. Michael South East just said that he makes a journey to the National Housing Corporation every week helping people and trying to get houses. I want the people of this country to know, and certainly the people of Christ Church East Central know, that every Thursday I make a journey to* the National Housing Corporation trying to help people to get either houses or house spots.

I also met the Honourable Member for St. Michael West Central only two weeks ago trying also to help the people in that area.

Mr. Speaker, I am glad that the Government over the last few months was able to acquire some 400 acres of land in this country so that they can now start the boom for housing. The Prime Minister in his presentation said that the Government is prepared to build some 200 houses per year over the next period. My calculation tells me that if he is building 200 houses per year at least seven to ten houses will trickle into Christ Church East Central. There are a lot of young people who need homes and it is important that we do all the right things to make sure that they are accommodated.

I am also happy to see that those people who have jobs can now have a mortgage and money to the extent of $75 000 will be given to them to have their own homes. We in Barbados like to have our own homes because it is something that was handed down to us - have a piece of the soil and have your own home. I am glad that those people who are gainfully employed and who can afford that small fee of $412 per month will be able to qualify for their own home.

I hope that the relevant Ministry makes sure although you have said that you would try to build 200 per year it would be nice if you can beat the record and certainly build more than 200 per year.

Mr. Speaker, yesterday I heard the Honourable Member for St. John making sport at the Christ Church MPs. He said that there are five of us there and none are holding ministerial positions. I want to make something quite clear in this Honourable House. I went to the people of Christ Church East Central in 1994 and in a speech in Wotton I said then that I am going to beg them for the first five years and 1will earn the next five, and I will tell you what I have done in the last five years with the help of the Prime Minister, the Ministers and people on this side.

In 1994, the then Leader of the Opposition and Honourable Member for St. Thomas went to Gall Hill at the opening of my constituency office and made a bold statement on that occasion. I remember well the Honourable Member for St. Thomas saying to the ordinary folk in Gall Hill that he was aware of the fact that there are a lot of young people in the area and therefore we will provide playing facilities for the people in this area when we assume the Government of this country.

I am proud to report Mr. Speaker, that at this moment the Minister of Housing will have a document in his possession where the best football club in Barbados, the Bayer Pride of Gall Hill, will have in the very near future, and I can say in the next few weeks, a portion of land at Cane Vale where they will have a playing field. I said previously that that whole complex would be done in two phases. The first phase within the near future will bring in contractors to have the playing field brought into a good surface for playing football and in the near future we will have a pavilion and a hard court. Where now the girls have to leave Gall Hill and go to Wotton they will now leave Gall Hill and walk down the hill and go to Cane Vale. I am quite sure that this project will be completed on time and I am even sure that by January the Bayer Pride of Gall Hill will have their football field in Cane Vale.

Let me take this opportunity to thank the Headmaster of Foundation School who over the last four years has given the Bayer Pride of Gall Hill the opportunity to use the Foundation School for practice.

Aside.

Mr. D. CARTER: The Honourable Member for Christ Church West Central says over the last 10 years and, as you know, he is into football and that area and he would know better than I do. Still congratulations must go out to the Foundation School.

I refer to my stewardship over the last five years as the six-point development plan for Christ Church East Central. That is the first point. The second point is Club Randall. A few months, maybe a year ago, the Leader of the Opposition, the Honourable Member for St. John was taunting me about when that complex was going to start. Well, I can say to you, Mr. Speaker, that the complex has started.

This weekend concrete will be poured on the ground floor. I would like to thank the Prime Minister who made it possible to make the money available for this project. It took me three and one-half years fighting and begging but 1 would say that at no time the Prime Minister turned his back on inc. I would also like to thank the Minister of Rural Development and Agriculture who when the whole thing was shifted in that direction did all in his power to make sure that the Club Randall Complex became a reality.

It is said in the area that MPs came before and said that they were going to rebuild the Club Randall, that they were going to do things in Gall Hill and it never happened; but this Backbencher was able to get playing facilities for the Bayer Pride of Gall Hill and also to get the Club Randall rebuilt.

There is something special about the Club Randall. We have a dancing group in the Water Street area - square dancing, and for the past three years they had to duck from the Deighton Griffith School to the Water Street Boys School to the Water Street Girls School. They were ducking from place to place. Come January next year, the people of that area will have a floor where they can do their square

dancing. Even the members of that area who now use my constituency office to keep their meetings will have a place to do their own thing.

Now the Prime Minister and the Government of this country are pushing small business and I can report that eleven small stalls will be constructed in that area and it is the wish of the people that no two small businesses do the same thing.

I am quite sure that the enthusiasm that is being exhibited that that whole complex will serve its purpose and make Gall Hill and the surrounding area a better place to be in. I know we have had some negative things happening there recently but I am quite sure that will be alleviated soon and the people of Gall Hill and the surrounding areas would be happy for things happening in the area certainly to promote themselves in a more positive way in this country.

As I move further North I would like to inform the people of the Wotton and Water Street area, the people who attended the Water Street Boys School. I was told it was built sometime in the 19th century and it is surprising to know that that school never had a playing field attached to it. The content of that school right now is 600 students. I remember well the headmaster at the Speech Day last year making a statement to the effect that things are going well at this school but the one problem that he has was having 600 children not having a playing area. He looked at me and said, "the representative of this area is here and I hope that he can do something in the near future". I responded promptly. Within one year of saying that, I was able to deliver. If you go to the back of Water Street School now for the first time in the history of that school you would see a playing area. A little negative thing happened and I have to say that the good Lord sent the rain. Some group of people got a gentleman to write the Right Honourable Prime Minister saying that I was going to flood out Water Street but the rain fell last week and the week before. I made sure that when I was getting that playing field organised that I called in the engineers for direction and they did their thing. It rained and rained and Water Street was not flooded out as was purported by some people. I heard that one gentleman was waiting for it just to flood out to come and attack me but the good Lord allowed the rain to fall and today I can say that it was a good job done by certainly, the Sports Council and certainly the engineers did their thing. 10.25 a.m.

One year ago I returned from the games in Greece and I will never forget that day when I arrived at the airport when a red cap man said, Mr. Carter, they start the thing in Water Street. I left the airport rather than going home and drove to Water Street. Let me explain what is the thing. When we assumed office in 1994, the people of Wotton, Kingsland, Water Street and Durants wrote a letter asking for natural gas. Last year about this same time, the Rt. Honourable Prime Minister bent over backwards and made sure that he was able to help me with the finance so that the people in that area today, they are now smiling for the first time in history.

I can say that other people...

Mr. SPEAKER: Honourable Members, today we are not having those kinds of interruptions, please. I have asked Members to desist from shouting across the Floor. Please let us proceed orderly. You will have your chance to speak.

Mr. D. CARTER: Thank you, Mr. Speaker, for protecting me. I know that the Honourable Member has got an interest in that area but I am going to put the facts before the people and then I leave it to them. As I have said, there are other people who have asked for gas in their area but I would have to say that those who apply first, will get first and sometime in the near future I will make sure that other people who ask will receive such treatment.

There is no doubt that Six Roads through St. Patrick is under repair. We would like to thank the Minister for getting that done but there is a road that is close to me, the road that runs from BET through St. Davids, Cox Road and Edey Village. It was in a bad state for a long time and last year I spoke about it. I am happy that this morning when I was coming here, it is now somewhere past Edey Village, the resurfacing of the road, right away down that stretch of road going towards the Rising Sun. I would like to thank the Minister, the Honourable Member for St. Andrew for the work he has done for me in that area.

Lastly, I realised that the people in the south have got what they asked for but the people in the north of my constituency, I am talking about Edey Village, Cox Road and St. David's, for a long while they wanted to have certain facilities and they could not get them. I was negotiating with a gentleman to get a piece of land in Edey Village and at the last moment he withdrew which left me stranded. I am not prepared to get into a fight with anyone trying to acquire land against their will but quite recently the Parent-Teacher Association of St. David's Boys' School made it clear that they need similar facilities at St. David's as I have done at the Water Street Boys' School. The owners of the land that is adjacent to St. David's School is quite willing to accommodate us by selling the Government the land.

As I speak, I have just received a letter from the owner and I will hand over the document to the relevant Minister so that in the very near future we can have playing facilities for the school children in the first place. Secondly, I am aware of the fact that the boys from St. David's have got to walk to Sargeants Village to play football. I am aware of the fact that the girls from Edey Village have to go to Mapp Hill

which is about three miles away to play netball and we must use that land not only for the school children but for community life in St. David's, Cox Road and Edey Village.

Mr. Speaker, I am also aware of the fact that some people in the area may not have had the things they ask for. I stand here and I can say that every time I approached the Prime Minister for help in my area he was able to assist me. This is not a one man show; this is a Government. The Right Honourable Prime Minister is leader of this country and I am not running from this side and going no where. I am staying on this side.

Asides.

Mr. D. CARTER: Mr. Speaker, we have got problems with certain small things. I am aware of the fact that people from Sheraton need lights. People from St. Patrick needs lights and people from the southern side of Frere Pilgrim, they were asking for lights. I have made documentation to that effect to the relevant Ministry and I sincerely hope that those things will soon be put right.

I am also aware of the fact, Mr. Speaker, that Barbados in general will have to keep going forward to make this place really a better one and that the one Government and the only Government who is capable of keeping this momentum going is the Barbados Labour Party.

Mr. Speaker, when I first came here I used to hear the rumblings on both sides and I was a bit worried but after four years I am now clear in my mind who should be the Government of this country and I know the people out there know who should be the Government of this country. I am quite sure with the work that is being done in this country, the economy is booming and people are getting work and I am quite sure when the time is called for Elections the people of this country will give Mr. Arthur that position as Right Honourable Prime Minister in this country again.

I thank you.

Mr. D. St. E. KELLMAN: Mr. Speaker, I enter this Budget debate at a time when Honourable Members from that side and an Honourable Member from this side have stated that these proposals are so wonderful that sometimes, Sir, I had to go and use my calculator to find out whether poor people feel that getting 75 cents per day more is good enough for survival and whether poor people will be happy at the end of the day to hear that 75 cents is what the Government side and what the NDP have decided is good enough and that it is a good Budget.

Mr. Speaker, I have tried to find out what 75 cents a day for a pension could purchase and I cannot find any single item different to a pack ef biscuits. If anybody is going to tell me that a pack of biscuits is all that old people deserve in this country, I am telling you that we should not be in this Parliament. It is telling me that something is wrong with our heads because poor and old people who have sacrificed in this country for years to build this country to make sure that we get $225 million more in VAT can only get back 75 cents per day as a pension. I am saying that this is shameful and that it is disgraceful to hear Members on that side, and I must admit, Sir, not all were clapping and thumping the desk when the Right Honourable Prime Minister said he was going to increase pension by $2.25 per week. I could not believe it that I would hear anybody on that side after raking in $225 million more cheering for 75 cents a day for poor people.

I thought that the champions for poor people on that side would have gotten up and said that it was a disgrace but I still wait to hear from them, Sir. 10.35 a.m.

Before I get into the meat of my debate, Sir, I need to do some parochial matters as any good politician would do, Sir. I am calling on the Minister of Housing to understand that the people at Harmony in St. Lucy, Rock Field in St. Lucy, Pickerings in St. Lucy, Half Acre in St. Lucy and Rock Hall in St. Lucy where there are people still living on plantation tenantries that they are people too and they have a right to own their land.

The owners of the plantation have given permission for the lots to be given to the people but the Ministry of Housing has failed to do its job and I am saying it is time that they do what they were paid to do and make sure that those people get their lots. The people at Half Acre and Pickerings have gone ahead and done what they should have done, also those at Harmony, Rock Field and Rock Hall.

I am saying, Sir, that there is another problem that we must protect those people from and that is, Sir, when you work on a plantation and you have an entitlement to the land and you pass away, and you know many people have been passing away since VAT has been introduced, Sir, that those people cannot then transfer that right to their children. I am saying that we need to have an amendment on the Floor of this House to protect the children of the people who work in the field to have the clear entitlement to own that land.

I am saying, Sir, that this is a serious matter and it must be addressed, not yesterday or any time but as soon as possible, Sir, because those people grandchildren and great grandchildren have a right to a claim to that said land.

I am also saying, Sir, that the farmers on the Spring Hall Land Lease, and it is regrettable to report this, Sir, there are only about 3 farmers who had over 25 acres of Spring Hall Land Lease that are surviving well. I would say this, Sir,

I am not going to blame the Minister of Agriculture for this although, Sir, later on he will have to take some of the blame. Every time, Sir, there is a shortage of vegetables in this country and those farmers stand to gain from the shortage, Sir, some Minister somewhere else who does not have a right to constituents goes and issues import licences. I am saying, Sir, that the Barbados Labour Party must bring proposals, Sir, in this Budget to make sure that those fanners who are suffering, who cannot even repair their homes on these plantations must be given entitlement to get back on their feet and do the right thing.

I said, Sir, I will not blame the Minister but if he, the Honourable Member for St. James North continues to sit in his seat and allow people to blame him wrongfully and he does not speak out, Sir, then I would have to criticise him too because he understands the problems the farmers are suffering in St. Lucy.

I will tell you why I believe he understands, Sir. We meet on a regular basis in St. Lucy, not that we have meetings, Sir. Every time I am in St. Lucy, and as he knows, I am in St. Lucy every day from the hours of 8.00 o'clock in the morning until 11.00 at night, I happen to see him nearly every day so he understands the problems of the people of the land lease project. So, Sir, I am saying that seeing he understands and he concurs with their problems then he needs to get up and tell the Government that the policy of the Ministry of Trade is wrong and it is destroying his Ministry.

You cannot blame the Minister of Agriculture, Sir, for trying hard to help those farmers at the Land Lease and every time he brings proposals for them and they get in a position to make money somebody imports vegetables in this country and then they cannot make money. But whenever there is a surplus you do not get Government stepping in and compensating farmers for the vegetables they have to dump. I am saying it is wrong and the same way they protect the hotel industry whenever there is a slow down in occupancy that the farmers in Barbados deserve that same right and I will continue to fight for them as long as I am in this Chamber, Sir.

I am saying it is disgraceful to see that a Budget, Sir, that had almost $225 million more in VAT, that this Budget did not address the poor farmers of the land lease and throughout Barbados. It is disgraceful and I will tell you another reason why, Sir.

We know that within a year from now that these same farmers will be called upon to compete with the world market and we are doing nothing to make sure that we put them in a position to fight their competition. What we are saying, Sir, to the farmers of the land lease is, we want you to die because we want that land for tourism. It seems to me, Sir, that you could come to Barbados no matter who you are and develop a tourism project and get all the compensation you want but a poor black man or a poor white man working in Barbados cannot get that same consideration. I am saying it is disgraceful. No Government that boasts over $225 million surplus in VAT should allow something like this to happen.

Another issue, Sir. Yesterday we heard a lot of talk in this Assembly that we cannot do anything for anybody working for over $13 000. Mr. Speaker, I am disgraced and embarrassed to hear a Government that is loaded with advisers telling me that a man who works for $13 499 cannot get part of this $500 because they do not have a formula. Mr. Speaker, I am putting it to this House that it is a very simple matter, Sir. But then, Sir, as you would expect, for that formula to be found it had to be landed on my shoulder and I would not deprive the House of the privilege of not knowing. I will give them the rather simple formula because from the time I heard the Honourable Member for St. Michael South Central saying that they could not help it I said, no it is a simple matter.

Mr. Speaker, the $ 13 000 is the base. The $500 must be added to the $13 500 which would make the maximum amount any worker could earn in a particular year. All you have to do, Sir, is to subtract the salary the person is getting. If he is getting $13001, subtract that salary from the $13 500, that means the entitlement to that person is $499. And I could give you many examples. A person working for $13 100 per year, he would then deduct that $13 100 from the $13 500 and he would get $400 which puts him back in the entitlement position as the same person working for the $13 000. There is nothing difficult about that. But I cannot understand why, Sir, every year I have to come to this House and point out simple matters, especially matters that affect the poor, to this Government. They find it so difficult to comprehend even though they have so many advisers, it makes me wonder if this is why we find ourselves scared of going into an economic recession.

I also have another problem, Sir. In this House we heard a lot, Sir, about not borrowing money and how we are about to face an economic recession, Sir, and we believe, Sir, that all of a sudden we should shut up shop and we should do nothing about it and wait for it to come. I do not agree with that. I would never agree with any Government who would have a policy like that. My suggestion is this, Sir, it makes no sense any Government bragging they have not borrowed money and I am going to tell you something, Sir. The best time ever to borrow money as a Government will be when the interest rates are low. 10.45 a.m.

So any Prime Minister who can get in this House and brag that he did not have to borrow money is making a

serious error in this country and he needs to recheck his advisors. For the simple reason, Sir, history will tell us that we will have to borrow money sometime. And when we go to the market the interest rates will be high and one of our major problems of getting loans when the market is volatile is that the interest rates are high and the terms are ridiculous.

So the best time to borrow money to look after the interest of the poor in this country is now. And I do not excuse any Government for having the opportunity to borrow money, refuses to borrow money and then go and borrow money at high interest rates. I will not sit in this Parliament and allow any Government to do that, because if the right time to borrow money is now, we have to do it.

It makes no sense bragging that you did not borrow any money. It is better to borrow it and put it aside and build up the reserve for when you need to use it, than to wait until you want it, then to go and borrow it at high interest rates.

This Member, the Member for St. Lucy will not support that policy. He will support policies that are enlightening to the masses of this country.

Mr. Speaker, Sir, we heard a lot of how unemployment has dropped in this country and I am going to tell you how unemployment has dropped in this country. That side is bragging and behaving as if they have done wonderful things but it is a farce. Let me tell you why and these figures are not my figures, Sir. These figures are the figures used by that side, the Barbados Labour Party.

The Samuel Jackman Prescod Polytechnic, Sir, had an enrolment of 1 400 people. They have increased the enrolment to 2 400 people, an increase of 1 000. In other words, Sir, by using the Samuel Jackman Prescod Polytechnic, they have been able to remove 1 000 people from being unemployed to studying, so the unemployment rate reduced by 1 000.

The UWI had 2 800 people, Sir, they have increased it to 3 400, 600 people more.

The Barbados Community College had an enrolment of 2 200. They have increased it to 2 900, another 700. In three institutions alone, Sir, the Minister of Education has been able to help the Right Honourable Prime Minister to reduce the unemployment figure by 2 300 people. Nothing to do with the other training institutes. So they have used training and this is a charge I am making to his House today that the Barbados Labour Party has used training to reduce the unemployment rate and I want them to deny that. They are giving the impression that the Government has provided working positions for these people. It is wrong and it is misleading people and it is giving them double hope, Sir, and that can only create problems.

Mr. Speaker, Sir, I go back to the $500 and all of them tapped their desks when this proposal was brought, forgetting, Sir, that there is a group out there on the block and around Barbados in homes who have to pay VAT and they have not gained one single thing from this proposal.

The unemployed, Sir, who cannot find work did not receive one single cent and that is why I cannot understand how the Honourable Member for St. Michael South Central could support a Budget like this. For the simple reason, I thought that any Opposition party would have an interest in unemployed people, but this Government and the NDP seem not to care about them, Sir.

What we found instead, Sir, that the unemployed on the streets who have to pay VAT and I was told that this $500 had to act as a tax credit for those people who have to pay VAT and to cushion the VAT. So if that is the case one would have thought that instead of giving out hand outs — and as one Member would say, "once they land the right time, Sir, they are sure to bring votes" - one would have thought that what would have happened instead, Sir, that you would have gotten a situation where the VAT rate would have been reduced, so that the total country could have gained a benefit. But instead of the total country getting a benefit what you have done is to deprive the man who is working right now from getting a wage increase. And I am going to bet you, Sir, that employers in this country are going to tell employees,

> "We have no increases for you, because the Government has already given you one."

Whereas, if they had reduced the VAT the unions in this country would have been in a better position, Sir, to negotiate for the workers.

But what do we get, Sir? We get the unions being deprived of a right to negotiate on behalf of those people by a Government coming and giving handouts. Whereas, if they had reduced the VAT, Sir, it would have helped the old people, the unemployed and the same workers.

Do you know, Sir, that the VAT- $225 million divided by the total population of Barbados raked in, I am not talking about the total amount it raked in, I am talking about the surplus - was $849.60 that the poor people of Barbados were over-taxed. Even the little children that could not work who are still in their mother's arms, Sir, were over-taxed by $849.60 in VAT and if you doubt me, Sir, I will produce the statistics to prove it. VAT brought in $225 million more, with a population of 265 000 people, would give you over $849.60.

So I want to know, Sir, how come every single person in Barbados on average over-paid $849.60 and the Government could not give them back at least more than that by reducing the VAT rate.

In housing, Sir, we had the disgraceful situation where a Minister of Government could get up and brag that they on average built six houses per year and then tried to say that they did better than the Democratic Labour Party because the Democratic Labour Party did 6.5 per year plus Husbands, not realising that the 6.5, Sir, is more than the six. I cannot understand how people would want to be Ministers in this country and bring figures like that before sensible people. It is regrettable and this shows sometimes why we do not have a good housing policy in this country.

But I am saying that the Democratic Labour Party would have to make sure those people who work in agriculture and who lease land in the agricultural industry be given the necessary concessions to make sure that they come back to profitability. Just as the same way the people in the tourism industry have a right to profitability the ones in the agriculture industry will have it.

Those people who live in housing units can be assured that the Democratic Labour Party will write off the rent arrears the same way the large businesses got their rent arrears wiped off. So that the small people in the housing units will get that.

On top of that, Sir, on many occasions the workers at NHC do not have material to work with. And any enlightened Government would have to make sure that when the NHC workers do not have material to work with that there is a list of poor people who want their houses constructed and those workers, instead of sitting down at NHC would have to go out in the community and build the houses for poor people or help assist.

It does not make sense, Mr. Speaker, to have labour and misuse labour when the taxpayers are the ones paying that same labour. I am saying that an enlightened Government like the Democratic Labour Party would have to put in place a flexible arrangement at NHC so that those workers can go and help poor people build homes.

We talk a lot and the Honourable Member for St. George North said that the Democratic Labour Party is a Government of terrace units. That is the most disgraceful statement I have ever heard in my whole life. History will show you that it is the Barbados Labour Party that is a Government of terrace units and that the Democratic Labour Party is a party of enlightening poor people by encouraging them to own their own lots and houses.

I have never heard such nonsense in my whole life that the Democratic Labour Party is a party for empowering people and that is why you get Members telling you that there are no units in their constituency and they are proud of it. And I am saying, Sir, that the Democratic Labour Party will have to come up with a policy where they provide cheap land to poor people because the problem in this country is not the house, it is the land.

And, once we put the land in the hands of the poor people, they will get their friends to help them build the houses. But the Barbados Labour Party would never understand that. They do not understand about the Sunday house building where friends come together and build houses for each other. Then those who cannot provide the labour, provide the blocks and the wood. This is the Community Development Housing Programme that the Democratic Labour Party will have to get back and continue to encourage.

It has always been our policy, Sir, to bring communities closer and allow neighbours to help each other. But this Government talks about a $75 000 house. But do you know something, Sir, that $75 000 when I heard it struck my ears so hard. I could not believe the Right Honourable Prime Minister of this country would have come here and talked about a $75 000 house and I will tell you why.

Every proposal from Eastern Land Development for the cost of a house in this country is $75 000. It is strange that the $75 000 given to the Right Honourable Prime Minister could be the same amount budgeted and estimated by Eastern Land Development.

It is rather strange. How could the Right Honourable Prime Minister get those figures? To go and sell houses and land for Eastern Land Development! I am saying, Sir, something is wrong. He cannot have a housing policy for the poor that caters to Eastern Land Development. It must cater to the poor people in this country.

Eastern Land Development is for profit, Sir. But anybody who said that the housing programme of the Barbados Labour Party is right has fooled themselves and have been depriving poor people of the right to own a house. Who for a poor man could get $75 000 to build a board house and land? 10.55 a.m.

Whenever you turn up the land is high in price and the house is cheap. We say to the poor people in this country, hold on for a little while. What we will do is the Ministry of Public Works has a right to build roads in this country and put in amenities and I am always drawing the example that the same way that the Ministry of Public Works can go into the City and build a road between houses I feel that they can build a road between land because you are providing the same infrastructure for people, once you are putting in poor people. I am saying that MTW's role is to build roads and we in the Democratic Labour Party will have to get the land and put roads in and sell the people the land. As I said before, Sir, their biggest problem is ownership of land.

From Oistins down to the Naval Base is now totally owned by expatriates. They have now moved inland and they have proposals for land inland. It means that foreigners have been allowed to buy up every single piece of land in this country and have a right to use largesse to own land and before we move quickly as a Government and put the land in the hands of the poor people what we are doing is depriving those poor people of their land through an Acquisition Act.

Do you realise, Sir, that the majority of the land that has been taken in the Land Acquisition Act has been land owned by poor people? This Government has been whipping poor people with the Land Acquisition Act and I am saying it is disgraceful and it is not in the interest of poor people. We talk a lot about industry and what we are going to do for industry but there are many industries in Barbados which cannot survive. There was a good idea by a gentleman who had a project by BIDC and they have sent him out of his property and now I understand a large company in Bridgetown is bidding to get those shops that he and his company owns. What a disgraceful act we are finding where poor people are being bulldozed and rich people are taking over their rights.

There is a small chicken processor in the North of Barbados, a very good business. This gentleman did everything in his power to make sure that he can export chicken, something that the other processors do not want to do, and now there are people within the Ministry, and I must speak to the Minister of Agriculture about this, because I do not think that he is aware of it as yet so I blame him not. But if I ever find out he is aware I will have to blame him.

This gentleman went ahead doing everything in his power to make sure that he is in a position to export chicken and somebody is going to write a supermarket and tell the supermarket not to buy his chickens because he cannot export. He is selling locally. What nonsense am I hearing? Somebody is saying that he cannot export so do not buy local chicken when the label only had to do with export of chicken.

Mr. Speaker, we also have a situation where a large contractor has told the Government to cut back on projects and I was surprised to hear the Prime Minister agree that he is going to cut back on projects. Do you know what that means, Sir? Small construction firms like some we. have in St. Lucy will be the first ones to be affected. Let me tell you why. The private sector will continue to give their friends the work and those small contractors and builders will then have to fight to get a piece of the cake and they are the ones who will have to go under and those people would have spent millions of dollars buying equipment. We need to protect those people.

So I say to the people of St. Lucy, ignore that foolishness about pensions. It cannot even buy a can of sardines. Ignore the $500 because you would have been better off if you had a rebate on VAT. No election gimmick is for you. You are too educated to be caught by a can of sardines and a $ 1.60 sweet bread that was given by the Prime Minister. Sir, the $500 divided by 365 is a $1.37. It cannot even buy the $1.60 sweet bread per day. That is what those people have been given back when they have been overpaying $849 per person which is $2.32. What they are getting back is not more than they have overpaid.

Even a child in its mother's arms has been paying $849 more in VAT and this Government talks about being a fair Government. So I say to those people in St. Lucy that I recognise that even though we are part of rural development that when I look through the document whether you are in Salmond, Fustic, Rockfield, Checker Hall, Trents, that nowhere in this rural department document I have seen any mention of St. Lucy.

It is true, Sir, even if that is correct that we have been able to get some lights, and I have been pressing to get them and I know there are still many lights outstanding but, I am saying that for any Government to have a rural division and no mention of St. Lucy could be in this report something is wrong.

Last, but not least, Sir, we are demanding that we get back St. Joseph Hospital and we want to take Almond Beach, that car park that they blocked that belongs to the public, we want it back or we will have to do something

about it I want to remind Port Charles that we have an agreement with them that the beach will not be private. I had a meeting with them and they agreed and I expect them to live up to that expectation.

Thank you very much.

Mr. J. M. EDGHILL: Mr. Speaker, first of all, I would like to support the Budget which was presented to this Chamber just two days ago by the Right Honourable Prime Minister. I would also like to commend the Right Honourable Prime Minister for presenting a Budget which did not inflict any hardship on the poor but rather gave the poor concessions as well as the middle class.

The Barbados economy has grown in the last year by about 3% taking into consideration the fact that the Government has had to pay out wage increases to the public servants to the tune of 6.25%. Also the economy has grown over the past year mainly as a result of the main sectors of the economy performing reasonably well. For example, we have had tourism which is the mainstay of our economy performing creditably during that time. We have also had an improvement in the manufacturing sector and we have had an improvement in almost all of the major sectors of the economy and this has gone into this year 1998 where up to June this year we have had an increase of 15% in the construction industry. We have had approximately 9.9% in the tourism industry and we are looking forward to having as many as a half million long-stay visitors arriving in Barbados by the end of this year.

At this stage, I would like to commend the Deputy Prime Minister for the initiative taken in getting the right type of staff at the offices of the BTA. Using that type of initiative we have been seeing over the past two years a steady increase in tourists although in some instances there have been a decline in certain economic markets, namely West Germany.

Aside.

Mr. J. M. EDGHILL: ...that is only a matter of time before the German economy improves.

We have also had an increase in manufacturing. As a matter of fact, we have had a 6.2% growth in manufacturing and the only area in which we have not had any real growth is that of agriculture and I think this can be attributed to a great extent to the El Nino phenomenon. We have also had a slight improvement in the offshore business sector. Although there has not been as big an increase as in previous years.

As a result of the astute management of the economy, led by the Right Honourable Prime Minister, the Government, has been able to lend to the poor people of Barbados. First and foremost there has been a decline in unemployment over the last year as well as during the course of the last four years. Employment has declined from about 27% in the last four years to 12.1% at the end of June 1998.

As a result of the decline in unemployment many people are now beginning to enjoy the benefits of putting the Barbados Labour Party in office in 1994. We have also been able to give to 20 000 people who are earning less than $13 000 a year a tax credit of $500. According to some of my constituents over the past two days many of them have been pleased to know that annually they will be getting this tax credit of $500. As a matter of fact I estimate that there could be about 700 to 750 poor people in my constituency who would benefit from this tax relief.

It is also heartening to see that there was also an increase in old age pensions. This is the second increase in the past four years and it is different to what happened in the eight years prior to that. I would say I am very grateful that the Prime Minister has decided to do something like this for the old people. Like my fellow member from Christ Church East Central, I would have liked to see a slightly bigger increase but I get the impression that the Prime Minister realises that one also has to watch what is happening in the economy and not because an election year is imminent. It does not necessarily mean that one should give away freely for the sake of giving away and also with the possibility of endangering the economy of Barbados.

As a result of the improved economy we have been able to get money so that roads could be fixed in various parts of Barbados, so that lights could be installed in many rural areas of Barbados. I represent a rural constituency and I am happy to see that provisions are, being made for rural constituencies such as Christ Church West Central to benefit from the improved economy.

I must say that I was impressed with the maturity of the Prime Minister in that he did not simply give away everything that we had achieved over the past few years. What impressed me the most was the fact that he had reduced the money spent on capital projects by $45 million. The Prime Minister had allocated $325 million to be spent on capital projects and has decided to keep it at $280 million, and I can understand the reason for so doing.

First of all, we must remember that in this day of globalisation this whole world is becoming more or less a global village and any decline in any of the major economies would have a serious negative impact on the economy of the developing world of which Barbados is part.

As a matter of fact, I remember very well when the Prime Minister was making his presentation he alluded to the

African proverb which stated that when elephants fight the grass suffers. Similarly, when developed economies sneeze, the developing countries' economy catch the flu. This is basically what that analogy adds up to.

We must be cognisant of the fact that there are economic problems facing South East Asia which will impinge negatively on the economy of this part of the world. We must also be cognisant of the fact that the Russian economy has collapsed and I am quite sure that as a result of the collapse of the Russian economy many of the western countries will try desperately to prop up the economy of Russia because Russia means so much to them not only as a trading partner but also because Russia has great nuclear arsenals. It is very possible for the world lending institutions funds to be dried up in the not too distant future to support the economy of Russia, the economy of South East Asia and so on which is liable to make it very difficult for Barbados to access loans in the leading world lending organisations. 11.15a.m.

Coming back to home and this part of the region, just a few hundred miles to the south of Barbados we see that the bolivar in Venezuela is under pressure. We can also see that the Canadian dollar is under pressure as well as the Mexican peso which is also under severe pressure. Something which we have to recognise is that Mexico and Canada alone, those two countries account for about 33% of United States trade and if these countries had to go into serious economic decline we in Barbados would suffer when one realises that our money is tied to the United States dollar.

Therefore, we have to be very careful as to how the economy of Barbados is controlled over the next few years. It is true to say that the economic situation looks very rosy but it has to be protected at all cost. Something which I would like to talk on for a few minutes is that of inadequate housing which I think is the biggest social problem in Barbados. It is true to say that the National Housing Corporation or this Government has been responsible for the erection of approximately 350 houses in the last four years but taking into consideration the chronic or the serious crisis which housing faces or low income people for that matter face, I think that it is very important for us to think in terms of erecting or building more units than were proposed in the Budget presented by the Right Honourable Prime Minister.

I know that when we came into < d,:e there was not sufficient land around for residential bousing purposes and during the last four years the Government has been able to acquire something like four acres of land v/hich will go into residential housing as well as services and sites. In his presentation, the Right Honourable Prime Minister stated that National Housing Corporation will be erecting about 200 houses for persons during the course of the next financial year and make available approximately 600 house spots to the poor people of Barbados. I personally, although I can understand and support the improvement of the housing stock in Barbados, I feel that some more money should be made available so that more rental units for the very poor people of Barbados will be provided. I come across many people week after week who are in dire need of low income rental units. I come across many people week after week who are in dire need of house spots not only to buy but also to rent. I think it is imperative that this Government realises the serious crisis facing housing in this country and do all in its power to make available to the many poor people of Barbados rental housing units and more spots.

My feeling is. that we should be thinking in terms of 1600 services and sites as well as houses for these poor people so that this problem can be addressed in as short a time as possible. I would also like to see a continuation of the house owning democracy which I talked about last Budget in which people who have been living in the Government rental units for 20 and 25 years would have a chance to buy these units and my calculation is that these units should cost about $5 000 to $8 000 to these persons, taking into account the amount of rent they have paid over the past 20 or 25 years.

I would also like to see the arrears being wiped off so that these poor people would be able to breathe a lot easier in the Government units so that they can start back with a clean slate. I am sure that these people would really feel happy for something like that to occur. Something that struck me last night when I was listening to the Honourable Member for St. John speaking is that I was somewhat surprised the Honourable Member talked about wiping off the arrears for these poor people when he had a chance to do so some years ago. To some extent, it amazed me to see how the Honourable Member for St. John could have the gall to come and say something like that when in actual fact he was the Minister of Finance when the Democratic Labour Party was in office some years ago.

Secondly...

Mr. SPEAKER: Honourable Member, just a moment. The Honourable Member for St. Michael East, I am warning you, do not interrupt this House, please.

Mr. J. M. EDGHILL: Secondly, I cannot understand how that Member could talk about such when it was the Barbados Labour Party who took this country out of the economic doldrums and who put Barbados' economy in such a position that we could think about forgetting the rents owed by those poor people in the tenantry units, people from Silver Hill, Gall Hill and places like the Pine.

I also was somewhat surprised when this statement could have been made when they made it very difficult for

that to be done by plunging Barbados into an economic crisis.
11.25a.m.

Regardless of what anyone says, nothing could be done in a positive way until the economy of Barbados improves whereby these sorts of concessions are allowed to be given to the poor and the middle class people as well.

I would like to get a bit more parochial by talking about the constituency of Christ Church West Central which I am privileged to represent and in which I think quite a few things have happened in the past year or year and a half.

Mr. SPEAKER: The Honourable Member has two more minutes.

Mr. J. M. EDGHILL: I am happy to say that some roads which were promised to the people in Silver Hill as long as 20 years ago have now been started on. As a matter of fact I have approximately 4 roads being built in my constituency right now. My only difficulty is with the contractor. I find most of these contractors are so inefficient that they take too long to build roads. I personally think that the roads which were started in my constituency as long as 9 and 10 months ago should have been completed by now.

I would also like to say that many lights, through the Rural Commission, have been installed in various parts of my constituency. The area in which quite a few lights were installed is the area of Vauxhall, a relatively new residential district just behind the school. Persons in that district were having many crime related problems over the past 2 or 3 years. So I am very happy to see that lights have been installed in that area as well as in other parts of Vauxhall and in Sargeants Village. It is only a matter of time before lights will be installed in the back of Silver Hill which definitely could do with better lighting.

I am also happy to see that the Pride of Gall Hill will be getting a playing field. This is something that they had to get. As far as I am concerned it was the duty of Government to give Gall Hill a playing field because a very small playing field was taken up some years ago and I am happy to say that with the help of my fellow Member of Parliament for Christ Church East Central we were able to get something done for the people of Gall Hill.

I would also like to say that provision has also been made for a mini stadium to be built at Maxwell. Maxwell Club I must say is a very organised club, one of the better organised clubs in Christ Church and Barbados and I think the administration of that club will be able to handle this situation when this facility is improved to become a mini stadium.

I would also like to say that it is only a matter of time before natural gas is installed in my constituency starting from Montrose and coming right down through Silver Hill and going to the other areas below. I am not a selfish man and although Gall Hill is not part of my constituency I have already told the people at National Petroleum Corporation that Gall Hill should also be included in that part of the project.

Mr. SPEAKER: Could the Honourable Member conclude, please?

Mr. J. M. EDGHILL: All in all I would like to say, Mr. Speaker, that this has been a very important Budget. It has impacted positively on the poor people of Barbados. One also has to look at the turmoil in the global economies and although there is a lot which was done in this Budget I am quite aware of the fact that the Prime Minister was slightly restrictive in some areas as I said because one has to look at the turmoil facing global economies.

Mr. SPEAKER: Your time has expired.

Mr. J. M. EDGHILL: Once more I would like to support the Budget which was presented just two days ago by the Right Honourable Prime Minister.

Mr. W. C. C. CALLENDER: Mr. Speaker, I am happy to be speaking in this debate. As we approach the new millennium I however am concerned that I am not hearing a number of key problems, fundamental problems in this country being addressed.

Sir, I remember a statement made by Nelson Mandela when he spoke to South African business executives on May 23, 1990 and he told them this, Sir. He said: If we are genuinely interested in ending the old social order and bringing in a new one characterised by notions of justice and equity it is quite obvious that the economic foreign relations represented by the reality of excessive concentration of power in a few hands has to change.

Sir, as I reflect on Barbados today it seems as if Nelson Mandela was speaking in Barbados. Sir, when I think of Marcus Garvey and he spoke of poverty I see the same signs in Barbados today, Sir. Marcus Garvey, Sir, many, many years ago on poverty said, 'To be poor is to be hungry without possible hope of food. To be sick without hope of medicine, to be tired and sleepy without a place to lay one's head, to be naked without a hope of clothing, to be despised and comfortless".

Sir, when we go around the city of Bridgetown, Sir, the Honourable Member for the City herself has said that there are many people who are in that condition and it is about time that we address the problems associated with economic power and the enfranchisement of the vast majority, Sir. It is

about time, Sir, that we look realistically at how we are going to do what we are going to do about the very poor, the homeless and the dispossessed. In this Budget, Sir, I have not heard anything about that.

Sir, we live in an age in which monuments, green papers, white papers, symbols, facades and so forth are the order of the day, where perceptions and impressions are what matter but the fundamental reality of this country seems to be eluding those who have the power to change and as we move forward into the 21st century I expect that a son of a poor man or woman should be addressed in these fundamental problems which affect people. It is not simply about giving a man or a woman a few dollars today, it is addressing the fundamental problems that this country has. But, Sir, also quoting from Marcus Garvey he said,

> "Government is not infallible. Government is only an executive control, a centralised authority for the purpose of expressing the will of the people."

And I would expect, Sir, that as we approach the new millennium, Government would be expressing the will of the broad masses of Barbadians. But instead, what we are hearing and what we are seeing is a lot of back patting. I heard the Right Honourable Prime Minister refer to himself as an economist and about his great training. I heard another Honourable Member refer to the great leadership of the Right Honourable Prime Minister. A lot of patting of themselves on the back, while people remain poor and hopeless in this country. 11.35a.m.

Sir, I therefore want to address these problems today and I want to start first with what the Right Honourable Prime Minister said about his economic training. He said,

> "Many years ago, this country made an investment in my training as a professional economist. I have been grateful for this marvellous opportunity to express that investment in service at this level."

He said in concluding,

> "I stand ready now to carry it into execution as my training and experience showed me the way and as God grants me the light and wisdom to see that way."

Sir, clearly the Right Honourable Prime Minister is saying that his training is critical in this exercise and I will come to that. But, I agree with the Right Honourable Prime Minister when he said,

> "The credit of this goes to the many eager and enthusiastic public servants. Those are the persons who should be thanked."

And I agree with him on that.

But above all, he goes on to say

> "It belongs to the ordinary man and woman who has never lost faith in Barbados and have done everything in their power to ensure that our nation succeeds."

So any honour, Sir, belongs to the people of Barbados who, through thick and thin have allowed this country to grow as it has done and who have been able to make sacrifices in the interest of the development of this country.

So this back patting and self adulation is totally out of place and irrelevant. The honour belongs to the people of this great country, Sir. And I wish to salute every man, woman, boy and girl in this country for the sacrifices that we have been able to bear and for the great service we have been able to pay to this great country.

Sir, the Right Honourable Prime Minister also said that we, meaning the Government, have proven that without external direction of our economic affairs, a society whose resources are as fragile as those of Barbados can be lifted out of the doldrums of economic recession.

Sir, I now wish to draw to the attention of the House that any reading of documents of the International Monetary Fund will show that what the Right Honourable Prime Minister did was recommended in the documents of the International Monetary Fund. I will therefore beg the indulgence of the House to quote extensively from two books written by Mr. Alan A. Tait of the International Monetary Fund. One of the books is called "The Value Added Tax: International Practice and Problems." International Monetary Fund is written on the cover of the book.

There is also another book, Sir, it is an occasional paper No. 88, called "The Value Added Tax: Administrative and Policy Issues," edited by Mr. Alan A. Tait, International Monetary Fund, Washington, B.C. October 1991. I will quote extensively from readings of those book: and I am quoting first on the treatment of food.

If you were to read that book, Sir, on page 11, it says on the treatment of food,

> "If essential food is to be exempted, then the way to make the best of a bad job is to create a limited list of products."

That was done last year, Sir, although no recommendation is perfect, probably one of the best is to exempt the only unprocessed food and to define that in as restrictive a way as possible to make tax free those foods consumed by the poorest households. This is an International Monetary Fund document, Sir.

Mr. SPEAKER: The Honourable Member, please, the Chair does not understand your logic. You stated that you are quoting from books. You just read from a document which you referred to as an International Monetary Fund document.

If that is so, will you make it a document of the House? The Chair clearly does not understand your logic. Are you saying that this document you just quoted from is from the book? Or is this from the International Monetary Fund document?

Mr. W. C. C. CALLENDER: I am saying, Sir, that the books were written by Mr. Alan Tait of the International Monetary Fund, I have read them, I have made notes from those books and I have them in front of me and I am reading from these papers.

Mr. SPEAKER: Sir, are your quotations from the book?

Mr. W. C. C. CALLENDER: Yes.

Mr. SPEAKER: Now, if the quotations are from the book, you cannot therefore say to this House that it is an International Monetary Fund document. That is something different all together.

Mr. W. C. C. CALLENDER: I cannot understand that, Sir.

Mr. SPEAKER: When you were finished just now, you stated that that was from an International Monetary Fund document. Those were your words. So I believe that your quotation is from Mr. Alan Tait's book.

Mr. W. C. C. CALLENDER: Mr. Speaker, Sir, those books that I have read are books that I have borrowed. I am always borrowing books and reading them, Sir. I therefore cannot give the books to the House. They are not mine.

The second book I read was from October 1991 and I am saying, Sir, that I am making my statements based on what I have read in those books.

Mr. SPEAKER: That is good. Nothing is wrong with that. The Honourable Member, what I am saying to you that you therefore cannot say to this House, as you said just now that you have quoted from an International Monetary Fund document.

Mr. W. C. C. CALLENDER: I am not quoting, Sir. I have read the books and these are my notes from the books.

Mr. SPEAKER: But it is not an International Monetary Fund document.

Mr. W. C. C. CALLENDER: Mr. Speaker, they are not documents. I am talking about books. 11.45a.m.

Sir, on helping the poor, the view of Mr. Alan Tait of the IMF is that expenditure to help the poor creates safety nets for those who might be hurt by a broad based VAT. The question of VAT regressivity and inequity is not simple. Instead of trying to amend and distort the VAT, extend its use to generate revenue! VAT will enable the Government to help the poor in many affected ways. That is why we have poverty alleviation programmes.

Sir, it is quite straightforward. That is why we have poverty alleviation programmes. The VAT is a tax which takes more of a percentage of income from the poor than it does from the rich. Traditional economics posited that the income tax was proportional and therefore helped to redistribute wealth but in modern days we are seeing it go to the consumption side as a tax based on consumption and as such therefore it becomes regressive and takes more from the poor. So that to compensate the poor you now have to put poverty alleviation programmes in place and you also have to compensate the poor who have to pay VAT on their light bills, VAT on their telephone bills. On the telephone bill, VAT is $15.93. On this light bill, the VAT is $8.83 and if you have MCTV you have to pay the VAT of $6.52. That is nearly about $30 which you did not have to pay before.

If this Government gives you back $42 a month it is doing you no favour. That is only three items, Sir. And you have had to give up as a poor person $30 of your income. They are not giving you anything. They are compensating you for what you have lost by the introduction of VAT. That is plain and simple and this is what the IMF book says and that is what it is. Government is doing nobody a favour. I have to make that clear. It is giving back what it has taken.

I also want to make the point, Sir, that in this matter of housing the poorest people in their search for housing have been affected by VAT. Brazil has sought to help the people in housing when they put VAT in place. What the IMF's Mr. Tait has recommended is that if you are dealing with housing, housing should be taxed. It is clear under VAT and Government should put VAT even if it means only transferring income to another pocket. He goes on to say that if the Government wishes to subsidise housing it can do so by a direct subsidy debated and voted through the Budget on an annual basis. This is what Mr. Tait says so this idea of giving low interest rates and helping housing is what

Mr. Tait of the IMF said in his book. So it does not matter whether the Government is for or against it. It is something that had to be done. It is being done and that is it. They are doing what had to be done. Once they introduced VAT there were certain things that had to be done.

Sir, I also need to make the point in dealing with this issue. The Prime Minister has not said a word about culture. The Minister of Education and Culture has not said a word about culture but that does not surprise me because the same Mr. Tait in his book says... Listen to me very carefully, Sir.

"I reach for my gun when I hear the word culture."

This is a slogan for a VAT administrator! Do you know what it means if he sees culture anywhere? He is going to knock it down. So it does not surprise me that we have so much confusion with culture. Mr. Tait goes on to say because he understands that in some countries culture is relevant and he says if you want to deal with culture what you have to do is to come into Parliament and decide which aspects of culture you will give subsidies to.

This is something we have to determine. What aspects of culture are we going to give subsidies to. How are we going to assist Cropover? How are we going to assist the calypsonians, the artists and so forth? The Minister of Education and Culture has not addressed it. The Prime Minister has not addressed it, because Mr. Tait says in his book, "I reach for my gun when I hear the word "culture".

Sir, EduTech. A major project that this Government is dealing with but what struck me as very significant was that the Prime Minister said that this is the greatest project since free education. I said to myself I see what he is about. This is what it is about. I recall sometime ago a gentleman told me that some young boys -1 think it was the Pine or somewhere - were discussing the Prime Minister and they referred to him as the Great Xerox Copier. When I heard the Prime Minister speak of this great EduTech, the best thing since free education, I said, "Oh yes, I now see." So the idea is to copy what the DLP has done and look around for a project that will seek to duplicate and replicate free education.

I wish to make the point that the Democratic Labour Party is not against computers in school. If you check the manifesto of the Democratic Labour Party it is clear because the manifesto says that there was an intention to extend the computer based programmes in the schools but the Barbados Labour Party manifesto has not a single word on computers, EduTech, nothing so.

Somebody is telling me, Sir, that they saw it in the manifesto but more than that I happen to know that two goodly gentlemen from Christ Church - I can call their names and call them in a good way - Professor Cardinal Ward of MIT and Dr. Edward Layne, two gentlemen living overseas and interested in the development of Barbados and specifically the Christ Church area proposed Barbados 2000 project. They called it a Barbados computer literacy project in 1994 and the first pilot project was supposed to start at the St. Christopher school at which I went.

Do you know what happened, Sir? These gentlemen heard about this project. They got the computers for the school. There are 12 computers at the St. Christopher's Girls' School now but I do not think the Ministry gave them the printers yet. Would you believe that justice is such that if you check the EduTech programme you will find that the St. Christopher Schools are now supposed to come on stream in the year 2007? These two gentlemen from Christ Church in this document proposed this programme to put in computers in schools and they spoke of getting the funding from Barbadian organisations overseas, from business organisations, starting with one school and then expanding. All of that is in this document and the computers are in the St. Christopher's Schools but the St. Christophers, despite the fact they now have a new school are now scheduled to come into EduTech in the year 2007. Now this is not surprising. This is the way this Government has been treating sections of Christ Church for the longest time. It is not surprising that they want to put St. Christopher School on the back burners. Maybe because they figure that that is a fishing village or some such thing. This also ties in with the treatment of the St. Leonard's School. St. Leonard's Boys' School - 38 forms, 30 classrooms. So you know what that means. You have a computer room with 60 computers and what happens? Some demolition took place in the change over and that computer room has not been restored. The computer room was such that even the Prime Minister did some computer work there. Even Ambassador Hinds did some computer work there but St. Leonard's Boys are due to come on stream in EduTech in the year 2000 or 2001 in the third year of this programme.

That is a school that spearheaded computer education in this place and you are putting it down the line. What is the reason for this? What is the justice? Is this about elitism?

Sir, I want to talk too about the Christ Church Boys' School and I am glad to see they want to put computers in that school but I want to find out, you know this confusion with EduTech and delays because we are primarily concerned with the confusion, and we want to talk also about the allocation of funds and we are going to talk about whether you cannot look at other areas and how you are going to look at things like counselling. How are you going to deal with the development of sports, industrial arts, language laboratories? How are you going to find the money to do all of those things? What about security in schools?

As a matter of fact, in the White Paper on Education, there is word about security for computers. So there is more focus on security for the computers than security for the

schools in an age when violence is on the increase. We are not hearing about security and security arrangements being put in place for the children and for the schools but instead focus is on the security for property and equipment and things.

We need to talk about these things, Sir. This Christ Church Boys' School, I am waiting to see what will happen, whether the students will be forced into a place that is inconvenient for them because of the delays in EduTech which are no fault of their own. I will not speak about the long drain at the back of the school. The Honourable Member for Christ Church East Central has said the drain is okay and it is being looked after and he has done technical research but I do not get into those things. Time will tell.

Sir, if we are talking and I have about three minutes,

Mr. SPEAKER: Two minutes.

Mr. W. C. C. CALLENDER: I need to make the point, Sir, that if we are seriously looking at tackling the problems of this country we need to look at a fair distribution of resources. We need to get past the stage where a Prime Minister as stated today in this House by the Honourable Member of Christ Church East Central will determine who will get what and who will not get. This is what the Honourable Member for Christ Church East Central said, that he spoke to the Prime Minister and he got everything he wanted. Other men have not said that. One member for St. Joseph referred to a Mafia making decisions. The Honourable Member for St. George South referred to the Backbenchers being outside children. So Sir, we have to put mechanisms in place as we move into the 21st century to deal with the fair distribution of resources.

Sir, I am saying that all should be helped but we need to have a system that provides equity and fairness in the distribution of resources whether across constituents, whether across classes, whether across income groups, whether across races or whatever. We need to have a system put in place. As we move into the 21st century we should be long past the stage where one or two people will determine the future of people.

It is as C. L. R. James pointed out, that the government apparatus is something that is most feared by the people.

Mr. SPEAKER: Your time has expired, Sir.

Mr. W. C. C. CALLENDER: I am winding up, Sir. I wish to say that our great and wonderful opportunity is to chart a course of the impossible dream and keep our sights and senses on it. A young team stands ready with a new dream of enhancing communities and restoring Barbados to the people.

Hon. R. C. EASTMOND: Mr. Speaker, I owe a deep debt of gratitude to the people of St. James North who have accorded me the opportunity to rise in this Parliament and indeed have so accorded me the opportunity to do so since 1991. As I rise out of a sense of thankfulness and community to thank them for the confidence they reposed in me over time I must reflect on the theme and content of the Budget as presented a few days ago.

Permit me, Mr. Speaker, to consider what I deem some of the highlights of this Financial Statement and the Budgetary Proposals. You will recall that we saw increases for non-contributory pensioners from $75 to $80 and for contributory pensioners from $90 to $98. We also saw special concessionary corporate taxes introduced to the small business sector with no stamp duty on documents for incorporation and such like. We saw too that manufacturers have been forgiven arrears of consumption taxes and we have also seen the creation of a special investment fund for small hotels along with the reversed tax credit of $500 for the working poor.

Before I proceed, Mr. Speaker, permit me to say that so far as I understand it this $500 reverse tax credit is to be applied to persons whose income is $13 000 or less. Persons in that category do not pay income tax and therefore what is significant is that in a situation where they do not pay income tax they are still getting $500 by way of a reverse tax credit.

I was also attracted to the proposed policy that tenants in non-plantation tenantries would be allowed to pay no more as tenants than $2.50 a square foot for tenantry land, any difference between that and the price sought by the landlord being met by Government.

Mr. Speaker, this Budget has come against a background of a build up of a very healthy level of foreign reserves. It has also come against the background of prudent, indeed excellent, management of our national debt. It has come too at a time where for four or five straight years we have seen increased growth in the economy. It has come against the background of falling unemployment and that parameter which several commentators have seen as a sign of good economic health, namely a boom in construction activity is present in this country today. 12.05p.m.

Mr. Speaker, as I reflect on the background against which these Budget proposals have been presented, I also could not help but remark on the fact that with an election pending between now and sometime next year, the Right Honourable Prime Minister did not seek, not-withstanding the fact, that the economy is in good health to score cheap political points or to seek to win votes at any expense. In a

political culture where Barbadians have almost become accustomed that any time immediately preceding an election that goodies and give-aways are the order of the day. Instead, in a statesmanlike stance, the Rt. Honourable Prime Minister at page 18 of his Budget said the following words:

> "Our experience in 1980 and 1990 has already demonstrated that the over-stimulation of the Barbados economy on the eve of a major recession in a world economy can lead to dangerous and potentially disastrous consequences in the years that follow. There is now strong evidence that a surge in private and public capital expenditure in Barbados is putting pressure on the absorptive capacity of the economy, and unchecked will create a cost push inflationary spiral and put some pressure on the country's foreign exchange reserves".

I continue to quote, Mr. Speaker:

> "As such, our economic situation today bears an uncanny resemblance to that of the late 1980 - recent strong growth, evidence of over-stimulation of the economy, hostile borrowing conditions abroad and the prospect of a slow down in global economic activity on the horizon".

Mr. Speaker, I could not help but remark that in circumstances where clearly the signs are there that our economy is doing well and in circumstances where over time we virtually come to expect that at a time like this goodies would be the order of the day, the Rt. Honourable Prime Minister in a statesmanlike gesture suggested that he would rather be cautious and prudent at this time, so as to avoid over-heating.

If, Mr. Speaker, a Government at this time engage in excessive expenditure, it will no doubt cause the economy to over-heat. Mr. Speaker, when a motor vehicle overheats almost immediately, the car stops for a while but long-term overheating will no doubt cause damage to the engine. Similarly, Mr. Speaker, with an economy, if there is any overheating, such overheating will bear implications not only for an increase in the national debt but also bears implications for increase in inflation, would put pressure on the foreign reserves and ultimately the whole economy will be put under siege. One therefore has to admire and indeed respect the distinguished Rt. Honourable Prime Minister for being cautious and statesmanlike in a situation rather than seek short-term political gains, he has put the country's longer term interest before those of his party.

Mr. Speaker, I would want you to permit me to perhaps place this particular Budget in the context of the four Financial Statements and Budgetary Proposals as have been presented by the current Minister of Finance. In 1995 the theme and purpose and objective of the Budget was to set out to ensure that the recovery that this economy needed gravely was to be achieved. We had before then, Mr. Speaker, seen a situation to which I shall refer shortly where our economy was under siege and in 1995, the Right Honourable Prime Minister and Minister of Finance brought a Budget that was intended to ensure that the economic recovery necessary for Barbados was put in good order.

In 1996, Mr. Speaker, aware of his responsibility to stimulate economic growth by way of investment, the theme and purpose of his Budget at that time stressed savings and Mr. Speaker, a number of measures were introduced to stimulate savings and I believe the reason for that is that in economics there is a saying S=T meaning savings equal investment meaning that ultimately investment funds that become available are achieved out of savings.

By 1997, confident that the economic recovery sought two years before had been much in evidence and confident too that his two instruments of 1995 and 1996 were bearing fruit, he brought a regime of tax reform replacing 11 indirect taxes by a more sensible sustainable tax regime.This Budget, this year, Mr. Speaker, aims at capacity building from the point of view of identifying the major economic issues that are in Barbados today and doing something to ensure that the gains of recent years are intensified with a long-term view of where this Barbados should be taken.

Mr. Speaker, you could perhaps permit me to remind this Honourable House that prior to 1994 there had a system of unwieldy taxation with an abundance of indirect taxes, not properly rationalised and working to create hardship among several members of our community. We had an unwieldy system of taxation which was in need of reform and in addition to that we also had between 1991 and 1993, very heavy taxation.

Indeed, Mr. Speaker, between 1991 and 1993 we also saw declining investment with the consequences that declining investments occasion. Downturn in economic activity, a decrease in national output, a decrease in employment and then with the Government not being able to generate enough certainly there was a situation that caused Government to cut its expenditure to a point where there were massive layoffs and where the social services including housing, the National Assistance Board, welfare and educational sector all suffered in those days. We have come to better days, Mr. Speaker, and I believe that no person could have put it better than a Member from that Side.

In my time in this Honourable House, I have never seen the Honourable Member for St. Michael South Central sit on this Side. He has always sat on that Side, Mr. Speaker, and that Side is the Opposition Side and coming from the Opposition Side, I heard these words yesterday. These words of encouragement to the people of Barbados when the

Honourable Member for St. Michael South Central said, there is nothing in this Budget which is offensive to the interest of the people of Barbados. A Member from that Side, Mr. Speaker, could say, there is nothing in this Budget which is offensive to the people of Barbados. And I am reminded, Mr. Speaker, as I say that that came out of the mouth of a former Minister of Finance in this Barbados.

Mr. Speaker, as I continue to look at what this Budget is about I cannot help but remark that, in the same way as the Honourable Member for Christ Church West Central has said that this Budget is destined to do a lot for ordinary people, I cannot but help to reflect on what the Rt. Honourable Prime Minister and his Administration have done for the constituency that I have the honour to represent. Permit me, Mr. Speaker, to remind this Honourable House of some of the things that this Government, under the skilful direction of the Honourable Member for St. Peter has done for St. James North.

In recent times, we have seen a widening and a proper fixing of the road running from Bagatelle to St. John The Baptiste Drive. A road that for years needed attention, a road that for years has been neglected. The people of the surrounding areas of Bagatelle, of Hoytes Village and Holders Hill are delighted that this has happened on their behalf. Recently, at the instance of the Honourable Member for St. Andrew the road from Lancaster coming down through Greenwich Village to Trents had started and is being fixed and we expect that within the next six months substantial progress will be made on that road.

Mr. Speaker, even as I speak the Government in a situation where the tenants at Trents, St. James, have for years been qualified tenants under the Tenantries Freehold Purchase Act but who have not yet got title are being accommodated directly by Government in a situation where, as their landlord did not cooperate, we have invoked the special provision of Chapter 239(b) to allow for the Government's Registrar to set out vesting title in the tenants at Trents, St. James. 12.15p.m.

These are a few of the things that are occurring under this skilful and well-managed Administration and such skill and Administration are much the work of the Right Honourable Member for St. Peter.

Mr. Speaker, in addition to what I have said, the road at Sion Hill Development has been fixed to the satisfaction of the community there and the road between Mullins running up to Eastry to Upper Bakers has also seen rehabilitation. First Street, Holetown, Mr. Speaker, has been done. A gap in Upper Carlton known as Howell's Gap has been fixed. We have seen scores and scores of street lights come to St. James. A small tenantry road east of the Weston Community Centre has been fixed in recent times and certainly since 1994.

Since 1994 too, Mr. Speaker, North Cemetejy Lane familiarly and affectionately called Hope's Alley by its residents has seen repair. Shortly we expect Upper Carlton No.l to be done, Rock Dundo No.l to be done. In recent times Rock Dundo No. 3 has been done and we also expect that in accordance with a recent Cabinet decision that a pasture for Mount Standfast should be ready some time in the foreseeable future.

Mr. Speaker, where so far in this debate reference has been made to John Moore Shop, a shop by no means not unknown to Honourable Members in this House, I should perhaps make some input there. For many years John Moore Shop evolved as an important social and cultural melting pot not only for people who immediately live around the John Moore Shop but people from all over the north. A significant number of public officers, a significant number of policemen, a significant number of persons commuting from Bridgetown to Speightstown pass by John Moore Shop. And for a long time, much as the residents felt that that shop would always be there permanently, for a long time the shop was on a piece of land not only owned by an apparent absentee owner who lived nowhere near Barbados but also owned in circumstances where it was not crystal clear who the true owner was and where at least 3 different people held out themselves as being owner.

In recent times we heard that there were moves afoot to push away John Moore's Shop from its location and such a move, if it had materialised, would have severely disrupted a social and cultural institution that preceded my time and which I am sure is destined to remain in existence for a very long time.

Government in the interest, not only of preserving an important social and cultural institution but in the interest of keeping a small man, a small entrepreneur, operational as a businessman has wisely decided, not because of any personal considerations that particular Members on this Side may have, but has decided in the interest of an institution that should survive and has decided in the interest of keeping the small man in business, decided to acquire the land on which John Moore's Shop so nicely resides in the interest of maintaining that social and cultural landmark without which I cannot see us to the North being able to move and live and have our being in a situation where it was not there.

Mr. Speaker, we therefore have no apology to make for ensuring that the entrepreneur at John Moore's Shop, Mr. Lamonte Adamson, is given a measure of security of tenure. Indeed close by there are also other rumblings in the Weston area that there are people occupying lands, the ownership of which is in dispute and the owners of which cannot be easily found.

Above the road now there is a tenantry which seems to be in dispute as far as ownership goes and I believe that any caring Government such as mine would be interested in ensuring that these ordinary poor working class people be allowed to lead their lives without disruption.

I turn now, Mr. Speaker, to Agriculture. Briefly, Mr. Speaker, sugar production in 1997 improved to 64.6 thousand tonnes of sugar of which 57.8 thousand tonnes were sent to the European Union. Some of that 64.6 thousand were made available on the local market last year.

We also saw, Mr. Speaker, during 1997, sugar production increased by 9.3% but it makes no sense trying to boast about the situation, Mr. Speaker, for reasons which will become clear in the next few minutes because by the time we were reaping our sugar crops El Nino had started to set in and we anticipate that for this year there is going to be a decline in sugar production in the order of about 12%. But getting back to the performance of non-sugar agriculture last year, non-sugar agriculture and fisheries contributed $34.4 million to GDP. Sugar contributed $27.6 million to Gross Domestic Product. It therefore means that non-sugar agriculture is now bigger in Barbados than sugar agriculture.

I want, Mr. Speaker, to look at the sugar industry for the next couple of minutes. In 1992 we had 22 800 acres in sugar. In 1993 we had 21 446 acres in sugar. In 1994, a year of significant drought in Barbados it dropped to 19 250 acres. By 1995 it dropped further in consequence of the 1994 drought to 18 131 acres. Nineteen ninety-six saw an increase in acreage in the amount of 20 859 acres whilst in 1997, after Fairy Valley, Spencers and Spring Hall were transferred over to BAMC, saw acreage come to the highest in years to 23 575 acres under sugar production. This therefore means, Mr. Speaker, that compared with 1995, 1997 saw an increase in over 5 thousand acres coming into sugar production. It still did not mean, Mr. Speaker, that that took sugar out of the woods.

In these parliamentary debates one has to be candid. Sugar production in Barbados in recent years has been costing us about $1 314 per tonne. When we sell our sugar products, even at the best possible price, Mr. Speaker, we get $1 049 per tonne. It therefore means that the difference between production costs and the price paid for the product negative close to $300. In other words you produce sugar in circumstances where your production costs so exceed the final price that there is always a loss on it.

Mr. Speaker, our prospects for the future do not look good because over the next few years the European Union which offers the best price now and which is likely to offer the best price in future, even as it reduces the price which it offers to its own producers of beet, is going to decrease the price offered to us in Barbados and indeed to us in the ACP to the same extent as the price increases to the producers of beet sugar in Europe. Meantime, Mr. Speaker, we will still be faced with the prospect of very high production costs and even though there are those who say that when you are confronted by such high production costs mechanisation is the obvious answer. Mechanisation may be a necessary but not sufficient solution to the problem. 12.25p.m.

The reality of the Barbadian situation, Mr. Speaker, is that mechanisation can only be economic and can only make sense in a way where, if you apply mechanism across-the-board to the areas that can be mechanised you will only get 45 000 tonnes of sugar. A lot of areas on which sugar cane grow cannot accommodate the machines and this is one of the constraining factors facing us as we look to the future of sugar.

Mr. Speaker, the Right Honourable Prime Minister in his Budget did indicate that over time this Government has put in excess of over $7 million in direct support to sugar as indeed, I believe many Governments in the past in Barbados have done. And I would want to say that we in Barbados, those who care about this country and those who recognise that despite the challenges facing sugar it means something in terms of its capacity to employ, in terms of its capacity to add to GDP, in terms of its capacity to earn foreign reserves to have to look closely at how we take care of the sugar industry over time.

My colleague from St. Kitts told me that the same problems that Barbados has, St. Kitts has had for years. My colleague from Mauritius told me that they too find that they are high cost producers of sugar and that the return they get is lower than the production cost. And Mr. Speaker, bearing this in mind the Government will, over time be embarking on a number of initiatives.

In the short term we are going to call up all the interested parties and stakeholders in the sugar industry and we will therefore be having on the 19th of September a national consultation on sugar inviting the major stakeholders in a brainstorming situation where we will look at the current position in the industry. We will look also, Mr. Speaker, at prospects for the industry, at what opportunities there may be and certainly at what threats there are and then see what we can do with the industry in the future.

It will not admit, Mr. Speaker, of any easy or comforting answers and indeed, the signs are that for a long time to come, the state is going to be called on to play a direct part in keeping sugar surviving.

Mr. Speaker, even as I say this, I want to say also that the Ministry of Agriculture has been looking at itself. A few weeks ago, urged on and supported by the Inter-American Institute for Cooperation in Agriculture, we have started a

study on agriculture in Barbados, funded largely by the said Inter-American Institute for Cooperation in Agriculture. We are looking at all the major players in agriculture including the BADMC, BAMC, the Ministry of Agriculture itself with the view to reporting by November, what proposals we would have for strengthening the Ministry of Agriculture as an institution.

Mr. SPEAKER: The Honourable Member has two minutes to wind up.

Hon. R. C. EASTMOND: Mr. Speaker, as I wind up, I must say that I am in support of the Budgetary Proposals and Financial Statement as evinced by the Honourable Member for St. Peter. And, notwithstanding the rules that exist in this House, you could perhaps permit me to quote directly from what a lady told me about the Budget of the Right Honourable Prime Minister.

She said that the content reflected that he is visionary, that he has foresight, that he is an excellent financial manager, that he is a brilliant leader and that he performed his duties in this Budget in a statesmanlike manner. And she told me in these direct words,

> "Long live Owen Arthur. May Owen Arthur lead this country for years to come!"

I thank you.

Hon. R. St. C. TOPPIN: Mr. Speaker, I want to begin by thanking the residents of St. Michael North for having reposed the confidence in me to make me their representative for the last four years. I just want to assure them that it is something that I look forward to doing for a very long time.

I want also to add my voice to those who have spoken before on this Side and to about 200 000 other Barbadians, all of whom have been openly supportive of the measures outlined in this Parliament on Wednesday. In fact, I have received many calls between Wednesday and today, quite a few from constituents and residents of St. Michael North expressing the view which we all share that from day one, the Honourable Member for St. Peter, the Minister of Finance has exhibited a great degree of maturity in every sense of the word, but particularly in the area of management of the economic affairs of this country.

Two things have characterised the running of this country by this Government and the introduction of economic measures. Those two things have been prudence and moderations. As you may know, Mr. Speaker, all things done in excess bring trouble to men.

Mr. SPEAKER: Is this something you are saying to the Speaker?

Asides.

Hon. R. St. C. TOPPIN: And, Mr. Speaker, anything done in moderation often yields success and often has no harmful side effect. As one Charles Caleb Colten once said,

> "Moderation is the inseparable companion of wisdom."

And a quick review of the Budgets prior to this year presented by the Honourable Minister of Finance will show that in the face of the most strident criticism from the Other Side, a prudent and moderated approach was pursued. And the measures outlined in the Budget of this year meant that for the fourth consecutive year, the Right Honourable Prime Minister has brought to this country and to this Parliament, a structured, well thought out and a reasoned Budget that shows that we are prepared to confront the relevant issues head-on and fearlessly in the firm conviction that the standard of living of Barbadians must continue to rise and be sustained at the same level at which they have been, certainly over the last four years.

It also seems to me that after every Budget delivered by this Side, certainly since I have been here, seems to leave the Opposition Democratic Labour Party on the Other Side totally breathless and at a loss as to what to say, because they never seem to know how to respond.

Even yesterday, as the Honourable Member for St. John concluded his presentation, he could not even put the right amendment to the Resolution on his podium. One Member on that Side was handing him one piece of paper. He obviously did not have any of his own. Another Member was handing him another copy and in the end he simply, as we all saw, did not even know what to say he was proposing to amend and how.

Such is symptomatic of the chaos and disorganisation on that Other Side. But perhaps the major difficulty experienced by the Other Side in responding to Budgets presented by this Side, has to do with the fact that their view and our view of what a Budget is and what it is supposed to contain are very different.

In 1989, the Honourable Member who went on to become Minister of Finance in his Budgetary presentation at page 3774 of Hansard, said in relation to a Budget,

> "Sir, a Budget is simply a Budget."

I am not going to harp on that part today, because doubtlessly the Honourable Member was being inspired by the words of the Honourable Member for St. Michael South who had earlier said that vision is vision and action is action. How absolutely profound? But I am not dealing with that aspect of it today.

The Honourable Member for St. John then went on to say,

> "A Budget is an estimate or plan of income and expenditure that is made annually by the Minister of Finance. That is all it really is."

And then significantly he concluded by saying,

> "But I believe it has never been this all powerful tool in social engineering that we are being led to believe it is."

And perhaps that is the difference between this Side and that Side in terms of our views of a Budget. Because we on this Side certainly believe and have shown over the last four years that we believe that a Budget in terms of the measures it contains is an integral part of the process of uplifting the living standards and conditions of people in Barbados. And it is not merely as the Honourable Member said, "an estimate or plan of income and expenditure that is made annually by the Minister of Finance."

For us a Budget is not just about numbers, figures and statistics, although that is an important part of the Budgetary process as well. For us it goes far beyond that and a Budget is about the people.

So when you look at the Budgetary measures delivered by the Minister of Finance on Wednesday, you see a long list of measures designed to better the lot of people and to improve their living standards. And primarily the poor people of this country. Just to take a few, the senior citizens of this country have benefitted by way of getting an 8% increase in their pensions. Every time we increase pensions for the old people in Barbados the Other Side say it should have been increased by more, but whenever they are in government, they never increase them at all. It is as if they simply abandon the senior citizens of this country until lyrically when they are in opposition they all of a sudden outline how high pensions should have been increased. After we increase them they should always be increased by more but they never increase them at all. Both contributory and non-contributory pensioners this year have received an increase. They only benefit when this Government is in office. 12.35 p.m.

The second issue in the Budget. People can now contribute to a registered retirement savings plan and will be allowed to claim the amount contributed up to a certain limit against their income tax. Now I am one of the strongest supporters of this measure. The Right Honourable Prime Minister can tell you that because I have always had a difficulty with National Insurance in at least one major respect. The difficulty is that all you do is you pay a sum of money every week or every month to the State and usually to all intents and purposes the money you pay in just disappears from your view until when you reach the age of 65 when you are then presented with a pension. During the time that you pay NIS, you cannot take that to the bank as it were to use as collateral to acquire a loan to acquire property or anything of the sort. There is no policy issue and you cannot take it to the bank but with this system that we have introduced people will now be allowed who contribute to withdraw funds to acquire their first dwelling house and then at that time those funds will not be taxed and in fact will only become taxable if they proceed to sell the house within five years. I have advocated that and I strongly support the measure that has been introduced in this Budget.

More directly related to housing the National Housing Corporation will expand its 100% mortgage programmes which it introduced last year for the benefit of low income earners increasing the sums to $75 000 reducing the interest rates from 9% to 6% upping the age limit for potential borrowers to 65 years and extending the maximum repayment period from 25 to 40 years.

Those measures are largely self-explanatory and in any event the Honourable Member for St. George North went into great detail to show the benefits that will accrue to the poor people of Barbados as a result of those measures.

The tenants of urban tenantries like Small Land in Green Hill, Mottley Land, Fordes Land, Brewster Land, Johnson Land among others will now be able to buy their house spots at a cost to them of only $2.50 per square foot and they are happy about that.

In the area of business, again primarily the small businessman has benefited by a 15% reduction in his tax rate and no stamp duty will be charged on documents needed for registration or incorporation. Manufacturers too have been given concessions and the intent of course in the case of both the concessions to manufacturers and to small businessmen is to result ultimately in increased employment for Barbadians which is now at the lowest figure since 1981 than it has been.

I am glad to see that there is no dispute now on that Side about the low level of unemployment in Barbados because apart from any figures you can see with the naked eye that unemployment has been reduced in Barbados. I get people coming to me in my constituency and nobody is coming and telling me this Government is not providing jobs for people. A man will come and tell me, "I see you are getting jobs for a lot of people about here. I want you to help me too." And then you proceed as best as you can to try and help them. Nobody is coming and saying that Government is not providing jobs.

I am glad to see so far at least it does not sound as if there is any denial that the rate of unemployment is quite low in Barbados at this time. Then the other perhaps the most caring measure in my view in the Budget is the reverse tax credit of $500 per year for persons earning $13 000 or less per year. There is no denying that there is a working poor in Barbados and they contribute and pay indirect taxes on the goods they purchase and the time is right to ensure that they obtain some return on the level of taxes and the amount of taxes that they were paying.

These are some of the measures in the Budget which show that we do not treat a Budget merely as an issue dealing with figures, numbers and statistics but will include issues and measures directly to benefit the poor people of Barbados.

What I want to do now, Mr. Speaker, is to speak a bit about the role of the Ministry of International Transport as I do every year in my Budget that it plays in the good performance of the economy over the last few years, particularly since I became Minister and the role that it will be playing in the future.

International Transport is really at the heart of trade and tourism. In spite of the many technological developments worldwide persons and goods still have to be physically transported between point A and point B and therefore the need for international transport is obvious. Also in the area of employment creation the travel and tourism industry which is really the world's largest industry is expected to provide some 230.8 million jobs worldwide by the end of this year of which 3 million will be in the wider Caribbean and it is expected that that number will rise to about 328.4 million jobs by the year 2010.

So the Ministry of International Transport is a very important Ministry and over the last few years there have been a number of initiatives taken by the Ministry and a number of achievements as well. These initiatives were primarily in the area of the development of air services into Barbados and were intended to facilitate the requirements of tourism or sometimes to anticipate the requirements of tourism and play a role in putting Barbados tourism on a sure footing.

Naturally, I cannot go into all the details today because of time but I want to go first to the securing of increased air services between the United Kingdom and Barbados and all the evidence now suggests and Honourable Members may know that the United Kingdom is now our major market. I am going to go back to 1995 to give a full picture of the development in this area.

During the course of air services discussions between the Government of Barbados and the Government of the United Kingdom it was agreed that BWIA would introduce a third weekly service between Barbados and London. This was significant because this represented the removal of a very long-standing restriction that the British had placed on the operation of BWIA out of Barbados. BWIA is really what is on the Barbados/London route called technically a "freedom carrier" and they were very restrictive in granting rights. We managed to get them to agree to a third service which meant an additional 237 seats per week on the Barbados /London route.

Mr. Speaker, that was done for a reason and the reason was that there was a clear need to add scheduled capacity in that market and that need was driven by the fact that the growth of charter activity from the United Kingdom was reaching the stage where it was exceeding the level of scheduled services being then provided. That is never good for a mature market. The United Kingdom was and still is a very mature market.

As a small island state we have to seek to maximise the returns. The net revenue per visitor and an increase in chartered services provides us with exactly that opportunity. I am not saying that I have fundamental problems with the provision of chartered services over the years. Barbados has benefited tremendously by the provision of charter services and particularly on the south coast they have benefited tremendously by the level of spending by passengers who have arrived on chartered services but you must have at all times the right balance in certain markets, particularly markets like the United Kingdom which, as I said, are mature markets.

This concern for securing increased scheduled capacity out of the United Kingdom led me subsequent to the addition of that third BWIA flight to actively pursue getting another carrier to provide further additional scheduled services and I therefore decided to continue with vigour discussions with Virgin Atlantic Airways.

Let me say quite forcefully that it is not usually a one-shot encounter that results in a new carrier deciding to commence services into Barbados or perhaps anywhere. In fact, in the case of Virgin Atlantic my talks began back in 1996 in the early part of 1996 when I met Richard Branson in Barbados and the talks continued later in the same year in London with another high ranking official of Virgin when I was there on an air services talk in the United Kingdom.

Then there was a lot of relaying of information back and forth on the market concerning the viability of the route and then subsequently there were about six other meetings with officials of Virgin and that is what has led to the announced commencement of services by Virgin Atlantic at the end of this month.

The additional seats to be provided by this carrier will initially be some 830 seats per week and that is going to increase by some 65% to 1 365 seats per week within the first four months of operation. This is truly a major achievement. Virgin is a very energetic, established and innovative carrier with a good reputation, high quality service, its own programme. It has a new product and I believe that the increased competition will augur well for the improvement and development of our tourism in the United Kingdom market.

This strength of the UK market is extremely important because it is our greatest source of visitors at the time and with that in view in 1996, I also held talks with British Airways which, of course, is our long-standing industry partner in Europe about the prospect of their increasing services into Barbados as well as out of London. At that time, British Airways was operating only five services per week out of London and after my talks I was very pleased when I received this letter from British Airways outlining their plan for increased services into Barbados.

It was agreed that in the coming winter - my talks took place in 1996 - British Airways would operate six services per week from Gatwick and one from Heathrow, twice weekly Concorde services through winter and even an additional Concorde around Christmas and New Years. Now for this coming winter 1998-99 the number of flights per week by British Airways will further increase to seven flights per week out of Gatwick and one from Heathrow. So clearly initiatives have been taken in respect of the United Kingdom market that have paid off and are yielding great returns for this country.

I now turn to the European market. One of the things which I have never actually discussed publicly but which I will do now is my effort in relation to the Scandinavian market. We go places and we hear people talking and we get the impression that for them the existence of the Scandinavian market only began about a year or so ago.

Let me start by telling you in relation to this market that it was in 1996 that I took a very long hard look at the Scandinavian market and realised that it was full of potential and that a resurgence of satisfactory levels of traffic out of that market was possible and I felt that it should be pursued.

My analysis and research showed me that it had previously been a very important and successful market in early years. If I could just give a little background. The Scandinavian market really started to develop in the mid-1980s through the operation of Carib Services between Barbados and Stockholm, Copenhagen and Oslo. Between 1988 and 1992 visitors from that market were at an all time high after peaking in 1990 at just under 30 000 visitors, but by the end of 1992 arrivals had dropped by just over 18 000 per year and then in 1993 a mere 9 000 visitors came to Barbados representing a 51.21% decline after 1992.

The decline was largely due to the economic situation in Scandinavia, particularly in Sweden, where there was erosion in the value of the kroner but in 1996,1 realised that some stabilisation was taking place in that market and that there was a resumption of outbound tourism, particularly out of Sweden and other Scandinavian countries as well. I therefore felt that the time was ideal to explore the possibilities and the opportunity of the commencement of services again from Sweden and I was informed of a number of things.

Firstly, there was a need to diversify market sources in Europe. Also, Scandinavians, as you may know, start winter travel early from October because their winters are early. I also was mindful of the fact that it was the South coast that used to benefit primarily from the advent of travel to Barbados by Scandinavians and they need help. And I therefore before going to London in 1996 scheduled a meeting in London with the Commercial Director of Air Tours to discuss the matter. In fact, he came down by train to meet me in London and we had very long talks and at the end of the meeting after we made the case we did, he said in the circumstances and in light of the arguments, there was definitely now a strong interest in starting services again to Barbados out of Scandinavia.

Follow-up liaison work was then done by the Barbados Tourism Authority, primarily with BTA Germany and I must mention in a complimentary manner the name of Carlos Beckles who did quite a lot of work with the BTA in Germany on this matter and thereafter a consolidation of two Scandinavian carriers commenced chartered services to Barbados from last summer. The route was so successful it went beyond the original planned winter and in fact a second flight was added after the winter season because that route became so successful once again. This upcoming winter, in effect, the services will now be applied on a weekly basis because there are two carriers operating fortnightly services, alternating on a weekly basis. That is going to continue this winter because although one of the carriers have been withdrawn, a new carrier Britannia Airways has now also applied to operate a fortnightly service out of Stockholm so that the once weekly service will now be maintained out of that market. Again, this initiative to reactivate air traffic out of Scandinavia has been a resounding success. I am not unmindful, of course, of the situation in Germany but despite the withdrawal of services by BWIA and LTU the general market continues to be served by Condor to Frankfurt and Martin Air out of Amsterdam and to some extent by British Airways over London. 12.55 p.m.

I turn now, Mr. Speaker, to the United States. This market is really a major challenge and is really proving to be

quite problematic. That does not mean that the problems are insurmountable. The fact is that is was our major market for many years but the number of arrivals have dropped significantly over the last decade or so. One of the things that I have always felt has to be done in the United States is to find ways of encouraging new air carriers to access other major gateways in the US especially since the US market has now divided itself up into hubs which are dominated by a number of major carriers. I continue to be of that view particularly in light of the decline out of the eastern seaboard. I think we have to definitely find ways to break into new and non-traditional markets.

I also felt so strongly about this steady decline, that I believe the time has come now where there is a need for a very serious study and analysis to be done to determine the problem in the United States market. You have to realise that this decline on arrivals began at a time when about a decade ago when Eastern Airlines, Pan Am, American Airlines and BWIA were all operating into Barbados yet a decline began at that time. So something has to be fundamentally wrong in relation to the US market. The time has come to dig and dig until the root cause of the problem is found. Is it that there is an incorrect perception of the Barbadian product? Is it that the marketing effort is misplaced or misdirected? Are we targetting the wrong clientele? Is there something about our image...

Asides.

Hon. R. St. C. TOPPIN: No, I am being very serious about this. Is there something about our image that we are not aware of? Has there been a population shift from the eastern section that is resulting in the decline in demand. These are the things, Mr. Speaker, that I think we have to look at in relation to the United States market. Nonetheless, Air Jamaica, continues to service the market, though on a reduced scale and because of an agreement that it has with Delta it will provide now a lot of access to Barbadians to a number of Delta's major cities in the United States like Boston, Cincinnati, Hartford, Memphis and San Francisco.

Efforts have also been made to attract services from other non-traditional markets. Detroit is a good area; a chartered service is presently operating from that market and it is very successful. Talks will continue with Northwest Airlines, with US Airways and with Continental, with whom discussions have already begun. There is also a need to penetrate the Midwestern area of the United States and plans are being put in train to commence our continued talks with a number of relevant carriers.

Mr. Speaker, it is unfortunate that time did not allow me to elaborate on a lot more points that are to be made but Mr. Speaker, you can see clearly from the picture that I have presented that the Ministry of International Transport is doing well and the country is in very safe and capable hands. I am fortified in that view when I see the number of things that are happening in this country.

When I see that the Grazettes Primary School was repaired by this Government for the first time in 25 years. When I see that Transport Board buses are now running through Grazettes, Philip Road, St. Stephens Hill; Well Gap, Cave Hill, Eden Lodge, Hinds Hill and Husbands New Development. When I see that lights have been installed on the hard court and pasture in Eden Lodge, that road work have begun in Cave Hill, that street lights have been installed throughout Cave Hill, Hinds Hill, Edey Tenantry Road, Clearview Heights Stage III, Warrens Park South and many other areas including just outside the Soroptomist Village in Eden Lodge. When I see the area of land in Reservoir Road which the Cabinet has agreed to acquire for the purpose of providing a playing field for the young people of Hinds Hill, Lodge Hill and Husbands New Development. When I see all of these things happening, Mr. Speaker, I know that this country is in safe hands.

I thank you, Mr. Speaker.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be suspended until 2 o'clock this afternoon.

Hon. Miss H. E. THOMPSON: I beg to second that, Sir.

The question that the House be suspended until 2:00 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.
1.05p.m.

RESUMPTION

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

Mr. J. O. TUDOR: Mr. Speaker, the 1998 Financial Statement and Budgetary Proposals is the 4th presented by the Arthur Administration and it seems clear to the Members on this Side and certainly to many Barbadians that after 4 years the Arthur Administration is still seeking to govern this country without a national development programme.

During the early years of this decade, as a Government, the Democratic Labour Party indicated that we are a small vulnerable state and that prudent measures would have to be employed to ensure that the future was secured for our children and their children in years to come.

Since 1992, Mr. Speaker, I have warned this Assembly that the economic environment in which small states found

themselves was extremely vulnerable and in the last debate that we had in this House, I indicated that when I came back from England from a trip I had made there, I warned this Parliament during an Estimates Debate that the small islands of the Caribbean were going to be seriously affected by a new attitude in the world market where it was unlikely that preferential treatment would be extended to them *ad infinitum.*

It meant, Sir, that we as a people had to come to grips with reality. The environment coupled with an international recession was not pleasant to face. We faced it at that time and introduced stabilisation programmes which only today the Prime Minister of Barbados now suddenly understands and recognises that it is necessary to continue stable programmes etc.

Now, I will not take anything away or even say the Prime Minister has been reckless. I will simply say that what technically has happened in Barbados is that a level of maturity has prevailed over the last 10 years where we have seen policies and programmes that have been put in place which today we can safely say are advantageous in a difficult economic environment. Instead of recognising at that time that what we were saying was responsible and that the programmes that we were doing were in the interest of the future, the members of the Barbados Labour Party, at that time, spoke of the members of this side saying that the measures that we had introduced were scandalous, that they were wicked, dangerous, spiteful, draconian, dirty words not unfamiliar to the Right Honourable Gentleman from St. Peter, dirty words, familiar with dirty words.

Mr. SPEAKER: The Honourable Member, you know there is some imputation in that.

Mr. J. O. TUDOR: Sir, they used dirty words, wicked and scandalous.

Mr. SPEAKER: The Honourable Member is familiar with dirty words.

Mr. J. O. TUDOR: Yes, wicked and scandalous. These are dirty words, Sir. Not dirty in a pejorative sense, Sir.

Mr. SPEAKER: Could you withdraw all the statements.

Mr. J. O. TUDOR: Yes, I withdraw. But I think you understand the point that I am making. They spoke in harsh terms against the Democratic Labour Party, very harsh terms.

Mr. Speaker, when we come to look now at the 1998 Budget this is what the Prime Minister says today. He says, Sir, that one of my first acts was to require the International Monetary Fund to remove its official from the premises in the Ministry of Finance so that I could get on with the people's business. Well they moved from the Ministry of Finance to the ICB Building in Roebuck Street. So this whole notion about he kicked out the IMF or he moved them here and there trying to create the impression that they had no impact on the Barbados society is a tactical skill that the Prime Minister has acquired that he uses information strategically. So the impression left is that the IMF was kicked out of Barbados. Wrong, oh no. Since then, and I am quoting from this year's Financial Statement: "We have been on our own". On our own? My dear! "Left to our own devices to find ways of our own conceiving to carry this country forward". Not one single Barbadian believes that, Mr. Speaker, not even the Members on that Side because they know different to that. They do not believe that and this myth about you are running something on your own. This is why I said that if you have a conviction, you have a programme, then I would say that you are running it on your own. But as I develop my speech I will show that you have no programme and that what we have gone through is now a series of confused measures brought before this House that you are asking us to accept that you are a good government.

He goes on, Sir. He says "I have made bold to say today in this debate that Barbados has, in the course of the past 4 years, made remarkable strides in every sphere of its social and economic endeavour. We have proven that without external direction of our economic affairs, a society whose resources are as fragile as those of Barbados can be lifted out of the doldrums of economic recession, stabilised and set on a course to self-sustaining and sustainable development".

Now, he was wont to take praise as if the Honourable gentleman is the only person in Barbados that has contributed to the stability of this country. It is not a fact and I will give both governments, I would say in all fairness that the programme of the Democratic Labour Party that was introduced has not been significantly tampered with and that the Right Honourable gentleman who presides merely steered the course and kept on the course that we had set in train.

Now hear what the IMF says. I am quoting from an IMF document and if I have to make it a document of the House, I will make it but I have already made it a document of the House in the last debate so I will quote from it again.

Mr. SPEAKER: Which last debate is this?

Mr. J. O. TUDOR: The debate that we had, Sir, on the...

Mr. SPEAKER: You will make it a document?

Mr. J. O. TUDOR: Yes, I will make it a document of the House, Sir. Sir, it is information from the International

Monetary Fund, 700 19th Street, North West Washington DC 20431 USA. Here is what the directors tell the Barbados Government.

Mr. SPEAKER: Could you give us the title of the document again?

Mr. J .O. TUDOR: It is the IMF concludes Article 4 - Consultation with Barbados. The date is February 25,1998. It is for press information which is available to the public because they do not conceal information from the public. It is open right now.

Mr. SPEAKER: You will make that a document.

Mr. J. O. TUDOR: Yes, I have already made it a document of the House. I will continue to quote from it. Here the IMF recommendations from its consultation from its Article 4, published February 25,1998. "The Directors noted a number of economic concerns. In particular the main export sectors continue to face relatively high costs and intense competition and unemployment remains high despite what the Honourable gentleman talks about figures because figures can be disputed in many forms."

There are many people for example, Sir, that have in reality 47 children but the statistics say they record them for 5. The record only identifies that they have 5 so statistics can be used in any form and I completely dismiss any notion about any 12% unemployment. That is foolishness. There are too many people unemployed.

Now, the fiscal position, although relatively strong, has weakened in the past 2 years and the level of public debt remains relatively high for a small economy that is vulnerable to adverse exogenous shocks.

The directors emphasise that public sector savings should be increased to accommodate the required levels of development spending. This is what the IMF is saying to Barbados. 2.20 p.m.

C. O. Williams said publicly that the Government should slow down its capital works programme and let the private sector continue or else the economy will over-heat.

The Honourable Member for St. Peter jumped up and dismissed C.O. Williams and said that he should check the price of his asphalt.

Aside.

Mr. J. O. TUDOR: Right Honourable O.S. Arthur also said,

> "There is more than enough private sector activity taking place, I am planning to take up the slack. It is however my judgment that Barbados cannot be served by over stimulating the economy at this time."

C.O. Williams has a voice.

Booker Taitt said,

> "Reduce the number of sugar factories in Barbados to make the industry more profitable."

Mr. J. O. TUDOR: Oh, no. The Right Honourable Prime Minister's responded by accusing the Democratic Labour Party of wanting to close down Bulkeley Factory, put people out of jobs and indicated that he would keep it open for political gimmickry. But now in this presentation he came back and said now listen to me.

The facts are that over the past five years, over $72 million in the Government's supported financing has been spent on the restructuring of the industry. The grim facts are that despite the restructuring efforts the industry has not achieved the targeted sugar cane and sugar production, thanks to the Minister of Agriculture. In addition the BAMC has operated at a loss in every year since it took over the industry and the Government has had to assume responsibility for servicing the debt of the company to the tune now of $ 13 million per year.

He goes on and he says that there was a study and the study has concluded that a single modern factory having a capacity for the core generation of electricity provide the only marginal option for making the industry viable. He also said that the Democratic Labour Party is now prepared to accept this option.

So, when I observe this presentation and listen to the Right Honourable Prime Minister, one would get the impression that he is the only person that has the skill to manage and control this economy and that he has a programme. He follows. As the Honourable Member for Christ Church East said he is a Xerox copier. He copies everything. That is what he is about. He copies whatever he believes is politics and whatever he thinks will keep him in safe harbour.

Now it is clear, Mr. Speaker, that we recognise that the reform that took place in this country had to take place. It was necessary and it has proven to be an efficient tool and it has allowed the country to be able to benefit from significant tax revenue collection. And it was clear that we had to find a system that was fairer to all.

But I recall, Mr. Speaker, a very great speech in Licorish Village by a distinguished Honourable gentleman

from the Other Place who happened to be the female representative of the Opposition in the Senate. And what she asked on that occasion which was also the theme of her speech was, "Are the people of Barbados being served?" So you have a situation on the one hand where the Right Honourable Prime Minister has used a tax mechanism to rake in out of the pockets of people, some $260 million in excess taxation.

It reminds me, Sir, of Robin Hood. Robin Hood was a man who took from the rich and gave to the poor. But we have a new type of Robin Hood. You now have a Hood Robin who takes from the poor and gives them back a little bit. It is a significant attitude that you have for people and the Barbados Labour Party has worked out strategically that it works. But it works in the short term but it does not work in the final analysis when people understand the natural game plan that you have.

Mr. Speaker, what is happening today is a sad commentary about our lives tomorrow. We are seeing a situation, as I said with a Hood Robin approach, where it is okay for people on that side to have and to have everything and for the people on this side tcFbe still struggling for small bits of the pie.

To demonstrate the point clearly, within the Right Honourable Prime Minister's constituency in St. Peter, in an area called Boscobelle, a beautiful area, the residents of Boscobelle have been applying for a telephone for over ten years, but two and half or three miles away, the people of Port St. Charles do not have to apply for a telephone or wait a week or two because they are waiting for the residents to come in. The phones are there already. And the people of Boscobelle have been waiting for a telephone for 12 years and cannot get any, and in the Right Honourable Prime Minister's own constituency there is that disparity. So I am not trying to create any unreal situations. These are the real facts as they relate to people.

Now, Mr. Speaker, listening to the Members on the Government's side, one would believe that in Barbados today that all is well. But believe me, if you did a survey among Barbadians, you will find that almost at all levels, from middle income down that three days after pay day, everybody is broke. And limping from that pay day and hoping to get through to the next one. AH the money has been absorbed and you cannot pay all your bills in any one month. And the Barbados Labour Party is walking around this country believing that they have recovered the situation and that everybody out there is happy. It is a joke. People are not happy. And it is an error for you all to believe that people are indeed happy about what has taken place in this country. It is a long rough road ahead and I hear you all thumping the table. There is nothing to thump about because you have not done a good job.

You said that you were going to create 30 000 jobs. You ran into a situation where the concessions that you gave to the private sector have not worked to the tune that you would have expected and you had to resort to a crash programme type operation where you drive a hoe, a broom and a spade in people's hands and tell them that that is dignified employment in 1998. This is because you want to create the impression that you have created jobs.

I am very happy for the people who are working and who can at least put money in their pockets. But you are abusing the system to prove a political point when you argued and said you had programmes to come into this Assembly that would help with the alleviation of poverty *et cetera.* There is no creativity whatsoever. You have had four year.

In tourism which is certainly an area that you can generate new jobs, you have had no kind of development that will cater to the future. And I am talking about entertaining eeo-tourism where you can set up structures where the cultural artistes of Barbados may have an opportunity to expose their talents.

There is awesome talent in Barbados. But it is hidden. There is nowhere for it to be exploited. There is no plan by the Government to harness it. We should have attractions that every day and every week we can have a display of our talents. I remember developing with my colleague of Christ Church East the Best of Barbados on show, where we can have those kinds of talents displayed. But there is no creativity.

Mr. Richard Stoute, a brilliant young man has done more for the development of the tourism industry than many, many people who have been involved in the industry. The Government needs to take its programmes, provide funding for his show and help that programme to live without him having to worry from year to year how he is going to have it put on, *et cetera, et cetera.* 2.30 p.m.

It is excess money. I know something about that excess money. Do you know what amazes me about the Barbados Labour Party? You all can simply rake up $260 million from people when they were not looking. You told them that you were not going to take it and you took it. The people found out that you took it and then you say to the people, "I took it. I gave it away. I gave it to so and so and so and so did so and so with it. So don't kill num."

They took up the people's money when they were not looking and it's a sad commentary on the people of Barbados because the principle of taxation is that, you should not overtax a man, the people of any nation, beyond a particular point. Taxation should be fair and just and should not go

beyond the point of stressing people the way how the Barbados Labour Party has stressed the people of Barbados. They get up in here and laugh about carrying away $250 million from people and then telling them, "Oh, I give it to so and so."

You said you were not going to take it. You said you were introducing a tax that was revenue neutral. You knew you were going to collect additional money and you should have said so up front. You should have said you were going to collect this money up front and when you collect it you would do a,b,c and the next.

All of the ill-gotten gains that you have taken from the people of Barbados you should give it back to them. That is why I am going to support the call by the Leader of the Opposition when he said that we would return the 8% that was taken from the people during a difficult period in our development. On that note, I will also applaud him for indicating that we will waive the old arrears on house rents owed by tenants of the National Housing Corporation. That is the way we have to take the people's money and give it back.

Mr. Speaker, Sir, we have a situation where the Barbados Government spent $6 million plus on heroes, over $9 million with SEB. The Queen Elizabeth Hospital has deteriorated and the Minister of Health does not want anybody to complain anymore with a situation where they have no drugs, no linen, no toilet paper, theatres out of service, babies get burnt, no action on Rommel Primus and Mr. Speaker, you know that that bothers the two of us. The list goes on and on. The physiotherapy department next door to the morgue understaffed - requires an occupational therapist. Hardly any equipment, patients require transportation. Many patients who are not getting therapy and if I use this as an example when patients are not given that level of therapy many of them have limbs that contract and if it remains untreated it means that their limbs remain in that position. Many of these people are disabled.

You have a scenario where disabled people in this country have to pay in excess of $100 if they want to be treated at the Queen Elizabeth Hospital and then they have no transportation to get there because the ambulance service is down. There is no transportation. You talk about the Psychiatric Hospital - endless problems. The Geriatric Hospital, especially the one in St. Philip, and I am sure the Honourable Member on this side will address the one in St. Philip, patients are simply left to die. There are no creative programmes for the elderly in this country. We say that there is the likelihood that our population will age but yet you have no creative programmes and you have a Ministry that has gone berserk.

Now, the care for the elderly. In this Budget they introduced a measure saying that they would help the poor and they will subsidise the homes. I would issue a word of caution because it seems to me that we are using the US model, a lot of copying again and a lot of xeroxing. And the problem with these things is that you get all kinds of neglect of people who go into the homes because the bottom line is money. If they know the Government is paying, then all kinds of names will appear on the list, all kinds of foolishness goes on and I know they have to go through the regulations but I would urge the Government to pay some attention to it because the model in the United States if we have a look at it is not one that is really desirable.

Then, Sir, you have those who will take advantage of the elderly people. So we have to be on guard for these kinds of situations.

Sir, I do not have enough time to deal with the South Coast Sewerage Project. But Greenland and Mangrove, I will issue a warning that I expect the Minister to speak about those areas tonight and if she does not I will have to deal with her because this country has been promised that th^ Mangrove Dump would have been closed four years ago and if we have to judge this BLP administration it is that they simply do not live up to promises. So we have to treat them harshly. I will explain that in full detail.

The Barbados Labour Party has taken a significant amount of money from people of this country and they must give it back. There are the school children, the disadvantaged women, the unemployed, the elderly out there and of course the physically challenged, those people whom we discard. There are several challenged persons in my constituency, Sir, and last night the Minister of Labour had an opportunity to speak on behalf of the disabled people in this country but instead of explaining about the Disability Unit he spent 25 minutes trying to prop up a Prime Minister in a scandalous way as if he is a boy in the yard. He could have said what are the programmes in place for the physically challenged. What is the mandate of the Unit? What about the social benefits for the physically handicapped, the hearing impaired, the visually impaired? They get pensions from the contributory fund. The other disabled persons today they are left to go to the Welfare Department to see if the Welfare Department will help them out. Each one matters in this society and what is the point of having a society where the physically challenged of this country nobody stands up for them, nobody recognises them? A Minister who has an opportunity to speak on their behalf comes in here and says nothing. It is disgraceful.

Mr. SPEAKER: Conclude, please!

Mr. J. O. TUDOR: Mr. Speaker, I am just coming home now. The $500 that is being extended to persons is but a small return of what was taken from the people. I have no

quarrel with that but I am asking the Government to include those people who are physically challenged and bring them into the net. It is very unfair that they are being left out. They have needs. They need health care, training and general education. They need jobs as well. 2.40 p.m.

Mr. Speaker, we take it for granted but in 10 minutes any one of us can find ourselves in the same predicament as any of the disabled people out there. It is not a matter that we can just simply gloss over in this Parliament.

Mr. SPEAKER: Your time has expired.

Mr. J. O. TUDOR: I will wrap up Sir. Just my final comment. I would say as we look at this economy, that it is good and people in the community, certainly in my own constituency, are not relating to the message that is trying to be extended by the Barbados Labour Party. We have to condemn the Government for a lack of programme. We understand that the game is over and I hope that they understand that a new Government is about to be formed in the interest of the people of Barbados, devoid of the gimmickry that has been put in place by the Barbados Labour Party over the last four years.

His Honour R. D. MARSHALL: Thank you very much. Mr. Speaker, it is with some pride that I stand in this Chamber this afternoon to support the Financial Statement and Budgetary Proposals so ably presented to this Honourable House on Wednesday, September 2nd by the Right Honourable Prime Minister and Minister of Finance.

Mr. Speaker, September 2nd is of some significance to the Barbados Labour Party. For it was on September 2nd that the late Prime Minister, Mr. Tom Adams, lead the Barbados Labour Party to victory in a general election.

Mr. Speaker, the question is, what is the 1998 Budget all about? The 1998 Budget is about securing the future of some 260 000 odd people. It is not about securing the future of the Rt. Honourable Prime Minister alone. It is not about securing the future of the Leader of the Opposition. It is not about securing the future of one group of people to the detriment of another group of people.

Mr. Speaker, it is about the future of the young children of this country. It is about the future of the young adults of this country. It is about the future of the middle-aged people of this country. It is about the future of the retired and aged and the retired of this country. As I have said, it is to secure the future of all Barbadian people.

I sat and I listened carefully to the proposals presented by the Right Honourable Prime Minister and as I have said, I have no trouble whatsoever in supporting every one of them. The Right Honourable Prime Minister on page 56 of the document, Financial Statement and Budgetary Proposals, offered the people of this country, the working people of this country, an opportunity to further save and invest in this country by way of offering them the opportunity to put aside a sum of money into what is known as a registered retirement savings plan.

In my first debate in this Parliament, I asked the Right Honourable Prime Minister to look at the possibility of putting in place some of the vehicles that presently exist in North America, namely Canada, that would give people the opportunity to save for their retirement. At that time I remember talking about what is known as the RH 48B, registered home ownership savings plan, where the Government would give people the opportunity of investing a sum of money into this plan. Be given the opportunity that when they are ready to purchase their homes, the money that is accumulated in the plan can come out of the plan and be a downpayment towards their home. If the money is removed from the plan before that time, the monies coming out would trigger income tax.

There are many other areas where this money can be put aside in things like deferred profit sharing plans and other savings plans. In fact, in Barbados our tax system is modelled off that of Canada where taxation is concerned. As I have said, I am happy to see this vehicle put in place where people can invest up to $4 000 a year into this retirement plan which accumulates money. The money that it accumulates, the interest and so remains in the plan and that interest is compounded. Over the years the plan is accumulating this large amount of money in it. The opportunity is given to would-be purchasers of this plan to save their money for their retirement. At the same time, it serves a dual purpose whereas if one does not care to continue for retirement years, the person is allowed the opportunity to take that sum of money out of the plan at some time to go toward the downpayment on purchasing their home. The Right Honourable Prime Minister also said that if this home is subsequently sold within five years the money that was put into the plan, say $20 000 or $25 000 was the down payment, that $20 000 or $25 000 would then trigger a tax.

I would say, Mr. Speaker, that this is a very good instrument for savings in the country. The insurance companies in Barbados, the trust companies in Barbados, the credit unions and the commercial banks have recently got involved in selling these kind of vehicles for savings. Mr. Speaker, I must compliment the Right Honourable Prime Minister on this.

Sir, the other item that I want to take a look at is that of the alternative care of the elderly. I see the Prime Minister is offering incentives through this system where people who have private nursing homes that care for the elderly can have

incentives coming their way as long as it is registered through the Ministry of Health. It is very encouraging. In the constituency I represent in the Black Rock area there is one such nursing home and it caters to between 8 and 10 people. And on my visits there I usually compliment the proprietor on the job that she is doing and compliment her on how well she is doing the job and about her commitment to the elderly. 2.50p.m.

I do believe that we can encourage some professional people who have training in this area. In the constituency of St. Michael West Central I know of two ladies who are well trained in this area of care for the elderly and I believe it is an opportunity where we can encourage these young people and show them how they themselves can get involved in setting up that kind of institution that will cater for the aged and disabled people in the community.

Under pension increases, Mr. Speaker, again the Prime Minister is shown here as usual to be taking care of those people who worked so hard in this country. I am speaking of the old people who in their strong years worked and put everything into building this country that people like you and I are so fortunate now, as younger people, to be able to make a living for ourselves, our families, including our children.

These old people, Sir, they have stopped working therefore they have stopped earning but they do not stop spending. There is a need for income for these people. I am happy to see that the Prime Minister has proposed here that these old people who receive a non-contributory pension will be entitled or will be receiving an extra $21 a month in pension and those who are receiving a contributory pension will be having an increase of $31 a month.

In this Chamber earlier, I listened to the Honourable Member for St. Lucy and he mentioned that this increase worked out to some 75 cents a day and it was too small, after having dragged in so much money from the VAT and so on, if this is all you can give to these poor people. I want to ask him, what did they give to old people between 1986 and 1994 as an increase? Not one cent. Between 1986 and 1994 the then Democratic Labour Party administration did not give the old people of this country one red cent as an increase. All of us in here as representatives of people have old people living in our constituencies. I want you all to tell me how many old persons told you that they are going to refuse the increase coming? Not one of them. They all are glad for it and they are saying to me, tell the PM, I am glad enough for the increase and I will always remember him in my prayers. That is what they are saying. They are grateful and this is a party that has been looking after the interest of old people over the years.

Between 1995 and 1998, just over 3 years, we have been seeing after the affairs of this country, the old people have received a $17 increase in pension. In 1994 when we came in they were getting $63 in pension per week and I am proud to say that under these new proposals they will now be getting $80 a week. That is something that we in the Barbados Labour Party can be proud of.

I am quite sure all the old people in St. Michael West Central are very happy to see what the Right Honourable Prime Minister has done for them. I am quite, sure, Mr. Speaker, that the people who live in the constituency that you have the honour of representing, Sir, would be quite happy to know that they too will be benefltting from this increase in pensions.

I just want to remind the old people to just wait a little bit, some administrative work will have to be done, and come October 12, they should start receiving their increase in pension.

Mr. Speaker, the next area that I want to look at, Sir, is housing. Housing is a problem to many people especially people in the low income bracket, that is people, Sir, that work for between $350.00 to $400.00 per week, Sir. The National Housing Corporation throughout the years, Sir, has had problems trying to offer accommodation to people. People have come to me saying that they had an application into housing for 20 years and to date they cannot get a unit to rent. I explain to people that the Government owns just over 4 000 units but there is a list of 18 000 to 20 000 waiting to rent houses. I know that it is hard on people but when these people come to me I say to them, can you get a little house spot to rent or something? If you can get that house spot I will show you how you can go about getting a loan through the National Housing Corporation to build your own house. When you build your own house it is an advantage to you. If you rent the National Housing unit all your life you will never own anything. If you can borrow some money and build your own house you will have a loan on it and you will pay for it every month and as you pay off the money you borrow you will be having what is known as equity in your house. You are having some kind of value in there. So if you want to borrow money down the road you can use your house as collateral to borrow money to do anything you want to do for yourself or one of the children. 3.00p.m.

Over the years the Government has been able to acquire acres and acres of land. I think it is some 400 acres of land that the Government has recently acquired. This 400 acres of land is for the sites and services programme where the Government would offer for sale and rent to the lower income people who are in need of housing.

This Government cares about people, Mr. Speaker. We want to know that we would be in a position to offer to sell or rent everyone who comes to the National Housing

Corporation a house spot, but things will happen over time. It is not going to happen overnight. This 400 acres is in the land bank and the administrative work has to be done. The surveyors have to work on the land where they have to put in the roads, cutting them into 3 500 square feet lots. I think that is the Town and Country Planning stipulation. The smallest house spot you can have is 3 500 square feet in size. Anything smaller than that would not be allowed as a house spot. So, Mr. Speaker, I am very, very happy that this is happening for people.

Last year in 1997, the National Housing Corporation offered the people of Barbados an opportunity where they can get a loan from the National Housing Corporation to purchase a property or to buy land and build a house through a system called 100% mortgaging. All this means that you would not have to look for a downpayment anymore. You will be borrowing everything. Probably the only thing you will have to look for would be any legal fees entailed in getting this programme together.

Now, I am pleased to see here on Wednesday, September 2, in his proposals, the Prime Minister opened the gate for more things for people. The Prime Minister has come and promised the people of this country, under a new programme that the maximum amount of money they can borrow from the National Housing Corporation for building or for buying a property has been increased from $60 000 to a maximum of $75 000.

The maximum rate of interest was 9% and under this proposal it will be cut from 9% to 6%. The age limit will be extended to 65 years for potential borrowers. The maximum payment now will be going from 20 or 25 years to 40 years. So if you have a young person thinking about getting involved in owning his own home that young person now has an opportunity to borrow some money and have 40 years to repay that loan, paying it at 6% interest.

And if I might make a proposal - say, Sir, you have a young man or woman working for approximately $219.00 a week, low wages, and that person decided that he wants to get involved in a loan programme through the National Housing Corporation - if one of my constituents came to me and said,

"Mr. Marshall, I heard about this loan programme through the National Housing Corporation during the Budget. What do I do here?"

I will explain to that person that you can go to the National Housing Corporation and you can apply to borrow some money from them. You can get some land through them and you can also go about getting your own home.

I will say to that person that all you have to do is to go to the National Housing Corporation, ask about it, they will tell you, "yes", you qualify, you are working, you need to get a job letter from your employer. If you are buying a property, you need to get a letter from the person who is selling you the property saying they are selling the property to you. You will come to us and start there.

If you are building a house and you have some land, you will have to get a plan approved through the Town and Country Planning. You should get an evaluation done on the proposed cost of the house, you come to us and we will sit down with you and start to process your application.

Mr. Speaker, I now want to look at what is happening under the Urban Development Commission. This programme runs throughout the urban areas in Barbados and they have been doing lots and lots of work through the constituency.

I am happy to see, Mr. Speaker, the amount of work done in St. Michael West Central where the repairing of old people houses has taken place. In some cases, houses were so dilapidated that the Urban Development Commission built new houses for these people. I am also proud to say that the Urban Development Commission has targeted some road works in the area of St. Michael West Central.

Rt. Hon. L. E. SANDIFORD: On a point of order. I am sure that the Honourable Member who has just spoken did not intend to mislead the House. But that is the effect of his words to the effect that there was no increase in old age pensions between 1986 and 1994.

I did not rise before, Sir, because I like to be able to document these things. I tend to be a very careful researcher but I refer to the Financial Statement and Budgetary Proposals presented by the Hon. L. Erskine Sandiford, Thursday, April 28,1988. In the summary of those proposals there was an increase for old age pensions. Section 13 reads as follows:

> "Effective from 23rd May, non-contributory old age pensions will be increased from $50.00 per week to $52.00 per week."

Asides.

Rt. Hon. L. E. SANDIFORD: I am stating what the facts are and those who cried out "shame, shame" that there was no increase should be repenting for trying to condone that.

I go, Sir, again to the Financial Statement and Budgetary Proposals for Wednesday, May 2, 1990. Here again, Sir, there was an increase in non-contributory old age pensions with effect from May 1990 an increase by $3 from $55 per week to $58 per week. On each occasion that there were increases for the public officers in Barbados there was

also an increase both for the non-contributory and the contributory pensions so the Member is entirely wrong in making that statement and I wish he would correct it.
3.10p.m.

His Honour R. D. MARSHALL: Mr. Speaker, as I said, I am very proud of the amount of work that is being done in St. Michael West Central under the new road works programme that I understand comes within a week or two from now and that four roads in St. Michael West Central will be looked at under the urban programme. I also want to say...

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, on a point of order. It is clearly contrary to the Rules and practices of this House that when a grave error is made by a member that the Member gets up and accepts it gracefully. He has said nothing, going on as though nothing has happened, Sir, and he is an officer of this House.

His Honour R. D. MARSHALL: Mr. Speaker, I do accept the remarks and the information from the Honourable Member for St. Michael South.

I am very impressed by the work that is happening in St. Michael West Central and a report that came to me told me that 50 odd lights have been installed in St. Michael West Central for the last five to six months. The people of Black Rock and Spooners' Hill, Allamby Gap and Wavell, St. Stephen's and Eckstein's and so on will be very proud of what is happening in the area.

I recently toured the Grazettes a*ea with the Minister responsible for the development and we looked at some land and the Minister has assured me that he would talk with the relevant authorities about the Government acquiring the land in order to have a soft ball playing field there for these young men who right now use this area for playing soft ball and so on.

I also want to thank the Minister responsible for Transport, the Honourable Member for St. Andrew, for the new bus service that is operating in the Black Rock, Grazettes area. Before that, we were starved of transportation and they were not satisfied with the private service and I can say that because on almost every road you can see, all hours of the day, every 15 minutes or so, a bus going back, a Transport Board bus, and especially the old people are very happy to see what is happening.

Mr. Speaker, I want on behalf of the people of St. Michael and on my own behalf to thank the Prime Minister for bringing so good a Budget that will benefit not only the people of St. Michael West Central but the people of Barbados as a whole. Thank you.

Hon. G. W. PAYNE: Mr. Speaker, I want to correct an omission which was made last year in my budgetary presentation when I forgot the people of St. Andrew. They have been crying out for much needed improvement in that constituency and I must also, in apologising to them for not recognising the efforts that I have made, compliment my colleagues for the assistance which they have promised me in the next year in ensuring that most of the people from the other constituencies are able to pass to that constituency freely. As you know, it is a major link now seeing that a certain national activity, and I do not necessarily mean the Pic o' de Crop semi-finals, happen to be the centre of activity there. It is a constituency which has been neglected for some time and I certainly have tried my best and if I may go by the complaints which are being made by the political aspirant whose name I am still to know it would appear as though there is a lot more work to be done in St. Andrew.

I would like to give the good people of St. Andrew the assurance that after I have completed the roads in St. George South, St. Philip North, places that have been complained of frequently, Mr. Speaker... Certainly I have been able to satisfy your urging in St. Michael Central and I hope that I will be able to convince my colleagues that much needed work is supposed to be done in St. Andrew.

Certainly, Mr. Speaker, the people of Gilkes Village could rest assured that even though I might not be able to deal with their complaints before the next election it certainly will be one of the priority areas before we reach the next millennium and that goes for the people of St. Simons, the people in Hopewell, the people in Coggins Hill, the people in Springvale. That has taken a considerable length of time and I do hope that we will be able to complete the work at Turner Hall as well.

Mr. Speaker, these are people who have been neglected repeatedly by past administrations of the Democratic Labour Party. As a matter of fact, my predecessor, and I am speaking as though he is dead but it would appear that way, he had even stated at one stage that even though he was representing the constituency that it would have been too expensive to have brought meaningful development to the people of St. Andrew and it would have been better to merge St. Andrew with some other constituency.

Certainly this is not the policy of this administration and I would like to assure the good people of St. Andrew that I will be fighting on their behalf no matter what promises that might be made to them by certain Johnny Come Latelies in the constituency.

Mr. Speaker, this has been a masterful budget. I would like to commend the Right Honourable Prime Minister and Minister of Finance for its presentation. I believe that it is best described in one of the editorials as a budget which cannot be faulted even by the most independent of

columnists. This view is shared not only by the editorial in that particular newspaper but it is a view which is shared by both daily newspapers. It has been commended by certain special interest groups not only the daily newspaper but it has been commended by no less a person than the Leader of the National Democratic Party who in his own words when he was giving his presentation indicated that while he was listening he thought that it was Wendell McClean who is the chief spokesman of the National Democratic Party doing the presentation.

I do not think that you need a better commendation than that for a budget when a member of an Opposition party could make a statement like that. He did not have to do that. As you know, Mr. Speaker, and as the Honourable Member for St. Michael West Central could attest, that particular party has been very vociferous, especially in the first two years in their comments on previous Budget presentations which have been made by the Honourable Member for St. Peter who is the Minister of Finance and the Right Honourable Prime Minister of this country. 3.20p.m.

Mr. Speaker, I would not have expected the Democratic Labour Party to have given a similar comment. Because they have been accustomed to certain harsh draconian measures and I certainly would not have expected them to have made such comments with respect to this presentation. Especially, Mr. Speaker, seeing that they perceived for some strange reason or other, if only because of the fact that they are accustomed to having snap elections in three years, something that we are not accustomed to in Barbados. That is one of their major features during their last term. They introduced three-year elections. We have been accustomed to five years elections since 1951, Mr. Speaker and they perceived that there is a snap election on the way.

I would not expect, Mr. Speaker, that a party that is accustomed to snap elections that all of a sudden would expect, Mr. Speaker, that we are going right down to the year 2000 and from my calculation and I must correct the Honourable Member for the City because I heard her say that elections are constitutionally due in September 1999 but as a matter of fact, elections are constitutionally due in year 2000.

Mr. Speaker, I am somewhat disappointed that the Members on that side have resorted to the medium of television to discredit the outstanding performance of the Government during the very short period of time that we have been in Government. You know a lot of people do not realise that we have only been in Government for four years because of the amount of work that we have done. The other day I was talking to one of my constituents and he was arguing with me that I have been a Minister of Government for ten years. It is only when he checked back and he actually had to call a friend to verify the fact that we have only been in Government since September 6, 1994.

The Democratic Labour Party would like to distort the record if only to make us believe, Mr. Speaker, that September 6th is not associated with the victory of the Barbados Labour Party. They would like the public of Barbados to believe that September 6th is associated with some anniversary of the Barbados Labour Party being in Government. We have been in Government for 25 years, Mr. Speaker. They have now introduced certain concepts. All of a sudden they have awakened and they want now for the September 6th rather than it being the anniversary of our victory to be changed to being the date of their annual conference.

Mr. Speaker, all of a sudden we are hearing now of certain housing initiatives which have been made by the Democratic Labour Party. Initiatives which were not made by them when they were in Government. As I have said, it is reasonable to expect on an eve of an election that a political party would want to make certain claims.

Mr. Speaker, you should not distort the facts. They would have you believe, Mr. Speaker, that the Barbados Labour Party's bad record extended to housing, that they were the chief architects of the housing policies of Barbados over the years and that we have done nothing since September 6, 1994.

Mr. Speaker, one hates to go back to let the people of Barbados know exactly what was the position in housing at the time when they came in. Then every time they could try to distort the record and make it appear as though we have been doing very little in housing. As though when the Barbados Labour Party administration formed the Government that there had not been a sad state of housing in this country. It is fairly obvious that we must go back. We must go back and we will go back every time there is the issue.

What did we find on September 6th. When I came to the Ministry of Housing on September 6th, what did I find, Mr. Speaker? What did the Parliamentary Secretary, the Honourable Member for St. George North find? No programme, no policy. As a matter of fact, Mr. Speaker, I would say that it was a minus. It was a minus in housing, Mr. Speaker, absolutely nothing was there. They had just stopped the income tax for mortgage interest including the first time owners. Just stopped it, Mr. Speaker. Something that first time owners especially look forward to for a very long time. They stopped it. They stopped the subsidy to National Housing Corporation which gave them needed injection for their housing programme. They talked about the 25 houses that we have built during the last four years.

Mr. Speaker, we found absolutely that, 25 houses. Their concept of housing revolved on the construction of terrace units. That is their policy. The minute they decided not to build any more terrace units, that was the end of their housing policy. No wonder they have not been able to look at our policy. No wonder they are ashamed of the fact, Mr. Speaker, as the Honourable Member for St. George North said this morning, that they constructed 50 units in eight years. They did absolutely nothing, Mr. Speaker. And every time you open the newspapers, every time they issue a release, every time they have to issue a policy on housing, rather than telling the public of Barbados what they plan to do they are saying the Barbados Labour Party only built 25 units in four years. How could they be judges of what we built in four years unless their record have shown better, Mr. Speaker, unless they have left something for us to build on. Mr. Speaker, how can they judge housing in this country by the construction of a few terrace units in Barbados.

Mr. Speaker, that is not all we found - Cane Garden Project. They fled Cane Garden. It is a project which they started under the Venezuelan Government and they fled under structural adjustment. Everything came to a halt. No funds were available, Mr. Speaker, and they fled. We had, as the Honourable Member for St. George North mentioned this morning 145 houses to complete.

Mr. Speaker, they would like the public of Barbados to believe them when they say that we built 25 houses. I believe they put it in some hat and they pull out the magical figure of 25 and that is what the public of Barbados would believe. They cannot get away with it. We will respond in time and we are responding now. 145 houses they left at Cane Garden and fled. They fled Cane Garden, Mr. Speaker, the place was in a mess, overgrown with bush, rodents, trees, all sorts of the worst type of activity took place in that particular area. We had to complete those 145 houses, Mr. Speaker.

What else did we find, Mr. Speaker, what else? National Housing Corporation units in disrepair. Over 1000 units in disrepair. They talk about the asbestos roof. We have actually repaired over 1 200 houses during the past four years. The National Housing Corporation has had to cope simply because of the failure of injection of capital, because of the failure to give the subsidy to the National Housing Corporation, because of the fact that Government came to a standstill. Because of the divisiveness of the Democratic Labour Party administration at the time, absolutely nothing was happening in housing. That is one of the problems that we had to fix, Mr. Speaker.

In addition to that, Mr. Speaker, there were a number of houses in a dilapidated state and we had to replace them. Over 50 houses, we either constructed or persons that we relocated. Add 50 to that list, Mr. Speaker, 145 you have already and add 50 to that list and you have 195, the backlog of houses to the National Housing Corporation. They talk of backlog of applications to the National Housing Corporation as though this is something new. It is fairly obvious that if, Mr. Speaker, in 8 years they have failed to clear any backlog, they have failed to make it possible for persons who want housing to rent to be able to access them it is only obvious that there would be a backlog. We appreciated that fact and Mr. Speaker, we moved swiftly to clear that backlog. 3.30p.m.

There were 2 areas, Mr. Speaker, which we could have dealt with almost immediately, Maynards and Pondside and you know why they did not fix Maynards? Maynards was a project from 1976 when the Barbados Labour Party was in Government and you know why they did not fix Pondside, because Pondside was a project from 1976 when we were in Government, Mr. Speaker. 25 lots at Maynards, Mr. Speaker, and another 50 lots at Pondside. They were not concerned with them because as far as they are concerned they were Barbados Labour Party projects.

The Honourable Member for St. John would know that we came in and found the project at Clifton Hall, St. John. He is proud today, because we did not follow that lead, that project is on-going. A little late in starting. I must say though it is the first project that I have seen before you actually start it you have the names of all the people, all the friends of the Parliamentary Representative and none of the names are in the National Housing Corporation but I gave him the assurance and I will follow it through. I gave him the assurance that all of those names he submitted, their applications will be honoured because he tells me that he is going to be the next Prime Minister of Barbados and I do not want to come wrong with any future Prime Minister.

Mr. Speaker, Maynards completed 25 units. Pondside 43 units. The Honourable Members on that Side have not visited Pondside recently. But I was listening to a Call-in Programme the other day and I heard somebody who sounded like a former Cabinet Minister indicating that Pondside should be pushed down. So I am not surprised, Mr. Speaker that they do not want any more terrace units in any development which has been conceptualised by the Barbados Labour Party, but that is the Democratic Labour Party. So they are running around the length and breadth of this country, making you believe that 6th September has nothing to do with a Barbados Labour Party victory, making you realise that they were not rejected, booted out of office, Mr. Speaker, because of bad Government, because of the harsh draconian measures which they instituted between 1991 to 1994. They want you to believe that the 6th September has something to do with their annual conference and I will repeat it, Mr. Speaker, that is what they want you to realise and that moderator was a former Member of the Democratic Labour Party administration so I am not surprised that they would want to have Pondside demolished. I will say this, Mr. Speaker, any person in this country, if you go and visit

Pondside, taking the housing situation that the Democratic Labour has described, and I know the Honourable Member for St. Michael South would agree with me because that particular individual gave the Honourable Member for St. Michael South hell, but any person who would want to push down Pondside with the type of problems that we are having is a mental patient. In some countries, Mr. Speaker, I believe he would be picked up for an evaluation.

But that is not all, Mr. Speaker. What else do we find, Mr. Speaker, in addition to no subsidy? They amended the Tenantries Freehold Purchase Act, Mr. Speaker, disenfranchised tenants. Now when you disenfranchise tenants, Mr. Speaker, under the Act you must make provision for the particular tenants. You must make sure that you give them somewhere else to live. You cannot just disenfranchise tenants just like that and not make proper provision for them. They did not make any provision of any lots for them, Mr. Speaker.

We came into office and we were surprised, Mr. Speaker. I was shocked when I looked at the files and I asked the Permanent Secretary, this is all? He said, yes, Mr. Minister, and as the Honourable Member for St. George North says, 45 lots at Haggatt Hall. We had to scramble.

The Honourable Member for St. Lucy sometimes makes a very good contribution when he is talking about poor people but he needs to speak to the members who formed the administration between 1986 to 1994 when he is speaking about poor people. Because they disenfranchised poor people of this country and did not make the corresponding provision, Mr. Speaker, for those poor people to be adequately housed. We had to scramble, Mr. Speaker. I am not apologising to anybody when they say that during this administration or as Minister of Housing we have done more acquisitions than all the governments in the past because we have more problems, Mr. Speaker, than any administration has ever faced simply because of the inactivity of the last administration in housing. It is as simple as that. If there was a minimum of activity by the last administration in housing we would not be in this problem, Mr. Speaker. So it is a case, Mr. Speaker, of consolidating, of catching up, of moving forward, Mr. Speaker.

We were fortunate in that from time to time over the years we have always had a very strong housing policy. I am sorry that the Honourable Member for St. Thomas is not in his seat because he was Chairman of the National Housing Corporation and I would hope he would speak in this debate and tell this Honourable House about a number of houses they built between 1976 and 1986.1 think it is a shame that that Honourable Member could use the occasion of an annual conference to talk about this Barbados Labour Party administration having a poor record in housing. They do not know what they are talking about. Give your policies to the people of Barbados. If you feel that you are on the eve of an election, state your policies but do not discredit the record of the Barbados Labour Party. You cannot do that. People might have short memories but their memories are not so short, Mr. Speaker.

Our record, Mr. Speaker, is one of which we can be proud of. So what did we do, Mr. Speaker? Our Manifesto, at least gave us the direction to move forward. We have already indicated in our Manifesto, Mr. Speaker, that we would set up a sites and services programme. We had to move with the sites and services programme in order to find the lots that I spoke about with respect to the disenfranchisement of the tenants on the Tenantries Freehold Purchase Act. We had to make sure that those people who were coming to the National Housing Corporation, day in and day out, all they were being told during the last administration of Government, we have no lots. We have no houses.

Mr. Speaker, one thing I almost forgot and the Honourable Member for St. George North mentioned it. They built 50 houses in that 8 years. But do you know they unfaired, and I cannot use a better word for it, the people of St. Philip. I wonder what the Honourable Member for St. Philip South would say to what they did to the people of St. Philip. Fifty lots, poor people, they set the price high, almost double. Mr. Speaker, it is an injustice that must be corrected. It is an injustice to the people of St. Philip, to the people of those units in Church Village, St. Philip which this administration will correct. We will not only correct it, Mr. Speaker, we have already written those people and we have given them the option, Mr. Speaker, of purchasing then-units but those rents cannot remain at an unreasonable rate.

Mr. Speaker, we went out immediately after we came into office, notwithstanding the fact that our Manifesto had given us some direction. We did not want to second guess anything. We did not want to create any instant policy based on nothing. We commissioned a White Paper on Housing but at the same time, Mr. Speaker, we moved ahead with our acquisition programme, a programme because we could not have done anything without the acquisition of land. The Honourable Member for St. Lucy likes to speak about land but he does not realise that his entire speech was in favour. Do not mind what he said. The Honourable Member for St. Lucy's entire speech echoed the programme of the Barbados Labour Party because he spoke about poor people, he talked about we must acquire more land. It is true that he came to the wrong conclusion and as the Honourable Member for St. John knows, as a good lawyer, sometimes there are some people who can give all the facts and state everything but then they come to the wrong conclusion. That is the beautiful thing about law and that is why we have some lawyers that should not be lawyers because they would not give them nought. So he would not get nought for his presentation. He would get some points. He would not lose any points for the facts that he gave. He spoke in support of

the programme as enunciated by the Honourable Minister of Finance, Mr. Speaker. So our acquisitions, Mr. Speaker, were on the basis that we were trying to ensure that those low income persons who come to the National Housing Corporation day in and day out and who were turned away were accommodated.

It was also meant to ensure, Mr. Speaker, that those persons who were disenfranchised as a result of the Tenantries Freehold Purchase Act were also accommodated, Mr. Speaker. 3.40p.m.

It was also meant to accommodate and we were lucky, because we remember the floods of August 1995. Those acquisitions were also meant to accommodate those persons who were affected as a result of natural disasters and August 1995 was a bad time. We were lucky, Mr. Speaker, that those floods occurred during the day. I had an experience at home that I still cannot believe. I live on a hill, Mr. Speaker, and my entire house was washed away.

Asides.

Hon. G. W. PAYNE: My entire house was washed out, Mr. Speaker, and I live on a hill. If those floods had occurred during the night, I am sure that at least 100 people would have lost their lives.

We were able, Mr. Speaker, because of the swiftness of the programme of the Barbados Labour Party, on the 6th of September. We commissioned the White Paper and started the acquisitions. We were able to move people to Bakers almost immediately in eleven houses. Then those other areas which we had to deal with in order to make sure that we make the housing affordable, we had to intervene to make sure that those people who were accepting the loans were able to make payments to the National Housing Corporation.

We introduced the General Workers Loan Fund in 1985. We introduced the Housing Credit Fund in 1983. We had to make sure that the General Workers Loan Fund was more generous. We raised the limit from $20 000 to $40 000 and then to $60 000. The proposal by the Right Honourable Prime Minister now is to put it to $75 000. Persons earning $250 a week, we move it to $2 761 a month. We had to intervene to make sure that we made the lots available.

Mr. Speaker, and I do not have the time to study the whole programme of the Barbados Labour Party during the next five years, but our plan is to make sure that we have enough lots. When you hear them talk about 24 lots, it is not 24. My last check revealed a figure of 522 houses that we have either built or that we have started to construct. One hundred and twenty-five at Cane Garden, 11 at the Crane, 59 at Hoyte's Village, 54 at Apes Hill, 48 at Farmers, 34 at Flat Rock, 62 at Deanes Terrace, 43 at Pondside. Directly built by the National Housing Corporation, 78 and 25 at Maynards.

Asides.

Hon. G. W. PAYNE: I might have the figures wrong. I think it is over 500 that we have either completed or in the stages of completion. We had no land available and we had to acquire land. We had to move on and I invite Honourable Members on that Side to visit all of those areas that I have mentioned. Visit Farmers tomorrow and you will see the construction in progress. Visit Apes Hill and you will see the construction in progress. Visit Pondside and you will see all that construction in place, Mr. Speaker.

Our objective, Mr. Speaker, was to make housing more affordable and we have done just that. This Budget will ensure that poor people will now be able to access their homes.

And if I may make just one more point. We are hoping as part of this programme that the rental of house lots will be a thing of the past. We are introducing a system whereby whenever a lot is allocated, you get the 100% mortgage, you move right onto the spot and the mortgage is done for you by the National Housing Corporation right away. You do not have the burden of paying rent anymore and all the tenants of the National Housing Corporation have been written to indicate whether or not they want to purchase their house lots.

Mr. Speaker, I am obliged to you.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise to participate in this debate and as I understand it there is a Resolution before this Honourable Chamber which forms the framework within which the debate on the Financial Statement and Budgetary Proposal is taking place and it is to that Resolution that I intend to speak to.

It starts out, Sir, by saying,

> "Whereas by its outstanding stewardship the Government has succeeded in restoring the Barbados economy and lifting it to new heights of excellence."

And there is an amendment, Sir, which calls for the deletion of certain recitals and the substitution of an alternative form of wording.

Now, I wish to say at the outset, Sir, that the Barbados economy has indeed been restored to a state of health and that that restoration has been the work, not of one Government, Sir, but of succeeding Governments of this country, both the Democratic Labour Party Government and the Barbados Labour Party Government. So I do not wish

there to be any distortions of the record. It is customary when we are discussing these matters especially as we approach an election, for people to take up very extreme positions and then for the truth to be lost somewhere in between.

I do not intend, Sir, to take up any extreme position. I intend to speak to the issues as I see them and I expect to put the position for my constituents, whom I represent and I intend to continue to fight for the improvements of this country, its Government and people and I certainly will fight with all of the strength that I have in order to ensure that the Democratic Labour Party Government, under the astute leadership of the Honourable Member for St. John, not only will form the next Government, Sir, but will put those proposals, policies and programmes in place that will lead to a further revitalisation of this country and the well-being of its people.

And, there is much talk, Sir, about this millennium and that this particular Budget will secure the future for Barbados. Let me bring to the attention of Honourable Members, because my friend the Honourable Member for St. Andrew seems to have forgotten. He said that people do not have such short memories, but his memory seems to be short.

I have, Sir, in my hands the development plan for Barbados and it covers the years 1993 to 2000. It appears as though the Government is thinking that they have invented the year 2000 and that everything they do is to bring in or usher in this millennium. But long before that that Government came into office, Sir, the Democratic Labour Party Government produced a forward looking document looking as far down as the year 2000. So I hope this pseudo claim, not only to a prophetic goal, but also to the Errol Barrow tradition and the Errol Barrow mantle which the Leader of that Party has brazenly claimed, I hope that will be put to rest. And I wish, Sir, to draw to the attention of this Honourable Chamber and to point out that unless there is a clear decision as to where we want to go in this country, where we want to position ourselves and the values that we have for the individual and families and groups in this country, unless these things are clearly set out we will be like a ship without a rudder. And I wish to quote from where the Democratic Labour Party wanted to position this country way back in 1993. 3.50p.m.

I quote from the preface to this document "Development Plan 1993 to 2000 for Barbados". The preface was written by the then Prime Minister and Minister of Economic Affairs and Tourism, L. Erskine Sandiford and he said, I quote:

> "One of the cherished objectives of myself and my Government is to see Barbados transformed from the category of developing country into that of a developed country in the shortest feasible time."

I was saying that, Sir, from 1993 that Barbados must have its goals set on being a developed country and that that was the right thing.

> "That goal is not an idle dream or wishful thinking. Rather, it is a testament to the abilities, skills and potentialities of the Barbadian people to create wealth and distribute it in a way that is equitable, humane and merited."

I turn next to another statement of a vision and this was in 1990. It is taken from a book called The Process of Democracy: Speeches by the Right Honourable L. Erskine Sandiford, Prime Minister and Minister of Finance and Economic Affairs. I believe this is already a document of this Chamber. If not the library can obtain one. It is one of the many volumes by that author, L. Erskine Sandiford.

This is the vision, Sir and you will forgive me if it sounds somewhat poetical because, as you know, Sir, that writer is also a poet. I am quoting, Sir.

> "When I look down the vistas of history, down the decades of time not yet unfolded I envision a Barbados that will have evolved..."

You heard the tense there, Sir?

> "... into a truly educated society. I envision a society that respects environmentally the physical condition of our land, its vegetation, animal species, the waters on and round about it and its atmosphere. I envision a society of healthy people who through their lifestyle and efforts seek to prevent disease and protect and promote health. I envision a society sustained by the highest possible level of literacy on which is based a comprehensive curriculum and body of learning experiences for living and for livelihood implemented through a continuing lifelong network of formal, non-formal and informal settings. I envision a society that promotes the integration of drama and dance, music and art into the fabric of daily living.
>
> I envision a society sedulously practising the process of democracy, protecting human rights, promoting orderly, disciplined behaviour and excluding violence, crimes and all forms of lawlessness through an enlightened criminal justice system."

This is just to give a taste, Sir. Those who wish more can read more in this very enlightening volume. But the point I wish to make is that even in those early days of this decade we were setting out what this vision is. So Sir, the future was mapped out and not only the policies but the

programmes were set out across all of the sectors of this economy and society and we sought to implement those. That is what we handed on to the succeeding Government.

It is a fallacy for anyone to think that the Barbados Labour Party came in and found a broken-down, non-performing economy. The facts are otherwise. The economy had already started to recover and even by the admission implicit in the words of the Prime Minister that was accepted; but then he comes to say something else.

Five years of continuous economic growth, 1993,1994, 1995, 1996 and 1997. But it started, not under the Barbados Labour Party Government, that growth started under the Democratic Labour Party Government and those five years of growth correspond also to the years of growth preceding that, as the Honourable Member for St. Michael South Central indicated from 1985 to 1990.1 am pleased to note that the Democratic Labour Party has been associated with the two most recent periods of growth in this country.

The other factor that I wish to set in perspective, Sir, is this question of recessions. It is true that in the years 1991 and leading into 1992 Barbados was in a state of recession brought about both by the external factors because the world was in recession and also by certain internal - let me use the term that the economists use - disequilibrium. We had those problems. But we also were in recession in 1980 and 1981 and 1982. Barbados was also in recession in those years and we like to forget that this country approached the International Monetary Fund for the first time in 1981-82 and entered into a programme. I want to set the record straight. Yes, there was a recession and there were certain measures that had to be put in place in order to correct that recession. That had to be done in 1980 and 1981 as well. The only difference is that I came openly and said what the problem was and set out a programme for dealing with it. In 1980 and 1981, the people of Barbados were not told of that programme and it was only investigative work of the Honourable Member for St. Michael South Central, who seems to have forgotten that work... 4.00 p.m.

Asides.

Rt. Hon. L. E. SANDIFORD: It was his work that led to the unveiling and the uncovering of that.

Sir, let us put that aside. We have problems and if you have problems they can be corrected and they were corrected and we want to get ahead with the business of governing this country and of securing that future for Barbados. Even during the worst year because the recession of the early 1990s was the worst that this country has experienced and we took the decisions and they have worked. I will turn shortly to the details of that because I wish to say that when we come to look at the proposals in this year's Financial Statement and Budgetary Proposals, I have, in a very unbiased manner, and according to the record and I will not hesitate to sit down if anybody stands to correct me, that the present Minister of Finance is the greatest and fiercest extractor of taxes from the people of Barbados of any Minister of Finance in the history of Barbados. He is the greatest extractor of taxes. One could call him Mr. Taxation.

Asides.

Rt. Hon. L. E. SANDIFORD: I did not say the Honourable Member for Christ Church South. I would never say that about you because you have been struggling with a secondary mortgage market from 1985 and I know you were very strong on that but you have not been able to achieve it. I hope those who have succeeded you have been able to put it in place.

Asides.

Rt. Hon. L. E. SANDIFORD: I did not say the Honourable Member for Christ Church South. I mean the Honourable Member for St. Peter. There is nothing personal in this presentation because I approach this debate not with any malice but it is time to talk realities and to talk sense to the Barbados people.

We have had something like $116 million approximately extracted from the people of Barbados as tax revenue in this Budget but yet there are those who are saying that it is alright. That is the largest amount of money that has ever been spent in any pre-election year in Barbados but yet nothing is wrong with it. $116.3 million approximately, the total cost of the give-aways for a year in this Budget, the most in any year before or during an election but yet they were talking about squandermania in 1990.

Asides.

Rt. Hon. L. E. SANDIFORD: A small percentage of the GDP. Well, you say that.

I know this comes as a shock to you, Mr. Speaker, because after hearing all of this talk and all of the grandstanding, that it is prudent and there is nothing wrong with it, and that we are securing the future of the people of Barbados, it comes as a shock for Honourable Members to hear that this is the largest amount of taxation or largest amount of give-aways by any Minister of Finance leading up to an election. Yet it is not pre-election spending. It is not pre-election spending.

Asides.

Rt. Hon. L. E. SANDIFORD: That is what I see. I pass on Sir, because I have quite a number of points to make.

Let me say that this Budgetary process is one basically for maintaining law and order. That is what the Budget is about because it is the main function of Government to maintain law and order and the function also is to ensure that the people of Barbados know what the Government is doing, where the money it is spending is coming from and what money is being spent on. It is akin to the annual reports of an efficient corporation which would include the income statement, it will include the balance sheet, it will include something about retained earnings and other information that is useful not only internally to a corporation but also externally to those who may wish to invest in the corporation and may want to know about the stability and operations of a corporation. The best corporations follow the best practice in seeking to ensure that those annual reports are produced promptly when due.

Yet, Sir, we have a situation in which this year the Budget is coming down in September. It is late, it is very late and I think, Sir, that that does not conform to the need for efficiency in the management of our public affairs. It is not efficient to do that. Just as it is not efficient for us to continue the practise of bringing the Final Appropriation Bill so late. It should really come as soon as practicable after the end of the financial year.

Whatever indiscretions there were before in very late presentations by both Governments, Sir, in bringing the Final Appropriation Bill late, we wish to have information on a timely basis. It is time that we stop all of this infantile adulation, let me call it that way, in massaging people's personalities and trying to make those who are attempting to make their contributions into demigods before their feet of clay have firmly been set. There are no demigods in here and all of us... 4.10p.m.

Aside.

Rt. Hon. L. E. SANDIFORD: In all modesty I will accept that. Sir, let us be serious. We are all struggling as human beings to perform.

Sir, I hope the same courtesy will be extended to me as other members. I am the longest serving member in here. So all of this is late.

Let me turn, Sir, in the time that you have said I have remaining, let me turn to 3 issues quickly. One is about Edutech. Now I fear this particular project and I will say why I fear it. I fear it because the cost is an astronomical cost and that cost you cannot even finalise because if you are dealing with computers you do not know what the forces of obsolescence will do. A new model comes out and the students want to change from that to a new model so when you are calculating you have to calculate on that cost because it is not only the hardware but the software, Sir, and it is costly and I believe that it has to be revised.

We are not talking about computer education. I am talking about the gimmick called Edutech. That is what it is, Sir, a public relations gimmick and I imagine if the Honourable Member for St. Thomas was over here dealing with something called Edutech how he would approach such a proposal put forward by the Democratic Labour Party.

Let me say, Sir, why I call it a gimmick. It is a gimmick, Sir, because you would be taking what has been done in Barbados from time immemorial, that is repairs of schools and put that as a component of Edutech. Now what has that got to do with Edutech? Every year we have passed in this House, from the 1950s onwards, Sir, provision for fixing schools. It has nothing at all to do with Edutech. Then, Sir, another component, training. We have been doing training in Barbados for a long time but that is put in as another part of something called Edutech. Then the third component has to do with computers. There is absolutely nothing wrong with having computers in schools but we must remember it is only a tool and we mistake the development of technology or the history of technology when we believe that everybody in Barbados has to be. exposed to a computer. That has never happened in any of the technological ages that I am aware of. From those instruments that use wheels, you have to ride a bicycle and I do not know if the Leader of the Opposition could ride a bicycle properly. I think he went'in a race but he was soon off. I think he only lasted 5 minutes and so I do not know about that. I know for sure that the late Tom Adams could not ride. So you do not have to live in this generation to be part of it.

Aside.

Rt. Hon. L. E. SANDIFORD: These are very fine points, Sir. I recall, Sir, with educational television which we introduced and that was to bring the best teachers before the students. They are gimmicks. So we have to treat this in all our schools. There should be laboratories at each school and if you want to put them in the primary schools, I have no quarrel with that but do not come and tell big men and women that there is some programme called Edutech that will be more important than free secondary education. The computer is only a tool and that is what we have to recognise.

We support that part of Edutech that relates to computers if it is well thought out but to come and fool us about Edutech and throwing in everything under the sun and calling it Edutech is a waste of time.

Mr. SPEAKER: The Honourable Member is asked to conclude.

Rt. Hon. L. E. SANDIFORD: Yes, I am concluding, Sir, in the next couple of minutes. You do not believe I will take so long, Sir?

We did those economic reforms, Sir. I will find another occasion on which I will set out those reforms. Those whoever in the meantime who wish to understand what the reforms were can read a well researched book called the "Essence of Economics" which sets out that programme in an unbiased way and you can find the facts there but I can say what the programme was and I would like to know what are the measures taken since 1995 that has caused the Barbados economy to be in a state of recovery. I know the ones up to 1994.1 wish those who have done otherwise will be able to say what those afterwards were. I am obliged to you, Sir.

Hon. Dr. R. L. CHELTENHAM: Mr. Speaker, Sir, I had not proposed to join issue on any point with the Rt. Honourable Member for St. Michael South who has just taken his seat because I know the depth of his fear that history may not treat his regime kindly. To that extent he is given, whenever he has the opportunity, to try to doctor the record as it were in order to ensure that there will be something there for the historians of tomorrow to look at.

Rt. Hon. L. E. SANDIFORD: I rise, Sir, with great reluctance and diffidence to draw to your attention the use of the word "doctor".

Mr. SPEAKER: Yes, I heard it. The Honourable Member for St. Joseph, I am sure you are not imputing that the Right Honourable Member was in any way attempting to doctor the record.

Hon. Dr. R. L. CHELTENHAM: I am happy, Mr. Speaker, to substitute "place on record" and to withdraw unreservedly "doctor". 4.20 p.m.

The real truth, Sir, is that this Budget provided us with a great opportunity to debate the major proposals which have been put on the table in relation to education reform, in relation to providing for the elderly, in relation to the new advances indicated in housing and so on. But unfortunately all that we have had thus far, and I suppose it has to do with the perceived proximity of the next election, is an attempt on each to score marks.

And so we have had from the Honourable Member for St. Michael East, a statement to the effect that the Budget consisted of a series of confused measures brought before this House. The Leader of the Opposition painted a picture last evening of the Barbadian society as one that is characterised by fairly severe inequalities in terms of the distribution of wealth.

Now, it needs to be said, Sir, that there is a statistical device known as the Lawrence Curve which when applied to society determines the degree of evenness of distribution or maldistribution of its wealth. Studies have been done over the years and there are one or two of them that are reflected in the Journal of the Institute of Social and Economic Research which revealed that Barbados has one of the most even distribution of wealth in Latin America, in South East Asia, in the Caribbean and in many other parts of the world.

So that it is not true to say, as was suggested yesterday that this is a society characterised by severe maldistribution of wealth. You can say that about Venezuela, about many countries in Africa, in Latin America, but that cannot be said about Barbados. In fact, if you were visiting Barbados for less than 24 hours, because if you are here for more than 24 hours you get the immediate impression of a country well managed. Not only now but for a long time, but particularly now in recent years, Barbados has always presented to visitors that impression of a country well managed and no more so than now.

But if you were here for 24 hours or less you would have gotten the impression yesterday evening that every policy initiative taken by this Administration was mistaken and every action was contrary to the best interest of the people.

I want to support those who made sure that there can be no forgetting on the part of the people. To that extent, earlier speakers on this Side have contrasted what we are experiencing now to the position of five, six, seven years ago when we were in Opposition and when the Democratic Labour Party was in office.

I appreciated the contribution made by the Honourable Member for St. Michael South Central. I was not in my seat, but I was on the road and listening to the radio, when he said that it cannot be denied that this has been a period of sustained growth in this economy under the Barbados Labour Party. He also said that the economy has been so managed that we have not had to resort to borrowing from the Central Bank (Tom Adams Financial Centre) which in turn leads to the printing of money.

He made the point that inflation has been low and given the high level of unemployment in the years preceding the Barbados Labour Party coming to office, there has been a dramatic increase. They have not realised the target of 30 000 yet, but there has been a dramatic increase in employment and that the growth has been balanced. The offshore sector, the financial services sector has produced. Agriculture except on the occasions when we have had it set back as a result of bad weather has produced, particularly non sugar agriculture. The manufacturing sector has been improving and in the last year has grown by about 6%. Construction has been at a very high level making a contribution of 15% in the last year and tourism too, has grown quite considerably in the last few years.

And in all this all sectors of the Barbadian society have shared in the new prosperity. The elderly, the old age pensioners in particular have a lot to be proud of. In the many years during the Democratic Labour Party office, I think they had a $5 increase. On one occasion there was a $3 increase and yet another occasion in those eight, nine years, a $2 increase.

Under the Barbados Labour Party in the last four years the non-contributory pensioners have moved from $63 a week to $80. That is a substantial increase which is a reflection of the fact that at the centre of the focus of the Barbados Labour Party has been people. They have been at the centre of our focus, not only young people and people at all levels of the society, but the elderly also.

Now, Mr. Speaker, I think the point has got to be made and this is the context I think in which we ought to see the contribution of the Opposition in this debate. Some famous statesman said in the last century that the role of the Opposition in our Parliamentary democracy is to oppose. It is his first order of business. It is his second order of business and it is his third order of business and that is precisely what we have seen from the Opposition spokesmen for the most part, thus far in this debate.

They have opposed and they have given the Government credit for none of its achievements. But they are all fresh in the minds of the people and many speakers before me have reminded this House and the people of Barbados about the contribution of the Barbados Labour Party in the last four years.

I want to turn, Mr. Speaker, to Edutech. It is a proposal that will consume a considerable amount of the taxpayers' money as conceived. It is designed to introduce a fairly radical overhaul of our educational system and I think it is important that we speak to it.

I was glad about the reminder in the Budget that this menu of initiatives which carries the short hand of Edutech consists of more than an attempt to throw technology, particular computer technology behind the educational problems. Because even in knowledgeable circles over the last year, Edutech has been so discussed as an attempt on the part of the Government to throw computer technology behind the educational problems.

But in truth and in fact, the programme which has come to be known as Edutech consists of four major planks. And the repair, rehabilitation, refurbishment of the school plant is an important one, because notwithstanding the fact that successive Governments paid attention to repair, the repair work was modest and there were many schools to which they had not got around.

So that for example, you have St. Bernards^ in St. Joseph and St. Elizabeth, two schools that are in a fairly serious state of disrepair and they are only illustrative of what is fairly widespread across the country.

So that at this stage in our history we really do need a serious investment in the repair and refurbishment of the school plant. So I do not think that we can quarrel with that.

In fact some of the schools were so bad that I remember the Leader of the House reminded us many years ago that engineers who were working for the emergency programme CERO said that some of them were not fit to be shelters in the event of hurricanes. It is as bad as that. So we cannot quarrel with the component that speaks to the physical refurbishment, the modernisation and the improvement of the safety features of these schools. 4.30p.m.

The second plank of the programme has got to do with introducing computer technology, hardware and software. The third plank has to do with the training of the teachers to master the tools and to impart knowledge through its use and the fourth feature of the programme has to do with improving the capacity of the Ministry of Education to manage these changes and to manage the programme.

I want to make a few cautionary points, Mr. Speaker. We ought to remember that however we define education it really consists of two elements. We are trying in the first place through education to make people fit to live and that is to equip them with the skills so that they can make a living and the second thing that we are trying to do through education is to make people fit to live with. In short, it is a civilising and socialising process. I have only been told thus far and the only point that has been made explicitly is that it will fit the Barbadian man and woman of tomorrow, the Barbadian school children, to make a living, to earn money and earn their keep in the post-information age.

I think the point has got to be made that the system has got, however it is reformed, to be modernised to embrace certain bedrock values.

The sanctity of human life is to be emphasised, emphasis on being your brother's keeper, respect for your neighbours, the notion that you have to work in order to pay your way in the world, that being a member of society has certain obligations. All of these points: we have to respect our national symbols, including our flag and our national anthem, that we cannot be whispering and fighting when it is being played. Those points have got to be made.

I would hope that in carrying out these changes, room will be found for these important values that address the second goal of education which is to make people fit to live with.

The second point that I wish to make is that over the last 30 or 40 years we in Barbados have displayed an all too great a readiness to introduce new changes in the methodology of our teaching. There was a time when we abandoned sum drills. There was a time when we abandoned parsing to the point that many people, some of them even at the level of degreed people in this country, have not been able in the last 15-20 years to identify the preposition, the adverb, adjectives in the sentences or to tell you what is the role that these words play. As a result, English is becoming increasingly a second language in a place like Barbados.

I think that we must return to those basics however we refashion the system.

The third point that I wish to make by way of caution is this. I heard the Honourable Minister of Education remind the nation last night that in all educational systems only about 30% to 40% of the students do well. She said that we in Barbados were hoping to realise the much higher target of 100%. Perhaps we are a bit too idealistic.

The point is, however, that we have a large number of people coming out of the school system who do not get any certificates at the end of the day. They do not pass any CXCs. Nevertheless there can be no doubt that they are intelligent. Some of them are very mannerly, well socialised, and some of them are very keen to do well but there are no opportunities for them at the level of training. They cannot get into the Samuel Jackman PrescocJ Polytechnic even though they may be interested in learning one of the trades because they do not have enough of a formal background to meet the entrance requirements. So there is no trade school for them and skills training is not good enough because you are only talking for the most part about a 6 or 9 months' exposure which is not good enough, is not long enough or deep enough in order to equip a young man tq be an A-Class carpenter, mason, electronics technician, brick layer as the case may be.

So the glaring gap made obvious by the construction boom where we have all of these deficiencies in our skills is for a trade school where you do not have to qualify at the level of the Samuel Jackman Prescod Polytechnic and where they can go in for three years or thereabouts and come out. That is what I have argued for a long time and it should have been done with the school in St. Thomas. I was ignored; but I was clear in my mind that that is a gap that we have got to fill.

The second point that needs to be made is that we have to return to the apprenticeship system. Right now there are no more than 200 young people who are in the apprenticeship system organised by the National Training Board. There is no reason why we in Barbados should not have 2 000 at any one time under an apprenticeship programme. It seems to me that we can so fashion our tax system as to ensure that there are adequate incentives there for the employers to have our young people on the apprenticeship programme. There are two areas where we are deficient: there is an obvious need for a trade school and there is need too for a dramatic enlargement of the apprenticeship programme.

I want to turn, Sir, to the proposals put on the table by the Right Honourable Member for St. Peter, the Minister of Finance, in relation to the elderly.

Barbados is a rapidly greying population. That has very clear implications not only for our social security system but for the creation of an entire infrastructure that will speak to the provision of services for the elderly. I am disappointed that it is not a subject in Barbados that the organs of public information deal with on any regular or serious business.

Questions like how do you provide for your sunset at the personal level and at the level of society, how does the society provide for the sunset of its citizens. Who are going to provide the facilities for day care centres for the elderly? What should be the minimum standards that should be applied and obtained at those institutions? Where is the finance to come from and what are we going to do to make sure that the social security system does not go broke. 4.40 p.m.

The Budget attempts to address some of those issues but it is clear to me that that must be an on-going focus of public policy. In the same way that we have a Child Care Board in this country, it seems to me too that the time has come when within the structure of Government we must have an agency that addresses the problem of the elderly. It has to coordinate the delivery of services, it has to propose and put forward ideas, it has to work with the private sector, it has to initiate the debate from time to time on particular aspects and it has to carry out studies. I think there is a clear role for an agency within the structure of Government that addresses the questions of the elderly.

I turn now to housing. I am glad that we have been critical of the housing policy of the Government because what it did was force my friend the Honourable Member for St. Andrew to defend what was a much better policy than he had led the House, not he, but that the House had been led to believe, and the public too, was the record of the Barbados Labour Party in housing.

For a long while it was clear that that is the biggest area of deficiency in our social landscape, the question of low income housing. Because we have made enormous strides in this country in middle and upper income housing and to a large extent, given the fact that no preparation work was done in the years preceding in terms of acquiring the land, it was important that this Administration emphasised the build-up of a land bank. That is what the early years were mostly

spent in doing. We have now reached the point where with the land bank in place, a big push can now be made in filling those gaps and correcting those deficiencies in relation to low income housing.

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

Hon. Dr. R. L. CHELTENHAM: Thank you, Mr. Speaker. There can be no doubt that it has been done. The proposals on the table are bold, they are dramatic and they should go a far way towards correcting this area of deficiency and weakness.

In relation to the provision of land, I want to say, Mr. Speaker, that I am particularly happy with what is being done in Tamarind Hall, St. Joseph, as it is called by some people. It is called Horse Hill by some people and Blackmans by some people. The Government has acquired 22 acres and a suburban centre has been conceived for that area. 120 spots will be made available, the tractor is at work as I speak clearing the site. Many of them will be available for outright purchase and some will be available for leasing.

In addition to the house spots and I invite all parties who are interested, all of my constituents to go to the National Housing Corporation and register and let me know too of their interest. Apart from the house spots, the centre will consist of a day care centre for the elderly, a library, a baby creche, a new welfare department, a new court, a new police station, a new post office and a modest size health bay. In fact, the amendment to the proposal says that some houses too will be built by Government there. I am particularly proud of the shift of resources, the slice of the cake that the people of St. Joseph are getting and I join them with looking forward with great enthusiasm to the development and erection of that urban/suburban centre in Horse Hill.

I just want to say, Mr. Speaker, in conclusion that these proposals delivered by the Minister of Finance two evenings ago form part of a continuum.We have had four Budgets presented by him. They have all addressed important areas on an incremental basis in the economy and they have contributed to the prosperous state of which the economy of Barbados now finds itself. It has contributed to the opportunities which are available across this land. It has given us the opportunity to address the issues of poverty which are residual issues still in our society to be addressed and I am proud to join those on this Side in supporting those measures. I can understand why it is that the Leader of the Opposition devoted almost three hours to a sustained attack on the Rt. Honourable Member for St. Peter but the next election will among other things be a contest about leadership. I know that he is uncomfortable over the spectacle of the short leader with the long coat tail. I know that he is disturbed over the spectacle of the growing gap in people perception between the suitability of the Rt. Honourable Member for St. Peter to carry this country into the next millennium and his own suitability as perceived by the people. His remarks are understandable and very understandable indeed. I am proud of what the Barbados Labour Party has been able to do in the last four years. I am particularly proud of the Budgetary Proposals on this occasion.

Mr. F. J. STUART: Mr. Speaker, the debate on the Financial Statement and Budgetary Proposals for the year 1998 is now nearing its end and I rise in the name of the people of St. Philip South to contribute to this debate.

Two days ago, the Honourable Member for St. Peter delivered the annual Budget to this House. As was just said by the Honourable Member for St. Joseph this was the fourth Budget delivered by the Honourable Member for St. Peter therefore, we on this Side and the country are very well placed to evaluate and to heft the politics not only of the Honourable Member for St. Peter but also of the Barbados Labour Party.

The first point I would want to make is this. That nobody in Barbados and certainly nobody on the Other Side of this House can creditably claim that over the past four years in Barbados there has been any redistribution of this country's wealth. There is nobody who can creditably claim that the wealthy elements in this society have been asked to make any sacrifices so that the poor can make any significant advance. The politics of the Barbados Labour Party over the last four years has been a policy of reassurance for the rich and a politics of consolation for the poor.

This Budget does not depart from that paradigm, the rich has once again been reassured in this Budget that they are untouchable in this society and the poor who relevance has been kept in the background for the past four years have now been brought centre stage because it is an election year.

Now, the Honourable Member for St. Peter obviously conceives this Budget within the context of what is going on in Barbados today and his view of what is going on in Barbados is well stated at page 2 of the Budget where he states that the economic and social conditions of our nation are sound and the future is bright. The economic conditions in this country which are so sound are that the Government of Barbados over the last 4 years abolished 11 indirect taxes, promised the country a revenue neutral substitute called a value added tax and wrenched from the pockets of the people of Barbados an excess of $225 million. So that none can contest that in 1998 the people of Barbados are being more heavily taxed and being more oppressively taxed than in 1994 when this Government came to power claiming that the country was overtaxed. The result is that the people at the lowest rung of this society have found life a daunting

challenge and have had to struggle to survive and to wrestle against all the slings and arrows of an outrageous economic fortune. 4.50 p.m.

The social conditions which are so sound in Barbados are these, that in the Economic and Social Report of 1997, it is reported that over the review period under the caption law and order total crime and offences stood at 10 203 compared with 10312 recorded in 1996, representing a drop of just over 1.0%. 10 203 crimes committed in 1997 as against 10312 crimes recorded in 1996. These are the sound social conditions of which the Minister of Finance so eloquently spoke.

These sound social conditions are further expressed in the fact that drug related crimes in Barbados continue to be a major concern and that after falling by 7.7% in 1995 this category of crime rose by 31.4% in 1996 and 4.5% in 1997. These are the sound social conditions of which the Honourable Member for St. Peter spoke and the budget comes just about 2 weeks after anguished debate in this House on the issue of crimes in Barbados and also after anguished debate in this House on the passage of a gun law to stiffen penalties and to try to put the society's mind at rest. These are the sound social conditions of which this Government boasts.

The political conditions. In fact before I go on to the political conditions, I had better stick with the social conditions and draw to the attention of this House that industrial disputes in Barbados increased in 1997, according to the economic and social report over 1996 and that the number of work stoppages in Barbados increased in 1997 over 1996 and that the number of workers involved in these work stoppages doubled in 1997 over 1996. These are the sound social conditions of which this Government has been boasting.

At the level of politics the population has obviously continued to lose faith in our politics and in our political institutions as the population becomes increasingly aware that the role of the masses in this country, certainly under the Barbados Labour Party is to groom and feed the horse while the wealthy run away with the gold cup. The donkey does the work and the horse gets the promotion. And as they lose faith in our ability in this House to minister to their requirements the centre of gravity of our politics shifts from Parliament on to the streets, on to call-in programmes and there is no clear and obvious power centre in Barbados as we have come to know power centres since the advent of mass political parties and trade unions in this country.

Where has all of this led? I think an interesting statistic might help to point this House and this nation to where we are in Barbados today as a result of these uncertain social, political and economic conditions for the masses of the people of this country.

Just Sunday last, one of our daily newspapers reported that in 1997 Barbadians spent $18.2 million in gambling. This is against $3.3 million, according to the report, spent in 1994, a jump from $3.3 million in 1994 to $18.2 million in 1997. The report says that people in this country are now spending over $500 000 per day in games of chance.

Now, that does not surprise me because if you can no longer trust the institutions which were created in this society to minister to your social, political and economic needs, if the enabling institutions have now become your greatest source of discomfort and mental torture, if life stopped being a science on the basis of which, by observation and experiment and experience, you can plan the decisions you want to make for today and tomorrow and for next week and next year, if a man cannot plan by saving and cutting and contriving to own a home or to educate his children on the basis of what he has observed and what he knows and what he earns, the only choice left to him is to resort to a life based on blindman' s buff. Close your eyes, gamble and hope for the best so that at a certain layer of our society people have now surrendered themselves to a phenomenon called chance because the situation in this country today tells them that conventional means can no longer carry them to the social and political and economic destination in which they have invested. That is the context in which this year's Budget was conceived and one can therefore understand the expectations of the masses of the people as they look forward to this Budget that something concrete and meaningful would have happened to replace their despair with hope and to replace their darkness with light. 5.00p.m.

The approach of this Government to management is no mystery. In October 1995 the Barbados Labour Party - Right Honourable Member for St. Peter sent a policy letter to the Inter-American Development Bank in which he stated what the Government's emphases would be. And, in that policy letter he crafted a role for the Barbadian state and that role was the role of being an enabler for the private sector, a euphemism in Barbados which means, the rich segment of the country. The expression, 'private sector' historically in Barbados has meant rich and white in this country and we have not yet gotten away from that definition of private sector which has been the legacy of slavery. The legacy of colonialism and certainly the legacy well into our independence.

Mr. SPEAKER: The Honourable Member, I am just making a point to direct you and some others who will speak after you. You are making an allegation about an action that was taken on by the Honourable Member about a letter that was sent and in which you alleged certain things were written. It would have been good for the House if you did have such a letter.

Mr, F. J. STUART: It has been made a document of the House a long time ago.

Mr. SPEAKER: Well you did not say that. If it has been made a document of the House, that is okay.

Mr. F. J. STUART: I make presumptions about the knowledge of the House. I did not know that this was still a mystery.

Asides.

Mr. F. J. STUART: I apologise about making that bold presumption on the knowledge of the House. My profound apologies.

The policy letter is a document of this Honourable House. Now, the Barbadian state was fought for by the masses of this country. It was controlled before the 1930's by a merchant planter elite and thanks to the efforts of most of those persons whom we named as National Heroes recently that state was secured for the masses of this country and from about the 1940's on a social partnership developed between the authentic servants of the masses of Barbados and the masses themselves.

So that we have a period of progressive and highly beneficial politics from the 1940's on in Barbados. Systematically over time, the masses in the form of voters pushed aside the conservative element in this society that had historically been an obstruction to their social, political and economic ambitions.

So they have always looked to this House and to the State of Barbados for their emancipation and they saw it happen in the 1950's when progressive pieces of labour legislation were passed by the Barbados Labour Party, then in power. They saw it happen in the 1960's when free secondary education was introduced and when an act of social and economic empowerment took place in this country that was unprecedented up to now, unequalled and certainly up to now, unsurpassed. So the masses were entitled to have faith in their politics, in the institution of their politics and in their politicians because of the track record from the 1940's on.

Sadly today, what has happened is that we now have a politics which says that the masses of this country are relevant only once every five years and that for the first four years of any parliamentary term you look after the rich as has happened with this Barbados Labour Party Government and when you get to the homestretch then put on your human face and make it appear as though this is the Party of the poor, the masses and the workers.

Therefore, I was not surprised last night to hear that 27 years after the Barbados Labour Party promised to introduce unfair dismissal legislation in this House - and in 1981 Tom Adams and certain Honourable Members in this House, some are dead and others are still alive told the country that that legislation was ready for introduction in 1981. But 27 years later, last night we had the historic announcement from the Honourable Member for St. Philip North that this legislation was ready.

I am happy that it is ready. It does not matter to me whether the legislation is passed by that Side, or this Side. I am a politician with a worker focus and if anything good is done for the workers, I am happy. And, in that regard, I want to say 'thanks' to the Honourable Member for St. Philip North for midwifing into existence a piece of legislation which has been the victim of a long-tiring and tortured pregnancy.

It is long overdue, but at last it is here because the masses of the people and the workers of this country are now to get the impression that this Government wears a human face and this Government is the Government of the people. Having looked after the rich for four straight years and having asked them to make no sacrifices in this society, the Government has now come to the conclusion that the 'horse now needs to be groomed', because the real beneficiaries of the Gold Cup are waiting in the background again.

Well, I have an implicit faith in the masses of this country. I know they can spot manipulation when they see it and I do not believe that this manipulation will work.

The Barbados Labour Party has not yet conquered that public perception abroad in Barbados that it is the Party of the rich and the poor are elegant nuisances to be regarded by benign neglect. 5.10p.m.

So we on this Side cannot subscribe to that backward view of the State contained in the policy letter. I do not subscribe to it. It is not part of the history of the Democratic Labour Party to perceive itself as going into the public domain, shouting into the ears of the masses of the people of this country, asking them to give the Democratic Labour Party power and when we get that power we step aside and allow that power to be wielded by those elements in this society which have been historically the enemies of the working class, the poor, the oppressed and the marginalised in this society.

So I am not impressed with what I heard in this House on Tuesday. Some positive things were said and whenever the masses are going to benefit I am happy. But I know that this is election stuff. This is an attempt to beguile and to hoodwink the masses of the people of Barbados into believing that the Barbados Labour Party has washed itself in the pool of Shiloh. I know that that is not true and all the old rhetoric is now being trotted out. I heard talk from the Honourable Member for St. Joseph and from other

Honourable Members on that Side about the unemployment figures are down. I do not trust the Barbados Labour Party on the issue of unemployment at all. I went to public meetings in 1981 and heard the Honourable Member for Christ Church South, the Honourable Member for the City, the Honourable Member for St. George South, the Honourable Member for St. Thomas, the Honourable Member for Christ Church West tell this country how the Barbados Labour Party has kept its promise to create 25 000 jobs which it promised in its 1976 manifesto.

It was a bold and courageous untruth because the record shows that it never happened but those Honourable Members identified and two others who have been called to the Great Beyond went across this country spreading that gospel knowing it to be untrue only to hoodwink the masses into believing that something great had happened.

Hon. D. A. C. SIMMONS: Mr. Speaker, on a point of order. I have to ask that the allegations be withdrawn. I find them to be offensive to the extreme.

Mr. SPEAKER: The rule is clear. If you are knowing it to be true could you...

Asides.

Mr. F. J. STUART: Mr. Speaker, the Rules of this House constrain me to withdraw the remarks although I have difficulty in extinguishing the sentiment. But I will wrestle with that. I withdraw the remarks.

That is my experience. So when I hear the Barbados Labour Party talking about jobs, I have an implicit and natural distrust of what the Barbados Labour Party said. In this very Session of Parliament, the Barbados Labour Party lied to the country on the issue of jobs and only the discernment and the persistence of the Honourable Member for St. Michael North West forced the Barbados Labour Party into apologising to the country for what they called an error but what we knew was a descendant of the old 1976 to 1981 tactics.

So we on this Side are ready for the PR bit. We do not believe that the future of Barbados can be secured by a Government that believes or by a Party that believes that power is to be secured from the masses and used for the benefit of what Errol Barrow used to call the class.

We believe that if the masses vote for us that our primary obligation is to look for and look after their interest and that is not what I have seen in Barbados over the last four years. I repeat nobody on that Side of the House dares stand up and say to anybody in this House or anybody in Barbados that this Government calls on the rich people of this country at any time over the last four years to make any sacrifice for the benefit of the masses of Barbados because it would be contrary to all the Barbados Labour Party stands for.

So, Mr. Speaker, much has been said in this debate and much more remains to be said and will be said as the evening wears on, but the fact remains that the reality in Barbados is that under the Barbados Labour Party the donkey does the work. The horse gets the promotion. The Budget of two days ago was a reassurance to the rich that they are untouchable and a consolation to the poor that you are only relevant in an election year. I am obliged to you.

Mr. L. R. TULL: Mr. Speaker, I appreciate the applause from members on the Other Side in giving me an ovation as I begin to speak.

Mr. J. O. TUDOR: Mr. Speaker, on a.point of order. It is customary that when Honourable Members make their first and their last speech we usually give them that.

Mr. L. R. TULL: Mr. Speaker, Sir, I have heard many debates in this House on budgetary statements and I have seen the Honourable Members on the Other Side react both in their manner, their body language and their speech to budgetary statements given by this Side. Over the last few days, I have noticed a lukewarmness, a tepidness and indecisiveness about their approach to this particular Budget.

I want to say early that I am supportive of the Budget because it is deeply rooted in the fundamental, philosophical underpinning of the Barbados Labour Party. The Honourable Member for St. Philip South who just spoke has stepped back to the 1940s in his usual remarkably honest way and has stated the record of the Barbados Labour Party in those times.

We have had a record of unparalleled achievement in the social transformation of Barbadians in the post-colonial era. The Honourable Member for St. Philip South knows that. He quite often gives utterance to it. I like a good debate. I like the clash of ideas and good arguments and sound logic. I like even to sit back quietly and admire the argument of my opponents and say at times I wish I had said that.

Nothing in this debate has given me that satisfaction. The Honourable Member for St. John spoke yesterday at great length and I listened to him as I always do. He expects me to listen to him and I do. I pay him that respect.

I was disappointed in the way in which he addressed the problems of Barbados and the way in which he responded to the Budgetary Proposals. I heard the Honourable Member for St. Michael South Central' s speech. I was not here but I heard it on television and I have to say, Sir, that the Honourable Member has now reached a level of maturity in public affairs that I am very proud to acknowledge. 5.20 p.m.

Those of us who were in the House a long time ago, 20 years or so know that I quite often had to cross swords with the Honourable Member when in the exuberance of his youth he gave way to a lot of reckless statements. Last evening, Sir, and even before that I have detected a level of maturity that I would be hypocritical if I did not acknowledge.

The Honourable Member for St. John, however, is at the stage that the Honourable Member for St. Michael South Central was 20 years ago.

Asides.

Mr. L. R. TULL: It will take, by the way in which I see that he is performing, in excess of 20 years to reach the level of maturity that is required for political leadership in this country. I listened, Sir, and I heard a number of things that caused me some consternation. One was, maybe small to some but big to me, the gratuitous insults that he hurled in his contribution at the late Tom Adams. I was very concerned also about the constant reference that he made to people's social origins and put in a context that I could only consider as derogatory.

I was also disappointed to see the leader of a political party in Barbados at a time when we are trying to pull a nation together and to move forward to speak in terms that can only be seen as divisive. I am going to agree with some of the things he said later on because I am not one of those people in public life who believe that everything that is said on one side is right and everything that is said on the other side is wrong. I do not subscribe to that, Sir. This position about arguing as a leader of a main political party in Barbados about division between employer and employee, between rich and poor, between black and white, has got to be dealt with, Sir, with a level of sensitivity that addresses the problems that consume us but not in such a way as appears to be trivializing these matters of great omen.

His speech was characterised by a lot of hyperbole or exaggeration. It was characterised by a lot of contemptuous comment of ordinary people of Barbados. I am not going to go on anymore with that, Sir. I got that off my chest.

I said earlier, Sir, that the Budgetary Statement of this year is consistent with a philosophical position that was taken by the Barbados Labour Party from the very beginning. I do not, Mr. Speaker, share the view of those who feel, that doing the things that the Barbados Labour Party has been doing in the last four years or indeed at periods prior to that when they were in Government, are contributing to the divisions of which I hear Honourable Members speak.

This Budget, and I will not seek to analyse it, Sir, there has been a lot of that and I do not even know that I am competent to do so. This Budget has been another step, another increment in redressing some of the inequities both in the economic and social systems in Barbados. It does not heal everything. A Budget cannot be a political panacea and a link that solves all the problems in the community in one fell swoop. It has to be seen only as a part of a continuous package of measures designed to bring about a particular end.

To look at this Budget by itself in isolation without looking at all that has been happening before and I speak particularly of the last four years, is to do a serious injustice to what one is trying to do. Sir.

The Barbados Labour Party has been from the very beginning in the vanguard of the fight for better conditions for the agricultural workers in Barbados. I, in this context, Sir, will make a reference to Bulkeley Factory because during the Budget statement some reference was made to the fact that there may be need for certain structural changes in the sugar industry and this was greeted with comments on both sides about the future of Bulkeley as a sugar factory in Barbados. I make my position absolutely clear. When this was proposed by the Democratic Labour Party regime in the last Administration...

Asides.

Mr. L. R. TULL: It was proposed that Bulkeley should be closed in the last Administration. I put my position absolutely clear, I went on the Floor of Parliament, I went out in the public arena and I stated what I thought was the position of the people of St. George in relation to Bulkeley. I said it would be a catastrophe if the Government went ahead and agreed with the closing of Bulkeley factory at that time because Bulkeley was not only a factory that produces sugar, it was central to the livelihood, the culture of the people of St. George. It represented more than just a sugar factory. That any sensitive Government would think twice before it made a sudden and irreversible decision that could do great damage to the people of St. George. My word, I believe was accepted by this Administration and the factory remained opened.

I am not one of these people who feel that institutions that no longer serve the purpose must continue for some sentimental reason. I want, Sir, that if this Government at anytime feels that the factory at Bulkeley must be closed that they have to get into serious consultation with the people of St. George and their Member of Parliament for St. George South. They must discuss it with the people of St. George and their representative before any decision is taken. If something is going to be taken I would want to hear what is going to be substituted for it.

When I hear the comments about Bulkeley and the problems that they have run into, as I have said, I understand that institutions sometimes have to change, sometimes

institutions have to go. I understand all that, Sir, but it is important how it will be done and in what context it must be done and only after a process of mature consultation with people of that area.

I want to speak very quickly about the whole problem of poverty eradication and poverty alleviation. Some people feel, Mr. Speaker, that if you shout poor people every time you open your mouth that you are an advocate for poor people. Say it often enough and that is all you have to say. I would like to think, Mr. Speaker, Sir, and I have said it in recent times that I was in Parliament for a fairly long time and for much of that time it seems to me that the word 'poor' was a hot amber on the tongues of politicians and they never used to talk about the poor. This phenomenon about poverty that you hear everybody talk about, Sir, was not something that was heard of much of the time that I was a Member of Parliament. That is a recent thing, Sir. People were afraid to mention it.

Asides.

Mr. L. R. TULL: We are hearing a lot more about it now, Sir. I would like to think that nothing in my public career can mark me down as other than one who has fought courageously for the amelioration of the condition of people in the lower income in this country. I am not going to shout the word poor every time but my record stands.

Hansard is a wonderful volume, Sir. It keeps a record that can be checked. I remember, Sir, in the early 1990s speaking on the Other Side. At that time I was speaking as spokesman for a miscellaneous number of things. Whatever else anybody else wants to handle, I can handle. Welfare, rural development, housing and all these I can challenge. I have made a number of statements when I was on the other Side as a Member of the Opposition that I believe are relevant to the debate about poverty and poverty alleviation and poverty eradication at this time.

In the early 1990s, as I was saying, Mr. Speaker, social programmes were decimated. I said it on that Side. Even though I understand now as I understood then that certain measures had to be taken to stabilise the economy of Barbados, I also felt at the time and I said it, that there had to be a cushion in the structural arrangement for the poorest of the poor and I said that whatever arrangements were made additional resources had to be provided for the social services. 5.30 p.m.

I am a student of Galbraith, Sir. I am not a student of the other reference I am hearing, one Tail. I hear a reference to a Sandiford. I am a student of Galbraith and Galbraith has always, in all his writings, been positive that to have a good society there must be no underclass. He says if there is an underclass, Mr. Speaker, it will result in the disintegration of the society and that whatever measures you are taking you have to look after the poorest in the community to bring them up to a level at which they can eke out a reasonable living.

I am startled, Sir, to hear the debate by Honourable Members on the Other Side in relation to what is happening today in talking about there is no reasonable redistribution of wealth which is a phrase that bears some analysis. I believe, Mr. Speaker, Sir, that there has to be a redistribution of wealth in Barbados. I believe, Sir, that the people at the bottom of this society have to be lifted up and that greater opportunities must be provided for them on their own and not as mendicants, on their own to raise the level of their living, Sir. I believe in that. But it cannot be handled by a lot 'sloganeering' and a lot of gimmickry. We are dealing with people, Sir, and for Members of the Other Side or anybody else in Barbados, even if they were talking on this Side, to talk about the people at the bottom of the society in economic terms, talk about those people as if they were mere pawns on a board, as if they did not have their own self worth and respect and dignity, to talk about them in the way in which I heard talk about these people in recent times.

Sir, that is not how we see it. These people must be given a part of the patrimony of Barbados. There were some sneering comments about the $500 that they are being granted. I am somewhat disappointed in the Honourable Member for St. Lucy who usually like the Honourable Member for St. John, keeps me enthralled when they are speaking, not necessarily that I agree with everything they say. I listen, but I am disappointed that when you are putting '5 Grantleys', $500, in the pockets of the lowest income earners in Barbados that that deserves a sneer. I am talking about giving back people their money. Every time that Government gives money to any of the people in this society it is their money that they are giving back because all money that comes into Government hands is the people's money. So to make the facile argument that it is the people's money you are giving back, to me is a matter of utmost trivia.

I also, Mr. Speaker, Sir, am disappointed with a comment made by the Honourable Member for St. Philip South and I would like to think, Sir, that he did make a slip, that is not what he intended. I remember, Sir, in the last General Elections, the Honourable Member for St. Philip South spoke at one of the stellar meetings of the Democratic Labour Party and he was talking about the structural adjustment measures that worked such hardship on the people of this country. He said then that for there to be an Easter morning there had to be a Good Friday. To have an Easter morning there first must be a Good Friday. It is very true, Sir, but what he was saying is that the Government of the Democratic Labour Party in 1990 had crucified the people of Barbados. That was an admission of a crucifixion. Now they are having a glorious morning of Resurrection and they are complaining.

I am not going to cross swords with the Honourable Member for St. Michael South. He claims credit for doing the donkey work, not the same donkey work that the Honourable Member for St. Philip South has been talking about. I will come back to him and the donkey but the Rt. Honourable Member for St. Michael South claims his place in the sun having the courage, some might say forced by necessity, to take certain measures. I have no quarrel with that, Sir. The measures were taken and it is a fact that certain benefits have accrued subsequently. I will give him credit for that, Sir. We are not going to be skimpy with what we appreciate in this country. But talking about the Honourable Member for St. Philip South and the donkey, again it is an unfortunate reference. I do not believe, to be generous to the Honourable Member, that he intended what really came out because what struck me as I sat here listening is that the Honourable Member was saying that the poor people who work hard are donkeys.

Mr. Speaker, Sir, it seems to me that is what the Honourable Member was saying and while the donkeys work hard and get very little, meaning the poor people, the horses, I do not know exactly where the horses fit in in the metaphor.

Aside.

Mr. L. R. TULL: You see, Sir, lack of learning I am now understanding, Sir, that it is an ancient problem. But whatever the proverb says or does not say it is an unfortunate reference to the poor people of this country.

Now, in respect of this poverty eradication and alleviation, Sir, I am happy that it is a continuation of efforts by the Barbados Labour Party all through the years to lift the lot of those who need help. I have a criticism of it however, Sir. I believe that there should be a universality of poverty alleviation and poverty eradication programmes, Sir. It has to be universal. It has to touch everybody. There is nobody who knows the condition of people who live in my constituency better than I do. People who live in a district know the conditions in that district. The people of Workmans know the conditions of Workmans but they do not know the condition of the people in Hannays Valley. The people in Hannays Valley know the condition of the people in Hannays Valley but they do not know the condition of the people in Greens. The people in Drax Hall know the conditions of the people in Drax Hall but they do not know the conditions of the people in Dash Valley. I deal with the whole area, Sir. Constantly for more than 2 decades I know the condition and why I say there should be universality of poverty alleviation programmes, Sir, it has to involve those who are most intimately involved with the people. It is badly relocated, Sir. I was going to say located but I understand it was located in one place and now located in another. You cannot locate a programme such as this in the Headquarters of Government, Sir. There has to be a decentralisation and there has to be a local input if we are to root out these problems.

And quickly in the few minutes left to me, Sir, I want to take a journey in to St. George. I got in this House two or three years ago in the Budget debate and I was angry, Sir, and I read into the record a large number of roads in St. George that needed to be fixed and I said that I did not believe that they were getting the kind of attention that they merited. I am now in a position to say, Sir, that as a result of my constant complaining both in an out of Parliament that a lot of work has started and much of it completed in the constituency of St. George South in relation to capital works, roads, playing fields and pavilions. 5.40 p.m.

And, I was glad when I heard the Minister of Public Works the Honourable Member for St. Andrew early this afternoon say that when he has completed his work in St. George South - and we are going to hold him to it, Sir, not only me, but the people of St. George South will hold him to it - he will return to St. Andrew.

He has recognised, Mr. Speaker, Sir, the powerful claims of the people of St. George that have their situation ameliorated and I want to thank them for what they have done so far. We have done enough to show the people that we are serious. They have built a number of tenantry roads, put in a lot of services, have given out new contracts and I have the abiding confidence that all the remaining roads for building in St. George South will be completed within the next two years. This is the position of a Government that cares about those who are not always in a position to take care of themselves.

This Budget is travelling along a sane road. It is continuing a process that this Government started years ago by having in the plantation tenantries new ownership patterns. They are giving the land to the people for next to nothing in the plantation tenantries and I have a lot of plantation tenantries in my constituency, Sir. And they have been beneficiaries of an enlightened policy of land reform by the Barbados Labour Party Administration.

What is happening now, Sir, is a continual programme. We took a decision before the last general elections that there must be instituted a rural development programme that would remove the difference in development between town and country. And that the country that has given so much to the development of this country through providing the labour and the efforts of sugar cultivation for better than three centuries should finally get something for the fruits of their labour.

I am grateful to you, Mr. Speaker.

Hon. Sir HENRY FORDE: Mr. Speaker, Sir, the Honourable Member who has just spoken has made my task

in this debate much lighter. He has responded effectively to some of the misrepresentations coming from the Other Side and therefore it is not necessary for me to deal by way of reply, to many of those misrepresentations.

Let me say, Sir, that anyone looking at the economic landscape of present day Barbados would objectively say that it differs considerably from the economic, social and political annihilation of the 1991- 1994 period. And while I was in the House today, my friend, the Honourable Member for St. Michael South sought to explain away the reasons why the Democratic Labour Party of that day had to take certain decisions and sought to emphasize that this Budget, which he says is the biggest giveaway Budget in the history of the country is an election Budget and that he should not therefore be criticised for his actions in 1991.

I find it difficult, Mr. Speaker, to really look at the matter in that manner.

Rt. Hon. L. E. SANDIFORD: On a point of order. The Honourable Member is certainly misleading the House. I am sure he does not intend to do that and would not like to do that, but I never made any such connection during my speech to this Honourable Chamber.

Hon. Sir Henry FORDE: Did he say it was a reasonable inference to draw? The Honourable Member quite clearly said that this Budget is giving away $116 million and that when he in his day brought measures to the House prior to an election year he was criticised for making a significant giveaway at the time. So I am in the circumstances inferentially saying that he is seeking to explain the period of what happened to us between 1991 and 1994 on the basis of the necessity for him to take various actions and to distant it in anyway from the spending which occurred in the period of 1991.

Now, Sir, the Honourable Member has made, and I never hesitated to say this, I said it when I was the Leader of the Opposition and I have said it on the platform elsewhere, the Honourable Member has made a tremendous contribution to this country's civic, political, social, educational and economic life. That is a fact and none of us can undermine that contribution.

But like most of us, we sometimes make errors and I still contend - the Honourable Member may disagree - that part of the problems that were heralded on this country in the period of 1991-1993 arose because of the manner in which spending took place in the period, particularly between 1989, 1990 and 1991.

The historical records show that I warned the country then that it would lead to a serious period of structural adjustment and I said that the IMF will be at our doors. I have to pay the heavy price of the Honourable Member and others attacking me on the basis that there was no IMF document and asking us what we were talking about. And by September the IMF was not only at our doors, the IMF was in the Ministry of Finance. Now that, Sir, is history. I am not seeking in anyway to take away from the tough decisions which then confronted the country and the Honourable Member but I certainly would not give him credit for having taken the measures in the sense that I cannot excuse him for that period of 1989-1991. Therefore today when I look at the economic landscape of Barbados I say that we have passed the period of political cannibalism which resulted in the Democratic Labour Party from the deep divisions arising out of how affairs were handled in that period of 1989-91. 5.50 p.m.

The Party split. The Honourable Member for St. Michael South Central took very strong objection and that was followed by other Members. We had massive lay-offs in the public service. I am amazed today to hear Members of the Democratic Labour Party seriously getting up and telling the country to have faith in them because if they are returned to office they will return the 8% that they took off workers' wages - they never funded it in any way. I have not heard them say if they are going to pay any interest on it but we must believe now that we are a year and some months-away from elections that the same Democratic Labour Party which when confronted with the difficulties, some of which were of their own creation, sent home over 8 000 workers in the public and quasi public sector and reduced their wages, could now be so good as to be on the side of the poor that they are overnight going to restore that money.

I heard the Honourable Member for St. John say that we are worse off today than at anytime and particularly the people at the lower end of the socio-economic level of society. That is not true, Mr. Speaker, and the public knows it is not true. The public knows that there was a serious decline in the gross domestic product and in the gross national per capita income of each one of us, not only the rich nor the middle class or the poor but that decline reduced the standard of living of Barbados.

The public of Barbados also knows that this country's infrastructure went through a serious period whether it was at the Queen Elizabeth Hospital, whether it was in the Water Authority, whether it was in law and justice because the Government of the day did not have the resources to deal with it. I am not accusing them of lack of good faith in wanting to deal with it. They did not have the resources because of policies that had gone wrong. That is the reality, Sir.

The country must therefore realise that it would take some time for any incoming government of whatever colour to correct what had gone wrong and to continue to restructure the economy before we can start redistribution of wealth and rehabilitation of the situation.

Sir, the Right Honourable Member for St. Peter has introduced four Estimates of Revenue and Expenditure in this House. This year I took a careful note of how he characterised those four sets of Estimates of Revenue and Expenditure. He said to us that the 1995 and 1996 Estimates were designed to consolidate recovery and to establish conditions for economic stability. That is so, Sir.

In the last year of the Government of the Right Honourable Member for St. Michael South we saw the first squeak of recovery but we had to go through a process of consolidation and rebuilding and continuing the restructuring before we could get on a plateau of economic stability. That is the position, Sir. Since then, we have had consistent growth for a consecutive period of five years.

Now, Sir, the Right Honourable Member for St. Peter also spoke about the two years, 1997 and 1998 Estimates of Revenue and Expenditure and he said they reflect a change of pace without losing sight of fiscal prudence and with the intent of contributing to the achievement of vigorous economic growth, the carefully built-in mechanism to ensure that the benefits of that vigorous growth are automatically passed on in terms of improved benefits to the vulnerable and the marginalised in the society. I want to emphasise that.

This Government and this Party to which I belong has been grounded as the Honourable Member for St. George South said in a philosophy of democratic socialism. We have always believed that the mission of our Party is there in order to improve the lot of everyone in the society but particularly to improve the lot of the marginalised in this society.

We have always recognised that there will be people who will fall through that net but we must always be there to sustain them and to maintain them in anyway. Sir, it is therefore hurtful to me in the evening of my political days to hear the Honourable Members, particularly the Honourable Member for St. John, try to get the public of Barbados to believe that a Labour Party founded as it was on the basis of its record with 60 years of excellent performance is a Party that is here bringing measures for the rich and shafting the poor. Sir, nothing could be further from the truth.

I believe that we do not have to fight the next election on that basis. I do not believe it represents the philosophy of either of the two major parties in this country. I have heard it too often since I entered active politics in 1971. I have heard every time we get an election that some of us get into the mood of this divisiveness in the society characterising one or other of us is in the pockets of the rich and now we have got to the stage that the colour issue has become the burning issue in order to try to give a division between both parties.

Now, Sir, I believe that when you look in this House and in this Parliament everyone of us has come from poor families and the basis of the sacrifice and the education that we have got has given us an opportunity in life. Look at the colour of all of us, Sir. We must recognise that there has been progress in this country over the last six years, I believe that if we make the statements we make and we ask the public seriously to believe them we are condemning the Grantley Adamses, we are condemning the M.E. Coxes, we are condemning the Frank Walcotts, we are condemning the Hugh Springers, we are condemning the Errol Barrows, we are condemning the Tom Adamses, all those who have fought to make the difference in Barbados so that our children can get a better quality of life than what our fathers had and what even we have got. So I am not expecting. I am asking the Democratic Labour Party to address this issue in the campaign to let us get back to the real questions and problems and how we are going to handle those and how the next generation of politicians will be able to handle those and do not let us be side-tracked on a good deal of divisive language. I am not minimising the fact that there are still very serious divisions and continuing divisions of classes in Barbados. In my view, the question of class is even a worse division than the division of colour that formerly confronted us in a very horrific way.

We have to find solutions to them without destroying the society and we will not find those solutions if we now who have the political power spend our whole time characterising each other as lacking in good faith in approaching these problems and not treating the real problems as they exist. I believe that the Rt. Honourable Member for St. Peter in the short time that he had the honour and the privilege and the distinction of leading this country, has blazed a path and showed creativity and has borne his responsibility with great dignity. I think he has worked very hard to bring us to the place that we are today. 6.00 p.m.

Sir, we have had growth that has been broad based and we are seeing development that is sustainable. In 1997 for instance, the real output of this country increased by 3%. Unemployment fell to a rate last year, point to point about 14.5% and is now currently about 12.7%. We have found that some 116 000 people found employment in 1997. Per capita income rose in Barbados by 5% to what I consider to be a record level of $13 500. We have still not got it to the figure which the Honourable Member for St. Michael South Central would like to see that on average in this country people are earning at an average of $15 000. We believe that after you can reach that, you are below the poverty line in Barbados. The figure in the United States for their poverty line is higher. It is significant that whereas the United States has about 10-12% of its people below the poverty line, Barbados has about the same although we are not a country as blessed as the United States. In fact, when you look at Barbados, Barbadians who are not a boastful people need to

continue to do better with people and countries larger in size than we are and countries that are blessed with more natural resources than we have.

For example, I am not saying this is any way to decry the Guyanese or the Jamaicans but with their abundance of resources, *vis-a-vis* us, we have done much better than they have through the years. Also in respect of our partners in Latin America, our current employment rate is something like 12.5%. This compares to a country like Canada. 9.2% of all Canadians last year were out of work. Germany - 11.5%, France 12.5%; Italy - 12.3%. Our inflation rate was below that of several of our Latin American partners. I have pulled a few, Sir. Mexico had an inflation rate of 20.6%. Venezuela an inflation rate of 50%.

Barbadians have a lot that they can boast of. I want to say, Sir, as one of the people who have had the privilege and the opportunity to make some small contribution in this country that I feel proud that the people gave me that opportunity. I believe that those of us like the Honourable Member for Christ Church South and the Rt. Honourable Member for St. Michael South, the Honourable Member for St. Michael West, the Honourable Member for St. George South, the Honourable Member for the City, the Honourable Member for St. Thomas, some of us have been in here for many years. I am not going on an occasion such as this to allow the public to believe that we have done nothing for them during the years. I am not going to allow that to get away at all, Sir.

I believe that we have also laid the groundwork where the younger Members in our party whether it be on this side or the other side, now have something to build on. I believe that the people of Barbados because of their achievements and because of the achievements of its Government and in this particular period, this Government, can congratulate themselves. We have managed to restore confidence in the country. We have managed to restore confidence in the ordinary man and woman who now see that they have a good future ahead and we have managed to restore confidence that people want to come from outside to participate in our economic, social and cultural life. I am not saying that we ought to be in any way complacent. This is not a time for complacency, Sir.

If there is one thing that I must congratulate the Rt. Honourable Member for St. Peter on, is having the courage not to bring an election Budget when we are a year and some months away from the elections. The Democratic Labour Party believes that in an election...

Asides.

Hon. Sir HENRY FORDE: ...and I just heard the Honourable Member for St. John saying that election is coming in November. He knows more than I do. He really knows more than I do. What is certain is that this Government will comply with the constitution and bring an election within the constitutional framework.

Sir, we have resisted the temptation a year before the election to come in here with a series of give-aways regardless of whether the country can afford it, in order to land us as was done on occasion, in the hands of the IMF. Therefore, I believe that we should not be complacent.

I support the Prime Minister's statement that he is going to reduce capital expenditure this year by $45 million. It is not my decision to make but I believe that Government's capital Budget could even be cut by another $30 million without doing any injustice whatsoever to growth or employment at this time. I say that, Sir, because there are already signs of overheating particularly in the construction industry and one is seeing a rise in the price and the cost of building and one is seeing also some very bad work because of poor supervision not because of poor workers, Sir. I say, therefore, that is the correct policy that we have.

Sir, I have about five minutes and I want to deal with an area that I have responsibility for as Chairman of the National Insurance Board for some years and I thank the country and the Government for giving me the opportunity to serve. It has taught me a bit more about that field.

Let me say this, Sir, social security in most countries is under crisis. Our scheme is now 31 years old. It was built as 'pay as you go' and to be quick, Sir, that only means that those people who are now in the working population must contribute to pay for those of us who are in the retirement stage of our lives, 65 and over.

There is incontrovertible evidence that unless we attend to the question of social security seriously that the scheme will go burst and that those persons who are becoming pensioners in the next 20 years as well as some of us who are already pensioners will not find that we are secured in our old age. That is why I think the Government has taken the advice of the actuaries and of the National Insurance Board on this occasion to change the contribution rate by 1.5% and to decrease the contribution rate to the employment fund which has done extremely well. It has built up a surplus very rapidly. We are more than *3 1/2* times covered and because employment has increased it means that it will continue showing a surplus. But, Sir, we have to do a bit more. We have to continue to diversify the investments of the Fund so that more of it is invested in equity. We have to look seriously on a non partisan basis on the changing and extending the qualifying period before persons get a contributory pension. 6.10p.m.

In this House we have had useful debate and great contributions from the Leader of the Opposition, the Leader of the minority Party and speakers on this side. We have had great contributions from both sides, Sir.

We also have to recognise and this I think was an error made by my Government at the time when we shifted the non-contributory pensions out of the Budget and on to the National Insurance Scheme. We are not too big to say that in retrospect it has caused overloading and therefore we have taken the decision to correct that and to bring it back on to the Budget and I believe that we have to continue to look at whenever we raise pensions that we are not raising them for political reasons but to make sure that the financial circumstances justify it.

I am very pleased that now that we are getting a greater contribution we could make a little bigger handout to those at the lower end of the pension scale.

Mr. SPEAKER: The Honourable Member has two minutes left.

Hon. Sir HENRY FORDE: But there are some pensioners that have done very well, Sir, and pensioners who are retired civil servants and so on, the first $30 000 of income is tax free. One must realise that there are very few countries that this happens to and we have now offered the opportunity for increasing registered retirement savings plan. Sir, that is done to help the poor. It is not done only to help the rich or the middle class and therefore Members must look at the measures in that light.

I want to briefly talk a bit about my own constituency in the few minutes left. Two points, Sir. The Opposition makes the point that Christ Church has no member in the Cabinet. That is a non point, an absolute non point because we are able. Christ Church is well represented in this House by 4 stalwarts on the side of the Barbados Labour Party, all of whom have performed exceptionally well, if I may say so myself, Sir. The advice of the Honourable Member for Christ Church South and of myself is constantly available to our colleagues in the Cabinet and the Prime Minister and within the Party. In fact, Sir, I can say that Christ Church has not suffered at all under this Government, Sir.

I want to talk a bit about some of the things that are in store for my constituency. We have just finished repairing Evelyn's Road as well as Huskinson's Land. We will shortly be commencing, Sir, building a community centre at Bonnetts. It is slated to cost us half a million dollars. But built into that community centre will be computer training, a special area for computers, training and what not.

We are slated as well, Sir, to acquire beach frontage along the South Coast in the constituencies of myself and the Honourable Member for Christ Church South in order to provide opportunities and space and access, proper parking and what not for persons in Barbados who want access to the beach, Sir.

I will say parenthetically that the last Government in 1987 and 1989 were provided with reports showing them that if they did not go ahead and acquire particular lots and put proper beach facilities that they would have been social problems resulting. I have not got time to make those reports available but when the elections start I am not going to let the Democratic Labour Party get away with this idea that the beach frontage since we have come into power has gone to a whole set of foreigners and what not. The evidence is there and I am going to talk facts, Sir. I am not going on any emotion. The point is that in 1987 and 1989 had we listened to the advice of the coastal people we would have spent over a period of 15 years something like $7 million to acquire adequate facilities so that the problem of our beaches remaining public and being adequate would not be a problem.

The Honourable Member for St. Michael West looks a little bit puzzled. I will make the reports available to him so he can check the accuracy of my statement.

So, Sir, I want to say that this Government realises that there are testing problems ahead of us whether it be ensuring that there is a wider participation for our people in the economic life of our country, adequate access to beaches, adequate land resources, particularly for the poor.

I will say this, Sir, that the test of our performance is the commitment of the Government to deal with the urban tenantries, Alleyne's Land, all the tenantries in your constituency and mine. Eastmond Land, Bradshaw Land, all those, Snagg Land, that we are dealing with those problems in your constituency, Sir, where if the landlord is selling the lot and the lot costs more than $2.30, this Government, from the public funds, from the VAT revenue, Sir, that they do not like to hear about, will return it to the people by paying the difference so that they can improve themselves, Sir. And as has happened in St. John, Sir, the goodly parish in which I live, wherever you make land available to the people they use their own resources to improve their conditions and this Government made land available to the people at 10 cents a square foot in St. John by the Freehold Tenantries Purchase Act, a tremendous act of democratic socialism and you should see the improvement that has resulted in Venture and in Pool from that, Sir.

I am much indebted to you, Sir. 6.20 p.m.

Mr. B. M. TAITT: Mr. Speaker, Sir, for reasons which will be obvious to Your Honour, I was not in my seat when the Honourable Member for St. George South was

making his speech. I was on my way from a funeral of a very dear friend. A very close and dear family friend passed away and I spent most of the day with the family. And when I heard the Honourable Member, I am going to deal with the Honourable Member who just sat down in a minute, Sir, but I was in my car coming in but I listened to the Honourable Member for St. George South whom I heard from the beginning, Sir, and quite frankly were I not a fit person he would have given me a heart attack. I could not believe my ears and he drove me to the Bible.

As I came in, Sir, I ran to the Bible to make sure that I could get the passage. It is Isaiah Chapter 65, reading verse 24 and part of 25.1 am going to read it to Your Honour. I am in that kind of mood.

> "And it shall come to pass, that before they call, I will answer; and while they are yet speaking I will hear."

Verse 25, Sir,

> "The wolf and lamb shall feed together, and the lion shall eat straw like the bullock";

That is part of verse 25. When I heard the Honourable Member from St. George South praising the Honourable Member for St. Michael South Central, I tell you, Sir, if we were not in thick traffic and I had been driving at 30 miles per hour, I was bound to get into trouble.

I cannot believe the words I heard from that distinguished Honourable Gentleman praising the Honourable Member for St. Michael South Central because the Honourable Member for St. Michael South Central had joined the cacophony of praise that has been extended to the Right Honourable Prime Minister and Honourable Member for St. Peter by all kinds of persons. And because the Honourable Member for St. Michael South Central has joined in that cacophony of praise the Honourable Member for St. George South has said that he has reached maturity.

And the Honourable Member then went on to discuss the Honourable Member for St. John and made some remarks while he is insinuating that the Honourable Member for St. John was making remarks that were uncalled for, he himself then went on to make some that when the history of this period is written and he is still around he will wish that he had not said some of those things.

The Honourable Member then made a number of comments about his origins and his position. No one has ever doubted the Honourable Member's position until today.

Asides.

Mr. B. M. TAITT: The Honourable Member for St. Michael South Central is entitled to take a position similar to the one he took last year. He has been consistent. Last year, Sir, he said he would have to be certified not to support the Budget.

I think it was the Budget, Sir. And this year, I believe that the Honourable Member for St. Michael South Central might need to examine the difference between certified and certifiable. Because this year, I am not sure if in the context of what the Budget has been put here, I do not understand how the Honourable Member for St. Michael South Central can come into this Chamber after the records he has had and say he can find nothing inoffensive in this Budget. I have not got enough time to deal with that because I believe that the Honourable Member for St. Michael South Central needs a good talking to.

But I am not going to allow the Honourable Member who just sat down or any Honourable Member over there to put me or any other Honourable Member on this side into a position where we are in the process of praising the Right Honourable Prime Minister of Barbados because the Right Honourable Prime Minister of Barbados has been able once more to demonstrate how clever he is. He is one of the cleverest persons and politicians in the Barbados Labour Party. And this time he has done it again.

I want to turn to the Manifesto of the Barbados Labour Party, Sir. The Manifesto of the Barbados Labour Party at page 11 says, and I quote from it,

> "We will:
>
> • re-examine the planned introduction of the VAT to ensure that any such system meets the needs for Barbados in reducing the level of indirect taxation and its cost of collection. Indirect taxes such as consumption tax and stamp duties will be reduced or eliminated so that the total tax take is decreased."

The phrase there, Sir, is 'reducing the level of indirect taxation and its cost of collection'.

In the Budgetary statement, Sir, at page 7, the Right Honourable Prime Minister and Minister of Finance, the Honourable Member for St. Peter, says,

> "On a matter that was so vital to the restructuring of our economy, it is therefore much to be regretted that although there was no Opposition when the VAT Bill was debated in this Parliament, an attempt was mounted to stir public resentment against the tax outside this Parliament by some of the Members who supported the legislation in here."

Mr. Speaker, Sir, I have sent for the debate when that Bill was introduced. And although he did say 'some' the

gravamen of the position that was taken by some of us over here when that Bill was introduced is that:

1. Yes the Democratic Labour Party had agreed in principle to the introduction of VAT.

2. That the VAT which was being introduced was a Barbados Labour Party VAT and we wanted nothing to do with that Bill. That they had to take the responsibility for the Bill that they were bringing and that they alone will be responsible for their Bill.

It was not a question of our supporting the Bill. It was not a question of anybody over here supporting the Bill. What we said to the Right Honourable Prime Minister is that we did not agree with some of the things that he was introducing, but it was his Bill and I remember saying, Sir, that he would stand or fall by what he brought into this Chamber.

Now the Honourable Member for Christ Church West when following the Honourable Member for St. George South, sought to give the impression that what we are supposed to do in here, Sir, is to come and join in the praise for the Right Honourable Prime Minister. And that it is no longer the place of the Opposition to point out the flaws in what has been put forward in this Chamber.

Mr. Speaker, what we have complained initially about the VAT is that the Right Honourable Prime Minister took nine months to remove VAT from food, basic food items that people had never paid any tax on, they were now paying 15%. What we have complained about is the fact that the Right Honourable Prime Minister has collected $260 million more from the VAT.

Now, Mr. Speaker, that is what we have been complaining about and that is not taken from the people in Bridgetown, or from the people who are registered, it has been taken from the ordinary people in this country. And, I heard the Honourable Member for St. George South discussing 500 Grantley's or 5 Grantley's, as he put it and saying that we on this side should have a position on that, which I understand him to be wanting us to say that once the people are given the $500 that that is recompense for their money having been taken because he said that all monies that are given back to people are monies which have been taken from people.

The gravamen of the argument over here that has been put, and I think put extremely well by the Honourable Members who have spoken so far is that the amount of money which has been taken while it was being taken presented a hardship from the people from whom it was taken.

I represent as Your Honour represents, ordinary people, pensioners and people who are at the bottom of the economic ladder. And why is it that the Barbados Labour Party people cannot understand that when one is discussing the daily living of humans in this country that small amounts of money taken from them on an ongoing basis unnecessarily is a hardship. Why is that so difficult? Why cannot they understand that after you have burdened people for a year, you turn around and give them a hand shake of $500 that you cannot repair the damage that has been done to them, either physically or psychologically? Why is the Barbados Labour Party trying by what I choose to call sleight of hand, to give the impression that all is wonderful in the garden and that the people out there are happy, to hear one person put it in the praise of the Right Honourable Prime Minister? They said that somebody is happy when they hear about the $500.

And, Mr. Speaker, they say it is not an election handout. It does not take a genius to work out when, as a matter of fact in my notes I said, you can now gauge when the election date will be because the $500 would be timed to appear in the envelopes on the door steps of 220 thousand people at an appropriate time.

The $500 is not being given to them this evening or next week. It is going to be given at an appropriate time and the Honourable Members on that side wish us to behave as if we are Sunday School children who have no understanding. We are like children who have no understanding. We do not understand politics. We do not know when techniques are being used. No wonder they thump the desk as loud as they do.

Because in their accountabilities of the people of this country, they know on their side, Sir, that they have not carried out their stewardship in such a manner as to be able to go back to the people of this country and say, "Here is my accounting sheet." 6.30 p.m.

Mr. Speaker, I submit that except for one or two of them, I almost said of you but I know that I cannot include you in this discussion, Sir, except for one or two, they are unable to face a population in this country and say, I have run the course, I have done my job. It is the accountability. Even the Right Honourable Prime Minister in his presentation of three hours have given no accountability except to say how he framed the last three Budgets and how he has framed this one. Even as he is saying that it is no 'gravy train', the Right Honourable Member for St. Michael South is able to demonstrate that $116 million can be attached to the cost of these so-called give-aways.

Mr. Speaker, the Honourable Member who just sat down said he does not understand, he seems not to be able to understand why we cannot find this loving Barbados Labour

Party of which he speaks. He then invoked the name of M. E. Cox. But if I were him, I would do the same thing because that is one of the names revered among ordinary people in this country of whom it can be said he had a conscience and an understanding of ordinary people.

They are forgetting that the Labour Party of Tom Adams is not a loving Labour Party. The Labour Party of Tom Adams was the Labour Party that was sent packing and left the three blind mice in here, Sir. It was the Labour Party of Tom Adams in 1986 that saw the largest conglomeration of persons against any group of people at any one time in this country assembled to send the Labour Party packing. It was not because they did not like the way they look. It was because the draconian hands, the draconian yoke that had been placed on the people in this country during the first regime of Tom Adams and the Labour Party was unacceptable as a way of life for the people in this country.

I make bold to say that however it is dressed up by the present administration their heart has not changed. The leopard has not changed its spots. Anybody who has observed the Barbados Labour Party in action before can speak now in their living rooms, at the beach, at the pipe, because there are still some people who go to the pipe and speak with knowledge about the hardships they have suffered at the hands of the present Barbados Labour Party.

If the Members on that side choose to believe that they are in heaven and all is well with them, let them so believe. To the people who have to go to the Welfare Department for two shirts or two uniforms for their children to go to school and who discover that whereas they used to get two and now they can only get one, for the parent that has three children and discover that she is told that she has to choose which of the two children will get shoes, for the welfare officers who in their hearts know that...

Asides.

Mr. B. M. TAITT: I am quarrelling with the Honourable Member. If the Honourable Member is going to walk in and address me, Sir, I am quarrelling with him as well. Yes, I am quarrelling. I am quarrelling on behalf of all the people who cannot come in here and quarrel. All the 'mamby pamby' talk will not deal with the woman who goes to get school shoes for her children and they are giving them two instead of three. All of that is why the Barbados Labour Party will never be a people's party no matter what they do because they will not change. They are...

Asides.

Mr. SPEAKER: Let us hear the Honourable Member, please.

Mr. B. M. TAITT: Mr. Speaker, I know that every year I have to say the same thing. The Barbados Labour Party does not like me to speak these things so they will try to barrack me. I have no problem with that. They do not pelt rock up in an ackee tree that do not have in ackees.

Asides.

Mr. B. M. TAITT: The children of this country who have been trying to get themselves organised through their parents must understand what is happening with the Barbados Labour Party's Government when they are hearing every day on the television - because the Barbados Labour Party Ministers are on the television quite often and they hear how much money we have and they hear how many things we can do and they know the level of deprivation for those who are in the Geriatric Hospital waiting to die. I have sometimes wondered what manner of people make up this Government. They reduced the quality of the food for the people in the Geriatric Hospital. I say so without fear of contradiction. I have seen it week after week as I go there. They have left those people as if they are in a waiting room, just waiting to die. I am satisfied that no programme whatsoever of rehabilitation exists in the Geriatric Hospital. When you look at the system where the Queen Elizabeth Hospital has been reduced to almost nothingness at the hands of a Party and a Government that says it cares about the people. They expect the people of Barbados to continue behaving towards them as they would like. The Honourable Member for Christ Church South would like us to speak lovingly of the Barbados Labour Party. He says, in the evening of his days, he is disappointed. Well, I am disappointed for him too because one would have thought that by the time he reached the evening of his days he would have been able to look on at a Party whose exploits on behalf of the downtrodden in this country would have set such a record that almost anyone who read the record would have been able to applaud.

Instead as he goes out he has left a legacy of thoughts and ideas but in terms of implementation for the last four years even the people who loved them the best talk about them behind their backs because they have not delivered.

The time is coming when Honourable Members on that side are going to have to deliver.

Let me tell you, Mr. Speaker, what it is in the heart of the Barbados Labour Party that is constantly worrisome. Let us take the Budget itself. You heard the Right Honourable Prime Minister at page 82 talking about the wonderful things he is going to do. He is going to raise a pool of private sector capital for investment in various projects. The proceeds of the fund will be used for the refurbishment and expansion of hotel and ancillary services by him. In return for investment in the fund he is proposing, and he goes down the line.

He says:

> "Corporate and institutional investors other than Life Insurance companies but including banks etcetera will be entitled to deduct 120% of the amount invested in the fund for a maximum investment of $1 million per annum against their taxable income".

Mr. Speaker, who are the beneficiaries of this investment. Here it is that we are setting up an investment fund. If there is an entity in this country that earns money from tourism, it is a bank. The entities in this country that earn the most from tourism is the bank. The bank ought to have been asked to make a grant to an investment fund of this sort. Instead they are going to get an additional 120%, up to $1 million. The insurance companies are going to be brought in but they will get theirs up to $480 000. The bank will get $1 million.

That is the pattern of the Barbados Labour Party that they think that it is alright to give back $350 to 12 000 people last year but you would give Barclays Bank $1 million. You will give CIBC the bank that had the highest earnings in corporate Barbados, you will give them $1 million to say nothing of the $9 million which you have not accounted for. Some 'mamby pamby' explanation in the newspapers this morning. You should be ashamed but you would want to give $500 and call that *wally'. Then you say, what a nice boy I am and people should be wonderfully happy.

The $6 increase which you have given to the old age pensioners. If you had in fact removed the VAT from two items as one man said to me yesterday afternoon, if you remove the VAT from just two items for the old ladies, that would have taken care of the $6 increase which you have given them. Old ladies have to pay the VAT when they go to the store, the same as everybody else. The kinds of foods which they prefer to buy still have 15% on it. That is the nature of the presentation of the Barbados Labour Party over the last four years.

Mr. Speaker, the Honourable Member for St. Andrew was in here fulminating about his housing policy. 400 acres of land acquired. He is talking about a land bank. He did not have the time apparently to say of that 400 acres how much had been paid for. I will give way if the Honourable Member will get up and say how much of that land has been paid for. They have been acquiring land from people in this country. 6.40 p.m.

Hon. G. W. PAYNE: On a point of order, if the Honourable Member would give way. He has asked me to indicate how much of that land has been paid for. I would like to indicate to this House that 300 acres of that land has been paid for.

Mr. B. M. TAITT: And of that 300 acres, Sir, it would be interesting if we could have a list of who owns what. That is how we would know. We would know who got paid. Three hundred acres have been paid for but that .would probably add up to 4 people. Based on the method used by the Barbados Labour Party Government that probably adds up to 4 people but the little people down in Goodland and other places where their lands have been acquired, some of them for in excess of 10 years, are still waiting to be paid. The Honourable Member comes in here and says acquisition of land is a housing policy. The Honourable Member comes in here and seeks to give the impression that the Democratic Labour Party did not build houses. The Democratic Labour Party has built so many houses in this country that we do not have to give the lie to that. The people in this country understand how we deal with those matters.

The Honourable Member who is sitting in his seat grumbling should be able to tell you how many houses we have built, terrace and otherwise. But the Honourable Member, Sir, has acquired 400 acres.

Aside.

Mr. B. M. TAITT: I do not believe anybody said to push down Pondside. I do not believe it. The Honourable Member said he heard a voice on the call-in programme which he believed to be a former Cabinet Minister. What the Honourable Member did not say and does not say is that the design of Pondside, the whole concept of Pondside is something which people discuss on a daily basis. Nobody is going to push down Pondside. If the Honourable Member likes Pondside, fine, but Pondside is probably the only thing that he would be able to point to. The housing in this country that has been put down by the Democratic Labour Party, the former Minister Philip Greaves put so much housing in Barbados that the people of this country would know you are not giving them valid information.

Mr. Speaker, hear the Honourable Member for St. Andrew. We have got the plan in place now and we are now in a position to put the houses in place, to put the plots in place, 2,500 square feet.

Mr. Speaker, time does not permit me but I invite all Honourable Members to refresh their memories on where the land has been acquired, how it has been acquired and to see to what extent the planning and programming that the Honourable Member spoke about is possible. A Government that could only build 24 houses in a year, do you expect then they would be able to build 200 houses in a year?

Hon. G. W. PAYNE: On a point of order, Mr. Speaker, the Honourable Member is misleading the House. The total is 522 houses in 4 years. He is misleading the House.

Mr. B. M. TAITT: He is the Minister, Sir, and if he says they have built 522 houses, the 522 people who were able to get the houses would be able to say if it is true or not. I do not believe him.

Aside.

Mr. B. M. TAITT: That is correct because I have been in my constituency so long that the Barbados Labour Party do not intend to build any houses in my constituency and the one project that they have in my constituency it has taken them nearly 4 years to sell 8 or 9 lots in a place like President Kennedy Drive.

Mr. SPEAKER: Order, please.

Mr. B. M. TAITT: No, Sir. Do not ask for order, Honourable Members cannot help it. The Honourable Member for the City is almost as cantankerous as the Honourable Member for...

Mr. SPEAKER: Order, please.

Mr. B. M. TAITT: The Prime Minister said so, Sir.

Mr. SPEAKER: Order, please. The Honourable Member, you still have your Bible on your desk?

Mr. B. M. TAITT: Yes, Sir. But you will recall, Sir, that when Jesus sent into the temple and found the money changers that he beat them and chase them out.

The point, Mr. Speaker, is that the people of this country are not going to be fooled by any of the suave tricks, the suave techniques which are used by this Labour Party constantly and has been used for the last 4 years.

Mr. Speaker, I heard all of them talking about the wonderful things that have been done in their constituency. In my constituency there is a road that is used by everybody. No matter where they come from they drive through Bridge Gap. The Honourable Member for St. James North spends a lot of time in Bridge Gap. I wish that they would fix the road in Bridge Gap. It has nothing to do with my constituency, it has to do with decency of the Government to fix the road in Bridge Gap. I have asked the Honourable Member, the Chairman of the National Sports Council, to stop the women who play cricket on the playing field right by the Spring Garden Highway from having to go in the bush for convenience. It is unacceptable. These are the Barbados women cricketers. I have asked him. He has promised me but he says he cannot give me a time frame. But I hear them talking about within the next 4 weeks, the next 6 weeks, the next 4 months, the next two years. What they are trying to do is to give the impression that the only way people can get the things which they have promised in the various constituencies is to elect the Barbados Labour Party because as one of them actually said, they are the ones who know what the plans are.

The people know about the Barbados Labour Party. They have tried you before. They have found you wanting then. They have given you a second chance and after 4 years you are unable to account for what you have done. Therefore, Sir, I will end by saying, move aside and let the people who have constantly uplifted the people of Barbados uplift them again and take them into the 21st century.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I am very pleased to give my support to the Resolution before the House. I am very greatly pleased, Sir, with the Budgetary Proposals which were put by the Right Honourable Prime Minister.

Let me begin by saying this, Sir. Barbados is not an island unto itself. We have to live in this world and I heard the Prime Minister make the point at the very beginning of his presentation when he spoke of turmoil in the international market place. He drew our attention to what is happening in South East Asia. We see what is happening in Russia and we understand that it is having a serious ripple effect in Europe, in North America, countries who are our major trading partners.

It is clear, Mr. Speaker, Sir, that AVC are going to have to plan and to execute our business so that we can create a hedge of some kind against the fall out which inevitably is going to affect us. Already the pundits are reviewing all of the various forecasts that they have made to tourism as we enter a new century and a new millennium. The Americas are not only going to find themselves affected by these international global economic movements, but they are very much, I think nervous on account of act of terrorism in Africa in very recent weeks. Acts of terrorism, Mr. Speaker, Sir, against which Barbados will rail. 6.50 p.m.

Only a few week ago, we erected a monument at Paynes Bay which, apart from everything else that it spoke to, spoke against terrorism and we commiserate with the United States and the people of Kenya and the people of Tanzania on the horrendous losses suffered as a result of acts of terrorism.

So we have to be mindful, Mr. Speaker, Sir, that in the coming years we may not see as much international travel and I am speaking about travel for leisure and travel for business purposes as we have been seeing in recent times.

It is good that the Right Honourable Prime Minister made that point early on. I want to say a few words about leadership, Sir. Our Prime Minister is among a few people at

his level who have what in my judgment can properly be described as a world's view. There are some people who are very narrow in their perspectives. The Right Honourable Prime Minister has a very clear view. He has a very excellent grasp and understanding of where we have to look in respect of our trading arrangements.

Over the next several years, both on the European side of the Atlantic and the North American side of the Atlantic, he has very recently led, at the invitation of the Commonwealth Secretariat a small group around Europe and in North America speaking to the special vulnerabilities of small economies such as ours. And so he has a very acute understanding of how vulnerable Barbados is in the larger global scheme of things.

The Canadian dollar is weakening and it looks as though it is continuing to weaken. The implications are that more vacations will be taken by Canadians in Canada. The same thing is likely to happen in the United States of America where, at any rate domestic tourism has been on the increase. I have been saying it time and time again in this House. Every visitor who comes to Barbados, even visitors from CARICOM, is coming from a competing destination. And so even those who are our clientele are also our competitors. Every single one of the 52 states in the United States of America is promoting tourism.

Tourism is the number two industry in New York. So we need to understand how competitive this industry is and that we are not only competing with next door in Jamaica and the Cayman, we are also competing with the best in London and the best in California and the best in Texas and the best in Paris and everywhere else in the world. And that is why not so much only quantity but also quality is critical when we speak of our product.

We see it on television all the time, Mr. Speaker, Sir. We are going to have to be even more diligent than we have been in the recent past searching our market niches which will be, we think loyal to us and to our products. And do not let us forget that we always include CARICOM business in this. And I speak of Barbados as not only a leisure destination, but a business destination as well and that is how we promote Barbados as a premier warm weather destination for leisure and for business.

We need to emphasise to Barbadians, Mr. Speaker, Sir, the linkage between the tourism sector and other sectors in our economy including other trade in services and I am referring to the international business and other such services.

In this connection, Mr. Speaker, Sir, Barbados is a model. Last year when we were in Mauritius, it was very flattering when the Mauritians said to us that they viewed Barbados as a model in respect of how we have put in place our international financial services business.

It is an amazing thing, Mr. Speaker, Sir, that in Barbados we have already laid our fibre-optics cable. I have just come back from Brussels, that is why I was late for the beginning of the Budget, chairing an ACP bureau meeting and the hotel where I was staying, there were actually at that time as I entered it, laying fibre-optics cable. That is where we are at. We have a national committee in this country looking to see how we are going to deal with the millennium bug.

There are many countries who are our competitors who have not yet begun to seriously look at how this is going to affect them in the year 2000 and beyond. So when the Right Honourable Prime Minister speaks at the beginning and puts Barbados in that global context, he is right to do it and he is right to frame his Budget so that it is speaking also to that larger universal context and environment in which we are going to find ourselves living in a very short while.

Mr. Speaker, Sir, I was saying that this Budget is coming at a time and particularly during this week when the Barbados Tourism Authority is celebrating its 40th Anniversary. I thank the Honourable Member for Christ Church West Central for the very kind words that he said about the Barbados Tourism Authority. Praise does not come to us easily, so when it comes we are very grateful.

In respect of tourism there are a few words I want to say. I have in my hand, Sir, and this is already a document of the House, the Economic and Social Report, 1997, the first time that it has also been described as a social report, and I am looking at page 46 where having dealt with the international situation and what developments are occurring regionally, the report comes to the domestic situation and at page 46 it deals with tourism.

It says that for the fifth consecutive year Barbados recorded an increase in long stay visitor arrivals. An increase of 5.6%. It goes on to say that this figure represents the highest number of long stay visitors ever to come to Barbados, surpassing the previous highest total recorded in 1989 by over 11 000 tourists.

It went on to make the point, this is not me, this is the Economic and Social Report 1997, that total tourism expenditure for 1997 was estimated at a record $1.4 billion surpassing the previous highest total recorded in 1996 by over $64 million.

It went on to make the point, Sir, that the largest number of long stay visitors came from Europe, just over 46% of the total number of visitors to Barbados - Europe meaning Continental Europe and the United Kingdom. But I have just had, Mr. Speaker, put into my hands, the Tourism

Monitor Report from the Caribbean Tourism Organisation looking at tourist arrivals by major source markets between January and June of this year 1998. 7.00 p.m.

Remember what I just said, Mr. Speaker, in fact, what the Economic and Social Report just said. Last year was a bench mark year. The best year ever in the history of tourism in terms of long staying arrivals and in terms of revenue. January to June this year 1998, Barbados is showing an all tourism increase of 12.8%. This is January to June. Our competitors, the Bahamas, no figures for them. I do not know why.

Bermuda	-
Cayman	2.5
Dominica	7.5
Jamaica	1.6

Barbados is showing a 12.8% increase in respect of all tourist arrivals. Out of the United States for the first time in over ten years we are showing a 1.5% increase. Out of Canada 2.7%; out of Europe 20.9% and all other countries 17%.

Asides.

Hon. Miss B. A. MILLER: Barbados is shining in this regard. If we want to continue to shine in this way, Mr. Speaker, then we are going to have to learn that we must be flexible, we have to be capable and competent to re-position ourselves at a moment's notice.

It distresses me greatly in the course of this debate to hear particularly the Honourable Member for St. Lucy, he shouts hard and he keeps a lot of noise but I listen carefully to what he says and I think that this was so uncharacteristic of him and it really does distress me that he should speak against training.

I thank God and the Barbados Labour Party and the Minister of Education for EduTech 2000. It cannot come soon enough for me.

Mr. D. St. E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House and she has been doing it consistently, Sir.

The Honourable Member is saying that I spoke against training. What I said is that the Government has adopted a policy in order to reduce their unemployment figures, they have encouraged training. I never spoke against training. Training is something good but you should never use training to reduce your unemployment figures. I say that it is against the will of people.

Hon. Miss B. A. MILLER: This is a case of the higher the animal climbs. The explanation now even makes the case even worse.

Asides.

Hon. Miss B. A. MILLER: I do not think so. I know so. We have to train people for the work place. They are not going to come out of school ready for every employment opportunity in tourism or in any other field in Barbados.

Mr. Speaker, let me go back to EduTech 2000. Again, I am flabbergasted to hear the Honourable Member for St. Michael South, who is a teacher.

Asides.

Hon. Miss B. A. MILLER: Once you are a teacher, you are always a teacher. I am amazed to hear him speak in such a negative manner about EduTech 2000. It is so important, Mr. Speaker, that Barbadians should understand the potential of this concept which thank goodness is no longer a concept only, it is going to come to implementation to begin at any time now.

Mr. Speaker, the average visitor who comes to Barbados has expectations in 1998 which are far different from the expectations of 1968 or even 1978 or even 1988, Sir. The real truth is that if you, no matter what your age, no matter what your background, if you do not have an understanding and a grasp of these new technologies and the way in which they can be turned to good use, the way that they can enhance the education process, the way that they can enhance the business process, then we are going to be left behind.

Mr. Speaker, we are living at a time and it is happening already, you do not have to wait until the year 2000, it is happening already. We are living at a time when we have to be very sensitive to market intelligence. We have to be able to monitor almost on an hour by hour basis what our competitors are doing. And without the aid of these new technologies and there are more coining on to the market on an almost daily basis, sometimes I feel overwhelmed by it, then we are going to be left behind.

Mr. Speaker, I want to say a few words on the domestic front about housing. It has been a focal point in this debate. From the time I came to the City of Bridgetown the constituency which I have the honour to represent, I have understood very clearly that the foremost priority has been housing. In 1976 to 19811 remember so clearly approaching the then Right Honourable Prime Minister and the then Minister of Housing to say that in the City of Bridgetown which had been totally ignored by the Democratic Labour Party over all the years, that in the City of Bridgetown,

housing was a major priority. In the midst of our capital city, in the inner city itself was perhaps some of the most depressed and derelict housing that you would find anywhere in Barbados.

Asides.

Hon. Miss B. A. MILLER: Yes, in the City of Bridgetown.

Mr. Speaker, Sir, out of that came Kensington Lodge. I remember at the time there were people who said that that wonderful housing development at Kensington Lodge on Passage Road was too good for the city people. They were people who said that then. I remember it well.

Mr. Speaker, Sir, it continues today to be one of the best kept, if not the best kept of all the housing estates in Barbados. I keep saying in here that taxi drivers take tourist to see Kensington Lodge. It is something that people want to boast about in Barbados. Between 1981 and 1986 shamelessly I went back to the then Right Honourable Prime Minister and the Ministry of Housing and I said like Oliver Twist, more. We have to have more. That was housing down-town, we need to have housing up-town. That was the beginning of the Pondside Complex.

In those years in the early 80s, the land that you see now under construction at Pondside was acquired by the Barbados Labour Party way back in the early days. There are people today, Mr. Speaker, who feel that the Pondside housing, now that they can see what it is looking like is too good for the people of the City of Bridgetown.

Asides.

Hon. Miss B. A. MILLER: Yes, there are people who are saying that it should be knocked down.

Asides.

Hon. Miss B. A. MILLER: Oh, yes. I hear a lot of 'flannel and fuss' getting talk on call-in programmes about it. Mr. Speaker, Sir, they can sing 'toola loola to the last', it will stay upright.

Asides.

Hon. Miss B. A. MILLER: This Prime Minister and this Minister of Housing have given me the same undertaking that this is to relieve poor and derelict housing conditions for people in the City of Bridgetown. In the first phase of the Pondside, as I keep saying, I do not have anything against people from other constituencies but an aggrieved people, particularly people living in the Nelson Street area and in Spruce Street and in Beckwith Street, and in Queen Street, that they would sit down day by day and watch that first phase of the project go up and then at the end of it all, no opportunity to have a unit there. But it is a different going down now. That was in the DLP time. 7.10p.m.

As soon as I came back to Government in September 1994, Sir, that was one of the first things I asked to see. And again, as I said, I went to the Prime Minister and the Minister of Housing to say this has got to be a priority and in this project, Sir, we want to have a creche so that women who are going out to work and men who are going out to work, will know that their children are safe and well looked after.

We want to have units, just like at Kensington Lodge, on the ground floor, specially adapted for older folk. We want to have a little parade of shops and when the Poverty Alleviation Fund came into being, Sir, I was first there saluting, forming fours, saying, excuse me please, after 22 years I think I am entitled to secure recreational facilities for the young people of what we call the up-town area. Bridgetown is down-town this side of the Bridge and up-town that side of the Bridge.

For all the years, Mr. Speaker, I have written my fingers to stumps. The young people in the City they cannot go and play in Queen's Park. Oh, no, no, no, the Spartan people, you could not go there to play. They could not go at the Biscuit Company ground to play. They cannot go in Kensington to play. There are a number of good playing fields around Bridgetown and within Bridgetown for everybody, but in the City all they were told, but not for you. Mr. Speaker, Sir, Oxley United here we come with it.

The land which you see between what is presently going up at the Pondside second phase and up to and including the property which used to be known as Harry's Nitery is going to be acquired by Government and the nice recreational facilities will go in there so that for the first time ever people who live in that part of Bridgetown will have something to call their own.

Mr. Speaker, I do not think that people readily recognise, not only in the City of Bridgetown, but in all of St. Michael, what you have really is a patchwork of urban tenantries and the people in St. Michael and the surrounding areas, including the people in the City of Bridgetown, have waited very patiently all these years for similar privileges as those which were extended to the people in rural areas when we brought the tenantries legislation that gave people living in rural tenantries the right to acquire those lands.

I have to use this opportunity, Sir, to give great praise to the Urban Development Corporation and I want to convey to them publicly the gratitude and the appreciation particularly of the older people in the City of Bridgetown who are having their houses repaired. Do yoo know what is warming, Mr. Speaker? I know that you are having this in your constituency too, Mr. Speaker, Sir. It is particularly

warming to me when the younger people come to me and say, Miss Miller, I like to see that. I like to see that you are looking after the old people. It has made a big difference, Sir, and the Urban Development Commission is going to bring the possibility for home ownership to people in the City and in the Greater St. Michael area in urban Barbados...

Aside.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, the Honourable Member for St. Michael West is making this point all the time. He has been in here 27 years. He likes to boast that 27 years he has been in here. In all the 27 years he has never built a house in his constituency. A few years ago one of the boxes from his constituency was added on to the City of Bridgetown.

Mr. B. M. TAITT: On a point of order, Sir. I hate to interrupt the Honourable Member. I am not a landlord. I do not understand what the Honourable Member would mean that I have never built a house in my constituency. I live in Stanmore Crescent so building a house in the constituency...

Aside.

Mr. B. M. TAITT: The Government of the Barbados Labour Party has never built anything in the constituency.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, the roads that were fixed in Mannings Land and other roads in the constituency of St. Michael West were built by the Barbados Labour Party. But I am interested ...

Mr. B. M. TAITT: On a point of order, Sir, the Honourable Member is misleading the House. The records of this House would show that I spoke in here and said that the Labour Party has not built a road in the constituency except for a road which Mr. Truss, they believe it belongs to Mr. Truss, which is in Prescod Bottom and they thought that was where he was running. When the roads in my constituency were constructed, they were constructed during the time when we were the Government and St. Michael South and St. Michael West finally got a few roads.

Hon. Miss B. A. MILLER: It is not true, Sir.

Mr. SPEAKER: All right. Let us move on.

Hon. Miss. B. A. MILLER: Now, Mr. Speaker, Sir, an electoral box from St. Michael West came into the City a few years ago.

Mr. SPEAKER: The Honourable Member has 2 minutes.

Hon. Miss B. A. MILLER: And one of the first things that the people said to me is, how come you could get natural gas for all 10 - 11 avenues in the New Orleans across President Kennedy Highway and we out here and Taitt never get anything for us? That is what the people said to me. He never fixed a road, he never fixed a house out here. I told the people, Mr. Speaker, Sir, that I will do everything in my power to give them the same high quality representation that I have been giving to the rest of the City of Bridgetown for the time that I have been representing its interest.

Mr. Speaker, Sir, I have a commitment to that constituency and I am not going to rest until I see my plan for it. I am so sorry that I have run out of time, Sir, because I wanted to be able to talk about the Baxters Road Development Plan which, Mr. Speaker, Sir, is now ready to go. All the facades and those beautiful upstairs verandahs and those shops be restored, nice tiled accommodation for the ladies who fry fish. It is a fact that Baxters Road has lost some market share to Oistins in this regard but you are going to see a whole new Baxters Road, a place that people will come to on a nightly basis, where there is going to be music and games and all kinds of recreational facilities.

The proprietors of many of the shops there, Johno's Bar, Sylvia's Bar, the Pink Star, Play Fair Arcade, Pizza Man Doc, Desmonds, Bryan's Bakery, all of these people have been consulted and we are at the stage again, Sir, where another meeting with them is going to be held. There are members of the private sector, there are people there who are willing to be part of this because naturally they see a business spin off for themselves. But Baxters Road is going to be beyond recognition when we are done with it. It is going to be utterly beautiful.

As soon as I am finished with Baxters Road, Sir, then I will be going up to Nelson Street and do some restoration work up there so that we can bring business. Small business will make Baxters Road a place again where Barbadians will feel safe and comfortable to go, and the same thing for up-town as well.

Mr. Speaker, Sir, I give my unqualified support to this Budget. It goes largely to the quality of life for our people and that is indeed the slogan for the Barbados Labour Party, a better quality of life for all our people. It pleases me that I am part of a team that can be making some little contribution to that, Sir.

Mr. Speaker, Sir, I am much obliged to you.

SUSPENSION

Hon. Miss B. A. MILLER: Mr. Speaker, I beg to move that this House be suspended until 8.15 this evening.

Hon. Miss H. E. THOMPSON: I beg to second that, Sir.

The question was put and resolved in the affirmative and Mr. SPEAKER suspended the sitting accordingly. 7.20 p.m.

RESUMPTION

Sir HAROLD St. JOHN: Mr. Speaker Sir, I am happy to be able to participate in this Budget debate and I do so with a feeling that the Barbados Labour Party continues to carry out its commitment to the people of Barbados and continues to honour the promises it made in 1994 to the electorate of Barbados and that the vast majority of Barbadians are happy with the performance of the Government up to now.

In this debate, Sir, the Democratic Labour Party has once again true to their historical performance tried to demonstrate that they are the political party in this country who has concern for the general mass of the people of Barbados and for Barbados itself.

Once again through their principal spokesman and a number of other speakers, with a couple of Honourable exceptions - particularly those Members who have had experience in politics in this country for some period of time, have continued to categorise the Barbados Labour Party as a Party which is only interested in a particular class in Barbados and is only interested in the promotion of this interest. Regrettably once again, they have used the opportunity to try to divide Barbados along racial lines. I spent a long period of time in politics dealing with this aspect of the Democratic Labour Party approach and before I go on to deal with other matters which I regard as being very germaine to this debate, I will take just a little time in trying to expose the inconsistency of the Democratic Labour Party in this area.

Great criticism was made of the fact that the Barbados Labour Party has among its Cabinet a well known and identifiable person of a different racial origin and who prior to his operations as a Cabinet Minister was a businessman. The Democratic Labour Party forgets that up to now among their principal supporters are such people as the former High Commissioner to Canada and the former High Commissioner to Trinidad and Tobago.

I will not abuse the privileges of this House by identifying these people by names. But every Barbadian is well aware of these men. It is part of the inconsistency of the Democratic Labour Party that has been practised for many years for them to accuse the Barbados Labour Party of one thing. When in truth and in fact they are the ones who are under the thumb of these people.

Mr. Speaker, Sir, another accusation that has been made in here today which I regard as equally serious, because I think that when one is debating on an important area such as the Budget, it is necessary for one - particularly when one holds an important post - to be accurate in the statements that are made and in the arguments'that are marshalled in support of their position.

For a considerable period of time, the Democratic Labour Party has, not only in here but outside been accusing the Barbados Labour Party of only building 26 houses in the last four years.

Quite recently that accusation was made in here and only today, Sir, in one of the publications that appear in Barbados that carries a column of the Democratic Labour Party the accusation is repeated. Indeed it said that in 1994 they were saying that housing would be their priority - social programmes and that the Barbados Labour Party had only built 200 units in one year. The Barbados Labour Party never said that, Sir, because the Democratic Labour Party never built 200 houses in one year.

Also, Sir, the facts will show that the Government has built 24 units in four years. It is a national scandal and a national disgrace. I agree that the Honourable Member would like to see it because the Honourable Member never obviously reads the propaganda of his own Party that is published in the daily newspapers.

So that once again up to today these statements are made. It is not surprising that the Leader of the Opposition in his speech made such a statement, but we are very happy, Sir, that at long last the Ministry of Housing has authoritatively and decisively given the lie to that statement, for today both the Minister of Housing and the Parliamentary Secretary in the Ministry of Housing was able to discredit the accuracy - and you will note, Sir, I am using very, very accurate Parliamentary language - of those accusations. But that is how the Democratic Labour Party operates.

Now I want to say, Sir, that in addition to the building of houses, it is exceedingly important that we recognise that there has been a paradigm shift in the delivery of houses by this Government. This is a policy that is not just being thought of. Many, many years ago in a previous administration, the Barbados Labour Party stressed that in Barbados a housing policy would have to take into account the fact that the vast majority of people in Barbados aspire to their own house ownership. And therefore a housing policy has to be fashioned which would empower the people to attain that aspiration; the provision of mortgage money, the provision of sites and services were important components of that.

I am pleased to say, Sir, that the institutional framework created by the Government now that it is being administered in a sympathetic way by the Barbados Labour Party is demonstrating once again that given the opportunity,

people will shoulder a great part of the burden and the responsibility for providing their own housing needs.

The statistics will show that housing credit to Barbadians in the last four years is far greater than housing credit granted to the people of Barbados under the Democratic Labour Party regime.

I am not going to continue on this because I know now that the Ministry of Housing is fully appreciative of the fact that it is their duty to carry out a massive campaign of education and information in Barbados so as to discredit once and for all the propaganda of the Democratic Labour Party.

Asides.

Sir HAROLD St. JOHN: Now, Sir, there are a number of other areas that we have to deal with in this Budget and I want to say a few words about the constant repetition by the Opposition and in particular the Leader of the Opposition that the special development area legislation in Barbados is the most generous ever granted by any Government.

Once again, Sir, I would like to point out that that is factually inaccurate. I have been a student of concessions and inducements to business, to industry, to agriculture and to tourism, not only in Barbados but in the Caribbean, in the United Kingdom and in other parts of the world. 8.30 p.m.

I have done a careful analysis of the incentives granted in this area over the last ten years in Barbados and in the rest of the Caribbean. I want to say, Sir, it is my considered judgement that the concessions granted to Thornbrook International Consultants Incorporated and Coronation International Limited are probably the most generous that has ever been granted. I believe Coronation International Limited is Westmoreland.

In October 1992 the then spokesman for finance on the opposite side, the now Right Honourable Prime Minister of Barbados asked the Parliament a parliamentary question to the Ministry of Finance and Economic Affairs as to the concessions granted between January 1, 1990 and October 20, 1992. This was the reply. I am going to deal with Thornbrook International first because that is the most generous I have ever seen and it states this:

"Waiver of property transfer tax on interest on non-resident loans.

Waiver of withholding tax on non-resident shareholders loans.

Waiver of property transfer tax payable by any non-resident purchaser of resort, houses and villas and for all lands to be purchased for the development of the golf course.

Waiver of all imports in respect of all materials, furniture, fixture, equipment and vehicle for use in the development and operation of the golf courses and ancillary facilities."

This is important:

"(4) To enter into an agreement under Section 4(2) of Cap. 73 to waive all corporate taxes on income and capital of the golf project for a period of ten years following the construction of the golf facility as approved by the Ministry of Housing and Lands for Phase I of the project.

Reduction of the rate of property transfer tax payable by non-residents vendor to 5% instead of

Waiver of all property transfer tax payable by all vendors involved in the development of the project up to (a) above."

Mr. Speaker, the concessions to Coronation International Limited were of a similar nature except that there was not any agreement to enter into an agreement under Section 4(2) of Cap. 73 for a waiver of the corporate taxes on income capital for ten years but instead there was a write-off of the capital expenditure on the golf course against future profits.

Sir, this was at a time when there was on your statute books provisions relating to granting of hotel aids. At that time there was within the Ministry of Tourism an investigation as to whether those incentives were adequate or not adequate.

Sir, I find it strange that the Barbados Labour Party can be accused of granting these extraordinary concessions under the Special Development Area Act when under the Special Development Area Act, 1996, the concessions that are granted are set out in the Third Schedule and in Sections 9 and 10 and the position with respect to the concessions granted under Sections 8, 9 and 10 is that approved development is granted a reduction in the corporation tax from 40% to 30% and in addition they are allowed an initial write-off of a capital expenditure of 40%.

There cannot be any doubt at all as far as a corporation tax is concerned that the concessions granted to Thornbrook were far more generous than that.

Asides.

Sir HAROLD St. JOHN: I find it strange, Sir, that the spokesman for that side can continuously repeat these accusations against the Barbados Labour Party when in truth and in fact they are authors of this generosity. They only do it because they wish to give credence to their position which they know is inaccurate, that the Barbados Labour Party is over-generous to business people.

I do not believe that in Barbados there is anyone who has been more careful and more deliberate in their determination to resist a tendency which is very regrettable in this country, a tendency among a small group of people who seek to exercise extraordinary influence against the political directorate or with the political directorate to get favours for their own economic advancement.

Everybody who has been a Minister of Finance in this country or who has been in politics knows the lobbying effort that take place particularly at this time by all kinds of institutions seeking all kinds of tax concession. As a matter of fact it used to be so bad once that the late Mr. Errol Barrow, Minister of Finance had to remind people that all who seek these extraordinary concessions should understand that if all were granted that the whole country would be brought down economically and that they would themselves not get any benefit.

Sir, I congratulate the Honourable Member for St. Peter over the course of the last four years in his judgement and in his strength in resisting these lobbying efforts. As you will see, Sir, the more we analyse all of his Budgets, in truth and in fact, while there have been reasonable concessions granted in order to ensure that some of the harmful impact of the taxation policy pursued by the Democratic Labour Party, there has been a decisive effort to ensure that concessions are tailored in accordance with the Barbados Labour Party's position to improve the conditions of the people who are worst off in this country.

It is in that vein that we have all of the VAT relief. It is in that vein that we have had the concession and the reversed tax credit. It is in that vein that we have had, in this Budget one of the first of a series of measures which will ensure that owners of capital in Barbados whether they be local or overseas, whether they be white, black or blue who exploit what they perceive to be defects in the law relating to ownership of land in Barbados for the purpose of evading property transfer tax, are dealt with. 8.40 p.m.

The Property Transfer Tax provisions that are included in this Budget are not directed at poor people. They are directed on that narrow group of people, including real estate agents, lawyers, accountants, who have made it their business in Bridgetown, in Holetown and other areas, to swear false affidavits as to value, to receive their commissions abroad, to transfer properties at the valuation of the land tax when in truth and in fact the true purchase consideration is double or treble.

Sir, this has been a source of great concern to this Government for a long period of time and I am very, very happy in my mind that something at long last is being done about it. Quite obviously anti avoidance provisions in the law, after they have been announced, will have to be fine tuned because I know that all like now there are a number of these same people who are working on methods to circumvent this law. I have absolutely no problem with that. I have the problem when, in order to circumvent the law, they make it their business to make false claims as to what the true purchase consideration is.

I can assure the Honourable Prime Minister that I know that he will have the help of not only myself but the Honourable Member for Christ Church West and all other persons of good will in Barbados who wish to see that those who are able to pay the tax, pay their full share because that is the only way we will be able to have a genuine lessening of the tax burden in Barbados.

Now, Mr. Speaker, Sir, I have just a couple of minutes and I am going to speak about agriculture and fisheries. Now, I want to make it clear, Sir, my constituency, Sir, is a constituency in which a number of people earn their living by fishing and they earn their living by agriculture, the growing of vegetables.

Now, I am surprised that the Honourable Member for St. Lucy, in here today, lends himself to attack on a Minister responsible for domestic commerce on the ground that the Minister has issued licences. Now, I want to make it clear, the Democratic Labour Party signed the World Trade Organisation Agreement, they signed the C ARICOM Accord in which licences have to be removed from CARICOM products as part of the new free trade regime. The only protection that you can give to a Barbadian producer *vis-a-vis* a CARICOM competitor is if you are able to demonstrate that for cyclo-sanitary reasons and for the protection of pests and disease.

Now with respect, Sir, to third countries, I just want to read for the Honourable Member something and I am sorry that the Honourable Member for St. Michael South is not here because in a Budget debate in 1993,1 believe it was, he explained the position very clearly, Sir. Page 3385 of the House of Assembly Debates for 15th March, 1993, Sir. This is what the Honourable Erskine Sandiford, the Honourable Member for St. Michael South said:

> "In accordance with the trade reform programme which I outlined earlier, the licensing system which we now employ will be abolished. A temporary surcharge of an

appropriate amount will be imposed on those imported goods which my Government, in consultation with social partners deem to require protection.

> Again in keeping with my Government's trade reform programme all existing quotas, minimum value criteria, and negative list will be abolished. The temporary surcharge referred to earlier will also be applicable to this area as well."

Now, Sir, the position is, the last person in the world who should attack anybody about that trade reform programme is the Honourable Member. Of course I know he likes attacking his own side. The truth of the matter is, Sir, that one of the consequences of the new globalisation and liberalisation of trade programme is that small developing countries like us are at a disadvantage and at the time when these matters were being negotiated the Government of the day did not appreciate the seriousness of the consequences of what they were doing and they did not in conjunction with their other fellow CARICOM members build a sufficient amount of noise in the international fora, Sir. Our responsibility now is to try and use all of the exceptions to be able to introduce a fairer regime. Thank you, Sir.

Mr. C. A. MASCOLL: Mr. Speaker, I rise to make a contribution in this debate with the full knowledge that it is the people of St. Michael North West who have given me the privilege to be here to make such a contribution.

I also wish to in some ways compliment the Government for having done a few things in the constituency of St. Michael North West. We have had a situation where all the roofs in the Golden Acre Housing Area have been removed, that is the asbestos, and we look forward to some windows being installed of more recent vintage. I also wish to tell the Parliament and the public that such work needs to be carried on as well in the Farm, Fernihurst, Rosemont and the other housing areas in the North West Constituency.

I would also tell you that some work has started in Carters Gap and we are very grateful because it is in St. Michael North West that poverty was identified as the major problem confronting Barbadians and a lot of the work and surveys that have been carried on, have been carried on in a way that the members of staff of the Urban Development Commission are well aware of the existing problems in the area. I therefore wish to suggest that anything that is done in St. Michael North West is done on behalf of the representative of St. Michael North West who has been given the privilege of being the Member of Parliament and whom the people elected in 1996. Therefore, it is not for me to become embroiled in discussion. I have made my representation. Things are being done, but they are being done at a slow rate. I am very grateful for anything that is done for the great people of St. Michael North West. 8.50 p.m.

Let me say however, that in this debate the Honourable Deputy Prime Minister raised the question of tourism and was very excited by the arrivals and record level of arrivals in 1997. Now while I understand only too well, and I have to conceive that the numbers are in fact greater in 1997 and for the first part of 1998.1 wish to suggest that arrivals alone cannot explain the performance of tourism. Because in a very strange way in 1997 the average length of stay of a visitor to Barbados is at its lowest since 1987. And this is important because there is a strange phenomenon and I wish to explain to the public of Barbados and I hope that in doing so the Minister of Tourism will understand that this is not an *ad hominem* attack. It is about understanding what is happening in tourism.

In 1997 the United Kingdom visitor arrival represented one-third of all arrivals in Barbados. The United Kingdom visitor is known to stay in Barbados for at least two weeks on average. Now in 1987 the Barbados tourism market was dominated by the United States. The United States visitor is known to stay for about one week and in 1987 one-third of our arrivals came from the United States. So I wish to ask the question of the Minister of Tourism. Why is it that given that we now have a market dominated by the United Kingdom that we have an average length of stay that is worse than the previous year or in 1987?

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, on a point of order I would not ordinarily interrupt the Honourable Member but he has asked me a question. The answer is very simple. True now, on both sides of the Atlantic, visitors, tourist however you want to describe them are having shorter but more frequent vacations. Instead of one, two or three week breaks, they are having three breaks a year, a week or ten days each.

Mr. C. A. MASCOLL: Thank you, because it therefore demonstrates that until we understand how the market has changed in Barbados we should not continue to boast too idly about expenditure and tourism expenditure. Because I know for a fact that you cannot estimate tourist expenditure in Barbados on a quarterly basis. And yet still the Barbados Tourism Authority continues to do that to its own detriment. Because even the Central Bank of Barbados is not very comfortable with tourism expenditure as estimated in the balance of payments statistics. But that is a peripheral point.

The thing is that in Barbados in tourism we have to be careful that the people like the taximen and the small hotels get their due. And given what is happening to the transport system you are hearing constant cries of the smaller taximan not being able to get the kind of returns that he would wish from the development of tourism in Barbados. This spreads across the spectrum of ancillary services.

So we need to investigate whether or not the growth in tourism is truly passing on to the small people or players in

the tourism market and that is symptomatic of the entire economy.

What we need to ask about this so-called growth in the economy is whether people at the lower echelons are in fact receiving the benefits that they should. Or whether while the grass is growing, the horse is perhaps not starving. And therefore are we comfortable that the growth which we are experiencing is being passed on to the people at the lower end of the ladder.

I can tell you that I am not satisfied that we are getting the kind of distribution which we should be getting to ensure that the small man in Barbados is deriving benefits from the so-called economic growth which we are seeing.

In a strange way as well, the Government is boasting of low fiscal deficits. But the performances on the expenditure side is actually being masked by the growth in VAT revenue. If you were to take out of the performance the excessive VAT revenue which the Barbados economy experienced in the last fiscal year, you will see that the Government has in fact spent considerable sums over the last fiscal year. So much so that there is no other fiscal year in terms of growth that you would see the sort of increase in expenditure that we had in the last fiscal year. And that is a fact. But what is happening is that the growth in VAT revenue has in fact massed the growth in expenditure and herein lies the dilemma that perhaps the Right Honourable Prime Minister found himself. That is while he was speaking of the growth, the foreign reserves, the low inflation and the low deficit, the Right Honourable Prime Minister was in a position where he felt constrained to pass on those benefits to the people of Barbados. Because he himself, knowing what has happened with the underlying expenditure does not feel very comfortable with the overall way in which the Government's expenditure is going.

This is a direct consequence of the failure of the private sector in Barbados to perform the task of creating jobs in Barbados. And after all of the concessions, the special development areas, the relief, the incentives, the savings plans and the investment initiatives, the private sector failed in creating jobs and therefore forced the Government of Barbados to create in excess of 5 000 jobs over the last four years. And that must be a source of discomfort because the Minister is known to be a person who does not see that sort of quick fix approach as an employment policy or strategy. And he is on record of suggesting that his employment strategy includes the expansion of existing businesses and the creation of new enterprises. That is supposed to constitute his employment strategy and the private sector has failed him and therefore his response was to increase the ranks of the public service. And no one is criticising the creation of jobs. We are saying that it does not conform to the strategy outlines that the economy should be private sector led and foreign exchange led. And that has not happened and therefore there must be discomfort.

I however, wish to look at the Budget in some detail in the time available. First of all the whole question of EduTech and I going to look at the summary of proposals at the back of the Budget. EduTech is a very strange being. The strange being about EduTech is its capacity to manage in the next five to ten years. If you are understanding the world of technology, the greatest challenge for the Minister of Education is not whether or not we will expend $350 million in EduTech, but whether or not she has any sources available to truly manage a changing phenomenon such as technology in the next five to ten years. That is within two years time the character of EduTech can be changed considerably because of changes in technology and because of changes in computerisation.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, on a point of elucidation. The $350 million estimate has included in it also replacement cost so that it is not just simply a one-off or one-shot cost over the course of the seven years and I have taken into account the fact that there is need to upgrade the hardware and software and telecommunications interconnectivity.

Mr. C. A. MASCOLL: Mr. Speaker, I must say that I continue to be disappointed by the Minister of Education whom I had a lot of regard for prior ta entering Parliament, but anyhow that is a different matter. The second proposal has to do with the rate of contributions on unemployment. This is a particular strange thing here. What has happened in fact on the part of the National Insurance, is for them to come to terms with the difficulties that the National Insurance system will find itself in the 21st century. This is really an attempt, not to really fully deal with the problems of the National Insurance scheme, but to try to mask once again those problems by moving money from the Unemployment Fund to the National Insurance Fund. 9.00 p.m.

Even though you cannot discuss the full nature of it, I am saying that this move is going to create forms of discrimination that will need to be addressed in the not too distant future for us to deal with the discrimination that one would be seeing across different kinds of employees in Barbados. That as I have said is another matter. The thing is that the National Insurance system is run on benefit principal and therefore no one group of people should be entitled to benefits when they are in fact not making the similar contributions as another group. I am saying to you that the discrimination that comes into play as a result of this measure will be a bone of contention in the future. That has to be addressed at another level.

The third issue here is the registered retirement savings plan. No one understanding the difficulty that the National

Insurance system is confronted with would, in fact, be against such a plan. What you have to be careful with as a Government is to introduce a plan that has merit. Then to stick on a condition for housing onto the plan is folly. It shows lack of vision to suggest that an individual can enter into a plan and get a grant of $4 000 for income tax purposes or 15% of assessable income. What that does in fact is that that restricts this plan, really, to individuals with assessable income of $26 666 per year but more importantly, even at the rate of $4 000 per year or $333 a month, it will take about 10 years for an individual to put aside $40 000.

Therefore I am saying to you that the housing needs of Barbados are more immediate. Then you introduce a plan like this and then tell an individual that they can get as a tax concession $4 000 or 15% of assessible income and then to suggest that if they use the plan to acquire a first home that that is a benefit. I am suggesting to you that to even contemplate using funds to acquire a home will take at least 10 to 15 years, because you are putting aside as a maximum under this particular initiative, $4 000 per year. Do not stick on a condition in the plan for income tax purposes which relates to housing. It makes it look as though you are not really serious about a retirement savings plan, which you are introducing.

I go further, there is in this Budget Proposal, a Fair Trading Commission which will be established. The scope of the Commission includes the Barbados Light & Power, Cable & Wireless, BET and Cable & Wireless, Bartel. If you permit me I can put those in one hand because they seem to be of a particular character - BET, Bartel and Barbados Light & Power. In my other hand you have the Barbados Water Authority, the Transport Board and the National Petroleum Corporation. These are strictly public sector entities.

I am suggesting again that the different nature of these entities will require you to have different levels or different kinds of negotiations. We have grown accustomed to subsidised water rates. We have grown accustomed to subsidised bus fares and the natural gas in Barbados is, in fact, subsidised. I am saying that establishment of a Fair Trading Commission will mean that market forces will have to come into play in determining the rate that you will have to charge on these particular entities. Therefore, you can anticipate some time up ahead that when market forces kick in, in determining market forces in Barbados, in determining transport rates and bus fares and the like and natural gas, that you can expect a rise in rates of most of these entities because those entities are public entities with subsidised rates. But Barbados Light & Power and Bartel and BET are more private and more market oriented so that when you negotiate, which my friend for Christ Church South is accustomed to, those kind of market forces will come into play in determining Bartel rates and the like but no such thing will happen under water'rates, under natural gas or even for bus fares.

We are saying that establishment of a Fair Trading Commission will have its work cut out into the 21st century and you must look forward to that day when those types of negotiations will be influenced by market forces. I can only see one way in which the rates can go.

The other concern here is National Housing Corporation. What we have here is a total misunderstanding on the part of Government. The housing market in Barbados and the land market have all gone out of sync as a result of what is happening on the west coast, as a result of increased cost. The only way that you can truly offer a low income home in Barbados is for Government to intervene in both these markets. Government has to intervene in the land market. Government has to intervene in the housing market. But you cannot expect that in the particular environment which we are in, that you are going to be capable of building a home and consider it to be a low income house because the market forces, the cost of land alone is going to push you beyond $60 000 for any one house in Barbados.

I say that to say this. Government therefore has to intervene. I am not in this debate, however, going to reveal the weapon because I am on record for saying that the next election will be based heavily on a housing programme and who can bring the most creative designs and truly house the nation of Barbados. We are at that critical stage. Education played its part in the 1960s ind the next major social requirement is housing.

What is the National Housing Corporation doing? The National Housing Corporation takes the criteria that you have to be earning less than $271 per week. Then on an almost annual basis the National Housing Corporation has increased the loan limit from $40 000 to $60 000 and now it will be $75 000. I am suggesting that that cannot work because you have not altered the criteria in terms of the income that the person has to earn. Now you are expecting that the individual is going to be able to service a loan almost double the original amount. You have moved from $40 000 in the loan maximum to $60 000 and now to $75 000. Even when you have adjusted your interest rate from 9% to 6% and expanded the repayment period of the mortgage, the actual repayments do not come down commensurately. Therefore I am saying that you have to be careful that any real attempt to provide low income housing, that the measure which you are introducing does not in fact put the low income earner under greater pressure for repayment. But that is on that side.

The National Housing Corporation has certainly not demonstrated a capacity to run affairs. In 1993 the National Housing Corporation made a profit of $ 1.8 million. In 1994 it made a loss of $2.5 million. In 1995 they made a loss, I

think, of about $3 million. In 1996 a loss of $3.1 million. In 1997 a loss of $2.2 million and the most recent figure for the fiscal year ending March 1998, the NHC made a loss of $6.2 million. 9.10p.m.

Now, losses have to be financed. They just do not fall by the wayside and accumulating losses still have to be financed. So the NHC has not demonstrated a capacity to manage effectively or efficiently and last year in the Urban Development Commission debate we were told that the NHC is too bureaucratic and cannot deliver quickly and efficiently enough the services or the things that the Government would like to deliver and therefore we have to establish the Urban Development Commission. Now we are seeing that the NHC is still responsible for financing for all the managerial services provided because as I said in that debate, nine hand-picked individuals cannot manage housing, cannot manage land, cannot manage a legal department, and it would have fallen to the NHC professional staff to be able to give advice on a continuous basis to those nine commissioners and I was accused of saying all kinds of things about individuals.

I am first and foremost a Barbadian and believe you me I do not think that that side is going to last forever. I do not think that politicians can last forever and when I entered politics it is not to show malice and when I come in this Chamber to say something I am saying it out of the kindness of my heart, understanding that this is my country first and foremost. It is not just a question of playing politics. So I am making a solid point and therefore I am simply suggesting to you that when I make these points I am making them based on information. So in short the NIS cannot do the job.

We have a situation where in the urban tenantries the occupants will now pay $2.50 per square foot and I am extremely grateful because there was, two months after assuming office, a disturbance in Strakers Tenantry and out of discussion with the tenants and a representative, a land valuer, I was able to hold a meeting and then out of that meeting to put recommendations forward. The important thing about it is whether or not this particular initiative came prior to my saying that and I made my position public. This particular policy conforms, in fact, sits sweetly into the recommendation which I made in 1997 because it was made on the basis that urban tenants, like rural tenants, should have a right to purchase and purchase at some value below and be subsidized.

The Corporation Tax of 25% for small business. Now, in wanting to say that you have a Corporation Tax of 25% for small business but you have to make a profit before you pay Corporation Tax.

Mr. SPEAKER: The Honourable Member has 3 minutes to conclude.

Mr. C. A. MASCOLL: Thank you. You have to make profit before you pay corporation tax and therefore small business has to be facilitated before they make profit. So this kind of measure, thank God for it, but we need to pu.t other initiatives in place to ensure that small businesses do have the enabling environment which can permit them to make profit and I think that the Leader of the Opposition yesterday outlined clearly what the strategy for small business should be and it has to go beyond simply market forces. We have to change the way of doing business just like some older businesses in Barbados have traditionally had Government contracts, small business ought to be entitled to a share of the pie and you have to do that because once again the same way in which Government has to intervene in the housing market and the land market, you have to intervene in business if not there is no way that those established businesses will allow small people to get involved and to make profit. There must be Government intervention.

The question of a hotel equity fund. Two years ago we were told that money would be taken from the Public Enterprise Fund and put into a fund for small hotels. That idea was shelved. We had something converted into the GEMS. The GEMS is no longer taking care of small hotels so now we are being told that there will be the establishment of a hotel equity fund. Again I have my doubts about this. I would wish it well for the small hoteliers but I am not very comfortable with this arrangement.

The last point and this has something to do with Government policy and I need to explain this carefully. Government last year around September 1997 went to the market to raise $30 million in housing bonds. Government has put $22 million of that on a fixed deposit, $7 million or $8 million on a current account for transaction purposes. The Government is now in a position where, after 6 months, after offering 7.5% on the bonds, Government paid out $1.3 million to the bond holders while the deposit earned half million dollars. In short over a 6 month period the National Housing Corporation lost $800 000 on that bond issue. Over a year they would lose $1.6 million. The National Housing Corporation then has to look on Government to put aside $2 million as part of the sinking fund. Therefore over the course of a year the Government has to look for $4.6 million to service this bond.

Now, how could Government make a decision to issue bonds when the financial market is nice, there is liquidity, interest rates are low, why could Government not gone to the commercial banking system, negotiated a proper interest rate and extended repayment period and put itself in a position where raising $30 million could never cost Government the sort of money which it would cost Government to repay bonds?

Mr. SPEAKER: Could the Honourable Member wind up please?

Mr. C. A. MASCOLL: I am saying to you that the $4.6 million which Government would have to look to service that bond every year has once again represented an unfortunate situation in which this Government is seeking to facilitate the well-to-do because institutional investors and well-to-do people will buy bonds, not the low income man and this is standard. It is a fact that people do not have resources in today's Barbados with an incomes policy that puts a lid on them for them to be able to purchase bonds in the kind of way that you would wish. So what you are seeking to do is transfer resources from Government to high income people and in short my concern remains that while we are boasting about growth, while we are boasting about foreign reserves, while we are boasting about low inflation, the rich are getting richer in Barbados and the poor are getting poorer. Therefore I have great difficulty understanding why this Government does not see it fit to represent the interest of smaller people in Barbados rather than the well to do. I thank you.

Hon. Miss H. E. THOMPSON: On Wednesday of this week, Mr. Speaker, Sir, this House was treated to a budget which in essence paves the way for the shape of the socioeconomic environment in Barbados into the 21st Century. It sets standards which will ensure the resilience of the buoyancy of our economy against the coming financial tides. 9.20 p.m.

It creates an environment where persons of low income level and persons of low middle income level who did not have an opportunity previously to own homes now have that opportunity by the extension of the 100% mortgage repayable over a 40-year period as opposed to 20 or 25 years, hence making a house more accessible to the average and ordinary Barbadian who some people in this Chamber like to refer to as 'the small man'.

It provides for persons in urban tenantries to access land at $2.50 per square foot an idea which was not seen first in this House in 1997, but was first discussed by our Cabinet, Sir, and by a small group out of the Cabinet which was chartered with the responsibility to come up with new and creative solutions for the housing problem in Barbados. And that dates back to 1994, a long time before the Honourable Member credits himself with having that idea in 1997. But the point is that people will now get the benefit and that is the most important thing.

It means, Sir, that a number of persons who do not pay direct taxes but are subject to indirect taxes and who are at the bottom of the social ladder in many respects and who work for under $13 000 a year now are going to be able to have a direct benefit of $500 in hand. Whether they are going to invest that money in one of the very same house spots at $2.50 per square foot or one of the very same houses with 100% mortgage, whether they are going to save it or apply it to some purpose the point is that that money is now available to that class of Barbadian.

It provides mechanism for stimulation of the economy in a way that will help to create jobs and a social and economic climate in which all of us can be comfortable and enjoy a high quality of life.

In that context, Mr. Speaker, it really is in stark contrast to the situation where we were told that we never had it so good, but within months were in the jaws of the IMF. It is in stark contrast to be offered a bus fare and lunch money which was given to us in the 1994 Budget and which people still remember. It is in contrast to a social climate in which there were massive layoffs all over Barbados and loss of houses.

It means, Sir, that some of those people from St. James South which I am sure the Honourable Member for St. Michael North West still remembers because he would not forget them. It means that some of those who work for NCC and were either laid off, or everybody in the house laid off or were on three days a week, but all of whom we have now restored to work will be able to buy their own piece of land or get their own house. That is what this Budget does.

It is not just about big business. It is about making something available, accessible and within the easy reach of all Barbadians at every level of the society and I am satisfied, Sir, that the Budget does that. And from the comments on the call-in programmes and people meeting you on the street, it would appear to me that the average Barbadian also feels that way.

It not only makes provision for development at the macro level in Barbados at the national level, but it ensures that there will be development in the gaps, the alleys and off the highway where the average Barbadian lives. And it is in that context therefore, Sir, that I want to frame my remarks for the rest of this debate.

I think, Sir, that very often that we come to make remarks and really the time allotted to us goes so quickly that at the end of the time we are scrambling to make points about what may have happened in our constituency and I would wish to start what it is I think I have delivered to the people of Barbados. And what it is I think I have delivered to the people of St. James South by whose grace, theirs and God's I stand here.

I therefore wish, Sir, to speak to some of the projects that have gone on and are going on within the constituency of St. James South. And since housing has been identified as one of the greatest needs and demands in Barbados today and the reality is that that in itself is testimony that jobs are being created. Because people can only look to buy land and houses when they are working and they have income. And that is why the demand for houses has greatly escalated.

The Honourable Member for St. Andrew has said that so far 524 houses have been built or started and that includes

some of those the Opposition started up at Cane Garden and could not manage to get off the ground. Whatever their intentions were the reality is that we cannot point to several low income projects, or middle income projects that they would have done. So all of the talk that they are coming with now does not reflect what their record was. And, what they are calling on us to deliver is something that they themselves over seven years never were able to do. But perhaps they are calling on us because they know that we are delivering and can deliver.

In the constituency of St. James South some of the housing projects which are going up around Barbados have been started or in the process of being started or at least the land is being developed and sold at this time. At West Terrace Heights a continuation of the West Terrace Development and a new phase is now being developed. Several people are already asking about those lots.

At Hoytes Village 59 starter homes will be going up and again the demand far exceeds the number of homes that are going up there. At Husbands Heights land is being made available to those persons who want to build middle income type houses. So in the constituency of St. James South, we have at least three different types of housing development going up.

We have been able, Sir, to repair, resurface and put in roads where none existed before. The roads at Durants Village have been resurfaced and repaved. Roads have been resurfaced at Husbands. At Hoytes Village, where for many years the people of those districts walk those roads risking their lives because there was no sidewalk and they were coining down between sharp cut rock, have now a widened road, properly surfaced and paved. All of them have beautiful guard walls and it is a joy to see the children now on the sidewalks as they go down to school. That road project has been done.

On the coast, even though the Honourable Member for St. Michael North West would say that they were a little more kind to him than they may have been to me, we have been able to prepare to put roads in Thompson Gap. The tenders have already gone out. Chapel Gap Number 1 and Number 2, the road resurfacing there is about to start. The same applies at Clarices Road and at Prior Park Main Road where always when you came out the junction of Hoytes Village to go on to Redmans Village... we have widened that road, put in a roundabout and improved roadway along there because that Prior Park Road is now a main access vein from Redmans Village from the north from Highway 2A unto the rest of St. James and down into Bridgetown, in some cases. 9.30 p.m.

We have already in train a lot of lighting problems and installations throughout the country. This includes the lighting of pavillions and sports facilities and light on the West Terrace footpath because a lot of single women live in this area and were attacked as they went to work or came home at night because everybody there does not have a car. At West Terrace Gardens we also have been able to put in increased lighting. We have also done that at Thorpes. At Risk Road and at various gaps along the coast we have put in some lights. All over the constituency we have put new lighting in so that persons who walk in darkness are now able to have a feeling of greater security as they walk the road of the constituency.

When I came to the constituency of St. James South there was a dump in the middle of the residential development of Husbands Gardens with all kinds of equipment rusting and with all kinds of construction material lying down and in a state of almost chaos. People complained about the rats and the rodents that lived there and invaded their houses and they were represented by a person at that time who was also a Minister of Environment. At that spot today, Sir, there is a play park and recreational facilities for the children of that district because you cannot put down such large housing developments where you are having people buying their first houses and in their reproductive years where there will be children in the community and not have any kind of facility at all or outlet for them to exercise their youthful limbs and muscles. That has been done.

There was on the Waterman Village road between Haynesville and the Waterman Village community, a utility pole in the middle of the road for years. That is now gone and a bus stop is at that point instead. We have been able to extend natural gas lines into Glydor Gardens, Clermont, Meadow Vale and to put natural gas lines into West Terrace. All of these are improvements which speak to the physical improvement of the constituency and the improved quality of life which people in every community in St. James South have been able to benefit from and enjoy since we came to office.

It is significant, Sir, that that is also happening in other constituencies on this side where the MPs are agitating with Ministers to make sure that they deliver. The point must be made, Mr. Speaker, that all of this is happening in an administration that is coming out of a structural adjustment period. For the four years that we have been in office you can look around Barbados and see the tremendous changes that have taken place, not for the big businessmen but for the poor people who walk in my constituency, for the poor people who live in the city, for the poor people who live all over Barbados. They are the ones who are saying that they are satisfied with the work that is being done because they are in a position to compare it and contrast it with what they know they did not get in the period immediately preceding September 1994. My constituency office has also delivered tremendous programmes at the community level.

I do not wish only, Sir, to focus on the constituency because I recognise that I have a wider responsibility and I want to speak to some of the things in the Barbados Labour Party Manifesto. We believe, Mr. Speaker, that when we give a commitment in our Manifesto we should act on it. I am happy to report to the people of Barbados that of the things promised in the Manifesto under the sections which would relate to health and environment and which come directly under my portfolio, that in the four years in excess of 90% of these commitments have been honoured.

We have been able, as we have promised, to increase funding and training for nurses. We have been able, as we have promised, to restart a vibrant health education programme. This is significant because when one considers that the greatest challenge to health in Barbados at an individual level is the chronic diseases and that chronic diseases are by and large preventable if we live the correct life style. The existence of health education programmes aimed specifically at educating the population into self care, into ensuring that they know what they can do to protect themselves from contracting these diseases or if and when they contract them to control the extent to which the worst sequelae of these diseases will impact on them. That is important.

It is important too, Sir, that we have established a broad-based committee from the National Advisory Council on Chronic Diseases, an umbrella body for the various organisations working together in chronic disease prevention and chronic disease care. Because while their efforts are good, they are also fragmented and the Government wants to bring them together to hear what it is they would wish us to do and in what direction a specialist in this area, would wish to see the Government go. How we can maximise the resources available to us to ensure that when Government is performing its responsibility to the taxpayer that simultaneously those organisations out there which want to do work in the area of health care feel that they have an impetus from Government and the support of the Government to go on and get their work done. That is why, Mr. Speaker, that the subventions to all of the organisations and the NGOs in the area of health have been substantially increased.

In the Manifesto we are committed to increasing HIV and AIDS care. Barbados is now today the only place in the Caribbean that has a hostel for the care of AIDS victims. If they are not working, if they are ostracised from their families, if they have no where to live, that this is a place of comfort and rest to which they can go and be cared for and live in a community in a home setting. It is very well organised and that home was set up completely by the Barbados Labour Party, I think, some time back in 1995. It was not even on the agenda of the Ministry when I came to office.

In addition to that, we have extended two HIV positive women the facility of having AZT at a certain time during their pregnancy and also to their babies for the first six weeks of life. The medical literature and research tells us that when this is done that after some time the incidence of HIV in the offspring is significantly reduced. Even though the expenditure on this initiative is a high one, the reality is that if we can have young people out there and children out there who are not being ostracised from their families because they have AIDS and who have an opportunity, without being stigmatised as carriers of this disease and if they have the opportunity to lead healthy and productive lives, then our young people must be given that opportunity. That is why, in fulfilment of the Manifesto commitment to do something for HIV and AIDS sufferers the Ministry of Health has developed that.

We came to office and found that the SSA was not sufficiently well equipped. We have bought heavy duty equipment, compactors and the appropriate type of equipment for landfill care and maintenance and for them to perform their services including a shredder for the facility up at Mangrove.

We have tried to upgrade the maintenance workshop but we continue to have some difficulty, a challenge delivering the daily service of garbage collection to the entire society. I wish to explain why to the public.

The SSA, to deliver a proper service to Barbados needs to have functioning every day at least 35 vehicles. At the moment the fleet has 43 vehicles. At least 12 of these vehicles are 20 years old. A further number is over ten years old and then another percentage, I do not have the exact figure, is over seven years old, The extent to which these vehicles work daily mean that they break down frequently and even though we have upgraded the workshop and stocked them with parts and spares and equipment to carry out the ongoing maintenance programme which is necessary, the reality is that the age of the fleet means that we have to consider replacement.

We purchased five new vehicles at a cost of $260 000, I think it was, per vehicle. We are now reviewing a plan to purchase an entire new fleet of vehicles for the Sanitation Service Authority and that will be put before the Cabinet shortly. 9.40 p.m.

The upgrading of the public health inspectorate which the Honourable Member for St. Michael West knows that he tried desperately with and at the end of the day, when the restructuring proposal was put in front of them, was forced to comment that the mountain had strained and produced a gnat. I see that he laughs knowing that there is veracity in what I say, but that has been a long haul, producing the kind of restructuring programme which would satisfy the needs of

the public and the public health inspectors. But we now have it ready. It worked for the Public Health Inspectors and it is before the Ministry of the Civil Service at this time.

The new programmes in respect of the care of the elderly, involvement of the private sector and so on is a proposal which the Ministry of Health put to the Cabinet back in 1997 and this year we were given money in the Estimates to do it and further measures for collaboration between the private sector and the Government were enunciated in this Budget.

I want, Mr. Speaker, Sir, in the 5 minutes remaining to me to turn to the Queen Elizabeth Hospital. Time does not permit me to focus on all of our Manifesto commitments and all the ones that have been fulfilled but I have given examples of some and I have said they are 90% fulfilled.

I assure the Honourable Member for St. Lucy that I am giving a lecture on the Ministry of Health some time in November and I invite him to attend and he can ask me whichever question that he wishes to there if in fact he wants to.

I wish in the 5 minutes left to me, Sir, to turn my attention to the Queen Elizabeth Hospital. I start, Mr. Speaker, by conceding that the Queen Elizabeth Hospital is a difficult institution and it has been for every policy maker as indeed Health is a difficult Ministry all over the world.

The Honourable Member for St. Michael West will tell you that up to when he left the Ministry he felt so concerned about the difficulties which were emerging at the Queen Elizabeth Hospital and which he knew were not then fully made public that he was meeting with the Queen Elizabeth Hospital on a weekly basis in order to bring control and leadership to what was emerging there. Despite his efforts it was a reality that many of the management committees at the hospital had broken down, that the budget for the Queen Elizabeth Hospital was cut in 1992 from $67 million to $57 million catalyzing and precipitating a lot of the decline of the physical plant and a lot of the decline in the services and programmes that we are witnessing today because you know when you leave anything without maintenance it deteriorates rapidly particularly equipment that is so heavily used. So much so that by March 1994 and I want to make this a document of the House...

Mr. B. M. TAITT: I hate to interrupt the Honourable Member but since she said that I would tell...

Mr. SPEAKER: On what do you rise?

Mr. B. M. TAITT: On a point of order, Sir. The Honourable Member is saying that I would indicate some things but the point is that the cut in the Budget from $67 million to whatever was due to the fact - and the Honourable Member knows and should say that not to mislead the House - that because the capital works have been completed the necessity required when you get funds from an international agency, the requirement to have the counterpart funding up front would no longer have been there. So the cut was not in services, it was really a technical cut. I have said that before in this House. The Honourable Member therefore should not be using the fact that the numbers were reduced as an indication of any change in the service. The truth is that the Honourable Member is in a position to show that the actual services requirements have been increased. I am sorry to interrupt the Honourable Member, Sir, but I think it necessary for the record.

Hon. Miss H. E. THOMPSON: The Honourable Member may have persuaded himself of the veracity of what he has said but I know that when one looks back at the facts that one will see that there were elevators down on the ground which were photographed and in the newspaper which were to be installed and not installed. One will remember that the angiographic suite was set up and never paid for until 1996 when we came to office. One will remember that the St. Joseph Hospital had been opened at that time and money was being poured into it but nobody could go down there and get a bad toe fixed.

Mr. SPEAKER: Order, please.

Mr. B. M. TAITT: On a point of order, Sir. I never mentioned anything about the St. Joseph Hospital. There has never been a crasser lie than that money was sent from the Queen Elizabeth Hospital, a crasser lie outside of this Chamber, Sir. There has never been a crasser lie than that money was moved from the Queen Elizabeth Hospital to the St. Joseph Hospital. It is a crude lie told by people outside of this Chamber for their own personal gain and it should never go into the records of this House. It is a damnable lie and the record will show that it is a lie and I am disappointed that the Honourable Member would get up and try to put that in the record. No money was ever taken from the Queen Elizabeth Hospital and sent to St. Joseph Hospital, Sir. The record here shows that.

Mr. SPEAKER: Order, please. The Honourable Member you are going to have to withdraw thos^ words.

Mr. B.M. TAITT: Which one, Sir? Mr.

SPEAKER: Lie.

Mr. B. M. TAITT: I said it is a lie outside of this House. I stand by that, Sir. I can bring you the records to show you, Sir. If you ask me to withdraw it, Sir, you are asking me to tell lies on myself.

Mr. SPEAKER: You have to withdraw. Just phrase it differently.

Mr. B. M. TAITT: Sir, I said it was a damnable lie outside of this House. You were then listening to the Member for the City. I did not accuse anybody of lying in here. I am saying, Sir, it is a lie that has spread across this country and it is a damnable lie.

Aside.

Mr. B. M. TAITT: I am not arguing with the Chair. You cannot tell me who to argue with.

Mr. SPEAKER: What happened to your Bible you had earlier?

Mr. B. M. TAITT: You are in no position to raise questions about my Bible.

Mr. SPEAKER: You had your Bible earlier. Stay calm, Sir.

Mr. B. M. TAITT: I am very calm. Do not raise questions about my Bible.

Mr. SPEAKER: Are you accusing the Honourable Member of saying a lie to you?

Mr. B. M. TAITT: No, Sir. You were not listening to me. That is the whole point I am making. I said it is a damnable lie that has been spread outside of this Chamber and I am disappointed in that the Honourable Member would seek to put it in the record here. That is what I said, Sir.

Mr. SPEAKER: Okay. That is all right. Let us proceed, please!

Hon. Miss H. E. THOMPSON: Mr. Speaker, Sir.

Mr. SPEAKER: The Honourable Member has 1 minute to conclude, please.

Hon. Miss H. E. THOMPSON: It is a fact that the budget was cut at the Queen Elizabeth Hospital. It is also a fact that it took money to open and run the St. Joseph Hospital. If funds were transferred from one place to the next the people of Barbados and a certain agency will decide.

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

Mr. B. M. TAITT: On a point of order, Sir. I draw to Your Honour's attention that the question of the St. Joseph Hospital has not been a part of the discussion of this House. It has not formed part of the debate in this Chamber so far, but I will take this opportunity to say that the record of the St. Joseph Hospital will come out in an inquiry which is going on and it is not proper, I submit for the Honourable Member in the closing part of her debate to suggest, leaving open to other persons to speculate about the St. Joseph Hospital.

An inquiry is going on, Sir, and I submit, it is improper for it to be raised in this House.

Mr. SPEAKER: Yes, the Honourable Member, one minute please? Let us stay calm. The Honourable Member has made a point which I agree with. An inquiry is right now proceeding and if you have to make a casual reference you are permitted to do that, but nothing in detail. Could you proceed and conclude please?

Hon. Miss H. E. THOMPSON: Every year since we have come to Government, we have increased the vote to the Queen Elizabeth Hospital, this year giving it $21 275 938. We will see how those funds are managed with those charged with the responsibility of managing them.

Sir, there are eight lifts at the Hospital, seven of which are working now, each of which were replaced at a cost of $216 000. We have refurbished some of the wards and the physical plant. We put in place a maintenance programme. We have installed new CAT scanning and gamma ray equipment, refurbished the Medical Records Department, put in a Pediatric Intensive Care Unit, put in a Joint Replacement Programme and started laparoscopic surgery.

Mr. SPEAKER: Would the Honourable Member conclude, please?

Hon. Miss H. E. THOMPSON: Yes, Sir. But I wish to say that it really is, and I want to make this a document of the Honourable House where the Minutes in 1994 to which I referred where on March 1, 1994 the Permanent Secretary told the Hospital Director, that they should restructure Engineering because it was in chaos, and spoke about how dirty the hospital was, the problem with drugs at the hospital, the problems with central admission, the problems with the angiographic suite, the problem with finances at the hospital and the fact that complaints were not being addressed.

Mr. Speaker, what we have attempted to do during the last four years is to put in place mechanisms to dealing with problems that have been deep seated, entrenched and are very, very difficult. From the time I was a child, long waiting times at the Queen Elizabeth Hospital in the ENT was a problem. These are not new problems, but we have tried to create the solution.

Thank you very much, Sir.

Mr. SPEAKER: Honourable Members, let us have some order please?

Hon. D. A. C. SIMMONS: I shall not be long, Sir. I am not well as you will have discerned.

I could not let this Budget speech pass without making a few observations even though brief. I wish like all Honourable Members on this side who have spoken to compliment the Minister of Finance, the Right Honourable Prime Minister for the Budget, Sir, which has been a most thought provoking and responsible exercise in financial management. The Minister of Finance must have been tempted one year away from elections to have released the flood gates, but a sense of maturity and responsibility dictated that the national interest be paramount in this case. If only because leading up to the Elections of 1991, the then Government indulged in an exercise of largess and promulgated spending which caused a recession in Barbados, the likes of which we have not seen before in our modern history.

I will keep saying, Sir, that the pain Barbadians endured between 1991 and 1994 was self-induced. I said it was a result of promulgated spending. It was also the result of stubborn or obdurate leadership. We were on the brink of national disaster. Fortunately an international institution was sufficiently in funds to come to our rescue.

I doubt, however, that in the next few years, if any country gets into serious difficulties, having regard for what is happening in South East Asia and Russia if the international financial institutions who are being called upon to find hundreds and billions of dollars to bail out those areas will have funds available to help distressed countries.

Distressed countries could find money of course but at commercial rates. And it is clear from a consideration of the issues behind the Budget that the Right Honourable Prime Minister had in mind the potential difficulties in the world financial markets in the foreseeable future. And we have done enough as was feasibly possible this year, Sir, to make sure that there was balance and equilibrium in the policies and the measures which have been introduced.

Those policies will immediately benefit all sections of this society, Sir. It is quite an outstanding untruth for members of the Democratic Labour Party to continue to parade across this country that the Barbados Labour Party somehow has no social conscience, that it is a Party given over to big business and not interested in the poor. Here is not the time for me to enunciate all that this Party in its history has done for poor Barbadians. That time will come later this year. This is our sixtieth anniversary and the EURO Conference is scheduled for October 31 and November 1st and it is my last few months as Chairman. My Minister will be Chairman again from November 1st.

But, Sir, I just want to contrast what happened between 1986 and 1994 with what happened between 1994 and today in my constituency to give the lie to the mischief that has been put abroad that somehow the Barbados Labour Party does not care about poor people.

For eight years I sat on the Opposition benches representing the people of St. Thomas and asking for all kinds of facilities and amenities to be given to the people of St. Thomas. And for eight years I got nothing from the Democratic Labour Party which formed the Government. Not even in the period 1989 when apparently the economy was performing so well that it was breaking records. I got nothing. 10.00p.m.

St. Thomas is a rural parish, a poor parish and since September 1994 I have been able to secure for my constituents, Sir...

Asides.

Hon. D. A. C. SIMMONS: St. Thomas School was not built and completed during the Democratic Labour Party's regime. They paid large sums by way of security fees to watch a building that was exposed to the elements, Sir.

Asides.

Hon. D. A. C. SIMMONS: I do not want any sympathy from you.

Sir, Content Tenantry Road, Forty Acres Tenantry Road, Hopewell and Highlands. All these roads have been paved since 1994. We have two roads to do in Shop Hill. Those will shortly be going out to tender by the Rural Development Commission. In Arch Hall there will be 48 house spots that will come on stream later on this year. The acquisition has passed this House some time in June, Sir.

Mr. Speaker, those people in Content, Forty Acres, Hopewell and Highlands and the people who live in the two tenantry roads in Shop Hill, those people are not rich Barbadians. Those are very poor Barbadians and this Government has looked after them in less than four years.

That experience I give to suggest that the attitude of this Government to poor people as exemplified in what they have done for the people of St. Thomas has been replicated in most of the constituencies across Barbados. It has been replicated because the Government realised that particularly, people in rural Barbados have been disadvantaged by the lack of facilities and amenities over the years and to cure that situation we established the Rural Development Commission. The Rural Development Commission is delivering services and facilities to rural Barbados as is the Urban Development Commission.

Under the Democratic Labour Party, I am not aware in 22 years in Parliament of any scheme developed and disbursed for the relief of poverty. I am not aware of any time when the Democratic Labour Party in successive

financial years committed $ 10 million to help relieve poverty attending poor people. I am not aware of it. I know that it has happened under this Government.

I am not aware of any special fund for small business people that was established by the Democratic Labour Party similar to the fund that is now called Fund Access. I am not aware that the Democratic Labour Party tried to relieve the hardship of casual employees by giving them on a large scale permanent status so that they could have the security of tenure to improve their domestic situation. I am not aware that they did anything like that for casual employees. We did it for the casuals and the temporaries.

Asides.

Hon. D. A. C. SIMMONS: We have legislation in here now to secure their tenure.

Mr. Speaker, I said I would be brief. I wish to deal with the second outstanding lie that is being proliferated in Barbados by the Democratic Labour Party. On the night of the Budget I heard a commentator of the Democratic Labour Party say that crime in Barbados is at its highest ever, it is at an all time high. The week before, I read a letter on the letter page of the *Advocate*, saying that crime was at an all time high by the well known letter writer on behalf of the Democratic Labour Party. On another page in the same newspaper some figures appear showing that crime had, in fact, fallen.

I want perhaps for the last time for some time to put the figures again because within the last week the Superintendent of Police in charge of the North, Superintendent Hinds, had a press conference and he gave the figures for crime in the North pointing out that at July for this year crime had fallen by 27% in that Division. To persist in alleging that crime is at an all time high, is in a way, to be saying that the figures put out by the Royal Barbados Police Force are false and that Superintendent Hinds and the Commissioner who speaks to these things are liars. I make the figures a document of the House, Sir.

So far I have the figures from January to June this year. The fall in the rate of crime for the first six months of this year has been 5% overall in the island. Every year since we have formed the Government, the figure, the overall incidence of crime has declined.

Asides.

Hon. D. A. C. SIMMONS: The reports of the Commissioner of Police are in here and they have the figures from 1989 to 1993. Overall incidents of crime went from 8 715 in 1989 to 13 000 in 1993. There were 13 000 reported crimes in 1993. That was the high water mark. In 1994 it came down. In 1995, 1996 and 1997 - every year it has come down. The Commissioner reported at the end of last year that between 1994 and 1997 it had come down 34%.

Asides.

Hon. D. A. C. SIMMONS: Every year from 1994 it has come down. I am not claiming any part of anything. I am giving the facts. The graph shows that it went up from 1989 up 1993 and it kept going up every year. From 1994 it came down and it has come down every year. This year so far it is holding at 5%.

In the North the decline has been spectacular. District 'D' has declined by 40%. District 'E' by 18%. District T' by 27.3%. Holetown by 36%. Belleplaine by 30%. Oistins by 9%. District 'B' by 7%. Worthing by 8.2%. Black Rock by 10%. District 'A' by 2%.

The areas that we have concern about are Central where it is up by 16% and District 'C' where it is up by 1%. Generally, the overall incidents of crime is down.

Sir, the third point I wish to make is in respect of legislation for the protection of workers. In the Barbados Labour Party Manifesto there is a commitment on the part of the Government to bring labour legislation for the protection of employees. We do not shrink from that responsibility nor do we resile from that promise. Government now has before it, Sir, for refinement by the Chief Parliamentary Counsel and her officers, 2 Bills, a Bill dealing with the termination of employment which is following the unfair dismissal model and a Bill for the Registration Status and Recognition of Trade Unions and Employers' Organisations. These Bills are modelled on the CARICOM harmonised legislation which was done pursuant to an ILO decision or Resolution No.158. I sent copies of these Bills to the Employers' Confederation, Mr. Thomas Roach, before he died and to the General Secretary of the Barbados Workers' Union. 10.10p.m.

The Ministry of Labour has just given us the instructions to go ahead and finalise the draft. I reasonably expect that we should have the draft out by the time the House resumes from recess and sometime thereafter we should be able to enact the new legislation, Sir. So I am concerned to say, Sir, that the Government is working on legislation that will settle the question of recognition of Trade Unions.

We are also going to move away from the concept of wrongful dismissal to the concept of unfair dismissal and both of them will have a statutory basis.

A recommendation had been made by the General Secretary of the Workers' Union and Mr. Patrick Frost for a small amendment to the Chief Labour Officer's Act. We have looked at that, Sir, but we think it will be tidier to make

provision for the matters they had addressed in their proposal in the composite piece of legislation that will deal with the recognition of trade unions.

Mr. Speaker, Sir, I wish to wind up this short intervention with reference to housing, Sir. The Minister of Housing made reference to my period as Chairman of the National Housing Corporation, Sir, between 1976 and 1979. In those years, Sir, the emphasis was more on building terrace units. I have here from the House of Assembly archives, Sir, the report of the National Housing Corporation for the period 1st April, 1977 to 31st March 1978. It shows that in that period we built 154 units and had under construction 187.

In the period 1979 April to March 1980 we built 367 units and had under construction 126. If you want to hear some of the places, 2 sites in Haynesville, 55 and 62; Bagatelle 10, Freehill 26, Orange Hill 20, Fernihurst 28 and 51 and Wotton 51 and 64. We were building another block at Haynesville, Fernihurst and we were filling in Haynesville and extending as we went along.

Now the record of the Barbados Labour Party in housing, Sir, has been an outstanding one, then and now, Sir. There has been a lag in the present programme because in 1994 when the Government changed there were no sites available for house construction. The Government had to embark upon a programme of acquisition of land to create a land bank. I understand that we are almost at the end of that exercise now and the house construction will start.

The Minister gave today, Sir, a list of sites where houses had been completed or are in the process of completion, well over 500 and they include Cane Garden in my constituency, 145 which had been left to languish. They were just 4 walls open. Nothing had happened for years. We found money and started the process and completed 145. Hoytes Village 59, Apes Hill 54. Farmers, you can pass by Farmers now and see. I was there up to Saturday morning - 48, Flat Rock 34, Deane Terrace 62, Pondside 43.

Aside.

Hon. D. A. C. SIMMONS: I said completed or under construction, Sir. A good guide to the approach of the two parties to housing is surely in the area of financing for housing. There was a thing called the Housing Credit Fund. Between 1993 and 1994 the Democratic Labour Party disbursed $533 421 from that fund. In 1994-95 $918 550. In 1995-96 the Labour Party disbursed $3 501 557.

Aside.

Hon. D. A. C. SIMMONS: Government does not have to build them themselves. Government is making finance available for people to build their houses. In 1996-97 $10 353 378. In 1997-98 $9 181 204. Compare that with the $533 000 and the $918 000. Why did you do it to the poor people, contract the economy through careless and reckless fiscal and irresponsible fiscal behaviour? Why did you do it?

Sir, I am very pleased to support the Budget and to commend the Minister of Finance and the officials in the Ministry, and all the public officers who have worked so hard to ensure that we keep Barbados on a steady and stable course. I am obliged to you, Sir.

Mr. SPEAKER: Honourable Members, before we proceed I would just like to make an observation. This relates to the procedure in our House. Over the past few years with these budget speeches, the Budget Resolution, there has been a tendency for the Leader of the Opposition to move an amendment to this Resolution but as we know the rules of our House which we try to observe at all times, the rule clearly states that an amendment is not a substantive motion and the mover of the amendment has no right of reply. However our House has, in recent years conceded a reply to the mover of the amendment to the substantive Budget Resolution. This concession has never been extended to any mover of an amendment in any other Resolution. 10.20p.m.

I bring this to your attention here because it is a very serious irregularity and I believe over the past few years, especially last year it did cause some confusion. And I hope that we will address this in our new Orders. The last few years, in fact going back to 1982, then 1994,1995,1996 and 1997 this has caused considerable debate in terms of allowing the Leader of the Opposition to reply to an amendment.

Rule 28(15)(d) clearly shows that there is no right of reply on an amendment. However, because of the fact that we have been doing this for the past three or four years, tonight I will allow this practise to continue and allow the Leader of the Opposition, through my discretion to make a reply.

I just want to bring it to the House's attention that it is not in any rules of this House that anyone can make a reply based on an amendment to a Resolution that is brought. So I call on the Leader of the Opposition and will suggest to the Leader of the Opposition, the Honourable Member for St. John that this is a winding up speech and no new matters should be introduced. The winding up should relate to the matters that have been discussed before.

The Honourable Member for St. John, please.

Mr. D. J. H. THOMPSON: Thank you very much, Mr. Speaker, for your wonderful indulgence of the Leader of the Opposition. To the Members I also extend my gratitude

that I am able to follow precedent which even predates my entry into this House, but which every now and again apparently seems to be an issue.

On this occasion I am at your discretion, Mr. Speaker, Sir, entirely. So if you believe that I say something that does not fall within that discretion, it is up to you to do what you want to do and it would also be up to me to exercise my discretion. But I thank you nevertheless.

In responding, Sir, on the amendment I want to thank all of my Members of the Opposition for the contributions which they made in this debate. It is clear from the responses and in some cases the lack of response of Members on the other side, that the Opposition essentially put a very strong case to the people of Barbados. And we do not need Members on the other side to let us know that. The evidence is out there. You read it and you hear it for yourself and, our job, Mr. Speaker, Sir, as an Opposition is not to satisfy the Government.

Our object in this debate was not to satisfy the Barbados Labour Party. Our object was not to get into any big debate about the GDP and the foreign reserves and those kinds of things because we have already discounted the theory of development which says, Sir, once the economy is growing that there is some assumption that by some process of transpiration or political osmosis that the people are benefitting automatically from that growth.

The other point, Sir, we accept that there is growth in the Barbados economy. We predicted that there would be growth in the Barbados economy from as far back as 1994. We had a medium term economic programme that predicted the levels of growth which we are now seeing in the Barbados economy.

The object of yesterday's exercise was to show the very critical differences between the two political parties in Barbados on the very important issue of distribution. Whether we are at the stage where wealth should be more evenly distributed and in fact whether the Government itself believes that elements of policy relating to distribution should now have ascendency.

We also put some alternatives none of which have in any way been encountered by Members on the other side. So we feel entirely satisfied that we have put our case.

Mr. Speaker, Sir, we must be careful that it does not go abroad from this Chamber - and I am certain that there is no economist of any significant training who would want it to go abroad - that it is irresponsible for a Minister of Finance to pass on the benefits of an expanded economy onto people who are either poor, dislocated, marginalised or who in some way need the kind and intervening hand of a Government. And I got the strong impression from Members on that side that this boast about lack of responsibility was supposed to be equated into this concept that if a Minister of Finance has passed on some of the benefits that he gave to others to the poor instead, that he will be described as being irresponsible.

But for three years when benefits have been passed on to others there has been no accusation of irresponsibility. We have to make that point very strongly. When the barbecue chicken and the tasty pork chops were being handed out in concessions in legislation in here when the television cameras were not on, nobody was accused of irresponsibility. And in a debate in which you are serving some white rice with a little butter on top, and giving the poor a little white rice with some butter on top, we are supposed to thump our chest as Parliamentarians and give the impression that we are [4] oh so responsible', while depriving them in our view of the true benefits of their sacrifice and of their contribution to the development of Barbados.

Therefore, Mr. Speaker, Sir, we have to take a lot of advice in this debate. Advice came from a number of sources. The Honourable Member for St. Joseph, very gratuitous in his advice about my leadership. But, Mr. Speaker, Sir, I am not the person who stopped the Honourable Member for St. Joseph from sitting in that seat. I did not banish him to the back bench. I was not the one who faxed the editorials down to the *Advocate* talking about the infelicities at Caribbean Airways. I was not the one who said to wait until the fish gather.

We sat quietly on this side and minded our own business. And, Mr. Speaker, Sir, that is what you get from somebody, who has their head in the cloud and that cloud is essentially a cloud of gloom. Because the people who have been most disappointed by his performance would have to be the people of St. Joseph who entrusted the opportunity of serving in this Chamber, to a man who they thought would have sat closer to the top of the class and now he is at the bottom of the class. And, it is not my fault.

What I would say is that I have to challenge him now at the level of ideas. And if the Honourable Member for St. Joseph comes into this Chamber to tell people in Barbados that there is no underclass in this country, then the Barbados Labour Party would have to completely disavow the IADB report, which was put out only last year, which says for example, that there are 10 047 households in Barbados which are below the poverty line. This is not my report. 10.30p.m.

This is the report they charged around the country accusing me of having a constituency that was the poorest. Tonight we hear, where is all this poverty? Anybody visiting Barbados would be shocked at what the Opposition Leader was saying but only last year the charge was being made

against me and the Democratic Labour Party that we do not understand that poverty alleviation is necessary because there are 10 047 households in Barbados with a population of 250 000 which are below the poverty line. That 13 000 Barbadian workers work for less than the minimum wage and that the Government, minded as it was to help those persons, gave 13 000 Barbadians $350 last year to help them out of poverty and this year they are adding another 7 000.

In a country in which the Honourable Member for St. Joseph said that by and large by some curve that he has come across and research available at the University of the West Indies, it will show that there is not such a wide gap between the poor and those at the top in Barbados. When last year we were being told the opposite. This is the kind of thing that we have to face.

Mr. Speaker, Sir, this Opposition has done its job. I look throughout the Caribbean. In Trinidad problems in Opposition parties. In St. Lucia, they had to call back the old guard. In Grenada there was a split in the leadership. In Jamaica the Jamaican Labour Party just got wiped out at the poll. This Opposition Party started this term with eight Members. The Honourable Member for St. Peter was supposed to be at the height of his powers last September and in the midst of that somebody took the sensible choice to make a step over here because we defend the people at the end of the day and he could not take what was going on in the Barbados Labour Party.

Asides.

Mr. D. J. H. THOMPSON: And the door is open. That is a fact. That will upset Members on that side. My leadership was tested against the Honourable Member in a by-election in which the Government spent nearly $3 million in one by-election in December 1996. The Democratic Labour Party won it - at a canter. Honourable Members on that side has seized on the issue of leadership.

My parliamentary representative, the Honourable Member for St. Philip North - I dropped an old man down to town this morning from St. Philip and the old gentleman got in the car and we were talking and we were talking about what our MP said last night about his own constituency and I said, no problem.

He said, tell me something, he was very nervous. I said, oh. I did not notice. He said, you know on TV sometimes your hands look like it is shaking. I said, well, I did not know that. He said, but I do not think that is why he was nervous. He said, you know that new Wrongful Dismissal and Unfair Dismissal Act that he bring in. He said, you sure that it does not have in a Clause to deal with Ministers who have been loitering on the job for four years and who drawing money under false pretences.

Asides.

Mr. D. J. H. THOMPSON: For four years, a company down the Harbour Road flouting the laws of Barbados, flouting the traditions of this country and the Government says it must leave and Mr. Speaker, Sir, they turn their backs on the Government. Labour dispute after labour dispute. Four years of promised labour legislation and Mr. Speaker, Sir, the Honourable Member for St. Philip North had the temerity to lay his political burdens at the feet of the Democratic Labour Party. He talked about he went overseas and met these parliamentarians who were so enamoured with the Right Honourable Prime Minister. That is because you did not talk to the journalists, particularly the ones in New York. You should read the New York newspapers if you want something to come back down here and talk about. Not what the Right Honourable Prime Minister said officially, you better ask him what he said off the record or what he said in this Chamber. Mr. Speaker, Sir, we are not going into that because that was wiped from the record for a reason eleven days after it was said.

I want to engage again the Honourable Member for St. George South. I take his point. It is a difficult argument to have spent all your time talking about the need for distribution and when you are faced with circumstances that cause you to reflect, you say that as far as you are concerned at the end of the day, money is being put in the hands of poor people - 5 Grantleys.

Mr. Speaker, Sir, my understanding of distribution may be different from the Honourable Member for St. George South. If you take $20 from a poor man and give him back $5, that distribution is not in his favour. It is distribution because you are taking from him to give $15 somewhere else because he only gets back $5. That distribution cannot advance his cause. If the economy of Barbados grows, which means that I am not even at this stage asking the Honourable Member for St. Peter to take anything from those who presently have. I am saying that where there is excess and in this particular case, substantial excess, most of which was taken off the backs of the poor, all we are saying is that if you are not committed to re-distributing that wealth in their favour that the Democratic Labour Party is going to have to stand up for them. The Honourable Member for St. George South may not want on this occasion to do it.

We have heard a lot about poverty alleviation. Poverty alleviation is a World Bank expression. IADB, the NGOs, they are talking about it. That is why I want to let the Honourable Member for St. Thomas know that we are hearing about it now but when the Democratic Labour Party was introducing policies in this country to ensure that black Barbadian women could work in banks,and could be educated and could get maternity leave and other benefits in this country, it was part of a programme of moving them from one point, one station in life to another. That did not

have to be done by handouts. It was done by good quality health care, good quality National Insurance and labour legislation, good quality educational policies and improvement in the physical infrastructure. Most of all, things like school meals, the little things, ensuring that people had shoes to put on their feet, the little niggling things that the Honourable Member for St. Peter wants to get back to, the text book schemes and those things.

That is what was poverty alleviation in those days, not handing out $500; $350 one year and $500 another year and saying you have a fund with $10 million in it. The investment that the Democratic Labour Party ploughed back into the human capital in this country far exceed $ 10 million. It exceeds billions and the return of that investment is what people say about us as Barbadians. If you do not have that vision, if you feel that as long as the economy is growing that by some process down there the people are benefitting and yet you are not even throwing out a life line to them or defining for them where they need to go - a country in which we have built a middle class in Barbados but it seems that we cannot find the mean of expressing...

Asides.

Mr. D. J. H. THOMPSON: This is what I want people like the Honourable Member for St. George South to do. To help the middle class in Barbados to understand the connection between their success and the success of the working classes in this country or whatever you want to call them, the masses. That as a lawyer, you will only be prosperous if people come and pay you fees for going in the Magistrate Court or the High Court or wherever else they can pay you. That as a doctor in Barbados you can only be successful if the little man has the $60 or $80 to pay you for that consultation fee. That as an insurance agent your success in the middle class is not built on what is happening exclusively in the United States or in Bridgetown. It is built on the extent to which those people at the bottom have resources available to them and place that confidence in you to help lift them up.

We are saying in the Democratic Labour Party that we have to get back to basics. The country has gone through structural adjustment and we know about it. Lord knows we know about it. We accept the burden of the criticism. What we are saying is that we also have to speak out for those who suffered. The public officers who advanced 8% of their pay. The people in National Housing Corporation units who months ago the Honourable Member for the City was saying she would garnish the salaries but they are not garnishing the salaries of the unknown people who get all of the other tax concessions and write-offs and waivers.

Mr. Speaker, Sir, it is a serious matter and it goes into housing policy. No matter what Members on that side say, they cannot beat the Democratic Labour Party's record in overall housing. 1989 still remains the year of the highest level of construction starts in Barbados. The Barbados Labour Party's White Paper on Housing on page 6. In that year 1989,1 453 units were started compared to 698 in 1980 and an average of 771 which is half for the period 1980 to 1986. By 1989 we had doubled the number of construction starts in Barbados. That is the Democratic Labour Party's record. 10.40p.m.

I also want to go back to remind that that same White Paper makes the point that Estimates for 1995 suggests that there is an annual need for between 3 200 and 3 600 houses to satisfy the requirements for new units and replacements. For much of the late 1980s when the Democratic Labour Party was in office and the early 1990s when the Democratic Labour Party was in office approximately, well it has approximately and between as well, 70 percent and 80 percent of this estimated need was met with annual increases to the stock of approximately 2,300 units. I want the Honourable Member for Christ Church South to put that in his pipe, if he still has one, and smoke it. When he wants to get up in here and talk about the Democratic Labour Party and myths, read your own White Paper which tells the country that we doubled.

Mr. G. A. CLARKE: On a point of order, Mr. Speaker, the Member is grossly misleading the House. The figures that the Member is seeking to advance reflects either the electrical or the town planning permission which is total building in a country for public/private is not necessarily Government's. It reflects public building as well as government building.

Mr. D. J. H. THOMPSON: I never said Government building.

Asides.

Mr. SPEAKER: Order, please.

Mr. G. A. CLARKE: It has nothing to do with Government. It is just the electrical or town planning statistics that he is quoting from.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, it would have to be ludicrous for me to even believe that Government could have started 1 400 units. I am talking about construction starts, the White Paper. If I am misleading the country, it means the White Paper is misleading the country and that may very well be so especially when he talks about the post-1994 period but I am not getting sidetracked by that.

Between January and September 1977, 611 housing starts. You cannot get near to 1 400 even though the economy is supposed to be growing tremendously and even

though the future of Barbados is being secured or rather let me get the slogan right, even though the Barbados Labour Party is securing the future.

Mr. Speaker, Sir, let us understand what this is all about. You have a tax burden increasing from 32 cents in the dollar to 38 cents in the dollar but we are saying the economy is growing so everybody is all right. You have real wages in Barbados declining but the economy is growing, everybody is all right, poverty is being eliminated, and people are happy.

Mr. Speaker, Sir, we have to really get to some of these facts. The Honourable Member for St. Peter in his budget spoke about 1 246 transfers of lands to non-nationals. Now that is a term of art that he used. I think the Honourable Member for St. Peter had better go and check the facts or speak to the Honourable Member for Christ Church South because this figure includes Barbadians living overseas of the 848 transfers to non-nationals, that is why you have to be very careful when you are dealing with statistics. The Honourable Member for St. Peter was trying to give the impression that we have brought in all of these foreigners, 848 but these are on the basis of exchange control and even Barbadians living overseas are required to have exchange control, so developments like Fortesque and we can think of so many others in which Barbadians, Halecim up by Clermont, in which overseas Barbadians made an investment in the eighties and the nineties are going to be covered by these figures.

But that brings me to the subject of Westmoreland. The Honourable Members can shout Westmoreland as much as they like it does not bother me because when the Westmoreland Project was started the gentleman who is now in charge of it was not the person who made the application. The original project application was made by an investor in Barbados who has been investing in this country for years. He had owned two hotels, Glitter Bay and Royal Pavilion so we knew his track record. We were not playing blind man bluff. This was a man who had been functioning in the Barbados economy for several years. He put a proposal to us and he bought land based on reinvesting money that he had made in Barbados but the Honourable Members on that side know him very well.

Aside.

Mr. D. J. H. THOMPSON: I am not going to get into that and if they really want to talk about Westmoreland we can talk about who the members are too. Let us go into that. No new material, Mr. Speaker, Sir, but I am talking about that because it came up in the course of this debate and the impression is being given that we get on airplanes and go out there to pick up all the flotsam and jetsam that is available and tell them come back here we have land waiting for you.

Mr. Speaker, Sir, the Westmoreland development was a carefully considered investment. It took a long period of time to get to the stage where it got and therefore I am not going to let anybody come, I do not care who buys it, and disappoint the vision of the Democratic Labour Party for that development.

Likewise the same CIBC (West Indies) Holdings, they headquartered in Barbados under a headquarters arrangement because we felt it was a good thing for Barbados to be the site of CIBC (West Indies) Holdings. They brought professionals and others here and they were given the basic concessions that we gave to all headquarters operations at that time and therefore we have to keep an eye on it in the Democratic Labour Party. If we speak out about something we speak out about it because that is not what we contemplated happening when we made a decision to allow concessions which come on the backs of Barbadians. So if you get those concessions we expect you to be accountable. When we sold Heywoods we told them, you have to sell shares to the public and to the workers. So if they decide to sell it to somebody else, expect the Democratic Labour Party to come in and say we do not like that because the basis on which we gave you those concessions was that we would empower the workers at Heywoods and the people of Barbados as a whole.

So when we intervene in these debates Members on that side, because they are used to intervening for other reasons, seem to feel that there is some pecuniary or other advantage to us. The advantage to us is to see that investors in this country function in an environment, Mr. Speaker, Sir, which at the end of the day Barbadians can feel proud of. That is why we intervened.

Now, Mr. Speaker, Sir, I therefore have a couple of minutes left and in that time I want to say that the theme of this Budget was not really institutional and capacity building. The real theme of this Budget and a theme that you are going to hear a lot about in the next few weeks is securing the future. You are going to hear a lot about it in the next few weeks, Mr. Speaker, Sir, leading up to November. You are going to be hearing a lot about it. 10.50p.m.

And, Mr. Speaker, Sir, we therefore have to ask back the question from the Barbados Labour Party what is the future in Barbados for an agricultural worker when you look at that agricultural report which I had to present to this Chamber yesterday? And who is securing that future? What is the future for those young men and women in Barbados in crime and who is securing their future?

What is the future, Sir, of the average construction worker, who, when the construction is finished may be back on the breadline, who is securing their future? What is the future for single mothers in Barbados who are trying to raise

three or four children single handed? Who is securing their future? Who is securing the future of Barbadian families as a whole? Who, Sir, is securing the future for Barbadians who want housing?

What is the future in Barbados for those young qualified Barbadians who return to this country with MBA and accountancy degrees and find that in the land of their birth in the country that invested in them they cannot get jobs that pay them the same salary as people who come from outside with no experience and less qualifications?

They have to compete with a policy in Barbados in many cases where liberal work permits are given out. Who is securing their future, Mr. Speaker, Sir? Who is securing the future of the people who use the Queen Elizabeth Hospital while we talk here tonight? Who is securing the future of the 3 000, 4 000 and 5 000 people waiting for National Housing Corporation houses and units? Who is securing the future for those Barbadians who have their water disconnected and who have meters put on it? Water rates that they now cannot pay. Who is securing their future?

Who is securing the future of the minibus owners in Barbados who are almost taxed out of existence by their Government? Who is securing the future of that class of workers in Barbados who want union recognition?

If this legislation was not promised, and a promise is a comfort to a fool, when is it that this Government will get up and make a statement and a strong position on behalf of the workers of this country? Who is securing their future? Who is securing the future of the people who line up every day for Lotto and Olympio tickets and prefer to take their chances - as the Honourable Member for St. Philip South said - with gambling than to take it with the Government that is elected to represent them? Who is solving their legitimate problem?

Mr. Speaker, Sir, who will secure the future of civil servants who, when they hear talk...

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

Mr. D. J. H. THOMPSON: Thank you.

...talk about public sector reform are then treated to victimisation by the Government. Who is securing their future?

I have to ask all of that Mr. Speaker, Sir, because I do not believe in manifest injustice. Who secured the future of the people investing in the special development areas? The Government. Who secured the future of the Lotto High Flyers before we even secured the future of public workers? The Barbados Labour Party Government.

Who secured the future of the people who are buying up land in Barbados on the West Coast? Who is it that called us hypocrites and schizophrenics and said that we are paranoid as Barbadians for asking questions about who is securing their future?

Who secured the future of that select, but up to now unknown cabal whose debts have been written off at the Barbados Development Bank? Who secured the future of the offshore company which would not recognise workers represented in Barbados? Who is securing their future in Barbados?

Mr. Speaker, Sir, who secured the future of the non-Barbadians who have been appointed in our tourism offices overseas? Who secured their future over the future of Barbadians? Who secured the future of the present configuration at the Securities Exchange and then told Barbadians that they should have faith in it by giving incentives to others to list on it. Who is securing that future?

Mr. Speaker, Sir, if this Government's record was sc good, it would not be necessary for it to carry out a public relations campaign at this time to tell Barbadians the extent to which it is securing their future. They would know, but they do not. June too soon, July stand by, August come, it must, September, remember, October all over. But watch November, I ask Barbadians to secure your future.

Thank you, Sir.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, before I say anything, under Section 28(10)b I wrote to you today asking you to cite persons in their official capacity, I will want you to acknowledge receipt of the letter so that it is not perceived as in breach of the rules of the House.

Mr. SPEAKER: Yes. The Right Honourable Prime Minister did write asking permission to call a name and we will deal with that as it arises. The permission is so granted. All the stipulations have been met.

Rt. Hon. O. S. ARTHUR: I thank you, Mr. Speaker.

Mr. Speaker, I rise to bring this Budget which had all of the makings of an historic Budget debate to a conclusion. I want to thank all Members on the Government's side for their excellent and spirited analysis of Government's policy, not just this year but over the course of the last four years. And for their outlining for the benefit of the people the content and intent of those policies and their beneficial impact on the Barbadian society.

I will wish particularly, Mr. Speaker, to salute the Minister of Labour and the Honourable Member for St. Philip North for his very spirited representation as well as the entire back bench, Sir, whose understanding of the full

extent of Government's policies reflects a Government in its totality that is cohesive and a Government that speaks with one voice.

I have a responsibility, Mr. Speaker, particularly to thank the Honourable Member for St. Michael South Central. He is not a Member of this administration, but if the public were to have to gauge and make a determination as to what conclusions they should reach as regards the acceptability of this Budget that determination obviously, Sir, should be made upon the basis of what an entity independent of the Government has said in this House about the Budget that has been presented to this Chamber.

I thank him, Sir, for the realisation that the fiscal policy and the whole range of policies that have been encapsulated in the Budget are in Barbados' best interest and that they are policies that he can commend - not the Barbados Labour Party. I am speaking from a partisan position - but that he, speaking outside the context of this Government in this Parliament, can commend to the people of this country.

So that his representations in this matter as the honest broker as between the Government and the Opposition was both an endorsement of the Government, Sir, and repudiation of the bankruptcy of the strictures that have, without omission, the empty strictures that have been issued from the lips of Opposition Members.

I want to say, Sir, that it is to the credit of this Government that it can so administer the affairs of Barbados to not only have plaudits from outside the House, Sir, by people who are independent, but to come to this Parliament and to get congratulations from an Honourable Member, who throughout most of his parliamentary career have been one of the harshest critics of the Barbados Labour Party. 11.00p.m.

Perhaps, this Budget may in many respects come to be remembered for that. It will in many other respects, come to be remember for the fact that the Opposition never showed up for the Budget although they were here in person, they never showed up for the Budget.

Mr. Speaker, I have had 14 years now in this Parliament and I spent eight years in Opposition. I have spent most of my life in this Parliament in Opposition. Most of my service to the country has not been by way of being the Minister of Finance but in many respects, by the perspective I was able to bring to bear in those eight years in Opposition when I spoke as the Opposition's spokesman on Finance. I took a special pride in the responsibility that was entrusted to me by my Party. I also took a particular pride in the part that I was expected by the public to exhibit. I would like to feel that in those eight years I tried to come into contact with the economics of the day, to address the policies that were adumbrated by the Government and to put an alternative position because the people expect that parliamentarians come here not to say that they have an alternative to present as was done by the Leader of the Opposition in this instance but to represent the people's interest.

I say, Sir, that the Opposition did not show up because the Leader of the Opposition in the face of a set of proposals put to the people of Barbados through their Parliament, a whole Opposition join the people, the taxpayers had no alternative to represent. I say, Sir, first of all therefore that this is an Opposition obviously that is drawing its salary under false pretences.

Sir, the Leader of the Opposition chose to reduce his three-hour presentation to two essential issues. The first issue, Mr. Speaker, was the issue that I am a captive of big business and that in the exercise of my responsibility as the Minister of Finance and the Leader of this country, my interests are in advancing the lot of the big businesses who are my captors. A lot of his analysis was intended to establish that.

The second point is that I am now Mr. Two Facedness. Implying that there is a duplicity to my nature such as I may say one thing or purport to stand for one thing and do something else. Essentially, Mr. Speaker, from the Opposition perspective, this Budget and my role in it reduces it to a question of values. Who, by the values they represent in their behaviour as between myself and the Leader of the Opposition, is the best person not only to present a Budget to this country but to lead the people of this nation. To the extent that this Budget has been reduced to a question of values, I am under a compulsion in my reply to respond.

Mr. Speaker, on the first matter that I am a captive of big business, it was very good that the Leader of the Opposition started his discourse by speaking to the manner by which I have related to the CIBC issue as a Member of the Board of Governors of the Barbados Securities Exchange.

Before I say anything else on the matter, Mr. Speaker, Sir, I just wish to explain for the benefit of the public that the Securities Exchange of Barbados operates under its Act which says at Section 13, Cap. 3ISA of the Laws of Barbados that the Exchange is a company without share capital and it is not a statutory board, or an agent or other emanation of the Crown. It is not a statutory board, Sir, it is its own agent. It has capacity, powers and rights of an individual. The Securities Exchange of Barbados is not a Government statutory board. More to the point members of the Securities Exchange of Barbados and the Board of Governors of the Securities Exchange of Barbados are not appointed by me as Minister of Finance. The Act requires that as Minister of Finance, I am a designated member of the

Exchange and by reason of being a designated member of the Exchange, I am a member of the Board of Directors. The Act requires all of us to administer the affairs of the Exchange in accordance with the best interest of the Securities Exchange of Barbados.

Mr. Speaker, I needed to put that into the record because I have already spoken of the issue but I will say now that there will be a meeting of the Social Partners next Friday at which the main issue will be the Securities Exchange of Barbados and the way in which it has to be made an institution in which the public of Barbados has the fullest confidence.

I also want to say, Sir, that those Members of the Board of Governors who did not discharge their duties in my judgement - I cannot fire them - but those who did not charge their duties in the best interest of the Exchange, should resign. I say that, Sir, because I want to come to the other matter.

As a Member of the Board of Governors, Sir, I took objection to a waiver of the Property Transfer Tax in circumstances where the argument in favour of that waiver was that there was no change in the beneficial interest of the entities involved with the transaction. It was not a matter involving waiver of tax revenue affecting the consolidation fund but waivering of fees that could accrue to a company that is not a statutory board.

I took a clear position. It was wrong and I instructed persons representing me to vote against it. I want to set that straight, Sir, because the issue is about values. In the context of what was done in 1992 when the same CIBC brought a project called 'Project New World' to a Government of the day, that in that year was sending home 4 000 civil servants, and in that very year it said it did not have any revenue and it had to cut the civil servants salary by 8%, it raised levies, it asked persons in the public service to pay for their own severance. The same CIBC which a few weeks ago, I said, pay your Property Transfer Tax, put a project to the Democratic Labour Party Administration which was short of revenue. A project requiring the Government to waive the Property Transfer Tax on shares transferred from one entity owned by the same company to the other, to allow the company to establish a headquarters in Barbados and to bring all the dividends from the rest of the Caribbean in tax free and to remit the dividends to their shareholders tax free. And in the context of 1992, with a Government sending home civil servants and cutting their salaries, the Government did not waive $9 million in taxes, Sir. It was a project that says, give us these concessions that would give us $53 million, not $9 million, Mr. Speaker, $53 million. The civil servants opposed it, the Minister of State said yes, and the Minister said, yes, Mr. Speaker, Sir and $53 million went to the Democratic Labour Party in the year in which they cut the civil servants salaries by 8% because we were short of revenue. That was the first tranche, Sir.
11.10p.m.

Mr. Speaker, Sir, the last thing the Minister of Finance gets every day is the Central Bank's daily position and I went to my office yesterday and this is what I received. Barbados' foreign exchange reserves which were over $600 million net with the Central Bank fell by $15 million yesterday. A 1992 Democratic Labour Party gave CIBC permission to remit all dividends tax free. Yesterday our foreign reserves declined by $15 million and the reason for the Central Bank sale of $ 15 million to CIBC is remission of dividends and that is one tranche, Sir. That is what the Democratic Labour Party, Sir, who do not represent big business, Mr. Speaker, did in 1992 when they were cutting civil servants salaries by 8%.

Mr. Speaker, Sir, the second issue was the vesting of two-facedness.

Aside.

Rt. Hon. O. S. ARTHUR: It is two-facedness. I say to this House, Sir, that one of the central matters raised by the Leader of the Opposition in relation to values was the notion of family values. I further say that the greatest threat to family values in this country would come from any Minister of Finance agreeing to give concessions to persons who have sought concessions to establish casinos in Barbados.

I go further, Sir, and I say as well, Mr. Speaker, that the greatest threat to the family in Barbados would come if any Government would establish casinos in this country because it would undermine the families and in particular, Sir, it would separate the children of this country from the income of their fathers.

Now, Sir, I have in a past debate brought to the attention of this House certain information that drew a clear, sharp focus on the difference between what the Member for St. John was purporting to tell the people of Barbados and what were his actions as a Minister of Finance in relation to the casino gambling issue. But I did not tell all, Sir, and today I have now to tell the rest of the saga.

I have to tell this House, Sir, about two-facedness that all during the 1994 general election campaign at a time when there was an issue about a secret deal with the International Monetary Fund a certain Mr. Frank DaSilva, and I have asked your permission, Sir, to call his name...

Mr. SPEAKER: Permission has been granted.

Rt. Hon. O. S. ARTHUR: ... was travelling the world with the permission and knowledge of the then Minister of Finance, using resources put up by entities wishing to establish casino gambling in Barbados, visiting casino

gambling operators and seeking to meet with regulators of casino gambling, in order to bring casino gambling to Barbados.

I also have to tell you, Sir, that a determined and clear decision was taken by the Minister in July of that year to Mr. DaSilva to hold everything until September and I will produce the evidence in this evening's debate.

I will also tell this House this evening, Sir, that on the 1 Oth of August the representatives of those casino gambling interests met with the then Minister of Finance and impressed upon him the need for him to have the fiscal arrangements in place very, very urgently.

I will also have to tell this House and give them the evidence that the letters requesting the concessions were submitted on the 12th, that by the 18th nothing had been done, that a telephone call was made and a fax sent to Mr. Frank DaSilva that the Minister on that said day, the 18th, called for the matter and that in short order a package of concessions were granted to that casino set of operators that not only went beyond anything else that has ever been granted but in the nature of the concessions that were granted, Sir, allowed them to be in a position to claim concessions for establishing casinos in this country.

Sir, I will start at the end and then give you chapter and verse of the saga. I have already made a document of the House a letter of January 25th, written to me by the investors in Bushy Park, St. Philip Land Limited and they said as such, Sir:

> "We are businessmen with obviously no political allegiance to any political party in Barbados. As such we have always dealt in a straightforward manner with the Government of the day and I very much regret that we may have been drawn into the political arena. We are very keen to create a resort complex with all the individual parts. In order to progress the overall project executives and project managers of this company have made regular visits to Barbados since 1982.
>
> During the course of these visits and on occasions in London there have been meetings with various Ministers of the Government.
>
> We were completely straightforward in our approach to Government. We made it clear from the very beginning that the project would not be viable unless permission could be obtained for the operation of a casino gambling or similar type operation. The then Government being perfectly aware of all of the facts made certain representations to us which convinced us to proceed. Without these representations we would never have continued with the project.
>
> In addition to these representations, we have had from time to time assurances from different Ministers to the effect that they supported our project in full. And it was on this issue, acting in good faith that we proceeded with the purchase of Bushy Park and if you ask how much we spent, $2 million and up." Let me take you, Sir, to where it began. 11.20p.m.

It began on 27th January and I will make this, Sir, a document of the House, a letter to Mr. Frank DaSilva from the Chief Executive of St. Philip Land Limited.

> "It was very generous of you to see Richard Lions and myself at a public holiday at your house for which we thank you for your hospitality.
>
> I believe that our informal discussions with you were most helpful and we will be gathering evidence on casino gambling particularly both from the control and the quality point of view.
>
> It is likely that arrangements will be made for the local press to visit casinos that we wish to see in Barbados when the word gets out. We hope that Government will take note of any views that you may have on this matter.
>
> As you know, Senator Harcourt Lewis is coordinating information for the Prime Minister on a project and we have been given a clear indication that the Town Planning position will be dealt with within a three months period, so our time scale has become much shorter than we expected. This is good."

Sir, by June of that year the Right Honourable Prime Minister caught wind of it and he wrote his Minister of Finance to these terms. "The Cabinet has agreed on a policy for the grant of concessions on golf courses. I see a reference at nine and 10 to a casino. I wish to make it clear that no casino currently operates in Barbados and there is no policy to permit the operation of casinos in Barbados. None should be encouraged to believe that there has been any change in policy."

So, Sir, the Honourable Member for St. Michael South is clear. He wrote the Honourable Member for St. John on the 4th June telling him, no casinos and also none should be encouraged to believe that there has been a change in policy.

Sir, by February 1994, at a time when there was minimalist Government in this country, letters were being written on behalf of the Honourable Member for St. John as the Chairman of the Foreign Exchange Committee inviting persons not only to be members of a Casino Gambling Committee under that Foreign Exchange Committee, but to be president and officers of it. I have already made those documents of the House.

Sir, what is interesting is what happened when the election was taking place in this country. A certain Mr. DaSilva, the same Mr. DaSilva made arrangements to go to Antigua, St. Maarten and Aruba for the purpose of collecting all kinds of information on casino gambling and to meet with the officials and to get the legislation to introduce it in Barbados.

In fact, Sir, it is a wonderfully amusing letter. Such was the case from the gentleman in Aruba to Frank DaSilva. He said:

"Dear Frank,

Here are the Aruba Casino regulations." And a note from the chap who was interested in offering his services as a consultant.

"Hope you can find someone to translate the Dutch."

Asides.

Rt. Hon. O. S. ARTHUR: Sir, on May 24, Mr. Frank DaSilva again wrote the Ambassador in the Netherlands Antilles Embassy in Trinidad asking for himself and Chairman of the Gambling Committee to make contacts with officials and "we would like to have discussions, if possible, with owners of at least two casinos."

Mr. Speaker, a letter was written to the same Frank DaSilva in his capacity of High Commissioner of Barbados to Antigua requesting to meet the Right Honourable Prime Minister of Antigua, Sir, but also to meet with officials charged with the authority to control and regulate casino gambling and to meet with owners and operators of two casinos.

Now, Sir, that was up to June and then the election was called and the same Mr. DaSilva who was arranging to meet with those entities to discuss casino gambling and to get the laws written, first of all to the Ambassador in Aruba that "I deeply regret circumstances in Barbados do not permit me to travel as originally planned. We will visit at a time in the future to be mutually agreed."

He then wrote Antigua, Sir, saying the same thing and when election was called and he put it off. More importantly, Mr. Speaker, he also then got in touch with the people in London. And the St. Philip Land Limited, who are the investors behind Bushy Park, wrote back to him on 22nd June indicating that we would be very pleased to entertain a visit from you and I would welcome the opportunity to discuss with you in accordance with that visit, a visit to a casino in London, meeting with the compliance officer of a major casino group, meeting with the major casino operators in London and meeting with representatives of the Gaming Board.

Mr. Speaker, the matter was brought to the attention of the Minister. The Minister of Finance, Mr. David Thompson was written on 4th of July by Mr. Frank DaSilva.

"Dear Minister,

I am proposing to travel to London via New York from 21st to 23rd 1994. The purpose of my visit..."

and this is during the election campaign, Sir,

"...is to have discussions concerning the St. Philip land project as it relates to casino gambling."

After the Right Honourable Prime Minister said that there was to be no casino gambling, Sir.

"There is no cost to the Government since this visit is funded in part by the Tourism Development Corporation and our host."

Barristo Associates, the associates of St. Philip Lard Limited, the owners of the casinos, Mr. Speaker, Sir.

One entity went on, Mr. Speaker, and made arrangements for the visit but then, Sir, he wrote the Minister again. The Minister indicated that he did not necessarily agree that this visit was worthwhile at that time. And I shall read from the records, Sir, Minister Taitt said,

"I have taken note of your request to travel. I do not necessarily believe that this is worthwhile."

He however asked to discuss it with his Minister and he said the note from Frank DaSilva spoke to the Minister on the 15th July indicating that the visit will be looked at in September and to put everything down until the election.

Sir, all through the election campaign, meetings were going on with the operators and paid for by the operators to bring casinos to Barbados.

Sir, on the 10th August 1994 when the Honourable Member for St. John should have been out trying to help his candidates win their seats, Sir, he was meeting with the representatives of St. Philip Land Limited. And they wrote to him, Sir, the Honourable David Thompson, Minister of Finance, and they said,

"I know that you met with our investor representative Mr. Andrew Barristo on Monday. Now that the completion of the purchase of the site is imminent..."

The sale of land to foreigners, Sir,

"...may I remind you that we have not yet received confirmation of the fiscal arrangements which were

offered to us. This is particularly urgent because of the question of property transfer tax and I am asking our attorney, Mr. Clarke to liaise directly with you."

Mr. Clarke, Sir, wrote the Ministry on the 12th. But the interesting thing is what happened on 18th August, two or three weeks before the election and how did the Minister of Finance of the day react? 11.30p.m.

Mr. Frank DaSilva received a fax on August 18th from the investors in Bushy Park and this is what it says, Sir:

> "Our telephone conversation earlier refers. I am sorting out the legal formalities so that the completion of the purchase can take place.
>
> We are keen to have formal confirmation of the fiscal arrangement and which must be put in place for completion within the next few days.
>
> I attach (a) a copy of the letter to David Thompson with notes summarising the tax concession and a copy of the letter to David Thompson on August 10th, 1994.
>
> Please obtain written agreement."

That was a fax from the principals in the St. Philip Land Limited, the owners of Bushy Park to Frank DaSilva on the 18th August, 1994. On the same 18th August, 1994, the said Minister of Finance of the day called for the file from the Senior Administrative Officer and said "Please process urgently".

Sir, what happens thereafter is one of the most shocking and wicked aspects of financial administration in the history of Barbados politics.

On the 18th the investors said, we have not heard from Thompson, call DaSilva and tell him to act and we want it in writing. Thompson called the SAO and said, bring the file. Not the PS, he called the SAO and said bring the file and process it immediately. Then it went out, Sir.

The Ministry of Finance had the practice that if you applied to the Ministry of Finance for waivers on a bread cart, you get it for that business and nothing else. You get it for what you ask for. We do not have a policy, it has never been, never can be, never should be, never will be, to give a company concessions for what it is asking for and all of its other subsidiaries.

Mr. Speaker, Sir, the then Minister of Finance gave the St. Philip Land Limited all of the concessions that they asked for in relation to the golf course and the hotel components of the project and then in an act, Mr. Speaker, Sir, without precedent in the history of this Government, a waiver of the payment by the company and all its subsidiaries, having only non-resident shareholders, of all withholding tax in respect of management fees, other professional fees, dividends and interest paid out to non-resident employees employed in the development of the golf resort project. They got for the golf course, the hotel and all of the other subsidiaries. The other subsidiary that had been applied for was concessions for casino gambling.

Sir, I say duplicity. On November 14th after the Honourable Member for St. John knew that even in the height of an election campaign he had given concessions that would enable an entity to establish casinos in Barbados, he brought a Resolution to this House, to defile this House that:

"WHEREAS Her Majesty's Loyal Opposition is opposed to the introduction of casino gambling in Barbados.

BE IT RESOLVED THAT this House condemn and deplore."

Sir, two facedness on a scale, I say to you, that has absolutely no place at all in Barbados' political framework.

Sir, I go back to the letter written to me on January 15th. "We were completely straightforward in our approach to Government. We made it clear from the beginning that the project would not be viable unless permission could be obtained for the operation of gambling casinos or a similar type operation. The then Government being perfectly aware of all the facts made certain representations to us which convinced us to proceed." So, Sir, were the representations made that the investors accepted in good faith. I do not want to hear my values at all challenged by the Honourable Member for St. John on any matter again.

Asides.

Rt. Hon. O. S.ARTHUR: Mr. Speaker, Sir, I would urge all parents interested in family values to tell their children to learn to tell the truth.

Asides.

Rt. Hon. O. S. ARTHUR: A lot of statements were made in this House about the GEMS of Barbados which were untruthful. A decision was taken on June 10, 1994, at a meeting in Washington before we became the Government at a time when the Honourable Member for St. John was in Washington attending a Caribbean Group for Cooperation Economic Development Unit Meeting to shut down the Barbados Development Bank. That is a fact, Sir. On June 10th the decision was taken. We had to make a decision as to what to do with the hotel properties. The IDB said sell them, we said, no. We said we would try to save them by organising them in a co-op; they could come in or stay out.

Sir, we valued each property and offset from the value of the property the debt owed by the owners and told them that that could be their equity in the property. The Government has now found itself in a position where it did not do anything for the family businesses of the Honourable Member for St. Thomas or the Honourable Member for Christ Church South. They lost their family businesses. Those family businesses have disappeared and they have been given shares in a company called HRL, the directors of which are Mr. David Shorey, Alfred St. John, the Head, of the Tourism Authority as well as a former Deputy Prime Minister of the Democratic Labour Party Cabinet. Those are members of the Board.

Asides.

Mr. Speaker, Sir, every piece of work...

Mr. B. M. TAITT: On a point of order. I really do not wish to interrupt the Honourable Member. The Honourable Member is giving information about the members of a Board. The Honourable Member said a former Deputy Prime Minister in the Democratic Labour Party Cabinet. To an uninitiated person that would seem to suggest that the person is appearing on behalf of the Democratic Labour Party. I believe that the Honourable Member would wish to indicate that the gentlemen appearing on the Board, is Chairman of a company which by virtue of whatever it is, makes him a member of the Board and I believe that the Honourable Member would wish to make that clarification.

Rt. Hon. O. S. ARTHUR: Sir, I want to say to the House that every piece of work undertaken by the GEMS Project has been put out to tender, evaluated by their architect, appraised by committees of the Board including committees on which the former Democratic Labour Party Deputy Prime Minister... everyone, including, Mr. Chairman, Sir, the tenders for the demolition at Dover which in this House the Leader of the Opposition said, Sir, was never put out to tender. The question of the CEO was dealt with by an establishments committee, on which sits the former Deputy Prime Minister of Barbados, and it was referred from that Committee to the Board. 11.40p.m.

There is no truth whatsoever, Mr. Speaker, that any interior decorations are being done by other than Barbadians. In fact, Mr. Speaker, the company involved is allowed under contract to bring in only three expatriates. There is now one from Antigua working, Sir. The General Manager is from Canada. All of the other staff of the GEMS are Barbadians.

Mr. Speaker, Sir, as regards the charge made on the Floor of this Parliament that GEMS had leased a $75 000 box from the Cricket Association, he got confused, Sir. CLICO has the $75 000 box and he is familiar with that, Sir. The HRL does not have a box at Kensington Oval, Sir. The Commonwealth Hospitality which is the management company has leased a box as a means of developing a link between cricket and tourism. If I am guilty, Sir, of one act that I have made the GEMS Project undertake without going out to tender, that act was to tell them that the United States of America and the companies promote Michael Jordan as an icon. We have a concept called the GEMS of Barbados. We have GEMS that are recognised in Europe, England, South Africa, Australia. I have told them give 2 contracts to 2 GEMS of Barbados in the name of Messrs. Desmond Haynes and Gordon Greenidge. Those contracts have been drawn for them to go out and project the GEMS of Barbados to England and, Sir, to South Africa. Those, Sir, were the only transactions entered into by the GEMS Project that was not put out to contract because you cannot, Sir, get GEMS on the basis of tendering.

Sir, yesterday the Member also spoke about the Ministry of Agriculture and I say to the House, Sir, one of the fundamental differences between the Member for St. John and all the Members on this Side is that we understand the need for change. Sir, it is our judgement that services being performed by the Government should be user friendly and that the Ministry of Agriculture headquarters and all of its services should be taken to a rural constituency so that the services can be carried to the farmers rather than the farmers having to come, Sir, to a Christ Church location in the heart of a tourism destination to get the services.

Mr. Speaker, I also made a suggestion to the Ministry of Agriculture as I have made to every Government Ministry because there has to be a sense of change in the relationship between our skilled people and the payment they receive from the Government.

It is my judgement, Sir, that there are some public servants in Barbados who perform such valuable services that wherever an opportunity arises for them to be able to benefit from being able to commercialise their services they should be given that opportunity.

I will use an example, Sir. Our Director of Coastal Conservation is regarded as an international expert and I have given very clear instructions that whenever there is a demand for his service by any international organisation we should be good enough to allow him to engage in it because it is to his credit, it is to the country's credit but we have a system that says that certain people cannot be paid more than a Permanent Secretary and the only way we are going to keep those good people is if we allow them to be able to better commercialise their services.

I have told the Ministry of Agriculture, Sir, and I do not apologise for it, that research cannot be carried out as a bureaucratic function. Every research activity should be a

project that is intended to do something specific to develop a product, to develop a design and that we should put in place a system as an incentive, Mr. Speaker, to our research officers that they should conceive of their work, not as bureaucratic work but put them in the form of projects and if their projects lead to a new strain of product, lead to a new technique of doing something, a system should be found for rewarding those public servants of Barbados for having used their ingenuity in an innovative fashion.

Now that idea, contained in a document, was brought to this House to discredit me for the changes that I am seeking to impose or bring about in the Ministry of Agriculture. So I say, Mr. Speaker, there is no fear on this Side about the acceptance of change. Change not only in relation to the management of the economy but in relation, Sir, to the management of our entire social system and I will not allow this debate to be trivialised by the notion that our only way of dealing with the needs of poor people is in relation to the tax refund that we have given them access to. That is but an additional instrument that comes against a background that between 1992 and 1994, when the Democratic Labour Party faced problems, the sectors that were most devastated were the sectors in the social systems. They were ravaged.

Since 1994, Sir, we have increased expenditure on all of the social sectors. It is a fact now, Mr. Speaker, that expenditure by the Welfare Department, on dealing with the needs of indigent in this society, is at about $ 16 million now. It was $8 million 4 years ago. It has virtually doubled.

Expenditure on education, Mr. Speaker, Sir, has expanded. We inherited a situation where the resources needed for the sustaining of the QEH were diverted to St. Joseph Hospital. The QEH was starved of resources to the point where its vote fell to $64 million. This year we have expanded expenditure on the QEH to $80 million. We have expanded it, Sir, on training. We have expanded it, Mr. Speaker, Sir, on care of children. We have expanded it on every facet of the old welfare system and the social system.

What is more, Sir, we have also brought the rural development commission into existence to address the problems of rural poverty. We have brought the Urban Development Commission into existence, Sir, to address the problem of urban poverty. We have created micro-institutions, Mr. Speaker, to provide lending for enterprises in your constituency, Mr. Speaker, and we have, at the end of it, having put the infrastructure in place, having rebuilt the social system of Barbados, we are now finding means of passing more and more of the tax revenue back to the poor people of this country.

This Budget therefore, Sir, cannot be seen outside the context of all of those various measures therefore that have been put in place to address the need for us to build up social capital in this country.

I want, Sir, to, in that context, deal with the only proposal that has been put by the Honourable Member for St. John. The Honourable Member for St. John, Sir, has put the proposal, his only proposal in this Budget, that the Government of Barbados should write off the arrears for persons living in National Housing houses. I am pleased to let you know, Sir, that he is late with the proposal. You will recall that during the social investment debate, I came to this House and I announced that in addition to dealing with the housing needs of the indigent that I had given an instruction to the Eradication Committee that we were going to use the Poverty Eradication Fund to pay off the arrears of all the people living in Haynesville, Grazettes, Eden Lodge, Gall Hill and Silver Hill. 11.50p.m.

Asides.

Mr. SPEAKER: Order please.

Rt. Hon. O. S. ARTHUR: Sir, I am only to clear the arrears for the indigent at the National Housing, I also said they were to clear the arrears for poor people at the Barbados Water Authority and that those people who were in a position to pay, should pay.

The records indicate that during the last financial year $242 000 in arrears were paid for poor people out of the Poverty Eradication Fund. We have already started the programme of paying off the arrears for poor people in all of Government's housing estates. We have not only paid off the arrears of housing, Sir, but also paid off their water rates. Mr. Speaker that is one of the functions of the poverty eradication vote.

So that the Honourable Member for St. John has brought to this House a proposal intended to be a new proposal, but it is already being implemented by this Government. Sir, I can only give the Eradication Committee the authority to apply this policy as handsomely as possible, Sir. And I can only urge upon all the MPs on both sides, because MPs on both sides have already seen the evidence of the work of the poverty committee, particularly the Honourable Member for St. John who has seen more work done in St. John through the auspices of the Poverty Eradication Committee than he has asked for.

I will urge all Honourable Members of this House on all sides to submit the information to the Poverty Eradication Committee so that this Programme can get greater and greater benefits.

Now, Mr. Speaker, Sir, as I said at the start of my presentation, this debate has been reduced by the Leader of

the Opposition to a question of values. We represent big business and I have, beyond any shadow of doubt, brought to the attention of this House a situation to illustrate that when faced with the same big business, the attitude of this Barbados Labour Party was so much more progressive and in the national interest than the attitude displayed by the Democratic Labour Party, when in relation to the CIBC at the height of the worst recession in this country's history, but at a time when the Government was savaging the very poor people of whose behalf it now seeks to please, it gave away $53 million. I do not want now to hear from the Leader of the Opposition about our paying back the 8% pay cut because he could have used that $53 million to avoid having to cut the people's salary in the first place.

Asides.

Rt. Hon. O. S. ARTHUR: I do not want, Sir, to hear about the concessions I have given or not given because I pledged to my colleagues, the Democratic Labour Party on his side and I pledge to all of Barbados from the Floor of this Parliament that I could never, ever, ever bring myself, whether directly or indirectly to give any concession to any casino gambling to operate in this country.

We have a very clear choice, Sir, between a leader on the Other Side who likes to be up on the high wire into the realm of secret deals to whom politics is a blood sport. For whom his Party has become an institutional plaything for his penchant for victriolic attacks on people inside and outside of this Parliament.

You have on that Side, Sir, a leader who has no cause, who is different, Sir, has no desire for progress, that is informed by a process of socialisation that makes him understand the anguish of true poor people in this country. It is all a game for him and he is taking that side through a cynical game because to him he has made a calculation of this political life that it does not matter if he wins or lose that he has time.

I do not have time, Mr. Speaker, Sir, because I know where I have come from...

Mr. SPEAKER: You really do not have much now.

Asides.

Mr. SPEAKER: Order please, order please,

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, this Government has in the first of the last four years rescued Barbados, restored Barbados and we have Barbados on a path to sustainable development. This Budget presented us with the same option as it presented the then Leader of the Democratic Labour Party in 1990.

His response then was that he would never do anything to cause his Party to commit political suicide. And every Barbadian was savaged by the nature of the calculated political decision that was made from the Other Side when faced with our circumstances today. And families lost their homes, insurance policies were wiped out, people's incomes were savaged.

I have faced this same option, Sir, and I have sufficient confidence in this Side to know that they would agree with me when I say to them and the country that it is not the Barbados Labour Party's interest first or our fear of political suicide. It is Barbados' interest, Mr. Speaker.

So that I can say, Sir, to this House that we face the same issues. We have such regard for this country, having spent 60 years as a Party in building it that we will never do anything as an administration or as a party to compromise the livelihood of any person in this country.

In closing, Sir, I said in my presentation from the words of the Pilgrim's Progress that though with much difficulty I have come hither, yet I do not repent me of the trouble it has taken.

Because, Sir, as I said, when I first asked the people of St. Peter to send me to this Parliament, it is his grace that brought me safe thus far, and grace will lead me home.

I am obliged to you, Mr. Speaker.

12.00 a.m.

Mr. SPEAKER: Honourable Members, we have a Resolution before this House and the amendment to the Resolution. We will start with the amendment to the Resolution.

The question that the words "proposed to be left out" stand part of the question was put and resolved in the affirmative without division.

Mr. SPEAKER: We now move on to the Budget Resolution.

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

ADJOURNMENT

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that this House be adjourned to Tuesday, September 8, 1998 at 11:00 o'clock in the morning.

Mr. Speaker, Sir, we still have considerable business on the Order Paper. I know that Honourable Members are anxious to go into recess. We are in excess of a month out of recess but....

Asides.

Hon. Miss B. A. MILLER: What you might expect is that you might have to work two full days next week.

Asides.

Hon. Miss B. A. MILLER: After that it is possible that the House will go into its recess.

Asides.

Hon. Miss B. A. MILLER: There is work to be done.

Mr. B. M. TAITT: Mr. Speaker, Sir, in Britain they recently recalled the Parliament from its recess to deal with an urgent matter relating to bombing and the undertaking of lives. They came back from recess to do that. It has been the custom of this House for the last 20 years that some kind of recess would come to the House, Sir. It has been the practice that the Budgetary Statement would come at such a time that those Members who had small children would get an opportunity to share the summer with their children.

I have heard lip service in this House from Honourable Members on that Side.

Asides.

Mr. B. M. TAITT: I am very serious, Sir. My children are not little, the last one is nearly 30 years old but I have heard lip service from the Honourable Members on that Side talking about how politicians are to be dealt with and how they are supposed to have a life and I am saying that this is not a matter to be taken lightly. There are young Honourable Members in here who have not had an opportunity to share a holiday with their children. There is nothing that we have had as momentous as that which has caused the British to come back to their Parliament.

The Honourable Member knows that we will come back because she will ask us to but the least the Government could do is give us a schedule and tell us that we are going to go on recess by such and such a time.

Asides.

Mr. B. M. TAITT: We will meet Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday and the next Monday but do not give us this 'possibly'. We are not children in here that you can say 'possibly'. Mr. Speaker, it is unreasonable. Let us get some kind of schedule.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, there are important matters which must be dealt with. It is possible that we may work two days work next week and I have already said that. It is entirely possible that we may have to go into the next week which is the 15th. I am hoping that at that time I will be able to put the House into recess until November.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, the Leader of the House has just told us that there are important matters which will defer any steps for this House to go into recess. I believe courtesy to Honourable Members in this Chamber would dictate that inasmuch as we are being asked to make this effort to deal with these very important matters that the Leader of the House can tell us now what are these important matters so that we can better prepare ourselves.

Already it is now Saturday morning so tell us what these matters are. I hope the Leader will accommodate the House in this particular regard so that we can get this behind us. Let us put a human face on to these matters.

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I do not know why it is so difficult. The Order Paper has a number of outstanding matters still on it.

Asides.

Mr. SPEAKER: Order, order, please.

Hon. Miss B. A. MILLER: We also have a supplementary that is expected to come to the House and then there are a few matters coming from the Ministry of Public Works as well. It is not a secret, it is on the Order Paper.

The Leader of the Opposition at 10 o'clock last night was telling us how we cannot work late because we have to take into account the people who work here and this and that and the viewers and all of that. Now I am hearing at five minutes past midnight that we are to work until morning.

Asides.

The question that the House be adjourned to Tuesday, September 8, 1998 at 11:00 o 'clock in the morning was put and resolved in the affirmative without division. 12.10a.m.

CONTENTS

MINUTES

Hon. D. A. C. SIMMONS

Confirmation of Minutes of the meetings of Friday, August 14 and Tuesday, August 18, 1998.

PAPERS

Rt. Hon. O. S. **ARTHUR .....**

Report on the Accounts of the Public Enterprise Investment Fund for the quarter ending June 30, 1998.

Hon. D. A. C. SIMMONS.....2

1. The Police (Discipline Regulations), 1998.
2. The Police (Promotions) Regulations, 1998.
3. The Service Commissions (Police Service) (Amendment) Regulations, 1998.

Hon. R C. EASTMOND..... 2

The Annual Report of the Rural Development Commission fof the year ended March 31, 1997.

SUSPENSION OF STANDING ORDERS

Hon. D. A. C. SIMMONS..... 2

Suspension of Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of the Sitting.

GOVERNMENT BUSINESS

ORDER NO. 1 - THE FINANCIAL STATEMENT AND BUDGETARY PROPOSALS, 1998

Rt. Hon. O. S. Arthur, 2, 158; Mr. D. J. H. Thompson, 30, 69, 153; Dr. R. C. Haynes, 55; Hon. Miss M. A. Mottley, 60; Hon. R. N. Clarke, 74; Mr. D. Carter, 78; ,Mr. D. St. E. Kellman, 81; Mr. J. M. Edghill, 86; Mr. W. C. C. Callender, 88; Hon. R. C. Eastmond, 92; Hon. R. St. C. Toppin, 96; Mr. J. O. Tudor, 100; His Honour R. D. Marshall, 105; Hon. G. W. Payne, 108; Rt. Hon. L. E. Sandiford, 112; Hon. Dr. R. L. Cheltenham, 116; Mr. F. J. Stuart, 119; Mr. L. R. Tull, 122; Hon. Sir Henry Forde, 125, 128; Mr. B. M. Taitt, 129, 167; Hon. Miss B. A. Miller, 134, 166; Sir Harold St. John, 139; Mr. C. A. Mascoll, 142; Hon. Miss H. E. Thompson, 146; Hon. D. A. C. Simmons, 150.

SUSPENSIONS 29, 55, 69, 100, 138
ADJOURNMENT..... 167

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O. S. (St. Peter) CALLENDER, Mr. W. C. C. (Christ Church East) **CARTER, Mr. D. (Christ Church East Central) CHELTENHAM, Hon. Dr. R. C. (St. Joseph) CLARKE, Mr. G. A. (St. George North) EASTMOND, Hon. R. C. (St. James North) EDGHILL, Mr. J. M. (Christ Church West Central) FORDE, Hon. Sir Henry (Christ Church West) GREENIDGE, Hon. R. N. (St. Philip North) HAYNES, Dr. R. C. (St. Michael South Central) KELLMAN, Mr. D. St. E. (St. Lucy) LASHLEY, Mr. H. F. (St. Michael South East) MARSHALL, His Honour R. D. (St. Michael West Central)**
MASCOLL, Mr. C. A. (St. Michael North West)
MILLER, Hon. Miss B. A. (City of Bridgetown)
MOTTLEY, Hon. Miss M. A. (St. Michael North East)
PAYNE, Hon. G. W. (St. Andrew) St. JOHN, Sir Harold (Christ Church South) SANDIFORD, Rt. Hon. L. E. (St. Michael South) SIMMONS, Hon. D. A. C. (St. Thomas) STUART, Mr. F. J. (St. Philip South) TAITT, Mr. B. M. (St. Michael West)
TOPPIN, Hon. R. St. C. (St. Michael North)
TUD.OR, Mr. J. O. (St. Michael East) **TULL, Mr. L. R. (St. George South) THOMPSON, Mr. D. J. H. (St. John) THOMPSON, Hon. Miss H. E. (St. James South)**