
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 1999 – 2003

HOUSE OF ASSEMBLY

Wednesday, August 25, 1999

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

The Honourable Member for St. John. The Honourable Member has two hours and 15 minutes television time.

Mr. D.J.H. THOMPSON: Thank you, Mr. Speaker, normally in preparation for a Budget reply, I take the time to review the Central Bank Report, the Economic Report, I listen to the comments of people in the private sector whether formally given on the radio, or sometimes carried in the Press. Then, I usually pay some attention to the views expressed by writers in the Press or other commentators.

This year, I have done all of that. I also took the opportunity to ask the people what they thought about the Budget. I went back to some of those people whom I met with the Honourable Member for St. Lucy met during our recent visits to the public markets, the major tourist areas and other parts of Barbados. I took time to speak with pensioners, single parents, unemployed women, professionals, youth on the block, teachers, civil servants, students, shop-keepers and many other groups and individuals. Sir, more importantly, I spent a little time speaking to some of those persons whom I know supported the Barbados Labour Party in the last election.

Mr. Speaker, perhaps I should give my view first of the 1999 Financial Statement and Budgetary Proposal. My view is that this 1999 Budget could have been the most courageous and creative ever delivered by a Minister of Finance and Economic Affairs. This view is not mine alone, for I rather suspect that it will not get the endorsement of the most articulate members of the team -

the Barbados Labour Party team elected in 1999. Six of them as representatives of the people chose to be absent from this most important event in the parliamentary calendar. Only one has a good excuse.

None of the persons I spoke with disagreed that when the political history of Barbados is written, there will be many men who on reflection, would envy the position in which the Right Honourable Member for St. Peter finds himself. They emphasized that as Minister of Finance, he looked upon all that was before him and he should have considered some of the following points:

“We gave his Government the strongest of endorsement. We gave them 26 seats to get on with the job.”

And that is quite true, Mr. Speaker, Sir. This Government was given a historic majority in the last general election by the people of Barbados.

One teacher said that the Prime Minister enjoyed strong popularity among the people. He said it was on the strength of this popularity that he believed the Prime Minister’s pledges about the state of the economy and the specific promises in his 1999 Manifesto. Another teacher said,

“You cannot stand in his way, because he is the Minister for now, but he has disappointed me.”

A religious leader said,

“He called the nation of Barbados into action and the people endorsed him and his team.”

That can be said by any religious leader, even those in this Chamber.

The youths said that they decided to big him up again. The single mothers gave him their support. The

pensioners would have patted him on the back. The civil servants nodded and winked in his direction and there was much enthusiasm in January.

Mr. Speaker, Sir, we on this side know what it is like to be on the other side of public opinion, trying to get your message across to all of these Barbadians, who invariably have already made up their minds. One man said,

“The Prime Minister cannot be excused for stumbling or falling short of the mark because any public doubts or public opinions don’t exist. Everything is in his favour. He has solid support.”

Mr. Speaker, Sir, the unanimous view was that this Budget, coming after that endorsement would be quite a unique Budget. It presented great challenges and opportunities for the Minister of Finance to tell us where he wants to take us. There was yet another view. Many of the Barbadians I spoke to this morning and some last night were expectant. “This is the last Budget before the next millennium”, they said, or they assume so.

I once used to dismiss the change of the millennium as nothing more than a calendar adjustment. I was of that view, but there is a nagging in my view, Mr. Speaker, Sir, that the people feel differently about it. A point made in the Human Development Report for 1999, more than anything else, is what changed my mind and I want to quote a very simple point from that.

“On the eve of the millennium, people are usually expectant of a more fundamental diagnosis, more ready to receive it, more eager to act on it. Millennium fever is already stimulating many groups to sketch out their visions of the future - for their community, their country and their planet.”

There is an air of expectancy, visioning and hope for the next millennium.

The elections are over, but all through the election campaign, we found men, women and children of all ages, engaged in some kind of planning mode for the year 2000. Wherever you went in Barbados, people were commenting on the fact that we were at the edge of the millennium. That they wanted something to happen in the new millennium.

Barbadians living abroad say they want to be home for the change of the millennium. If you talk to businessmen, they say that they want to be Y2K compliant, which is a millennium issue. Mothers and fathers in Barbados want their children to be exposed to new technology. They get anxious about EduTech 2000 because that is something that they associate with the new millennium. The elderly in Barbados worry. They wonder if this new millennium includes them. Many young people

speak of starting new businesses in the new millennium, because they have a concept that there will be something different about the new millennium that would mean something to them. Persons renting homes in Barbados are heard to say that they wish to own a piece of the rock before the new millennium and even the children of Barbadian nationals living overseas want to buy a piece of the rock before the new millennium.

Sir, the cusps of the new millennium, this short period that we have left before we usher in the new millennium provides a very good platform for re-casting Barbados. At a minimum, it provides the opportunity to deal with - not just speak about - some of the challenges of the next millennium. There are many challenges and the people were expecting the Minister of Finance to deal with them.

In my view, Mr. Speaker, Sir, and in their view, the Minister of Finance has defiantly ignored most of those critical issues in this Budget, but you cannot ignore them. Barbadians want to have hope and they still care about achieving their aspirations. And our job is to point to the next steps, the way forward and the blue-print for the future.

3.10 p.m.

Wednesday, August 25, 1999

Mr. D. J. H. THOMPSON: Sir, as we approach that period that will usher in the new millennium, a rallying cry is heard throughout much of our society which tells us, Mr. Speaker, that business as usual is not the approach that Barbadians are adopting in relation to that change of date which some people may think is a very simple event in our lives.

Those on the fringe of the society expect to be included. Those who are already included often realised that inclusion is just fragile and they may have no security of tenure in that process of inclusion. Part of what we are doing in looking at the new millennium has to be an exercise in providing for those persons a road map to the future.

I dare say, Mr. Speaker, that the only person who believes that the same economic forces which dominated Barbados throughout the period of the 1900’s should continue to do so would be the Minister of Finance. For, as one UWI student, who himself could not get a vacation job said, if he believed otherwise he would have told us. I think that is very instructive. At least, he was expecting that there should have been some response from the Leader of the Government that has the responsibility to take us into the new millennium to respond to that particular question. What economic forces are going to dominate? How are we

going to spread wealth and redistribute it if that is necessary in the view of the Government? What kinds of issues are going to predominate in that regard as we move into this next millennium? Is there anyone who truly believes that enough is being done to help small businesses in Barbados? Is there anyone who thinks that the current business practices in Barbados can lead enterprises into the global technology and trading revolution? Who is willing to say that we are ready for fair trade and competition when we have not had it for the last century and have done very little to truly develop it? We have not had fair trading with each other, therefore how can we transpose that into our ethos of fair or free trade with the rest of the world?

Mr. Speaker, everybody is groping to determine whether any fundamental change had been defined by this Budget. People, having listened to the Budget are still asking what it is all about? What did the Budget do they asked? Whom did it help? One person asked, "we get back the eight per cent."? Somebody asked whether they gave 'Hammie La' money for the poor. I do not know who they mean by that, Sir, but they wanted to know if more money has been allocated to the poor in Barbados. They wanted to know if the Police and the Nurses had been given any indication about the regrading of their salaries and the position they occupy in the scheme of things in Barbados. After all the talk about pensions and national insurance the pensioners asked, did the Prime Minister increase pensions? At the end of the day, none of those questions could be answered. Therefore, the Budget concealed a lot more than it sought to deliver. None of what they asked has happened. Therefore they would come to the conclusion that the Prime Minister is a status quo man. That is, Government is a status quo government and that his party is a status quo party.

The lesson of the 1999 Budget is that in 1999 when the people of Barbados apparently voted for social transformation what they ended up getting was more of the same thing.

Even the setting up of the Social Transformation Ministry, which eight months ago was hailed by all and sundry, including me, Mr. Speaker, was to be the focus of this Government and the first opportunity that the Minister of Finance had to state his priorities in relation to expenditure, to focus social transformation in its true economic dimension, to build on the initiatives which his own Minister has revealed recently outside of this Chamber, at the end of the day social transformation has been totally ignored in this Budget in 1999, just eight months after it was at the top of the agenda in Barbados, after a new government was formed, after it was to be the focus of the slogan, "Inclusion for all, exclusion for none."

Mr. Speaker, the focus has been on business. At the end of the day, I think we need to reiterate that, yes, we

need to create a climate for business to develop and to function in Barbados. At no time had the Democratic Labour Party avoided its responsibility to encourage the development of policies which would create new businesses, expand existing ones and see the general climate for Barbadian businesses improved.

Mr. Speaker, at the same time, you have to be evenhanded and you have to be balanced in your outlook. A Budget is the best time of the year for a Minister of Finance and more so if he is the Prime Minister because he is the Leader of the Government to establish that his focus is not exclusively on business but that he is seeking to address many of the other concerns which affect the citizens of this country.

Last year, as we were heading toward an election, the big issue was the people earning below the minimum wage and how they would be getting X amount of money by December and the year before that they would be getting X amount of money. That was a priority in the Budget. The elections are over, and it is no longer a priority to tell those people that they are going to get some assistance, whether it is a \$500 cheque, a \$1 000 cheque or \$1 500 cheque to mitigate the impact of the poverty which has been identified by the Inter-American Development Bank but more so to mitigate the impact of the economic slowdown which Barbados is facing as we speak in this particular Budget debate. So they were left out.

The single mothers, who formed the core of this concept of family services that the Ministry of Social Transformation was supposed to be focusing on, and that the Minister said that he wanted to focus on, did not even catch the eye of the Prime Minister. It is those single mothers, the women in Barbados, whose status in the unemployment statistics is double that of men and who are found more as part of the working poor in this country than any other category of citizens. Yet, at the end of the day, no attempt has been made to focus on that and to target your policies in that particular area.

The elderly would ask similar questions. The youth in Barbados on the block, they would have their questions. Mr. Speaker, at the end of the day, what has happened to all of those poor people that the Minister of Social Transformation highlighted before and after the election. Why would not the Prime Minister include them? It is not enough just to include the Minister, but he has to include the Minister's policies, and he has to include those who the Minister said his policies are intended to impact on. At the end of the day, Mr. Speaker, the words "social transformation" do not appear anywhere in this Budget for consideration by the people of this country. What can we tell them? I thought we were going to hear from the Minister of Social Transformation today but we are not even hearing from him. At the end of the day, Mr. Speaker,

I still have to wait eight months after the elections, like the rest of Barbadian citizens, to hear where social transformation fits into the matrix of policies, if it fits at all, that the Government of Barbados elected in 1999 is pursuing in our country over the next five years.

3.20 p.m.

Wednesday, August 25, 1999

Mr. D.J.H. THOMPSON: So, at the end of the day, it seems that the Opposition is taking the Government's millennium mandate more seriously than the Government takes its own millennium mandate.

The third point that I want to make, Mr. Speaker, Sir, about the responses from the people to this Budget was the comments of the critics, and I mean critics as in persons who hold themselves up as independent and impartial analysts of the economic and social situation. These critics cannot be ignored. Sometimes they speak in favour of the policies of the Government, often with the benefit of hindsight. If you were to interview them a year later they would recognise that much of what they rushed to say within the quick hours of a Budget being delivered is totally wrong. But that is no reason why one should ignore their comments, and the Right Honourable Member for St. Peter himself coming from that background as an economist should be encouraged to listen to those critics and those analysts because they are the ones who say that the platform on which this Budget has been constructed is the present state of the Barbados economy. They are not even worrying about the millennium issues. They are not worrying about the elections which are past. What they are asking us to do is telescope our vision on the present economic situation in Barbados. That is fair.

Those who want to talk about the elections which are just past may be written off either as partisan, overly partisan or people blinded by political considerations. You might want to ignore them. You might wish even to ignore the people who talk about the next millennium. Some people may say they are dreamers, that it is only a change of date; it is no big thing, the sun is not going to rise in the west and nothing will change, water is not going to go down the sink anti-clockwise etc. You will say, okay, you have a good point but what you cannot do in any analysis is ignore the comments of those objective commentators whom the Minister of Finance has asked to telescope his vision on the present state of the Barbados economy.

They urge the Minister of Finance to get his ears to the ground. Some say back on to the ground if they believe that they were there before. Others say they need to get on the ground now. Business confidence is eroding. Social conditions are deteriorating in Barbados. Government services are getting worse. Infrastructure, such as roads, is

breaking to pieces in Barbados and although there has been growth in some areas in the Barbados economy it is clear that our economy has been under-performing.

Fortunately, the Minister of Finance has not denied that. I make the assumption that he will not deny it because if he did he would be flying in the face of the published statistics of the Government, the Economic Report, the Central Bank Report as well as the projections from the Central Bank from independent analysts which one could glean from the presentation that he delivered in the House yesterday.

The Minister did not say so in so many words but if you look at any of those reports you would have to come to the conclusion that the Barbados economy is under some strain.

First of all, as we have said constantly in here, the growth in our economy is not balanced across all sectors. The last time it was fairly well balanced was in 1994. If you go back to the Economic Report you would see that when the Democratic Labour Party left office in 1994 that growth was spread across all of the major sectors of the Barbados economy and the statistics are there. I do not wish to harken back to that because I want to deal with the present; but for example in 1994 sugar in the trading sector was 6.2 per cent. There was a decline in non-sugar minus 5.5 per cent. Tourism 9.6 per cent and manufacturing 6.8 per cent. So three of the major sectors were contributing significantly to balanced growth in Barbados.

In 1995 you had a major decline in sugar. We expected it and nobody took the Government to task for that because there were circumstances that led to that, but you only had major growth in the non-sugar sector. You had growth of 1 per cent in tourism and 7.5 per cent in manufacturing.

You can follow the analysis right across. In 1998 that has just passed, the preponderance has been in the area of the tourism sector in terms of the trading sectors and in the non-trading sectors in the area of construction. So one year it is tourism. In some years you have exceptional growth in either of the sugar or non-sugar agriculture sector or we have had some continuing growth in the manufacturing sector over time but it is unbalanced.

The growth we are enjoying in the Barbados economy is not the kind of expansion that earns sustainable levels of foreign exchange and that again is quite graphically explained in the Central Bank Report and in this Report, and based on the projections as to what will happen in our economy for the balance of this year's fiscal calendar, you are going to see that that phenomenon comes to the fore.

Our economy is not functioning at maximum capacity. When I was a younger man coming into Parliament I used to hear the Honourable Member for Christ Church South. He was then the Honourable Member for Christ Church South Central saying that it is firing on all four cylinders. I liked that expression and cherish the memory of his bombast and enthusiasm.

The economy is not firing on all four cylinders. Essentially in relation to those sectors that earn foreign exchange it is concentrated, and dangerously so, when we look at what happened in 1998 and I will get to that in due course.

Those critics feel that as a professional economist the Right Honourable Member for St. Peter should say so. They believe that he should not repeat the errors of the past especially in a situation where it is clear that all is not well in terms of the Barbados economy. We know that no one likes to hear bad news.

In January of this year when the former member for St. Michael North West was explaining the difficulties that the economy was facing scorn was heaped on his head. He was bitterly criticised from the first night in Haggatt Hall when he explained that there were stresses in the Barbados economy and people said he was a prophet of gloom and doom and he should be ignored and dismissed out of hand.

We have tried consistently since then to explain that there are stresses and strains which if not attended to very quickly will lead to another rung of economic problems that the Barbadian people will have to shoulder on their backs. We do not want that. Let us face it. The Right Honourable Member for St. Peter should never feel that there is an opposition on this side that would gloat if there is a decline in the Barbados economy. We know the pain of stabilisation. We know the pain of structural adjustment and therefore what we need to do is to be frank about our analysis of the Barbados economy today.

3.30 p.m.

Wednesday, August 25, 1999

Mr. D.J.H. THOMPSON: What the Minister of Finance needs to do is to make sure that the persons that he puts in place to lead the recovery in relation to the Barbadian economy, are people who are competent to do it. If not, he is going to have to take the full reigns of those ministries and those sectors of the economy and start working on them from now.

In the past there were, it seems to me, notions - I was too young so I can then be described as a wet-behind-the-ears politician. I get the funny impression or feeling, having spent twelve years in here that there is a sense in

which you could sit down and allow things to happen and think they are going to improve, and do not worry because you yourself cannot come to grips with reality. I have seen it on my side of the House when we were in Government. I have seen it on the other side of the House when the Democratic Labour Party was previously in Opposition and I am urging the Honourable Member for St. Peter - we know all that was said in the Elections about Barbados becoming a developed country and how great the economy was performing and all of that. Even if that was an illusion, let us get down to business now because the task at hand is going to be compounded by changes, some of which the Minister alluded to in the course of his presentation, and which he might be able to assess their impact now, but some which none of us can assess the impact of because we simply do not have control of the same levers, and we do not have our hands on the levers that we had even five years ago. The Minister of Finance is not in the same position in 1999 that he was in 1994 or 1991 - a lot has changed. Let us acknowledge that. That any reversal of this economic situation would require the input of every Barbadian of

goodwill in the early, and let us move on then to feel that as we move into that next millennium that we have done it together.

As I have said, no one likes to hear bad news, that is how I got that subject, Mr. Speaker, Sir. The truth is, that any cursory reading of the Economic Report of the Central Bank of Barbados, we have all here - of the quarterly updates to June 1999 of the Central Bank - it should be a wake up call. I should inspire the Minister of Finance to avoid the errors of the past and to get down to serious analysis and planning.

Let us look at the 1998 performance first of all so that we might be able to detect some of those trends which the Minister himself, in my view, should be focusing his attention on. Our economic performance in 1998 was led by the non-trading sectors. Nobody has denied this and it is not something that we can feel comfortable about. The trading sector was projected to decline by 1.3% in 1998. If you look at the figures which are provided by the Government in its Barbados Economic and Social Report, what you will see is that the tourism sector grew by 6.5% and the construction sector grew by 14.7%. The performance that was registered at the end of the day in the trading sector of our economy, in that sector of tourism, came principally from the England tour of the West Indies.

Now, even if I had not been Shadow Minister of Finance for a while, I would have remembered what the Honourable Member for St. Peter said to me in 1994...

Asides.

Mr. D.J.H. THOMPSON: I would have remembered what the Honourable Member for St. Peter said to me in 1994 when I was Minister of Finance boasting about the performance of the tourism sector. He said, "one swallow does not a summer make."

Asides.

Mr. D.J.H. THOMPSON: He then proceeded to demonstrate that if you netted out the contribution made by that England tour to the growth in the tourism sector, that the figures would have been significantly less impressive. Once again, we are in 1999 looking back at 1998. You cannot say 'one swallow' because the tourism performance has not been terrific over the past four or five years, but it has been performing to some extent. But what you have to wonder is: what would be the impact if you had netted out that England tour of the West Indies last year?

When you look at the figures you can see that the decline in the tourism sector, if you netted that out, did not start this year and did not start from the last winter season that has just gone. That there obviously were problems that were evident and while the Government was boasting of these terrific levels of tourism performance and surpassing the 1989 levels and all of that old talk that we were hearing from the then Minister of tourism, at the end of the day, if you took out the England tour, the figure would have been dramatically different. As poor as the performance was in 1998, in the trading sectors, it would have been poorer still without the cricket tour. You had rates of growth in the trading sector of 6.4% in 1994, 2.8% in 1995, 4.4% in 1996 and 2.1% in 1997.

Now, I do not know what the anticipated growth for 1999 is as yet, but based on the Central Bank's Report which said there has a decline up to June 1999 of about 2.2% in the tourism sector, it means that I suspect we are going to have quite a dramatic decline in relation to the trading sectors except for the performance of the sugar industry. When the Barbados economy has to depend on the sugar industry, which is not even catching back up to 1997 levels yet, to basically make a statement about the performance in the trading sectors, it means that we are heading for problems. That is a matter that I think the Honourable Member for St. Peter needs to be very frank in speaking to the people of this country about.

In 1998, sugar production was down by 25.7%. Non-sugar output declined by 3.3%. Manufacturing grew by 3.5%. I have already said what the impact of the England tour netted out of the tourism figures would have and our growth in 1998 would principally have been in the construction sector. Not surprisingly, Mr. Speaker, Sir, the balance of payments position weakened with a current account deficit of \$17.6 million in 1998 after several consecutive years of growth. The net international reserves

decreased by \$14.1 million in 1998 to \$537.7 million compared with an increase in 1997 of some \$36 million. This was the very first decrease since 1991. That must send off some kind of alarm, some kind of signal in the mind of the Honourable Member for St. Peter.

This Economic Report, it is true has come out quite late. Normally, these Reports come out in March. This Report came out in August 1999 and I hope the Minister will undertake that next year this information will be available much earlier in the fiscal year because it is important and would have helped Members in this Chamber, to the extent that this information was available, in debating the Estimates and in having a constructive debate since the Elections about the state of the Barbadian economy. I do not know who was withholding this information from the public or why it was being withheld. Mr. Speaker, you can rest assured that I am not going to be run around behind truck, looking to drag information off it. We will simply use the information that we can glean from those experienced and talented persons who can do the analysis.

Unemployment, Mr. Speaker, Sir, among females doubled that of May in 1998 and this statistic continues. That statistic carries implications for the Barbados economy - for our society, for our way of life.

Mr. Speaker, Sir, I want to turn to 1999.

3.40 p.m.

Wednesday, August 25, 1999

Mr. D.J.H. THOMPSON: Mr. Speaker, Sir, I want to turn to 1999. We are following on that performance of 1998 and what do we find in 1999? For 1999, so far, there has been a further slow down in the Barbados economy. Tourism has taken a downturn and it is not expected that there will be any reversal since the leading markets for our tourism sector are not performing. But even worst than that, Sandy Lane, the Hilton Hotels and some other hotels have been closed for refurbishment. That in itself is going to have some impact in relation to the Barbados economy.

Sugar production grew by 10.4% and this will be the brightest light in terms of the performance of the Barbados economy. I do not know when the Hilton was closed. Sandy Lane was closed for part of last year. I was making the assumption, based on evidence in the tourism industry, that other areas of capacity had been built up. Whether it was in some of the newer developments where villas and other facilities were made available and a lot of slack that would have been produced by the closure of both the Hilton and Sandy Lane could have been absorbed in other properties which had either been refurbished, or which were coming on stream over that time. If not, it tells us that

it is a major error to have had both of these properties out of operation at the same time. Because, if you wish to factor that in, the decision to close the Hilton had everything to do with the Barbados Government.

You could not stop the owners of Sandy Lane from closing. They are entitled to do that. You cannot stop the gentleman who owns Sandals from saying that he wants to sell the land instead of building on it. I wish he had built on it. That is that, but you had a decision to make in relation to the Hilton Hotel and the Barbados Government. If it is true that the absence of those rooms at the Hilton are responsible, it means that it had been a major error which would have contributed to the decline in those numbers. But, it is the Government that has to explain that.

They cannot have it both ways. If you want to blame it on the Hilton Hotel, then you have to accept responsibility. If you want to say it is not the Hilton Hotel, then you had a responsibility to come to this Chamber yesterday and identify the strategies which the Government was going to use to get the tourism sector performing once again. Particularly, to focus on the leading markets in the sector.

Of course, we are an auto pilot and the Members of the back bench know what I am talking about, because they are better at explaining the policies than the Ministers themselves. There is not a single Minister selected by the Honourable Member for St. Peter since January 1999 who has got up in this Chamber to make a major policy statement about the direction his Ministry is going to take. We had to draw information out of Ministers about aspects of their Ministries. When the Estimates came, they said they were still feeling around.

Ministers have a responsibility to come to the House and to the people, to define the parameters of their performance. It has not happened. That is why I am saying that essentially, we are an auto pilot. Somebody will have to call the largest Cabinet in the history of Barbadian politics to account at some point for what is happening in relation to the performance in these sectors in Barbados.

It is nonsense to think that you have young, bright individuals brought into ministerial responsibility in 1999 and they cannot get up in this Chamber, either by way of a statement to this Chamber, or by way of some introduction to a major piece of legislation, or in response to the criticisms of the Opposition and define their visions for the Ministry.

Asides.

Mr. D.J.H. THOMPSON: It is you who should be quarrelling with them. Not me, because you know how critical it is. It is critical in the tourism sector. It is critical

even in the small Ministry that you gave to the Honourable Member for St. Michael North. We had to draw him out on the fair competition legislation and he said he was not ready yet. But, since then, this Chamber has not been told. I can pick up the newspaper in this country - and this goes to show the extent to which Parliament is irrelevant - and see an entire Board selected. All kinds of things are being done in relation to the development of fair competition legislation in this country and at no time has this House of Assembly, the highest policy making institution in Barbados, been alerted to it. The Honourable Member for St. Peter has the responsibility to call his Ministers to account.

In the sugar industry - it is true you have a new Minister - but at no time has this Chamber been alerted to the design of new policies to arrest the decline in the sugar sector and to stimulate other areas of the agricultural sector in Barbados. I urge the Minister who has economic training to abandon the bad precedent set by his colleagues and to come to this Chamber with a design of policies and a vision for his Ministry.

It cannot continue like this. There are people who then have to defend those policies on the back bench. I cannot speak for any of them, but those of us who also have to defend this Parliament as an institution to the country. Yet, at the end of the day, basic elements of the design of policy are left out.

Perhaps that is why people expect so much in a Budget, because the rest of the Government must be an auto pilot. Therefore, they expect the Budget to pick up all of the strands of the operations of the Government and seek to define them. Unless the person who leads the Government sets the example of requiring the Ministers and those who are accountable to the public to come in here - do not wait on the Public Accounts Committee, do not wait on the Standing Committees to come, let us get the discussion of those major policy issues on the agenda in here and in the early.

What have we had since 1999? The only major debate was CARICOM. I cannot think of any other significant policy debate that this Chamber had been treated to since 1999. And by the way, for the benefit of everybody, I am not overburdened. I am ready for all of the policy debates that you want to bring.

Asides.

Mr. D.J.H. THOMPSON: The Honourable Member for St. Lucy is not overburdened. We want to work for the people and as small as we may be, we will draw on the equities and the interests of our citizens to factor into the debates.

Asides.

Mr. D.J.H. THOMPSON: Yes. The Honourable Member for St. Lucy and I have not come in here for a harangue every Tuesday and perhaps that is what may confuse the Honourable Members on that side. If we cannot get those things done here, we will have to treat the Government in the same way it treats this Parliament by dealing with the major issues outside of Parliament. Then, you will hear that we contributed to the decline of this institution.

Asides.

Mr. D.J.H. THOMPSON: I do not wish to go too far off that subject, Mr. Speaker, Sir, but it is very, very important. We have not been treated to anything of significance on tourism, or nothing of significance in relation to the sugar sector.

Unemployment remains stubbornly high among females. A statistic that is constantly repeated in information from the Central Bank, even in their Economic Report. Yet, it did not even find its way into the analysis of the Prime Minister. I am saying that that statistic is critical, because the majority of these women are going to be heads of single parent families. Therefore, it has a ripple effect in the society that is not as dramatic in relation to male unemployment. And, I think we need to understand that.

Any build up of reserves in 1999 has come more from the defensive measures put in place by the Central Bank, than from the earning of foreign exchange through the export of goods and services. That is a fact. Therefore, that should be sending us a message that the comfort levels which the Prime Minister alerts us exist, do not come from foreign exchange earned. It comes from foreign exchange that is being defensively protected by measures put in place by the Central Bank. Or, in this coming fiscal year, I assume by some foreign borrowing. Or project financing which is going to contribute significantly to whatever outcome you have in that area. The Honourable Member for St. Peter knows that, because he cannot tell us there is going to be any major improvement in the trading sectors of the economy from this vantage point.

3.50 p.m.

Wednesday, August 25, 1999

Mr. D. J. H. THOMPSON: The Honourable Member for St. Peter knows that. He cannot tell us that there is going to be any major improvement in the trading sectors of the economy from this vantage point.

Mr. Speaker, we now have to take that information over the past two years and apply it to the daily experience

of Barbados. Let me give you some examples of the way in which this Government is shameless in the non-delivery of policies and in which the boast of transformation had become an idle boast.

Look at the issue of workers' rights. On page 39 of this Economic and Social Report 1998 which the Government put out, it has a heading called "National Minimum Wages" which is one of the most laughable sections of this Report. It says:

"The House of Assembly debated the establishment of a National Minimum Wage on May 26, 1998 at which time a call for a minimum wage policy was made. Additionally, the Trade Union movement sought to have legislative protection for workers in the area of unfair dismissals, sexual harassment and trade union recognition."

Hear this, and this is the conclusion of the paragraph:

"The Ministry of Labour is currently examining legislation dealing with the issue of unfair dismissal."

Therefore, the issue of sexual harassment which the Government itself said forms part of its core of policies dropped off the table of the Minister of Labour along with many other things, but that is one that has recently dropped off the table.

The issue of trade union recognition which was raging in Barbados just months ago has also dropped off the table. What the Government announced as its labour policy can be reduced to one area that it is working on, that is unfair dismissals.

The Honourable Member for St. Peter joined with the former Honourable Member for St. Michael South Central and I in agreeing that there was a case for minimum wages to be introduced in Barbados across the sectors. We had broad agreement in this Chamber and yet look what the Economic Report said:-

"That a call was made."

There was general agreement across parties in relation to a minimum wage. I assumed wrongly so that it formed part of the policies of the Barbados Labour Party. I assumed that dealing with sexual harassment in the work place formed part of the policy. I assume that trade union recognition formed part of the policy. Until I read this Economic and Social Report, I discovered that the only thing that formed part of the work and policy of the Ministry of Labour is unfair dismissal legislation, legislation that had been promised in the 1994 Manifesto of the Barbados Labour Party and to this day cannot even see the light of day in terms of submission even for our comments. I have never seen the draft of this so-called

unfair dismissal legislation. That tells you that Government is not serious about those kinds of issues.

Everywhere else in the world and I have said this for three consecutive Budgets, politicians who are committed to social justice are mostly concerned about the impact of globalisation, the World Trade Organisation (WTO) and new trading arrangements on workers, for the simple reason, that trends are emerging in the world economy and to some extent in Barbados in which employers are no longer meeting those very basic obligations to workers which formed part of the relationship down through the years.

They are renting workers from a pool. They are having flexible contracts of service and a whole range of other loose arrangements in which a worker gets up every morning not knowing if he or she will have a job. Meanwhile, the businessman knows that he will continue to have a business because every conceivable concession that could be designed had been designed in this and previous Budgets to ensure that his business survives, but nothing has been done other than a change in the status of casual workers in the Government service to protect workers in the private sector in Barbados.

This is an appalling record and to compound it by what we have seen in this Economic and Social Report, anybody who is interested in social democracy and anybody on that side who had been touting the tenets of the good society and democratic socialism and that thing should be ashamed and should have this document consigned to the waste bucket just for that particular assertion.

So we have no action on minimum wages, so that there are still women in Barbados working in various sectors for less than \$90 a week and working five days, but no need for action on that apparently. There is no action in relation to trade union recognition because the Ministry of Labour I assume would have submitted this, is only dealing with unfair dismissals.

Even with a social contract in place in Barbados as evident by Protocol III of the Social Partnership, not a single piece of labour legislation had been passed in this country to protect the rights of workers in the private sector. The goals of the Protocols are to design a way of living for Barbados that ensures that the private sector and all the other elements of civil society are working in harmony. The only area that is not getting the attention in this regard is the rights of workers. Layoffs are continuing without consultation. More flexible labour contracts with fewer responsibilities for the employers and less rights for the workers are being introduced in the private sector. Labour disputes, work to rule and strikes are occurring on a daily basis.

My question is, is this the kind of society that we want in Barbados? Do we want it said that of the administration that was ushered in, in 1994 with all the skill and talent that it had, that it could not come up with one single piece of progressive legislation to secure the rights of workers?

We feel that the money thing is the most important thing, that all you have to do is every two or three years settle wage negotiations, make sure that the people got change in their pockets and that whether the workers feel insecure in the work place makes no difference, whether they sleep easily at nights makes no difference and what obligation the employer has for them makes no difference.

If this is the kind of society that we are building to take us into the next millennium then something is wrong and we have to speak out against it. All of this should be sending a message to all Barbadians at this time but more importantly to the Barbados Labour Party.

Look at the sugar industry, page 42 of the Economic Report reveals that since the first quarter of last year - which would have been between January and March of 1998 - the Honourable Member for St. Philip South would not yet have been a Minister - but since then a study was undertaken to review the options to the sugar industry. No decisions have been taken about the future of the sector. Meanwhile, more and more land is being taken out of sugar production and the critical mass which is needed to sustain the sugar industry in Barbados is being eroded every single day.

Major decisions in relation to the factories have been deferred. They have been deferred since 1994. Therefore the unsustainable position in terms of the cost of the production of the sugar industry in Barbados is as much a responsibility of the Barbados Labour Party Government for failing to take those important decisions in restructuring the industry that were put before them when they got into office in 1994. There are still thousands of workers employed in the sector. In my constituency, in the constituency of the Honourable Member for St. George South and St. George North, in the constituency of St. Lucy and St. Thomas, there are still large sections of the Barbadian society that depend on earnings from the sugar industry to survive. Now, they must be very confused.

Last year, the Prime Minister was quoted as saying that the sugar industry is a third party and that third parties should not make arrangements in relation to the settling either of wages or other negotiations and then call on Government to settle them.

4.00 p.m.

Wednesday, August 25, 1999

Mr. D.J. H. THOMPSON: The sugar industry cannot be a third party. It cannot.

Aside.

Mr. D. J. H. THOMPSON: Well if the Government is a third party, whatever the relationship between the sugar sector and Government it was that of one third party to another.

The whole design of the sugar sector reform in 1993 would have required integral inputs from Government. If the Government wants to say we do not want a sugar industry, say so. If all the land is to be sold for housing or for other purposes, well, say so, but do not fool us that there are going to be major reforms in the sugar sector and for a whole year nothing has been done about getting these reforms underway. So what is the future of people employed in the sugar industry?

But that is not the worse of it. Look at small business. Every year in this Chamber the Honourable Member for St. Peter gets up and talks about small business in his Budget and if you were to believe the rhetoric that follows, you would think that there had been a revolution in small business.

Let me tell you the facts as taken from this Economic and Social Report. Look at page 46 under the heading "Industry." I want to hear the Honourable Member for Christ Church East on this because he is the small businessman. I quote:

"Available data from the Barbados Investment and Development Corporation, (BIDC) showed that during 1998, there were 19 small businesses started with a total initial capital of \$403 400 and 43 jobs created."

That was 1998.

"This was substantially below the 1997 performance when there were 43 small business start-ups which generated 115 jobs and had initial capital investment of \$1.5 million."

So it declined.

Look at the foreign owned businesses:

"During 1998, eleven new foreign owned business companies were established generating \$2.3 million in new investment and 59 new jobs compared to 1997 when nine foreign owned companies were established creating 59 new jobs with investments of \$700 000."

So foreign investment is going in the opposite direction.

"Through the assistance of the BIDC, Small Business and New Enterprise Division, 30 companies were established in 1998 compared to 37 in 1997."

Now, this is with all the money the Prime Minister said he has made available to small business, all the technical assistance, the venture capital, the Urban and Rural Development Commissions handing out money and all of these other arrangements which were to be put in place for this small business revolution that was going to be the basis for creating jobs because the Prime Minister's position was that you could only create jobs two ways in Barbados, by establishing new businesses or expanding existing ones. That was until he got into Government. When he got into Government, he discovered that you could also swell the ranks of the Government service. There is nothing wrong with that if you sustain it. We are going to see exactly how sustainable it is now that the new legislation has been passed in relation to casual workers, but we are not dealing with that today. That is a different matter.

Mr. Speaker, I continue to quote:

"For 1998, total investment reached \$44.1 million, compared to \$59.2 million for the same period in 1997. New enterprise investments accounted for \$2 million in 1998, compared with \$5.7 million for the same period in 1997, while investments in expansions fell to \$42.1 million from \$53.5 million for 1997."

So that all of the new arrangements that had been put in place appear to be having the opposite effect in relation to the development of the small business sector.

Now there are a number of issues that arise from this amazing statistic provided by the IDC and the Honourable Member wishes me to speak about the companies that have not been formed by the IDC and we can do it. That is not a difficult thing.

I challenged the Honourable Member for St. Peter since he asked me the question to produce the statistics of the loans that had been granted to small businesses by the new entity that had been set up by the Government of Barbados, including the number of defaults, the arrears and all of that information.

Asides.

Mr. D. J. H. THOMPSON: I am not going into that. I have questions about that data. When you get to international business I will tell you what questions I have about that. I am asking a Parliamentary Question on it but I am asking the Honourable Member for St. Peter to forestall that question by telling us how many of those businesses that got loans from the new entity have those loans current

right now. How many of them have survived the first year? How many have survived the first six months? Let us get that information on the table because he said that the BIDC is not the only area, so we will be monitoring this very carefully. The statistics which have come out of the Economic Report tell us some important things.

The first is that employing less capital, new Barbadian owned small businesses ended up creating more jobs than foreign owned businesses. Now, that information must be critical in any future planning exercise for the Government of Barbados, that with less start up capital our entrepreneurs formed more businesses and created more jobs than the people who we offered all those incentives to come to Barbados to start up businesses. That is an interesting statistic.

It must tell you that a small business strategy is critical, that it needs to be nurtured by the Government, that it cannot run itself. It has to have a strong helping hand. You know why it needs to have a strong helping hand? Because a large number of those small businesses, Mr. Speaker, may not survive their first year but it is a very simple act that the Honourable Member for St. Peter could usher in tomorrow, if he wanted to, which would ensure their survival and that is to ensure that a larger amount of Government's contracts for goods and services are put in the hands of small businesses in their initial years and with one stroke of the pen you could transform the small business sector in Barbados. You could sustain the existing businesses and you could be assured that new businesses would come on stream and with less capital employed the statistics are there that they could create significantly more jobs so Government's small business strategy is already coming apart at the seams.

New business start-ups are declining, fewer new jobs are being created and new enterprise investment has contracted by a staggering 50 per cent. Investment in expansion has contracted by 20 per cent so these statistics should send us a strong signal. This is the kind of information you would expect that a creative response in a Budget this year could be based on. These statistics do not deal with small business closures which continue every day, sometimes at an alarming rate.

We have evidence that many of the loans disbursed under the small business facilities and the finance companies and so on are already in default. These businesses can be saved if Government was to change its procurement policies and allow more small businesses to participate rather than just a handful creaming off the top of our best contracts in Government and we have dealt with that comprehensively in our 1999 Manifesto.

Mr. Speaker, do not talk about the loans made by the Rural and Urban Development Commissions because

obviously there is going to be a battle royal on that. These Commissions are now going to people trying to collect money that they told the people were supposed to be grants before the election.

Mr. Speaker, I have many cases in which I can get people to swear affidavits that they were lent money by these Commissions, that they were told if they bought the items the loans would be converted into grants and now they are putting the people before the bailiffs and people are being hounded down on a daily basis to pay back the Rural and Urban Development Commissions for money which they said would be converted into grants. Of course, they were converted into grants after the election, not before. The people were required in some cases to stand up in front of a camera for the purposes of election advertising and to say how great the Rural and Urban Development entities were and how much they had done for them.

4.10 p.m.

Wednesday, August 25, 1999

Mr. D.J.H. THOMPSON: Now the bailiff is hounding them down. As I say, they are many. If you wish the affidavits you can have them. That is what is happening in Barbados. Nobody is hounding down those who ran up big debts in the business sector. The people who are being hounded down now are the fellows that you lent \$5 000 to to buy fertilisers and pigs and set up pig pens and that kind of thing because it was supposed to get rural enterprise going. All of a sudden, they are calling in the loans and the businesses have not even had six months to get underway and into a productive arrangement.

Let us turn now to the international business sector. The Government Economic Report states that the international business and financial service sector in Barbados registered steady growth over the past year and continues to make significant advances. The truth is that the Central Bank licensed only one offshore bank last year. The Barbados Labour Party takes credit for ushering in the offshore sector but I doubt there has been a year in the history of the Barbadian offshore sector when only one offshore bank has been licensed. I would like the Honourable Member for Christ Church South tonight to check those statistics.

Asides.

Mr. D. J. H. THOMPSON: That may be so, but we are not those kinds of countries. We have a high reputation. If we were closing banks because of irregular or illegal activity that would be a different matter but I am talking about new licenses being issued.

If the Government is saying that it is phasing out that sector or it cannot attract business in that sector then it would be inconsistent with the boast that the international business and financial service sector in Barbados registered steady growth over the past year.

That is why I am saying that the Government wants it both ways. It has no statistics to produce which will show that there is this steady growth. In fact, the statistics that the Government would produce would show that in the past five or so years the entities that are being licensed are not growing. The numbers are at the same rate as they were growing prior to 1994 and the statistics are there and available.

If you look even at the way it is presented. The Central Bank Report says one thing - this is on statistics that should be easily available - and the Economic Report says two banks while the Central Bank Report says one. The Central Bank Report says that the table on page 53 of the Economic Report shows 414 new IBCs but then the narrative on page 52 says 323. These are simple statistics that can be taken but in an attempt to show that the sector has been growing miraculously when everybody knows that it is not a lot of misleading information is being put out into the public domain, as it is not familiarly termed on the radio stations.

Mr. Speaker, Sir, the statistics are being added and adjusted to suit the public relations goals of Government. You cannot have the Central Bank saying one thing and the Economic Report saying another in relation to matters such as this.

In 1994 the new Government added a major promotion budget and consultancy resources to this sector and gave it a full Minister who has business skills. That is what they said. He was to bring in skills which nobody else in Barbados possessed to the Cabinet of Barbados to develop this offshore sector. The results from the appointment of this Minister and the promotional budget are less impressive than when we did not have a unit and did not have a Minister.

In 1992, I was charged with the responsibility of bringing the whole offshore sector under one unit. The Foreign Sales Corporation came out of Trade, the IBCs, the offshore banks and we set up a unit. I remember the night distinctly that the former Speaker of the US House of Representatives, Tom Foley was there when we launched it. We had a study done by White and Case, Attorneys-at-Law. We had other inputs from the offshore people. So we started the process of bringing the sector under one umbrella.

The new Government came in and made a big song and dance about it and you would expect there would be

instant results. At the end of the day those results have not come forward. Fortunately, that Minister, unlike others, was promoted to another area and that important area of 1994 economic transformation has been relegated to departmental status.

When I left the Ministry of Finance it was a unit. This Barbados Labour Party Government brought it under the ambit of the Ministry. This Government is now moving it out of that ambit again and setting up an agency so that every two years or so they take a can of paint, splash it over the administration of the offshore sector and re-announce all of the things that previous governments have announced in relation to the development of the sector.

We are supposed to believe that all of that is new institutional engineering and transformation. The results have not borne it out. The previous restructuring did not do it and there is no evidence and it cannot be based on the conference which was held here at Sherbourne because the Minister will tell you that at the end of the day that conference will have produced very little in terms of new business in Barbados. It was a complete waste of money.

That reform did not come only because of the conference. There must be some other reason why at the end of the day these kinds of changes are necessary, and this should be sending us a signal. None of these signals were enough to bestir the Minister of Finance to take action to stem the economic slowdown, to deliver on important new policies which could transform Barbados and make the vision known to the people of this country yesterday.

We can see clearly where the Government's focus lies. This is 1918 Barbados Labour Party politics which people thought had died and was buried in the 1980s. Once again certain interests in the country predominate. They have the ear of the leadership of the Party and they take on more significance than the movement towards social democracy and the person who joined the Party to deliver that because this Budget has dealt with none of those issues.

A year ago we were hearing those were the most challenging issues: poverty alleviation, restructuring of all the social agencies. None of that has happened. They have taken the same agencies and put them under a new Minister called the Minister of Social Transformation and at the end of the day nothing has changed.

Here we are now in a 1999 Budget and the Prime Minister shifts his focus again to giving concessions to the business community. I wish to deal with those aspects of the Budget now.

On the energy policy, the Barbados Labour Party's 1994 pledge was a low tax, low interest rate, low energy

price policy. The Government has for propaganda purposes shifted around the price of petroleum products from time to time. The last shift was unsustainable. At the time the Government made the adjustment we said it was unsustainable. The former Honourable Member for St. Michael North West said it was unsustainable because it was clear that the price of oil was going to go back up and that it was only a temporary adjustment.

4.20 p.m.

Wednesday, August 25, 1999

Mr. D. J. H. THOMPSON: Yet the Honourable Member for St. Peter, acting on the advice of the Energy Division made an adjustment which was not significant at the end of the day and now has to push the price of these products back up. We expected that that would have happened.

I turn now to the Property Transfer Tax. I urge the Minister to get some good advice on this area because a fundamental error has been made in relation to the Property Transfer Tax.

The first point I want to make is that the \$25 000 threshold only applies to transactions where a house is on the site. Somebody has informed the Minister of Finance quite wrongly, that the present law is that the first \$25 000 on which tax is not exigible applies to land transactions too. That is not so. That only applies to a transaction in which there is a house on the property. Therefore, we need to know whether the \$125 000 exemption applies to similar transactions. In other words, where there is a house on the property or only to land transactions. And if so, the Right Honourable Prime Minister would have doubled the Property Transfer Tax on Barbadians from 5% to 10% in one fell swoop. This is one of the most inequitable taxes that exist in Barbados. This is a tax that if you buy a piece of land today for \$40 000 and cannot make the payments and sell it tomorrow for \$42 000, you have to pay 10% Transfer Tax as a vendor. For a long time I felt that it needed to be abolished. It should be replaced by some kind of capital gains tax which applies to the increase in value of the land or some other arrangement. The concept of transfer tax at a flat rate of 10% on all transactions on every vendor in Barbados, in my view, is grossly unfair. It means that if you sell land for \$100 000, you have to pay \$10 000 in Property Transfer Tax.

If there is a policy reason for it, say so. If it is to stop the amount of land transfers in Barbados, say so. But I doubt it could be that. I will tell you why it could not be that. The Minister is also mislead on the second point. In his Budget he gives the impression that the Transfer Tax applies to purchasers but that is not so. It applies only to foreign purchasers.

Asides.

Mr. D.J.H. THOMPSON: Only to foreign purchasers. If you check the Budget on page 108, the Prime said: The Property Transfer Tax payable by the purchaser is hereby abolished. The only purchaser in Barbados who pays Property Transfer Tax is a foreigner. The purpose of the legislation, as I understand it, was to act as a disincentive to the sale of large amounts of land to foreigners. The Right Honourable Prime Minister of Barbados has removed the requirement for foreigners purchasing land in this country on the basis, as I understand it, of a report which said, essentially, that the status quo is O.K. In other words, the land report, which the Speaker chaired, never recommended that the Transfer Tax be removed. This will now open up the flood gates. If they were not opened before, it will now open up the flood gates where foreigners can come to Barbados and will be able to purchase land on the same terms as Barbadians.

If the Prime Minister says that we have to be WTO compliant or some other compliant and he has a reason - state the policy. At no time was the policy stated. In fact, the opposite occurred. In the Budget, I got the impression that the Government was essentially saying, when I looked at page 103, the Prime Minister quoted:

(a) "...the evidence does not support the perception that there are tracks of land in Barbados which are owned by non-nationals but rather non-residents nationals own a large number of lots of land in Barbados"; (b) "...foreign ownership of land does no harm to the economy and that Barbadians are not being dispossessed".

That was under the existing arrangement and now you have removed the transfer tax. One accounting firm characterised this measure in this way. This move will reduce the burden of the Property Tax on transfers of real estate between non-residents from 18% to 10%. We are talking about vendors only because purchasers do not pay so it removes the burden on non-residents. What they fail to say is that it imposes a burden on Barbadians because the transfer tax that Barbadians have to pay from now on, has been doubled.

Mr. Speaker, Sir, based on the existing legislation the exemption of the first \$25 000, as I have said to you, applies only to circumstances where there is a house on the land. That area needs to be clarified. The Honourable Member for St. Peter in his winding up needs to amend the Budget or to make whatever changes are necessary to ensure that this matter is dealt with. Beyond that, I want to make it clear that the Property Transfer Tax as it presently exist, as applied to Barbadians, is grossly unfair and it is a tax that should be reduced - not increased, and not make more burdensome to the citizens of this country.

On the issue of land taxes, Sir. The statement by the Honourable Member for St. Peter has been described again by accountants today - the Honourable Member for St. Lucy drew this to my attention last night - the statement in relation to the reduction of the tax has been described as deceptive for this reason. This is the comment they make:

“The decrease in land taxes rates on properties valued below \$200 000 was expected.”

Because it was in the Barbados Labour Party’s Manifesto - they did not say that, I am adding that.

“However, the Prime Minister’s comparison of land taxes payable on owner occupied residences under current and proposed rates was deceptive since it did not take into account the increase in the properties value, assumed to be 15%, as the following tables illustrate.”

They went through the old improved value, the new improved value and in most circumstances, the land tax at the new rates would be a greater burden on property owners in Barbados.

I heard a lot of people slamming the table and clapping very hard when this measure was introduced and I assume that the Honourable Member for St. Peter would have something to say. They went on to make the point:

“Assuming that the average increase in improved values of 15% is consistent, the land taxes payable on commercial and hotel properties is unlikely to change appreciably since the increase in the properties value would be offset by the reduction in the rate from 0.8% to 0.7%.”

We can see who is going to bear the burden of the land tax increase in Barbados. I assume that the Honourable Members on that side were thumping the tables because their interest co-incided with the hotel sector and the commercial interest while the average property owner in Barbados would basically have greater burdens as a result of the introduction of this measure.

This is a nickel and dime Budget. You could only describe it as that.

Asides.

Mr. D.J.H. THOMPSON: You know what the Americans call a nickel and dime approach to budgeting? That is what it is. The incentives and the concession structure which has been announced.....

Asides.

Mr. D.J.H. THOMPSON: Before we had the VAT five years ago, the Ministry of Finance on an ad hoc

basis was granting a lot of these concessions. There is nothing new - there is nothing new at all - neither in the fishing industry. Everyday, my desk was full. The Honourable Member for St. Peter when he was a Parliamentary Secretary in the Ministry of Finance and the Honourable for Christ Church South, when he was Minister of Finance would know that your desk was full of applications for waiver on fishing equipment. That was a routine thing. The majority of applicants got those benefits. It is true that they may have taken longer and it is true that you need to design these policies into legislation and offer the concessions as a package to an industry so that anybody wanting to invest can go to the law and say, these are the clear areas of benefit. But to give the impression that these are new concessions is wrong because we have been granting these things for years.

The Honourable Member for St. Peter fine Italian’s hands could be seen on many of the files in the Ministry of Finance in relation to hotels on the west and south coast, some applying for waivers on crockery, cutlery and on bed sheets. He was trying to develop a composite list. When I left the Ministry we had agreed on a basis list of items as well as introduced on a project basis. Different projects in Barbados applied for concession - Almond Beach.

4.30 p.m.

Wednesday, August 25, 1999

Mr. D.J.H. THOMPSON: When I left the Ministry we had agreed on a basic list of items for concessions on a project basis. Almond Beach and Westmoreland applied for concessions and when they could justify the project, we would offer them many of the concessions which are contained in this list. Sir, this is not new. I say, it is a nickel and dime approach to the concession.

In relation to the hotel sector, the Honourable Member for St. Peter needs to tell us the extent to which, notwithstanding all of these concessions, the competition which the small hotels on the south coast are getting from the GEMS Project which is able to price its rooms very competitively. This is going to end up driving a lot of south coast hotels into the ground, unless some policy is established to save those hotels.

I have seen numerous small hoteliers on the south coast who can tell you why the GEMS hotels are able to offer the cut rate that they are able to offer when selling their rooms in Canada, et cetera. It is going to drive the small hotels on the south coast out of business. The small family owned hotels, or even small hotels owned by black businessmen in this country, or small hotels which have existed for a long time as basic bed and breakfast kind of operations are not going to be able to survive when the

GEMS Project reaches its potentially critical mass of 1 000 rooms.

The Honourable Member for St. Peter needs to tell us whether these measures are going to ensure that those hotels are more competitive. I have a parliamentary question, Sir, which I hope to ask by the end of this session in which we need some comprehensive information on the development of the GEMS Project, where the sources of finances are coming from - in a comprehensive way, not piece meal - so that that issue can be addressed. It is going to be one of those things that is going to create major problems in the tourism sector.

The institutional reforms announced in the Budget are nothing new. I read the paragraph describing the Council on Competitiveness, compared it with the Foreign Exchange Committee from 1991 and noticed that it was precisely set up for that purpose. The Customs Department, the Central Bank, the Town Planning Office, all of us used to meet, project by project. We would cut through the red tape and the Trade Commissioners, who were much reviled and criticised by the Honourable Member for Christ Church South and others, were then asked to go out and tie off the loose ends and to get the projects executed. Sir, this is nothing new.

A Council on Competitiveness in Barbados has to address a critical issue which this Government is not addressing and failed to address since 1994. And that is the issue of productivity. All of the talk about productivity and competitiveness, all of the institutions that were set up in the mid 1990's, all of the work that was done to try and ensure that we could really deal in an effective way with productivity, from the point of view of the impact of competitiveness, have gone to naught. Because, we are back to exactly the same arrangement, which predated the previous protocols and the previous wage negotiation which we had in the 1990s.

I urge the Honourable Member for St. Peter since competitiveness is routed in this issue of productivity and enumeration for productivity that he deals with that. I believe that it is also important to deal with the performance of Government departments that have to deal with investment decisions.

There is no Minister of Finance who would not have faced major problems, by people just sitting on files, doing nothing about them, giving you false information when you ask them what is happening to the matter, pretending that they are doing things, writing a lot of nonsense on the files to pretend that they are studying it and analysing the cost benefit and all of that, when we know that those matters could be expeditiously dealt with. Because, there are other countries in the Caribbean where you can go one place, get one stamp and that is the end of the matter.

If that is being looked at, that is not really competitiveness. It is Public Sector Reform and that Public Sector Reform had been promised since 1994 and to this day remains undelivered. Sir, what the Honourable Member for St. Peter described is the Council of Competitiveness is really a council to ensure that the Government Departments need timely deadlines. And that was the whole rationale for the White Paper on Public Sector Reform which was introduced a couple of months ago.

Sir, on the issue of training for software development, I believe that the Government should give out credit. I think the amount given is far too small and we would support a much more significant increase and beyond that, I would say this, I would even support the Government identifying a cadre of people and finding the appropriate place to train them immediately, if that can be done and making the resources available to them.

I say that for the simple reason, Mr. Speaker, Sir, that in our Manifesto in 1999, we made the point that since there was significant attrition in relation to those informatic companies which were either having problems with our recognition procedures, or alternatively were not able to competitively function in the Barbados economy that we should be looking at the higher end of that market and our Manifesto is replete with that recommendation.

The Government had been talking for a long time about this training, but let me explain something, there are hundreds of young women who are back out of employment now, as a result of the closure of those major enterprises which were involved in informatics. I am making the assumption that they should be given the very first opportunity to be involved in any kind of training which the Government is going to undertake at the higher end of this market.

In any event, the \$500 000 which is given in this area which is to deal with a major deficiency and create good quality jobs for Bajans, is paucity. When you compare it to the Budget of the Pan African Commission, when it compares it to the budget of many of the other entities, when you compare it to what it is going to cost to beautify in front Government Headquarters. When you compare it the cost of moving Nelson's statue, of all the Commissions of Inquiry, the Government can take \$4 million or \$5 million - if those resources are available - and really effect some change in relation to that sector and I think that is very important.

On the issue of gambling, Mr. Speaker, Sir, the Honourable Member for St. Peter after every election, I notice, reviews the position in relation to slot machines. When I was Minister of Finance, they were breaking down our door in the Ministry of Finance to have the numbers

increased. All kinds of pledges were made. I wonder why it is that after every election there is suddenly an increase in the number of slot machines, or whether this is part of policy, than not being able to provide the kind of quality jobs of substance for Barbadians, the quick fix formula is overtaking our country.

Where has this sudden demand for slot machines come from? This needs to be explained. Why the present gambling betting and gaming laws are not changed in Barbados to be more modernised? Why is it that the Minister is content to have to have no power in relation to setting the policy in relation to gambling under the existing law, but every few years rushes to increase the number of gaming machines which are made available? There must be a reason for this and I presume that we will get to the bottom of it in due course.

Mr. Speaker, Sir, in the 1999 Election Campaign, the theme was: "Inclusion of all, the exclusion of none." Not many have been included in this year's Budget. That is a fact. Apparently it has excited no one. The Press gave it very low marks, said that it touched very few Barbadians directly, that the general aura in which a Budget is delivered in Barbados was low keyed, that six Ministers chose to absent themselves. I have seen Ministers come out of the worst conditions to make sure they were here for a Budget.

Because a Budget, particularly where a Prime Minister delivers it, is one of the most significant statements of policy in a year. There can be no excuse, unless there are internal problems in the Cabinet, or in the Barbados Labour Party as a whole for Ministers to be absent from the Budget.

It is a discourtesy to their Minister and Prime Minister and everybody else who is discourteous gets dealt with. So, you have six on your hands now. You have dealt with one and you have six more. But more than that, it is a discourtesy to the Opposition and it is a discourtesy to the people who elected them, particularly where there are new Members of Parliament.

There can be no excuse under any circumstances and if the Minister of Finance pitches his Budget so low in the national priorities that it now becomes a low keyed, non event in the history of Barbados, it is no wonder that after every Budget reply the Honourable Member of St. Peter gets vex when the Opposition fails to come into contact with issues of fiscal policy and so on.

4.40 p.m.

Wednesday, August 25, 1999

Mr. D. J. H. THOMPSON: What is happening over here, is that we are taking a lead which is being set over there. That is why, Mr. Speaker, the Budget Debate annually is losing its appeal and its interest. It is why the Honourable Member for St. Peter cannot come to grips with some of the very important concepts which should have been dealt within this year's Budgetary exercise for the reasons I have mentioned.

So as we go into the next millennium, it is business as usual. That is a fact. We have had more riveting debates in here about what will happen in the next millennium outside of this Budget Debate. That is quite surprising, because there was a time when the Budget was at the heart and staff of economic and social policies in our country.

This budget also reflects the issues that immediately affect a small minority of persons. It tells us what is in the minds of the business community and they are perfectly entitled to have that. They are always the first to rush out and praise every single Budget for fear of offending Ministers of Finance. They say every Budget is a great one and three months later they tell you they need more concessions on this and more concessions on that. By the time the next Budget comes around they tell you the economy is in shambles. That does not surprise me.

What I am trying to say is what the Minister did was respond only to their concerns and many of the other issues which are so critical had been pushed off the national agenda. It tells us what is in the minds of the business community. None of the concerns of the people, the average man, the people I mentioned, the policemen, the school teachers and so on have been whispered in the ears of the Honourable Member for St. Peter in preparation for this Budget.

Not a single Minister has articulated a vision for his Ministry. Fatigue and tiredness are already setting into a young average age administration. Ministers who should be seizing the opportunity to outline the interest of this country are reneging on their responsibilities to the electorate. Not just the Attorney General. There is a reason why the Attorney General does not have a lot to say because he cannot come to grips with issues of personal safety, and the impact of illegal drugs and guns. These issues need to be dealt with because at the end of the day they can have a tremendous effect on everything that the Honourable Member for St. Peter said about the economy of Barbados.

In the Ministry of Education, a large chunk of this years' Budget, project finance and otherwise is going to be spent on EduTech 2000 which is the imprimatur of the Barbados Labour Party on the Barbadian society.

Asides.

Mr. D. J. H. THOMPSON: That imprint of EduTech 2000 which should be at the centre of the Government policy initiatives and therefore should attract some attention for the Honourable Member for St. Peter or the Minister has been absent from this exercise. Therefore, the persons speaking to the Honourable Member for St. Peter are obviously not alerting him to the problems that they are facing and the Ministers themselves are not alerting him to many of the issues that affect Barbadians.

There are still a large number of our citizens who are making a trek to the National Housing Corporation trying to get land and houses. Nothing in this Budget reinforces the efforts to try to solve their plight. Building cost is going up. The National Housing Corporation itself is offering 2 bedrooms wooden units in excess of \$60 000 and 3 bedrooms' wooden units in excess of \$90 000. Something has to be done to deal with these kinds of things. Those building cost needs to be brought down so that the purchase of a home by a Barbadian who has a low income is still something that they can aspire toward. I think everybody is dissatisfied.

We have had debates in here - of course the Honourable Member for St. Peter was not present - but I have heard the Honourable Member for St. Thomas comment on it, the cost of low income housing in his constituency, the cost in mine, the cost in St. George and other constituencies, it is pushing the cost of housing out of the reach of Barbadians at the lowest earning economic threshold.

The social agencies in Barbados, Mr. Speaker, - not just those that deals with business facilitation, competitiveness and economic issues - are what needs to be reformed and we constantly say that and nothing happens. The Welfare Department, The National Assistance Board, the Child Care Board and many others need the kind of attention and resources to undertake their social mandate. We make a grave mistake every year in these Budgets where we believe that as long as the Barbados economy is growing, as long as the business community can say, yes, a Budget address their particular concerns and as long as we have low inflation that at the end of the day everything is alright.

The problem is, that the Honourable Member for St. Peter has not been spending enough time on the ground and therefore he does not understand many of those issues that are affecting Barbadians.

We are about to turn this century and go into another. No wonder so many people are disenchanted with politicians. On the one hand, we were told that by the turn of this century structural unemployment would be a thing of the past. There are still thousands of unemployed single women whom I spoke about at the beginning who

maintains families. There are many young women who have not had their first job yet, who are skilled, it is not just the unskilled, because the impression often given in these Budgets Debates is that the women we are talking about have no skills or are untrainable and left school at age 13 and therefore there is nothing you can do with them. That is not so. There are many who are very skilled, even having left school at a young age who cannot find an opportunity and have not become part of the economic mainstream in Barbados. Female unemployment in Barbados is a social threat. It reaches deep into families, it reaches deep into homes, it reaches into children and has a great impact on them. The Honourable Member for St. Peter has a responsibility at an economic level, as an economic planner to deal decisively and work hand in hand with other sectors in the economy on a strategy to address this problem of the stubborn high level of female unemployment in this country.

The area of pensions still needs attention. We have discussed this time and time again in debates in this Chamber not tinkering and yesterday we had another exposition. The Honourable Member for St. Peter seems afraid to make bold adjustments and to announce bold adjustments to the National Insurance and Pension arrangement scheme in Barbados. We had a National Insurance debate two years ago. He said major changes were coming. They have not come yet. In this debate, he said, he is looking at all of these options. No proposals for change have been made yet. He is attracted to the idea of increasing the retirement age. He is attracted to the idea of increasing the number of years for which people must make contributions to get contributory pensions from the National Insurance Scheme (NIS) but no definitive decisions have been made. Time is running out for issues like these. Other countries are galloping far ahead of Barbados in relation to planning effectively for the retirement of the large aging populations they have. I believe this was an issue which the Honourable Member for St. Peter should have addressed in this Budget. In fact, I was looking forward to a major reform of property taxes and pensions in this Budget. Not on my say so. The Honourable Member for St. Peter said on many occasions since January that this Budget would focus on major reforms in property taxes and on dealing with the issues of pensions.

4.50 p.m.

Wednesday, August 25, 1999

Mr. D.J. H. THOMPSON: If he was not ready to deal with those issues or any others he could have spared the entire country yesterday of having the two hours' exercise that we went through.

In terms of affordable quality health care, we are playing musical chairs at the top levels of the administration of health. What is the strategy that is being employed? Is it the Haynes Report? What is the position with Greenland? What is the position with the St. John Polyclinic? A whole range of areas of health policy that should have been dealt with a long time ago has been essentially sabotaged because they were caught up in ego, in personal foibles and personal agendas. For a long time the Democratic Labour Party had been trying to get these matters dealt with effectively and people are boasting about a lot of nonsensical achievements that had been a part of the health sector in this country.

It is the one sector that has had more prominence and attention because it is the one sector that affects the lives of Barbadians in every respect from cradle to grave, and to get a handle on the management of the health sector obviously requires more than what the Honourable Member for St. Peter provided before.

Perhaps, there are some major institutional changes at the top level of decision making which need to be made to get our health services in order but at the end of the day we are going to head right into the new millennium with basically the same arrangements in place, with the same problems that have characterised the health sector and with a new Minister whose record in the areas in which he was most competent is nothing to speak of, far less in an area where he is on the learning curve like everybody else.

So can we wait for another five years, Mr. Speaker, for the issues of labour to be dealt with, while still extolling the virtues of the social partnership? Every time you turn around somebody is talking about the social partnership has to come together to solve this and that problem but not the critical issues that affect labour. The social partnership is into national reconciliation. The social partnership is into all kinds of other things but the issues which were at the core of the original arrangements which were the protection of jobs and the right of workers and so on the social partnership does not seem to be delivering the way in which it was anticipated.

The Honourable Member for St. Peter seems to feel every time you say that, that it is an attack on the unions. The unions are not the social partnership. The social partnership does not rest only on what is put on the official agenda. There must be certain values that inform the relationship between the private sector, Government and the labour movement in this country. Right now, Mr. Speaker, we are facing the direct impact on labour of globalisation, more flexible labour contracts, workers contracted from pools of labour, sometimes no NIS contributions paid and no stable work environment. At the end of the day we are galloping into the new millennium without the Honourable Member for St. Peter being able to

tell us when there will be the new legislation and new arrangements to protect the workers in Barbados or if they will ever be put in place. Relegated to the back burner have been the concerns of youth and values.

Mr. Speaker, as I get to the conclusion of this debate, I think it is very important for us to focus on those persons who in the 1999 election campaign would have expected to be included in anything that the Barbados Labour Party is going to be doing at this time.

Think of all the young people on the block who were swept up on election morning under the guise of a new promised land of jobs and a restoration of their manhood, pride and dignity and taken to the polls to vote for the Barbados Labour Party. They have been left behind eight months later. Why did they vote for the Barbados Labour Party? That is what they are asking themselves now. They want to be included but they will have to be left wondering after yesterday's Budget who is going to include them because they do not rank very highly in the priorities of the Honourable Member for St. Peter.

Think of the pensioners who I saw going into the polls in wheelchairs, with walking sticks, blind, being lifted by people having a square meal probably for the first time for the whole week because it was election day and being taken to the polls.

Aside.

Mr. D.J. H. THOMPSON: No, I am talking about you because they have people sleeping on the streets in the City that do not get a square meal for the week but I know they got one on election day. I know who carried it and gave it to them and why, but we are not going into that.

Mr. Speaker, all of those elderly people swept up on election morning as they were going to the polls they were being told that they would get house repairs, increased pensions, better home care, an end to the indignity and humiliation when they have to line up at the agencies of Government just to get a small handout to assist them with something. Yesterday's Budget exposed them to reality. Why did they vote for the Barbados Labour Party? Why are they not included? You have to ask that question.

What about the taxi drivers who put their motor vehicles at the disposal of the Government on election morning but who the day after sometimes cannot even get a job in one day because of the fierce competition, the new licences that were issued and all of the other arrangements which threatened their livelihood?

Mr. Speaker, they got the people to the polls for the Barbados Labour Party but now that the Barbados Labour Party is getting the goodies out, they are left behind. They

are not included. They are not part of the inclusion of all, exclusion of none motto of the Barbados Labour Party. That was a motto written bold with a red background at the front of the Barbados Labour Party's Manifesto. "None will be left behind. We will include all and exclude none."

What about the single mothers with children to feed and send to school next month who would have been promised all kinds of arrangements to assist them in their domestic family obligations? They would have gone to sleep on Sunday night saying to themselves, "well, look, based on the promises that were made to me, I expect the Honourable Member for St. Peter to deliver a budget that in some way can ease my pressure, stop me from scratching my head every morning to make ends meet and to take the responsibilities of my own family seriously." What was in the Budget for them? They must ask why they were not included. What did they do wrong?

What about the civil servants, the professionals such as the police, the nurses and the teachers who were told that they would be regraded and would get back their 8 per cent? What about the public sector reform that was to introduce more transparent promotions for them? What about the regrading of their posts? Those promises, Sir, are as elusive as the promise by Sandals to build that hotel in Black Rock after all of those years which the Honourable Member for the City had relied on several occasions.

Mr. Speaker, our view is that a financial statement and budgetary proposals in 1999 should be very ambitious. Such a statement should be a major vision exercised for the person who is delivering it. It should be a strong statement of intent about the commitment of the Government to certain goals and values and it should come from the Minister of Finance, to my mind, as I say, with some kind of passion and relevance. It has greater significance because of where we are at this point in our development and where we have to go.

Mr. Speaker, despite the Democratic Labour Party losing the last election, our 1999 Manifesto dealt thoroughly with all of these issues, particularly the issues that impact most on Barbadians. We had ideas then about how to take Barbados forward. Regrettably, the opportunity to seize on these ideas was not taken up. But, Mr. Speaker, that will not daunt us because, based on what is happening in Barbados, we are going to be constantly modifying those ideas, putting them before the public of this country and making ourselves ready so that we are relevant and we can appeal to the people. We will not be daunted by our place in history at this time.

Mr. Speaker, we do not wear blinkers and therefore it is on that premise we believe that a large number of Barbadians must be asking themselves the question today, why did I vote for the Barbados Labour Party in January?

5.00 p.m.

Wednesday, August 25, 1999

Mr. D. J. H. THOMPSON: Nothing said by the Right Honourable Member for St. Peter last night in this debate would have given them any comfort. Nothing would have given them any succour. No one provided a road map or a vision to the future and at the end of the day you have to ask the question: is this what the politics of inclusion is all about? Thank you.

Hon. R. R. FARLEY: Mr. Speaker, I rise to make a contribution in this debate, first of all, in a spirit of humility and, of course, I want to express my thanks to the good people of Christ Church East in whose name and by whose permission I rise to contribute to this important national event.

The Honourable Member for St. John, the Leader of the Opposition, was at least half as busy as I was over the last 24 hours. He reported meeting with sundry and diverse persons ranging from the local pastor, the taxi driver to the small hotelier. Sir, my consultation was with the people who sent me here, the people of Christ Church East and they have asked me to report and have given me permission to endorse fully the Financial Statement and Budgetary Proposals of the Right Honourable Prime Minister. In fact, Sir, I have special word from the farmers at Gibbons Bogs and Sayes Court, from the farmers at Fairview and farmers in Christ Church East especially, for the incentives given in agriculture, particularly the cash grant incentive in support of irrigation which, as you would know, Sir, is a major opportunity for farmers in Christ Church East.

The fishermen in Silver Sands have asked me to thank the Minister for sparing them the trouble of having to go on each occasion to prostrate themselves at the door of the Ministry of Finance to ask for concessions. They, like businessmen great and small, are able to know long in advance what is available by way of incentives and further, several items which were left out are now there.

Sir, I want to ask a question. I wonder if the Honourable Leader of the Opposition has just awoken from his sleep. As far as I recall, he perhaps took on the persona of Rip Van Winkle and forgot in the midst of his sleep that he too was a Minister of Finance. If we were to acknowledge what he said today a Budget is supposed to be all things to all people, to deal with all the items in the manifesto and in fact at the close of his address he thought to equate all of the policies in their manifesto with the issues that he raised concerning the Budget. Sir, we have to judge him by his performance not just by his words today.

In 1994, Sir, on the 28th of March when he had the opportunity to present a Budgetary Statement and Financial

Proposals to this Honourable House he did not remember the single mother. He did not remember the taxi drivers. He did not remember the diverse persons of whom he spoke. As a matter of fact, he gave very short presentation on issues of the Public Enterprise Fund, the Value Added Tax, Insurance legislation, foreign currency earnings, agriculture, income tax matters, waivers of duties, surtax on imports, water conservation.

He knows, Sir, that as far as the administration of our affairs are concerned that there is a big difference between the debate on the Estimates of Expenditure when in March every year all of us have the opportunity to debate many aspects of Government's policy and Government's programmes.

For example, Sir, he would have us believe that after eight months we are yet to hear a discourse on the proposals in the area of social transformation. In the Estimates debate of this year, Sir, the Minister stood on the Floor of this Chamber and gave a full exposé of the plans and programmes for social transformation. So he would have us believe, Sir, that this Budget is not only the only instrument by which Government discusses and implements its policies but that it is the only day that ever occurs during the parliamentary calendar and therefore it must contain everything.

I do not propose to spend all my time on the Leader of the Opposition but I must make the point that the Leader of the Opposition would have us believe that having a discussion on financial matters, setting out clear proposals for the development of the economy are in some way not possible if we are also to consider social policy.

In fact, Sir, Barbadians are well aware of the importance of having a strong economy in order for us to entertain our plans for social development. I recall, Sir, in 1989 and 1991 when at that time we were told the economy was going at a great gallop, when members on this side raised the question about the type of spending that was going on. The word "squandermania" was used and a member on that side was heard to say if it is squandermania let it continue. Alas, Sir, the bottom fell out of the bucket and so did all of the social programmes that the Leader of the Opposition would want to have us believe can proceed in the absence of a sound economy.

Sir, I speak today in support of the Resolution. The Resolution before us is in fact at the heart of the debate. The Resolution speaks in terms of a strong and sustainable performance of the economy leading to a substantial reduction in unemployment; and has provided the opportunity for the pursuit of policies to eradicate poverty and improve the general standard of living for all. It goes on to say:

"AND WHEREAS the Government has developed a strategy and a set of policies to enable Barbados to enhance its competitiveness in the new global setting in the 21st Century.

BE IT RESOLVED THAT ..."

I want to support this Resolution which calls on all of us right thinking persons, to congratulate the Government highly for the outstanding management of the economic fiscal and social affairs of this country.

What does the record say, Sir? The record says quite clearly that the Barbados economy experienced its sixth consecutive year of growth - that is a fact - with an estimated 4.4 per cent during 1998.

5.10 p.m.

Wednesday, August 25, 1999

Hon. R.R. FARLEY: That is important. The records show quite clearly that unemployment fell by approximately 12% between 1993 and 1998. It fell, Sir, from 24.3% to as low as just over 11% at the end of 1998. What that means when translated out of statistical format is that there are several thousands more Barbadians waking up every day and going to work than they were in 1993. That is where economic and fiscal management - that is where the business of Government touches the lives of the individual in a very very positive way.

Sir, poverty eradication was addressed in the Resolution. The record again is very clear. Our fiscal policy, our reform of the direct taxation system has resulted in the lower paid workers having more money to take home in their pockets by an increase in the basic allowance, which means that persons earning less than \$1200 a month, for example, do not pay income tax and by the reversed tax credit of \$500. All again, Sir, leading to an enhancement, an improvement in the quality of life for our people and an improvement in the general standard of living. It is clear, Sir, that everyone is better off today as a result of the sound management of the affairs of this country by the Barbados Labour Party than they were in the time of the management of the Leader of the Opposition. Sir, based on his records, he presented a Budget on March 28, 1994, and what he used his opportunity for, I take no comfort. I can take no guidance from his expertise, in terms of what Budgets should address and the direction in which we should go with respect to using the Budget as an instrument of economic, fiscal and social policy.

Sir, this Budget one of several. This Budget is not the first and this Budget is not the last. This Budget occurs in a context. I have said earlier, Sir, that a Budget cannot be all things to all people and it cannot be that in relation to all

time as well. Previous Budgets of this Administration, have focussed on the stabilisation of the finances of Barbados and building foundation for growth. They have focussed, Sir, on mobilising savings and investments in order that we are able to pay our way both in terms of our economic activity as well as our social activity.

It has spoken, Sir, on the reform of the indirect taxation system to usher in a Value Added Tax to simplify the taxation system, to broaden the base on which tax is imposed and therefore be able to lower the rate. Previous Budgets, Sir, have focus on capacity building and institutional reform where issues of human resource development have been addressed. Edutech 2000 - educational reform, building the productive capacity of our people for the future where issues of poverty eradication have been addressed and where the provisions of housing have addressed. We remember previous Budgets in here, Sir, where funds were earmarked for housing development and where funds were earmarked for welfare assistance programmes. Those are previous matters touched, Sir.

It is fitting an proper that as we take guard to go into the next century, that we ensure that we are able to pay our way. We cannot rest on the success of the past six year. Six years of economic growth is fine, Sir, but we want to ensure that we are to build capacity, we are able to build an economic structure which will give us six, plus more years of continuous economic growth. It is only in those circumstances, Sir, that we will be able to maintain employment, and indeed expand it, we will be able to expand the social programmes, we will be undertake all of those good and desirable things. Sir, the bottom line is, that we can only afford them in the context of an economy which is strong and which is buoyant. That brings us straight to the issue of competitiveness.

Government has a responsibility and it has a duty, which this side has discharged manfully to set the appropriate framework within which economic activity occurs. As we all know, Sir, at the end of the day, it is not the Government that buys and sells, that invests and trades. It is the private sector as broadly defined. Every person who is not employed by the Government is in the private sector. When I speak of the private sector, I am speaking of everyone, Sir, from the ladies and gentlemen who fry fish in Oistins on weekend as part of the new entrepreneurship available in the Christ Church area to the farmers across Barbados. To persons in the offshore sector, to the manufacturers, to the computer software programmers - a broad based private sector. Government has the responsibility to ensure that this society can pay its way in the new globalised environment, and more particularly nearer home, Sir, within the environment of the new CARICOM single market and economy.

I, therefore, Sir, would want to express my support for the initiative which has been taken by the Minister of Finance to focus on competitiveness and particularly, Sir, by establishing a Commission on competitiveness. We have to take every opportunity to look at every aspect of doing business in Barbados to ensure that there are no constraints that the private sector imposes on itself, and more particularly that the Government does not impose constraints on private sector development.

In my Ministry, we are very much supportive of that. In fact, Sir, the Ministry of Industry and International Business is currently finalising a programme where we will use computer technology to link 15 Ministries and departments. Those Ministries and departments will include, for example, the Customs Department, Immigration Department, Corporate Affairs, Intellectual Property Office, the Barbados Investment and Development Corporation, the Central Bank of Barbados, the Inland Revenue Department, Ministry of Finance, Ministry of Foreign Affairs, the Attorney General's Office, and the list goes on until it gets to fifteen.

The fact of the matter is that all too often, private sector investment, persons who are willing to risk their own money and develop the economy of Barbados are constraint by slow decision making in Government. What this project will do is to ensure that simultaneous decisions, parallel decisions are able to be made rather than paper based files moving in 15 steps across 15 Ministries relating to one project, Sir, we can have faster decision making. That is even more important for the new entrepreneurs and the smaller investor who does not have time or capital to sit out a year or two waiting for important decisions. My Ministry is very much supportive of this drive for competitiveness.

Sir, the focus on competitiveness is even more fundamental. It is this Administration's view that we cannot sit around merely squabbling about how to distribute the cake. We have to focus on how to make the cake larger and how to distribute that larger cake as well. Merely being comfortable with our economic arrangements as they are with the growth that we have so far, is not our focus. Our focus is on looking ahead. How can we ensure growth in the future? How can we ensure that there is more wealth generated in the economy so that we have more wealth to share around?. That is what this measure is all about.

This is a far reaching and fundamental measure, Mr. Speaker.

5.20 p.m.

Wednesday, August 25, 1999

Hon. R.R. FARLEY: Mr. Speaker, the Right Honourable Prime Minister and Minister of Finance was very clear to identify the fact that several aspects of the reform which were required in order to boost private sector competitiveness have been done already and what we are seeking to do, Sir, is to build on that base. Sir, I would not want anyone to think that this Budget is the place where all of the issues were articulated, but we are moving on, on those matters.

Sir, let me move quickly, as time is moving on, on a few other fundamental matters. The Leader of the Opposition focussed on productive sectors. Several of those sectors fall within my responsibility. I want to speak first of all about the offshore sector. That sector has had, and continues to have, significant potential. It is a sector in which Barbados is able to compete on an equal basis with countries all over the world. It is one of those new areas of activity in which it has been clearly shown that where the greatest potential for growth and in fact where the greatest growth has occurred, has been in those new areas of services economy: tourism, the offshore sector amongst others, in which there is no preferential arrangement in place and which we have had to fight our way through as men among nations. This sector will be getting special Government attention. This sector is not static. It is dynamic. The foundation for the sector as we know it was laid by an earlier Barbados Labour Party administration.

In the late 1970s and early 1980s there were fundamental studies, Sir, and very clear policies were articulated on the future direction for the diversification of the economy: away from agriculture, away from manufacturing, away from mere tourism. We are expanding. We are not leaving those sectors, but we are looking to exploit new areas.

The offshore sector, Sir, is one in which we have been successful in the past. There are some challenges, however, on the door step. First of all the sector has developed primarily by way of a success in Canada and that has occurred basically, because the sector's promotion has been largely private sector driven. And this is a good thing. Naturally, as a private sector firm, Sir, you tend to place your money where you get your best and quickest return. Therefore, by way of promotion, the Canadian market has shown quick success and that is where the promotional dollar has gone.

Until now, Sir, the Government did not allocate major resources in terms of either the money or the people to actively promote new markets in the offshore sector. With this injection of an additional \$1 million per year, we will be able to embark on an active market development programme in Latin America, Eastern Europe and other parts of the world which have hitherto not been attacked.

It is our vision, Sir, that as these markets become successful and the private sector takes over the marketing in those markets, we can use our resources to develop new markets and be able to keep investment coming into the sector from new sources.

Also, another challenge is that the countries from which we attract investment are obviously keeping us under closer scrutiny. They have concerns about criminal activities in some jurisdictions. They have concerns about the integrity of their own taxation systems. And I want to give the public of Barbados the assurance that the policies which were taken by the previous Barbados Labour Party administration in terms of our determination to have structures in place which will only attract reputable business, which will go from quality investment rather than mere quantity, has stood us in good stead.

We are therefore not a tax haven. We have never been. We have developed our international business and financial services sector around a series of double taxation treaties and bilateral investment treaties in which, Sir, there is the fullest cooperation and collaboration with tax authorities of the other jurisdictions.

We, with the resources given us, will be more aggressively able to pursue an expanded range of treaties. But even with our steady resources, we were able to conclude a double taxation treaty late last year with Cuba. We were able, Sir, in approximately the last two weeks to conclude negotiations and to initial a double taxation treaty with China. We have been able over the last few months to sign the double taxation treaty with Venezuela. We had discussions with Costa Rica and other countries as well.

Sir, software development is another growth area. There has been the situation again, due to policies of a past administration, where we were able to make our mark as a new entrance into the technology business. Primarily in the area of what is called data capture. That is Sir, capturing information which is in paper format and placing it on a computer, mainly by data entry. Technology however has overtaken that.

Sir, you can now place your paper under a scanner and capture the information automatically. Much information is entered into the computer at source, but new areas of opportunity have evolved. Barbadians have proven their talent and ability in the areas of software development.

A young Barbadian less than 21 years old, was able to develop a piece of software working for a Canadian company, which was that Company's leading seller in their marketplace for several months in 1997. We have young Barbadians who are writing Internet web sites and all these highfalutin fancy technology. We were able to amend the

International Business Company's Act in order to ensure that Barbadians involved in this sector are not relegated to employees status only, but they are able to form international business companies and market their own work and products.

Sir, we now face a shortage, and the funds that have been injected are intended to ensure that immediately, during the next several months, Barbadians from all walks of life will be able to train in this area. I must tell the House that this proposal which is being funded in this Budget is one in which there is not this traditional dependence on formal certification. In that industry there are independent and objective tests which can be used to determine the innate capacity to be trained in software development.

You do not need five 'O' levels and ten 'A' levels. If you have those, fine. There is no hindrance to having those, but if you have the natural aptitude, intelligence and skills which predispose you to being a programmer, you can be trained. This provides an opportunity for those persons who were in the data entry business and other forms of business, Sir, as long as they met the basic criteria, to be trained.

Sir, the manufacturing sector has also been a major subject in this particular Budget. The manufacturing sector continues to be robust and to respond to the challenges, much of which are external to us.

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

Hon. R.R. FARLEY: The sector, Sir, will be the beneficiary of a number of incentives. First of all in terms of energy, in the manufacturing sector and certainly in the Ministry of Industry, we continue to focus on helping our manufacturers to become more competitive by reducing the cost of their inputs. Energy continues to be the major input and I want to thank the Minister of Finance for making the adjustments to energy.

I want to remind the general public, Mr. Speaker, I want to state quite clearly that the policy on taxation on energy will result, Sir, in lower cost to the Minibus men to the small truckers who freight things from Courts and Manning and that will translate into lower costs for persons who use their services.

I want, Sir, on behalf of those small businessmen in Christ Church East to thank the Minister of Finance. I also want to note that in terms of the Government's energy policy, the economic report has noted a vast increase in the number of persons who have access to natural gas. It is up now to 15 000. Again, Sir, I want to thank the Minister of Finance on behalf of the people of Christ Church East.

In conclusion, Mr. Speaker, in the all-too-short time which has been available to me to speak about the many things which are happening in the Ministry of Industry and International Business, I want to say, Sir, that I strongly support this Resolution.

5.30 p.m.

Wednesday, August 25, 1999

Hon. R. R. FARLEY: I recognised that this Budget has been set in the context of all the work that has been done by this administration to stabilise the economy, to lay a foundation for growth, to build capacity, to reform institutions, to address social policy, to eradicate poverty, and to have us in a position where on the eve of the 21st century rather than merely grappling with the problems of today, we are in a position of comfort where we can look to the future, where we can ensure - as the Minister of Finance noted in his reference to the Ecclesiasticus - that we leave a rich heritage, and a covenant for them on which they can be justly proud.

On behalf of the people of Christ Church East, I thank you, Mr. Speaker, for your attention.

Rev. J. J. S. ATHERLEY: Mr. Speaker, let me first sincerely express my sense of gratitude to the electorate of St. Michael West for affording me the honour of speaking in their interest here in this Honourable Chamber. Let me thank my parliamentary colleagues for delegating this responsibility to me as well. I trust that I would prove to be worthy of their confidence and that my contribution to this debate would be meaningful and instructive.

I find it easy, Mr. Speaker, to support the Resolution which we are debating because of the very important realities to which it alludes. Strong economic growth in development in Barbados at this time is a reality which is obvious to most and should be obvious to all. Substantial reduction in the levels of unemployment is a reality which is known to all and which is acknowledged by all, should be appreciated by all. Improvement in the general standard of living for Barbadians is a reality which is very evident and which was reflected in the polls of January of this year. It is because of these important realities that I wish to make this contribution and to support the Resolution.

I would like substantively to begin by making reference to a few of the comments which emanated from the other side and which were voiced by the Honourable Leader of the Opposition. He spoke with reference to growth in the Barbados economy at this time and made reference to this document, "The Barbados Economic and Social Report for 1998" and alluded to the fact that the economy is not motoring on, on all cylinders. He pointed to

the fact that growth at present is led by the construction industry and to a lesser extent by the tourist industry.

What the Honourable Member did not go on to explain or to state, is that growth in the construction sector happily at this time is not a public sector led construction activity. In fact, it does matter, because one should be highly appreciative of the fact that a significant component of the construction activity is geared towards residential development. This speaks to improvements in the quality of life for Barbadians and improvement in Barbadian housing stock.

This administration, its predecessor, especially in recent times, administration of the Labour Party side are on record for being the party which has the boast for significant activity in the area of housing construction either by Government or by private sector housing construction inspired by Government policy.

The Opposition spokesman, of course, would have to admit, that when in the seats of Government, the record does not speak so resoundingly of the fact that they were given to this manner of development with respect to housing stock and housing quality here in this country. Beyond residential development and economic construction activity, one needs to state and to know as well, that the growth in the construction sector is led by the commercial sector in Barbados and that very significantly a lot of this construction has to do with tourism development. Tourism, is still in the forefront of our foreign exchange earnings. When one recognises that a lot of the construction activity has to do with tourism development and expansion, it speaks to the further building of foreign exchange capacity for this country. It speaks to improved tourism product and tourism service. It speaks to increased employment opportunities for our people. We cannot decry the contribution of an industry to this country's growth that employs 13 000 Barbadians.

While we cite that construction play a significant role in our economic movement forward at this time, we have to appreciate that it is construction activity which is not ill-advised but very well designed to enhance our foreign exchange earnings capacity, to provide sustainable employment and to improve our tourism product.

I want to refer to the Leader of the Opposition's reference to crime. He spoke of the seemingly enforced silence of the Honourable Member for St. Thomas, who he seems to suggest, is muted because of the seemingly high incidence of crime in Barbados. Again, I will like to refer to the same report which the Honourable Member referenced, "The Social Economic Report Barbados 1998" which speaks to the issue of crime on page 77. What it says to us here, is that the incidence of crime is in the 6th straight year of decline in Barbados from 13 000 reported

in 1993 to 10 000 in 1998. What it does admit of, is a rise in drugs related crime activity. I think that this must be rightly understood with reference to the increased policing effectiveness which we are witnessing taking place in Barbados at this time in spite of an admitted inadequacy of resources. It is because of the effective policing factors that we have seen a reduction in the availability of drugs on the Barbados market. Hence, there is a corresponding increase in violent crimes associated with those who are engaged in competition for the scarce commodity.

5.40 p.m.

Wednesday, August 25, 1999

Rev. J. J. S. ATHERLEY: So let us give the Police Force the credit which is due them for their effective response, to some extent, to a rising crime situation in Barbados with reference to drug related activity.

It might be interesting for Barbadians to know, according to this Report, that burglary in dwelling houses also is in decrease. What that says to me is that people are safer in their homes or there is a growing level of safety in the homes.

It speaks of a decline in theft related crimes. It speaks of a decline in crimes against tourists. This is the same report to which the Honourable Leader of the Opposition referred. While I am not advocating that there should be no concern over the levels of crime in Barbados, for I believe there should be, and I am on record, Sir, as having called in this House for a new formal study to be done with reference to factors conducing crime here in Barbados especially with special reference to the impact of the entertainment media, especially the visual entertainment media in Barbados, there should be concern about crime but it should be put in its context. I think the Honourable Member for St. Thomas has no reason to be muted with reference to that issue as was suggested by the other side.

The Honourable Leader of the Opposition also attacked seriously the Government's programme on poverty alleviation and specifically the Ministry and Minister of Social Transformation. One of the principal planks of that poverty alleviation programme is the work of the Urban Development Commission and the Rural Development Commission as well.

I would like to speak with reference to the record work of the Urban Development Commission because this is one which is impacting on the quality of life in St. Michael West and which is bringing improvements to the lives and housing situation of people in places like Thomas Gap, more, perhaps, better known as Vietnam.

I speak with reference to the Urban Housing Loan Programme, the Urban Housing Repair Programme, the Urban Enterprise Business Loan Programme. There is a programme of housing loans for both repairs of houses and for the building of new houses where the level of dilapidation existing in the homes of unfortunate persons is such that they cannot be repaired.

The Urban Development Commission to date has disbursed 21 loans totalling half a million dollars toward the objective of repairs of homes in urban areas of Barbados.

In terms of the small business loans, they have disbursed 129 loans to small business persons venturing out into business opportunity totalling one and a half million dollars.

Mr. Speaker, we are referring to activity which impacts directly on the daily lives of people, work and housing. Where house repairs are facilitated and sanitary facilities are not thought to be adequate, the Urban Development Commission has been further financing the building of improved sanitary facilities, waterborne toilet facilities. This is making a significant difference to the level of dignity that our older people in urban Barbados enjoy these days. A lot of these people spoke loudly last January with reference to their appreciation for this.

Three hundred and seventy-four housing projects have been facilitated by the work of the Urban Development Commission. The Commission is now awaiting bids from small contractors for 150 additional housing projects.

The Leader of the Opposition spoke with reference to the fact that the Government needed to take some affirmative action with respect to small business people in this country and this programme through the Urban Development Commission giving contracts for house construction, house repairs and the establishment of sanitary waterborne facilities is one of those ways of providing business opportunity.

I can tell you, Mr. Speaker, that employment opportunity makes a difference. I have three groups of such small contractors operating in St. Michael West because of the programme of the Urban Development Commission so I just wanted to reference those comments coming from the other side.

It seems to me, Sir, that the Leader of the Opposition failed to appreciate the context upon which the budgetary presentation of the Honourable Minister of Finance is premised. I believe that the Budget must be understood in the context of the challenges which a small economy like

Barbados will face, not in the distant future, but in the immediate future.

One of the features of that environment of competitiveness is liberalisation. So we are talking about liberalised competition and the challenges which that would bring to a small traditionally protected economy like Barbados. Now, liberalisation for me is an economic orientation which is extracted from highly developed, highly industrialised context and it is pushed by people with traditionally strong capitalist orientation.

Now we understand that. We know where it is coming from. The problem arises when this approach is applied in a context such as we live and experience here in Barbados which, in my view, is still a pre capitalist and obviously non industrialised context. So when you talk about liberalised competition, you are talking about competition taking place on a playing field which is not level.

My interpretation of the Honourable Minister of Finance's approach to this presentation is that he is seeking to put us in a better position on a playing field which is not level. It is like the athlete who desires to find a better lane on the track on which to run because if you run on Lane 1 you feel like you are in a different world from those who run on Lane 4 and Lane 5 and it can make an abundance of difference.

I see the Minister of Finance's attempt in this not only to put us in a better lane on the track but to achieve a more strategic position for a disadvantaged country and small economy like ours in this liberalised competitive environment.

We can look at our economic development, socio-economic development through the years. Barbados, like the other economies of the Caribbean, has moved from an agrarian society, through economies characterised by like manufacture, to the point now where we are seeking to develop service based economies.

5.50 p.m.

Wednesday, August 25, 1999

Rev. J. J. S. ATHERLEY: That, in itself is a challenge and in this new globalised era the challenge is intensified and becomes even greater because what it means is that we have no robust experience or base in industrialisation. The new rules of trade under the WTO with reference to commodities present serious challenges and the Budget must be understood with reference to these.

In addition to the new rules of trade with reference to commodities, there are the additional rules with reference

to services at a time when we are seeking to move towards a more service oriented economy.

For us, then it cannot be a matter of development as the term is traditionally used in the capitalist context. For us, it is survival. It is a matter of survival in a hostile global environment which is inclined not to show us for very much longer the traditional mercies which it has. I see the Budget therefore as designed to ensure that Barbados continues its development and survives in that turbulent world of uncertain global change. There is a challenge of high mobility with reference to international capital at a time when countries like Barbados are experiencing dwindling access to funding assistance through international lending institutions.

The challenge is to develop a fiscal and monetary investment environment to attract foreign capital investment while at the same time facilitating indigenous capital formation. This is, as I understand the efforts of the Right Honourable Minister of Finance, in a world which is also characterised now by high mobility of international capital, how do we here in an unprotected economy such as ours develop a kind of fiscal and monetary environment that will allow us to continue to attract foreign investment at levels which are meaningful while at the same time facilitating our own indigenous capital formation.

There is a challenge of privatisation and a challenge to find and develop that critical role which Government must play in states like Barbados in the role of facilitator, the role of stimulator, the role of regulator within the economy while at the same time not withdrawing a presence within that economy.

In this context, I understand totally the measure proposed by the Minister of Finance to set up a commission on competitiveness because our state service agencies, the Immigration, the Customs, the Corporate Registry, must be seen as motors at the front of a vehicle of business development in Barbados and must be made to be more relevant and dynamic in this changing global culture and swiftly facilitate development of business opportunities to the extent that we can capitalise fully.

So privatisation itself is a challenge to facilitate local ownership and participation without total divestment. Government's position on privatisation is well known and I would not want to take the time today to look at that. Suffice it to say that Government is keen on facilitating local ownership, keen on expanding the environment for participation in share ownership and keen on providing for cooperative investment in the major areas of this economy.

There are challenges that come from the region as well and these are even more immediate. Competition from our neighbours not too far away which threatens our

economic buoyancy. Our investment attractiveness becomes threatened. Our continuing trends in terms of unemployment decline or our rising employment levels are threatened immediately by our neighbours. The future of local manufacture which employs 11 000 is immediately threatened by competition from our neighbours and I see the Budgetary proposals as a response to the immediate threat that comes from the economies of our neighbours who achieved the advantage over us through the application of low wage levels and the adjustments which they employ with respect to exchange rates from time to time.

This Budget represents for me, therefore, an attempt to be more competitive regionally as well as internationally; but to be competitive in the context in which we sustain our wage levels, to be competitive in a context where we do not tamper with our existing exchange rates, to be competitive to the extent that we ensure that our producers are not disadvantaged by input factor costs. This is my interpretation of the attempts of the Minister of Finance.

Barbados is right now significantly well indexed in terms of the measure of human development. I think that this is accepted by all and it is a point not to be missed. It has the lowest index of poverty of course to be found in the developing world and that is a boast which we should not be shy about making. Yet we are to see the fullest impact of Government's programme of poverty alleviation and social transformation.

Clearly this is to position the economy strategically and this is a secret. Any Minister of Finance worth his salt must seek to position strategically the economy, strategic integration to the extent and in the direction where most benefit is derived with the State playing an influencing role. That is clearly the signal I see coming through from these proposals, prudent economic management to ensure sustainable growth, to ensure continued proper management of our fiscal position, to ensure control over Government's capital programme to the extent that the economy is not harmed by any ill advised spending such as that to which we have been accustomed by the last administration from the other side.

Specific proposal with reference to energy: obvious clear advantage and benefit given to public service operators and owners. I am told that when a private service vehicle of the bigger type goes to the gas pump it is about \$120 each time. That is a saving of \$20 each time. Multiply that by 52 weeks during the year. If they only go once which they will not do you will see that translates into thousands of dollars of savings.

I think that they will be appreciative of this. On this score, Mr. Minister of Public Works, I would like to ask

seriously the Public Works Department to pay some serious attention to the matter of the unlicensed traffic of private service vehicles through School Gap, Hindsbury Road. A number of children from Hindsbury Primary School has been knocked over. Nobody has yet been killed but I have lived long enough to know that people's first and unplanned reaction to serious loss of that nature is not necessarily always denial and I would hope that something could be done very speedily. So that is energy costs. The drop in prices.

Movement in the threshold on property tax from \$25 000 to \$120 000. This is in the tradition of the Barbados Labour Party administrations which gave us the Tenancies Freehold Purchase Act. This is in the tradition of Barbados Labour Party administration which gave us 100% mortgages. This is in the tradition of Barbados Labour Party administration that partners with unfortunately poor people in urban areas to acquire land by asking them to pay \$2.50 per square foot while the Government puts the rest of the bill. These are benefits to lower and lower middle income persons such as I know and interact with on a daily basis in St. Michael West.

I want to take a moment to debunk the myth that there are no potential housing sites to be found in St. Michael. Mr. Speaker, I know that you found one along Bush Hall, Main Road and I can refer to potential housing sites at Passage Road, at Jordan's Land in Goodland, at Strathclyde and Manning's Land and I invite the attention of the Honourable Minister of Housing.

Mr. SPEAKER: I thank you for pointing out that there is a housing development on Bush Hall. Conclude please.

Rev. J. J. S. ATHERLEY: I want to conclude by saying that I seriously would want to give support to this. I find it easy even to the proposals with reference to gambling and betting.

6.00 p.m.

Wednesday, August 25, 1999

Rev. J. J. S. ATHERLEY: Even to the proposal to gambling and betting, let me say this and make it abundantly clear. This Administration is on record as taking a strong stand, after consultation, against the introduction of casino gambling in this country. The previous administration from the other side has no such boast and I think this is known to Barbadians. I am not given to gambling. There are some vices which attach themselves to us from our younger days like smoking, drinking and womanising. I have never been given to any of those vices. There was once a stage in my life when I was given to gambling, Mr. Speaker. I was given to

gambling until I got to know the grace of God and I am no longer given to that. Ideally, I would like to live in a society that did not condone gambling but I must live with the reality. If the reality is that we must have some of these gaming machines, I am pleased to see that there is increased contribution to come from such sources to the Government's Treasury.

Mr. Speaker, I do have one concern and that is with reference to amusement arcades where I have had the unfortunate experience of seeing a lot of children, very minor children, lining up before these amusement machines for long periods of time engaged in violent interaction through these game. I think some regulatory framework needs to be introduced. That needs to be seriously monitored.

I thank you.

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

Hon. G.W. PAYNE: Mr. Speaker, any measure that calls for substantial reduction in unemployment that has provided the opportunity for the pursuit of policies to eradicate poverty and improve the general standard of living, obviously, would have the support of any representative from St. Andrew. I say that because we know that some people tend to think that their parish is the poorest parish. I heard the Honourable Member for St. John referring to his constituency as the poorest parish. I also hear the Honourable Member for St. Michael North West so referring to his parish. I know that from your seat you cannot refer to a constituency like the constituency of St. Michael Central. Obviously, a Resolution like this....

Mr. D.J.H. THOMPSON: On a point of order. The Honourable Member must not mislead this Chamber. I have never ever referred to my constituency, the constituency of St. John, as the poorest parish. Other people may have done so but I do not agree with it and I have never ever referred to my constituency in that way.

Hon. G.W. PAYNE: Mr. Speaker, I am glad that the Honourable Member for St. John made that intervention because he said that he had never agreed with it. I am sure that I heard him from this seat referred to a document which referred to St. John as the poorest parish. He did not agree with it but he did refer to it.

Anyhow, that is not the substance of my contribution, Mr. Speaker. I am here to support this Resolution. This Budget is a Budget which sensitises us all to the reconstruction of CARICOM. It sensitises us to the transition and the challenges facing Barbados in the next century. It also sensitises us to the transition to the single market and single economy attendant with the removal of

all tariff and non-tariff barriers to the region, to the free movement of goods added to the free movement of capital and people in the region.

Of course, Mr. Speaker, with Barbados being a member of the World Trade Organisation, there are now sweeping changes in the trade and financial conditions under which we do business.

I think that the importance of this Budget and the main focus of this Budget has a lot to do with the participatory nature. For the first time, Mr. Speaker, we have had a radical departure away from previous Budgets which have been characterised - the Honourable Member for St. John can bear me out in that connection - by the gloom and doom of the past years. It is somewhat ironical that the Honourable Member for St. John, when he first came to this Chamber, was the youngest Member in the Chamber and yet his Budgets did not characterise the type of hope that this Budget has brought to the people of Barbados. I say participatory in that even before it was finished, many of us were thinking of the type of fiscal measures which we would like to see for the 21st century. That was the type of focus that the Minister of Finance set in this Budget. In that respect, one could only compliment the Minister of Finance and the Honourable Member for St. Peter in that in his focus he not only thought of what was best for Barbados but he also thought of the constituents throughout the length and breadth of Barbados and the focus which they would had for the type of measures that they would like to see.

As I go along, Mr. Speaker, I will mention one or two of the types of measures which has been the center of this focus for the new millennium.

It is clear, Mr. Speaker, that from these provisions that the tax reform measures of 1997 have been a resounding success. I am particularly pleased to see the abolition of the Property Transfer Tax on the sale of land to purchasers. I note the comments of the Honourable Member for St. John with respect to the abolition of the property transfer tax. I do not necessary share his view with respect to the fact that the Minister of Finance in introducing these measures was not clear as to the provisions of the Act. The Act is very clear with respect to the tax which is payable on a transfer of property. Basically, the Property Transfer Act states very very clear that there is payable on the transfer of property a tax, and the fact that that particular tax shows, in another provision, an exemption for nationals and other persons, does not mean that the tax is not payable. A person must come within those exemptions and the fact that a purchaser, who is a citizen of Barbados, a person who has immigrant status, who might be able to state in a document that he is a national, does not mean that the tax is not payable. The Prime Minister was right when he stated that this particular

tax is a tax which was payable by the purchasers and that the tax payable by purchasers would be abolished.

Mr. Speaker, before I mention the other provisions with respect to certain matters raised by the Honourable Member for St. John, he did also mentioned in his presentation the question of the \$25 000 exemption which was payable on transfers of properties. The Prime Minister was also very clear in his presentation when he said that at the present there is a \$25 000 exemption and any increase in that provision would obviously relate to that particular provision. The mere fact that other words were used afterwards does not necessarily mean that the Prime Minister was not focussed with respect to the present regulation. I cannot really see the point the Honourable Member was referring to.

Speaking specifically to the point with respect to the Property Transfer Tax.

6.10 p.m.

Wednesday, August 25, 1999

Hon. G.W. PAYNE: Speaking specifically to the point with respect to the Property Transfer Tax, I am particularly glad that the Select Committee of Parliament in its findings did conclude that there is no evidence to support that there is no large scale buying of properties by foreigners. It is a myth which you heard on the call-in programmes. It is a myth which has been bandied about by persons who are not very familiar with land transactions in Barbados. It is a myth which has been bandied about by persons who are not very familiar with the statistics with respect to land transactions in Barbados.

What has happened over the years is that there are a number of properties mainly in the coastal areas, mainly on the west coast that have been bought by foreigners and these properties have been recycled from time to time. There is no evidence to suggest that simply because there has been an increase in properties are being purchased by other foreigners over the years by this cycle of transaction, had anything to do with the increased cost of properties in Barbados.

What has happened is that the development cost of land, the cost of putting in the basic infrastructure: roads, electricity over the years have increased substantially. As a result, we have had a substantial increase in property prices in Barbados throughout the island because of these developmental costs.

Mr. Speaker, the myth surrounding the purchase of property by non nationals which has caused an increase in prices of land in Barbados is one which should not be allowed stand. With respect to the increase in the

concessionary price for the transfer of land which I referred to, from the \$25 000 to \$125 000, I would say that this is also an extension of the policy which was started earlier in the Ministry of Housing which focussed on the acquisition by poor people - the type of poor people that the Honourable Member from St. Lucy alludes to very regularly - in Barbados to own their own property.

This provision is an extension of that policy whereby poor persons, owning property up to a value of \$125 000 with a house on it, will now be able to dispose of their property without having to pay a penalty of the 10% Property Transfer Tax. If you look at 10% Property Transfer Tax as it relates to the poor people, within the context to which the Honourable Member for St. John referred, one would obviously have a feeling that there is this great burden on poor people to pay the 10% property Transfer Tax. That 10% Property Transfer Tax would be payable by most vendors who, in any event, would not really be affected as a result of the imposition of this tax.

I think that what the exemption with respect to the purchasing has done, it has stopped the attempt by a number of purchasers in Barbados to break the law - and the Honourable Member for St. John is fully aware of that - whereby persons who want to purchase land in Barbados, who are non nationals, who previously knowing that they had to pay Property Transfer Tax, would make false declarations, or would get some citizen of Barbados to buy the land for them, or would join in a land transaction with another citizen of Barbados in order to purchase the land.

This particular attempt at that practise, would obviously stop and I must say that this is a very good provision. I would also stop a situation whereby companies where the owners of the greater shares of the companies are non nationals would not attempt a practise whereby they would encourage citizens to be the major shareholders of their companies in order to get the exemption under the Act.

I am saying that this particular provision is a very good provision. The question of the 10% Property Transfer Tax on the vendor as to whether or not it would increase the price of land is really degradable. This exorbitant amount would only be relevant in cases that would involve a valuation of a very, very high value that would not bring any pressure on the local citizen. This would more or less involve the \$1 million transactions that we have seen on the west coast and places like Sandy Lane. I must say that in these areas the 10% Property Transfer Tax does not make a difference anyway, because we have situations where people have been buying large properties on the west coast in areas like Sandy Lane and other highly developed areas in Barbados, buying houses for millions of dollars, Mr. Speaker, and immediately after the transactions have been

completed and the conveyances have been signed, the houses have been pushed down.

You cannot tell me that a person who is going to buy a house for \$20 million and then they are going to push down that house and build a house costing way in excess of \$20 million - a brand new house - would be bothered by the payment of \$2 million. I cannot see the logic in that.

This 10%, I agree it would be an increase, but this increase would not affect the local persons. It is true that obviously in any arrangement, in any new fiscal measure there are one or two people who would be slightly affected. I think that the measure is indeed a good one. We could debate as to the quantum of the actual measure, but I do not think that taking into consideration the type of persons that this measure is supposed to reach, I cannot say that it is a very harsh measure. You also have to look at this measure within the context of Barbadians buying property and selling them.

The Honourable Member for St. Lucy, a landowner in his own right has shown me some large tracks of land owned by him, which I would come to on the question of tourism and the new measures which will assist him. The Honourable Member for St. Lucy is only to sell that land if he gets a price that he cannot refuse.

Mr. Speaker, I have known you for a long time and I know where you live. You are not going to sell that house unless you get a price that you cannot refuse.

Aside.

Hon. G.W. PAYNE: Sir, I am saying that this measure is not the type of measure that will affect the local persons. Do not be fooled by the Honourable Member for St. John and Honourable Member for St. Lucy. The Honourable Member for St. Lucy has not spoken, but the Honourable Member for St. Lucy is consistent in making representations for poor people and I can anticipate that he will make those representations. Most Barbadians owning a house, will remain in that house until they can get a price that they cannot refuse. So it does not affect the average Barbadian.

6.20 p.m.

Wednesday, August 25, 1999

Hon. G. W. PAYNE: Mr. Speaker, the Honourable Member for St. John is prompting me from his seat to come to tourism. I do not know why he is prompting me to come to tourism. I was listening to the debate to hear what he had to say about tourism. It is interesting to note, that when he goes home tonight and listens to his presentation, he will realise that he said absolutely nothing on tourism.

Therefore, I would assume that he has agreed with the budgetary measures which have been brought to this House by the Honourable Minister of Finance.

I must say that his shadow spokesman on tourism, who seems to be following me all over the place, because he was the shadow spokesman on housing before he was the shadow spokesman on tourism, is speaking to the declines in tourism.

Mr. Speaker, it is really misleading to talk about the declines in tourism as though the fluctuations in tourism are something new. There is always a 10-year cycle with respect to the tourism sector statistics and we are now into that cycle. 1999 is not over yet and we are hearing about declines in tourism. I am not saying that when you make a comparison of the figures for this year, last year and the year before, that they have not been a decline. Looking at the 10-year cycle, they speak as though the Barbados Labour Party has been in the Government forever.

The other day I was talking to someone - I said it already in this House - and I told them I was only a Minister from 1994 and they told me, "No, you were a Minister for 10 years." Obviously, you would know which side of the political fence they came from. The year 1989 was a phenomenal year when we had this phenomenal increase of 461 259 visitors to be precise from the statistics. The Democratic Labour Party were on a high and were prancing all about, about the increase in tourism. Thereafter there was a slump.

I believe that the Honourable Member for St. John, now that he has got his pressures out of the way, should speak to his shadow spokesman on tourism and give him the facts, because we had a slump for three consecutive years, 1990, 1991 and 1992 culminating in a low of 385 372 visitors. It is only after the Honourable Member for the City took over the Ministry of Tourism in 1994 that we saw some increases culminating.

The Honourable Member for St. John is very quick to attack the Honourable Member for the City in this House with respect to matters pertaining to tourism. He can get up and defend that. It was during the tenure of the Honourable Member for the City that we saw an increase in the tourism figures to 472 290 visitors. When they are walking about talking about a decline in tourism and dealing with a Budget month by month, they do not know what they are talking about.

The Honourable Member - he went to school with me, I am not so sure of the date - should know, if he played cricket that if a man made a record, that is like Brian Lara scoring 375 runs one week, he comes back and scored four hundred and something, the next week he comes and gives you 200 and you say he is not performing. They are

looking at the declines and comparing these declines to the record levels and they are using that, Mr. Speaker, as evidence of a decline in tourism. When you examine the records, and look at the record levels of 1997 and 1998, there is no decline. We had a phenomenal year in 1998 with the English visitors to cricket. We did not have the cricket tours from the United Kingdom this year. There have been fluctuations in various markets and now the United Kingdom market has taken over from the United States of America market. We cannot get back to those levels of 1998 unless we have the type of event that occurred in 1998.

In addition to that, Mr. Speaker, the spokesman for the Democratic Labour Party - I am not so sure whether the Honourable Member for St. John support his speech - spoke of the fact that the Hilton Hotel and Sandy Lane Hotel should not have been closed in the same year. Mr. Speaker, we have no control over that. We have no control over the decision to close Sandy Lane Hotel. To a certain extent, we have control over the Hilton Hotel. The decision to close the Hilton Hotel was taken long ago and the decision to close Sandy Lane Hotel was taken subsequently. These have also been factors for the declines as well.

In addition to that, Mr. Speaker, you are dealing with a very competitive market. As we move into the next millennium, you would find that you are getting competition from certain areas that you never got competition from before. People might talk about the declines in the United States market. Mr. Speaker, I make no apologies whatsoever for any failures of the Barbados Tourism Authority in their marketing thrust in North America. I have been only in the Ministry of Tourism for six months and this is a matter which will be addressed in due course. It may be, Mr. Speaker that because of the matters that I have mentioned that better could not have been done, although I believe that when you are dealing with just over half of a million tourists per year as a record, I always believe that there should be a surplus of visitors if your marketing thrust is in the right direction. This is a matter which we will have to address over the next few months. It may be that when we do our marketing audit we will realise that the Barbados Tourism Authority has done the best they could. I am not here to say that because we had a few people leaving the Barbados Tourism Authority, we had to do a few transfers, we had to make a few changes in the past few months, it does not necessarily mean, Mr. Speaker, that there was anything wrong with the policies in the past.

Mr. Speaker, obviously, we are at the crossroads where tourism is concerned. It is the engine which has driven the economy for a very long time and it is obvious that certain harsh decisions will have to be made. It does

not necessarily mean that the people who have gone on before did not do well.

In talking about the figures in tourism, even if the Opposition's statement about the decline was close to being accurate, when you look at construction, Mr. Speaker, you will see the amount of hotels that are being refurbished, the construction and operation phases of the proposed projects at the Hilton Hotel, Sandy Lane Hotel, the various West Coast projects, the Royal Westmoreland, South Coast Projects and those that have already started, - and some interesting statistics, the data is available from the Barbados Statistical Services Continuous Households Sample Survey - show that employment in the construction and quarry sector increased from 9.5 thousand persons in the first quarter of 1997 to 13.2 thousand persons by the third quarter of 1998 or by 38.9 per cent.

6.30 p.m.

Wednesday, August 25, 1999

Hon. G.W. PAYNE: This level of construction activity is expected to continue in the short to medium term with work associated with the expansion of the Grantley Adams International Airport, the Bridgetown Port, the Hilton Hotel, the GEMS of Barbados. They like to talk about the GEMS of Barbados. At least these budgetary measures have certain provisions for the small hotels where they can do the same things like the GEMS hotels have been doing. The Sandy Lane Project, Port St. Charles and Royal Westmoreland will continue for the next two to four years.

So, Mr. Speaker, when they are talking about the decline in tourism, they have to look at everything in its wider perspective. If we had a situation whereby there were these declines, there were no explanations for the declines, there were no refurbishments going on, no Sandy Lanes, no Hiltons, no Royal Westmorelands, no Port St. Charles, no two GEMS Projects, no new jobs, and you, Mr. Speaker, know that your constituency has benefitted greatly from the jobs in this. I can attest to that. There are a number of persons you are not aware of from your constituency who got employment. I can attest to that, Mr. Speaker.

Mr. SPEAKER: Could you wind up, please?

Hon. G.W. PAYNE: Mr. Speaker, I said that we are now at the crossroads where tourism is concerned. Our focus must be on enhancing and creating a tourism product of the highest quality. The criticism has sometimes been made that Barbados is an expensive destination. I do not think we need to make any apologies for that. We have to ensure that we can produce a quality product. That is what these measures are about, the incentives that are being given in these budgetary proposals. We have to make sure

that we give a quality product, value for money. We, however, as we move into the next century as we meet these challenges we must change our method of doing business. A collaborative participatory approach must characterise all of our activities in tourism.

Mr. Speaker, you have seen the collaborative and the participatory approach even at the level of membership of the Barbados Tourism Authority. I am telling you that the improvements to the tourism product must not be seen just in terms of membership by these various bodies in the Barbados Tourism Authority.

Mr. Speaker, I am obliged to you.

Hon. A.P. WOOD: Mr. Speaker, I rise to give full support to the budgetary measures presented by the Honourable Prime Minister yesterday. First of all, let me take this opportunity to thank the very good folks of St. Philip South for giving me this wonderful opportunity to come to this Honourable House on their behalf.

Before I get onto the main points in my presentation which deal with the budgetary proposals as presented yesterday, let me deal with some claims made by the Honourable Leader of the Opposition in his presentation this afternoon.

The Leader of the Opposition was bold to say that the Prime Minister was not very proactive in his approach to economic policy making. However, in my considered opinion, the design of the budgetary proposals deals specifically with the productive sectors of the economy and ways in which we can improve the performance of the productive sectors in order to reposition the Barbados economy as we move into the era of transition not only in the regional but in the international economy. These productive sectors I am talking about, have been said about agriculture yesterday, tourism, manufacturing and information services.

The Leader of the Opposition also made the claim that there has been an erosion of business confidence. On listening to the noon report this afternoon about the response from a panel which discussed the Budget, the report said that the business community was in favour of the measures which were presented to this Honourable House yesterday.

I want to draw the House's attention to the Barbados Economic and Social Report, 1998, page 19 under the Heading of "Gross Capital Formation" and I quote:

"The level of domestic investment was estimated to have risen to a new record of \$918.9 million, an increase of 12.8 per cent or \$104.1 million when compared to the 1997 figure of \$814.8 million. Public building activity was

estimated at \$94.4 million down 15.6 per cent from the 1997 figure of \$11.8 million and represents the first decline since 1995. Private building activity increased by 71.3 million to \$469.8 million in 1998. This represents an increase of 22.5 per cent in 1998 compared to an increase of 27.8 per cent in 1997 reflecting the strong growth exhibited by the construction and mining and quarrying sectors of the economy. Finished capital stock expanded to reach \$344.8 million, a good indicator of the continued growth of output in the economy and the expansion in the wholesale and retail sectors due to strong business and consumer confidence."

The Leader of the Opposition also made the claim that there has been a deterioration of social services in this country. In my considered opinion, once more, the budgetary allocations and the execution of the social programmes suggest otherwise.

The new Ministry of Social Transformation was given a budget of about \$11 million and that Ministry of Social Transformation, among other things, has the Urban Development Commission. When one considers the Rural Development Commission and these agencies have not been in existence for very long, it suggests that the Government of the day is serious about dealing with the social concerns in Barbados.

6.40 p.m.

Wednesday, August 25, 1999

Hon. A.P. WOOD: We on this side, and I can speak for the others in the Opposition, have benefited tremendously from the establishment of the Rural Development Commission and the Urban Development Commission. These two agencies have been doing tremendous work in urban and rural Barbados. There is no evidence to suggest that there has been any real decline or any deterioration in the social services of this country.

Mr. Speaker, the Leader of the Opposition also made a claim, and a worrisome claim also, that the Rural Development Commission loans are being converted to grants and that he has evidence to that effect. He said that before the election a promise was made to some persons, he is familiar with, that these loans would be converted to grants once they made the purchases of certain commodities, that these loans would be converted to grants in the post-election period.

Mr. Speaker, I am the Minister responsible for the Rural Development Commission and I am not aware that that is a policy of the Rural Development Commission and I will challenge the Honourable Leader of the Opposition to produce a written bona fide documentation to support that claim.

Asides.

Hon. A.P. WOOD: I have received a letter from you but I have not the signature from anyone at the Rural Development Commission giving permission to such deeds.

Mr. Speaker, when one looks at the Barbados Economic and Social Survey laid before the Honourable House some time ago it becomes clear to all of us that the Barbados economy is still very well managed. The economy has experienced six consecutive years of real economic growth and it is important to note that in 1998 the growth performance of the Barbados economy in real terms was 4.4 per cent and this was the fastest rate of growth since 1996 when real output grew by 4.1 per cent

I well remember that with the introduction of the Value Added Tax and the expected increase in the general level of prices to the order of seven per cent or so commentators from the opposite side were ripping hell in this country. However, with the zero-rating of some goods by the Prime Minister and the settling down of the VAT, in 1998, the inflation levels in this country returned to very low levels. As a matter of fact, during the year of 1998 there was disinflation in this country.

I sat here this evening and we heard the Leader of the Opposition wanting to dismiss an economic indicator of low inflation by saying that it is not very important now but last year when the value added tax was introduced and the inflation rate soared to 7.3 per cent that was an opportunity for economic affairs sports persons on the other side to have a field day.

Also in 1998 the rate of unemployment continued to decline and of course the decline in the unemployment rate is directly attributed to the type of policy pursued by the current administration ever since assuming office.

There was also a containment of the fiscal deficit to very manageable levels, a reduction in the debt service ratio and high levels of foreign reserves.

Mr. Speaker, I want to commend the Right Honourable Prime Minister and Minister of Finance for taking a very bold initiative in constraining capital expenditure on the eve of the last general election so as not to overheat the economy. Indeed, as events turned out, it was totally unnecessary to manipulate economic policies for electoral success as previous Ministers had done. The result of the general election of January indicated that the Prime Minister was correct to hold to a policy of fiscal restraint despite the fact that an election was around the corner and we need to commend the Prime Minister for that because in previous years we had gone through this period of electoral cycles whereby immediately before the election

there was an increase in public expenditure and that occurred specifically to increase the chances of the incumbent of the time being returned to office.

We need to commend the Prime Minister for a very bold step to hold to fiscal discipline notwithstanding the fact that an election was intended.

Despite the good economic performance of the Barbados economy in 1998 we cannot afford to rest on our laurels. We must ensure that the Barbados economy is competitive in its changing regional and local environment.

Mr. Speaker, this Budget recognises the need for preparing the productive sectors of this economy to compete with success in the CARICOM single market and economy and be a global economy which will be characterised by radical changes in trade and financial arrangements. It is well recognised that for Barbados to maintain its current economic success competitiveness must be enhanced.

The Leader of the Opposition was correct in saying that we should not lose sight of the fact that productivity should be tied closely to competitiveness but competitiveness must be enhanced for Barbados to continue its robust economic growth.

One of the main criteria by which this Budget should be assessed is how the Budget speaks to this issue of competitiveness and the measures discussed yesterday by the Prime Minister in my opinion deal in a very clear way with Barbadians achieving high levels of competitiveness.

The establishment of a commission on competitiveness with a mandate to remove the encumbrances to doing business in Barbados is timely. I sincerely hope that the performance of this body will lead to an intensification of the efforts at public sector reform in Barbados and that what this body does could not be too far removed from what is expected elsewhere in the public service.

With respect to the energy crisis, one cannot deny that the reduction in the level of taxation and hence cost of energy products will redound to the benefit of all Barbadians, be it the manufacturers, be it the public service vehicle operators, be it the farmers who need to transport their produce. I am very thankful for the relief that the farmers will be getting in that respect. When one looks at page 50 of the budgetary proposals, which gives us the comparative data for energy prices in Barbados and other Caribbean countries, we see quite clearly that the level of taxation on energy products in Barbados is woefully out of line, when compared to our regional competitors. We know for some business persons the cost of energy once reduced will lead to significant improvement in the levels of

competitiveness of those business. The businesses that I have in mind would be the manufacturers.

Mr. Speaker, the area that I am most pleased about, having listened to the budgetary proposals yesterday, quite naturally would be agriculture. It is well known that the performance of the agricultural sector in recent years has not been very strong.

6.50 p.m.

Wednesday, August 25, 1999

Hon. A.P. WOOD: The measures as outlined on page 58 to 59, are very wide-ranging and are designed to stimulate activity in all areas of the agricultural sector and to allow the sector to become more competitive in the local, regional and international markets. The proposed agricultural development thrust, will provide valuable concessional finance as well as funding for technical assistance to the farmers. The list of incentives should also facilitate the installation of irrigation systems on a wider scale. It should also stimulate activity in agro processing, the utilisation of improved technology in the poultry industry and stimulate interest in the cotton industry.

Mr. Speaker, I not only being the Minister responsible for Agriculture, but being in charge of a rural constituency, will appreciate the importance of such wide-ranging incentives to the farmers of such a constituency. One of the limitations to agricultural production in Barbados is the lack of proper irrigation systems to some farmers throughout this country and incentives which speak to giving generous rebates for the purchase of irrigation systems. This will take us some way in dealing with the problems created by lack of irrigation systems.

The introduction of the Common External Tariff rates of 40 per cent to both imported lamb and beef should take some badly needed pressure off the local livestock industry. Every since I assumed office as the Minister of Agriculture and Rural Development, the livestock producers have been asking for us to do something with the importation of meat from extra regional sources and I am very happy that the Prime Minister, in all his wisdom, has listened to us and has introduced a tariff of 40 per cent on lamb and he has increased the tariff of 30 per cent on beef to 40 per cent.

I have also had detailed discussions with the fisherfolk and I am pleased that the Prime Minister has responded to the call for help by the fisherfolk by adding some new items to the list to be zero-rated under the Value Added Tax Act and also made them free of Customs duty. This will reduce the cost of equipment for fisherfolk. Further, the amendment to Section 7(1) of the First Schedule of the Value Added Act, which deals with

eligibility for zero-rated supplies, will allow persons like fish vendors and distributors to be eligible for zero-rated items like insulated boxes for storing and transporting fish.

Mr. Speaker, those measures which were implemented to benefit the agricultural sector will redound to the benefit not only of those farmers who do their farming on a reasonably large scale but will also redound to the benefit of those persons who the Honourable Member for St. Lucy likes to come in here and seems to be the champion of their cause - that is the small farmers. The small farmers in St. Philip South, just like the small farmers in Christ Church East and St. George are very satisfied with this aspect of the Budgetary Proposals. I want to urge them to take full advantage of these measures.

Mr. Speaker, I want to take some time to look at some new initiatives we are taking at the Ministry of Agriculture when combined with the type of incentives and help which was given to the sector by the Prime Minister, should lead to a turn around of the agricultural sector and once again make involvement in agriculture a worthwhile and profitable occupation.

One of things we are hoping to implement in the very near future at the Ministry of Agriculture is the land for the landless project. We have had a Committee established. The Committee has done its work, there is a draft proposal on my desk and in the very near future I am hoping to operationalise this land for the landless project. The land for the landless project basically seeks to make land available for the willing farmers who are spread throughout this country to make land available to them. We will do it in such a way that the farmers get access to that amount of land which they can farm productively.

Among the other things that we are doing at the Ministry, we are exploring every possibility of strengthening the backward and forward linkages between the agricultural sector and the other sectors of this economy, especially tourism.

Recently, a seminar was held and we brought interest groups from the tourism sector and from various components of the agricultural sector together to discuss this very important issue. We well recognise that the import food bill of this country is a lot higher than we would expect, so we need to put things in place to boost agricultural production and at the same time improve the marketing of the agricultural produce in order to reduce that massive import food bill.

A lot has been said about the declining fortunes of the sugar industry. We need to take a long, hard look at the future of the sugar industry and the Ministry of Agriculture has recently established a task force on sugar to do just that. The task force will look at all critical aspects of the

sugar industry, the management of the industry, the performance of the industry at the factory level and the performance of the industry at the field level.

Also, we are moving with some despatch to upgrade the public markets in this country to make them more attractive to locals and visitors alike to want to come to these markets to purchase the agricultural produce. Also, with respect to the legislation, we are seeking to develop a new Agricultural Development Act. This Act will facilitate implementation of policies for structured development of agriculture in this country. It will cover the entire agricultural sector and will have regulations to govern a number of activities that are currently handled administratively.

7.00 p.m.

Wednesday, August 25, 1999

Hon. A.P. WOOD: We recognise that significant changes will have to be made to the management of the agricultural sector and to this end the Ministry of Agriculture in collaboration with the Inter-American Institute for Cooperation on Agriculture is preparing a document which deals with the restructuring of the agricultural sector in order to make it more effective and more relevant as we move into another century.

Also, we are looking seriously at restructuring the Rural Development Commission, the agency I have responsibility for, with a view of having that Commission better managed, more accountable and the execution of the programmes done more speedily in order to get the services to those who are most in need.

I want to tell the Honourable Member for St. Lucy that his constituents will not be left out in the new scheme of things.

Aside.

Hon. A.P. WOOD: Mr. Speaker, we at the Ministry of Agriculture, despite what the Honourable Leader of the Opposition might have said this evening, will be preparing the type of framework within which agriculture can rebound and once again get back to a positive growth path. We recognise that there are significant challenges ahead as we move into a new Century. The agricultural sector has come under tremendous strain and stress, but we are prepared to do what is necessary to keep commercial agriculture alive in this country.

We also recognise that in the context of the World Trade Organisation, the agreement on agriculture imposes certain restrictions and by that very fact, we need to reposition ourselves in the agricultural sector to deal with

that occurrence. One of the things that we have done and we continue to do is to sensitise the farmers in this country as to the implication for the agricultural sector of the involvement in the WTO.

Mr. Speaker, in closing once again let me thank the good constituents of St. Philip South who afforded me this opportunity to participate in this Budget this evening. Also, let me restate my support for the Budgetary proposals which were presented by the Honourable Prime Member and Minister of Finance yesterday.

Thank you.

SUSPENSION OF SITTING

Hon. D.A.C. SIMMONS: Mr. Speaker, Sir, I beg to move that this House be suspended until 8.00 p.m. this evening.

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

The question that the sitting be suspended until 8.00 p.m. this evening was put and resolved in the affirmative without division and Mr. SPEAKER suspended the sitting accordingly.

7.06 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

ORDER NO. 3 – RESOLUTION TO APPROVE THE LAND REGISTRATION (SUSPENSION) ORDER, 1999

Mr. D. St.E. KELLMAN: Mr. Speaker, before I get into my speech, I want to refer you to the order of the televised speeches, Sir. When I look over the slot - 7:45-8:15, I see DLP. As you know, Sir, there are only two members in here from the Democratic Labour Party and whoever allocated the slot should have known that the other Member is D. Kellman.

Aside.

Mr. D. St.E. KELLMAN: Seeing that I am the constitutional person in this House, Sir, and I am the person who dictates the order of the debates in this House, because you would appreciate, the Honourable Leader of the Opposition happens to be that constitutional person and after the speech of the Prime Minister, it is his duty to reply to the Prime Minister. Then, it is my duty to continue the debate and to keep the House in focus. I would like the appropriate courtesy to be given to the Honourable Member for St. Lucy. Mr. Speaker, I would now move into my debate, Sir.

Aside.

Mr. D. St.E. KELLMAN: I agree with you that I should get two hours. Mr. Speaker, will know the right time.

Mr. Speaker, any Budget coming after an election should take into account everything that has been said before and during an election and even, Sir, things that have happened after an election. When one looks at this Budgetary Proposal, one must ask oneself, what has happened after the general election in Barbados that these proposals could have been presented in the way they have been presented.

It is clear to me, Sir, that the mouthings I heard during the general election are not from the same people who are now speaking in this Assembly. I find it rather difficult to hear that the Ministry of Social Transformation would be the major Ministry during the 1994-1999 period and we cannot see anything in that Budget to substantiate that.

We cannot even be accorded the privilege of hearing, either the Minister of Social Transformation or even his adviser, Sir. I think after the electorate of this country has been promised so much by that particular Ministry, we should have been accorded the right to hear one of those Members speaking on this particular Budget. It tells me that what was said prior to January 20, and what is going on now is quite different.

I also want to point out to this House, Sir, that I am going to be finding it extremely difficult to follow the Barbados Economic and Social Report. When one looks at page 25 of that report, there are some errors and I would like them explained. If you look under the year 1999-2000, you are told that current expenditure is \$1 657.6 million, amortisation is \$282.7 million and other expenses are \$1 372.2 thousand. When you add those two figures, they do not come back to the total current expenditure. As you know, those figures are supposed to come back.

Today, I cannot tell anybody in Barbados what is the true deficit expected in the year 1999-2000. I would like to find out, Sir, whether all the other figures in this report happen to have an error like this or whether this is just one genuine error and I can rely on the other information.

As we were told earlier, the Central Bank figures and the figures coming from this Department conflict and it gives me difficulty in presenting a reasonable argument, using statistics coming from these documents. I have already said in this Parliament, Sir, that I find it extremely difficult to follow information coming from the Central Bank. When you have an economy that is growing by 4.4% and construction growing at 14.1%, 10% higher than the

growth of the economy and somebody from the Central Bank can tell you that we are doing well, then something has to be wrong.

I am saying that the growth of construction

8.06 p.m.

Wednesday, August 25, 1999

Mr. D. St.E. KELLMAN: I am saying that the growth in construction should match the growth of the economy because when construction goes ahead of the economy, what it is doing is depleting the foreign reserves of Barbados and then it means that we have to do substantial borrowing. Anyone who wants to question that must look and see how capital plus the current deficit is going to be financed this year. There is an 84 per cent increase on the foreign borrowing to substantiate the deficit that we will incur this year.

I want to deal, Mr. Speaker, with the hottest topic in Barbados today and that is land tax. The Prime Minister came to this Assembly yesterday and gave the impression that land taxes will not affect poor people in this country. I want to give the lie to that because he said that land and chattel houses will be taxed for the first time. He said that. Which means that if you own a piece of land and you rent it out to people to put houses on it, when the officers from the Land Tax Department come to value that land, they are going to value the land and the properties on it. Do not question that, because it is a fact. I want to know how can you get a land tax bill that will now for the first time reflect chattel property on land and that there will be no increase to you. I also want to know if the Prime Minister understands that this is going to affect the right of people to rent land to others. This means that any poor man in Barbados who has land will not rent it to anybody anymore, because as from today he has to pay taxes on his property because he has rented his land to other people. I would like this clarified. I do not want anybody promising me that they will do something about it because it is the poor people in this country who rent land and something must be done about this.

I am telling the Ministry of Finance and all the advisors when they put this type of information in a Budget it must first be clarified before it comes to this Parliament, because it makes nonsense as a Budget proposal.

Asides.

Mr. D. St.E. KELLMAN: I know you do not know anything about poorness but I do know about poorness. I came from a poor background and I will always remain in that no matter how high I get. The problem in this country is, that the Government sometimes will never understand

the effects of things like this on poor people. They are interested only in coming in here and putting a case for landlords who can buy land down at the Port at \$20 a square foot when it should be sold at \$50. They can put a case for people also who can turn around and go to Speightstown and acquire land in an area that is prone to flooding. Then they can go and brag about the same landlord going to St. George and setting up another project. On top of that, in the same budgetary proposals you can see concessions for that same landlord to build more restaurants when poor people in this country are suffering and when the people of Barbados were told during the election time that it would have been their chance to get some of the goodies.

We have a situation in this country where the Government has been able to rake in \$462 000 000 more in surplus revenue between 1995 and 1996 and the years 1999 - 2000 and the taxpayers whether they be civil servants or anybody else cannot get back \$60 000 000.

Sir, we have a situation in this country where the civil servants went out and forked out eight per cent out of their salaries to make sure that this economy improves the way it has improved and up until today, Sir, eight years after, this uncaring Government has done nothing in their power to repay those civil servants. I am saying that any Government who can collect \$462 000 000 and cannot give back the poor people \$60 000 000 should be ashamed and should do the necessary.

Sir, at election time, the Barbados Labour Party told the civil servants they were going to repay them their eight per cent. Two months ago, they told the Unions in this country to get the negotiations ahead because it was holding back the Budget because they wanted to repay the eight per cent before the Budget. Today, the Budget has been delivered and not one single cent for those poor civil servants who did everything in their power ...

Hon. G. W. PAYNE: On a point of order. I really do not want to interrupt the Honourable Member in his speech. He is giving the impression that it is this Government who cut the civil servants salaries by eight per cent. That is misleading this House.

Mr. D. St.E. KELLMAN: Mr. Speaker, you know that is not a point of order.

Asides.

Mr. D. St.E. KELLMAN: I will never do that, Mr. Speaker, that is just a personal observation.

Sir, I do not care which Government cut the eight per cent, the important thing is, that the eight per cent was done in the interest of the country. Once the eight per cent

was done in the interest of the country, I think the civil servants understand well, it was done in their interest and in the interest of the country. What they do not understand is how a Government could rake in \$462 000 000 more in VAT and failed to repay them their \$60 000 000 when down Bridgetown every single large corporation is bragging about the amount of profit they have made.

You know what is an interesting scenario, Sir, I was told in 1994 by this present Government that it was a three-way situation where the private sector, public sector and the workers had to join hand in hand to deliver this country. The workers did it, the private sector did it and the Government did it. At the end of the day, the workers have not received anything, the Government increase its revenue and the private sector increase their profits.

I am calling on the Trade Unions today to recognise their role in this country. Their role is not to sit on Boards, Commissions and something like that but their role is to represent the interest of the workers in this country making sure that that triangle must be completed because right now it is the first triangle I know of that has two sides, the private sector and the private sector, because the side for the workers cannot be attached anymore. When the pain was there, Sir, the side for the workers was there. As soon as the goodies came, the side for the workers disappeared. I am calling on the Trade Unions to get back on board and recognise that they have their role to play to make sure that the civil servants get back what is due to them. It is not fair for one company in Barbados to get everything it wants and the civil servants cannot get one single thing.

I want to congratulate the Minister of Finance for acknowledging yesterday that companies like Simpson Motors and Goddard Enterprises have moved beyond the shores of Barbados. They are quite happy to go outside of Barbados and invest money. I do not hear them thumping every minute at the Minister of Finance Office knocking for concessions. There is a company in Barbados who has expanded and has 11 branches and they feel that their domain is only in Barbados. I am saying that I do not support that type of policy. It is time that they move on and help generate foreign exchange for this country. I know the Honourable Minister for Christ Church South will support me on that. They have been given too many concessions and the Minister of Finance have accommodated them on too many occasions. It is time that they accommodate Barbados. We have given them cheap land. We have given them cheap diesel to put into their vehicles. We have given them everything they asked for and that company is prepared to remain in Barbados when they can go outside. Restaurants from Trinidad and Tobago want to come to Barbados but they do not want to go to Trinidad, yet they are calling on taxpayers to help support them. I am saying it cannot be fair and something must be done about it.

Sir, this foolishness yesterday, where the Government Ministers thumped on their desks when the Prime Minister inflicted a five per cent increase in gasoline when they thought it was a reduction, I want them to apologise to the public, because I cannot understand how they can get in here, every man to charge and thump on their desks when he increased gasoline by five per cent not realising that the poor were inflicted with pain and the rich who drive diesel vehicles their charges were reduced by \$0.20 but the poor had to pay \$0.05 more. I want to know what the Prime Minister is going to do to ensure that those people driving gasoline vehicles will be able to convert or change them over to diesel. If you tell me that this is a Budget for the masses, then it means that the diesel reduction must be felt by the poor people in this country and it has not been felt by them. I want to know from the Honourable Member for St. Peter what he is going to do about it, because this is the first Budget I know for the poor in this country where the poor gained nothing and the rich received everything.

All of them were happy to hear that, every man and woman to charge. I must admit, Mr. Speaker, I am very observant. It is true that when all of them were cheering, the Honourable Member for St. James South was not cheering. I check that very clearly. I cannot say that the Honourable Member clapped to the five per cent increase in gasoline. I would have been lying on her and I will not do that to the Honourable Member for St. James South.

Mr. Speaker, when I said during the pre-election campaign that 95 per cent of Barbadians pay 95 per cent of the increased VAT and that five per cent of Barbadians pay five per cent who happens to be the rich and that 95 per cent of the concessions went to the five per cent and the 95 per cent only get five per cent, now you can understand what I am talking about.

Asides.

Mr. D. St.E. KELLMAN: Yes, I will repeat it. During the election campaign I told Barbadians that the Barbados Labour Party collected 95 per cent more VAT from poor people and collected only five per cent more from the rich but when they were dishing it out they gave the rich 95 per cent and the poor five per cent. If you doubt me, check and see that the large companies in Bridgetown are reporting high profits while the poor are sucking salt to get a living in this country. Furthermore Sir, if you doubt me, check and see that the large companies down Bridgetown are getting \$0.20 off diesel and poor people got to pay \$0.05 more. This caring Barbados Labour Party Government.

Mr. Speaker, no one who supports the interest of farmers would not acknowledge that concessions were placed in the Budget. I want to choose my wording very

carefully there, Sir, because when one looks at the concessions in that Budget, some of them are only paper concessions because they have been applied already. I think the Honourable Member for St. Philip South would agree with that, and if he agrees with that, you cannot ask about the Honourable Member for Christ Church South, because he would call it nonsense, because he knows that he would have helped put those concessions in place.

Sir, I heard all of them clapping their chest and saying how good these concessions are but the problem in the agriculture sector today has nothing to do with concessions. It shows me that the Barbados Labour Party is out of tune of what is going on in the agricultural sector. For 4½ years I have been begging this Government to look after the interest of the agriculture sector, they have refused. Now that they have destroyed the agriculture sector they are now coming at the last minute now that the undertaker is ready for every single farmer in Barbados trying to put concessions to help those same farmers.

8.20 p.m.

Tuesday, August 24, 1999

Mr. D. St.E. KELLMAN: What they need to do is look at the Economic and Social Report on page 43 and see how they have destroyed agriculture.

What the people in agriculture would like to see is a right to grow and produce their produce and have a market for it. Every single time in this country that the farmers in Barbados produce a crop somebody somewhere advises somebody to import goods into this country to reduce the price so that whenever they have a good crop they have to drop the majority of their crop because some selfish person or persons within Barbados import the same crop.

Even though you are giving them some concessions it is not going to help because if they do not have a market for their crop it will be of no help to the farmer. So I am calling on the relevant Government agencies to make sure that they protect the farmers from some of those selfish people within Barbados. I have already spoken of one company who feel that they have a right to import chicken in here whenever they like from Trinidad and vegetables from wherever they like. Whenever they want concessions they feel that they have a right to march to Government's Headquarters and knock on the Prime Minister's doors to get whatever they want. These concessions for restaurants mean that particular company. That company must show it has the interest of Barbados at heart and it must stop exploiting Barbadians and this foolishness that whenever they feel they are under squeeze that they can come to the public and beg the public for support. If they want the support of the public they must make sure that some of the gains and some of the material they use in producing their

products must be purchased from local people. They must not feel that Trinidad is the only place that they can source items because Barbados can supply and produce the same items to supply their restaurants.

Whenever they hear the word McDonalds they come to the Barbadians public and beg them to apply the necessary pressures. We are not here to be used. Our education system since 1961 has taught us that we are not here to be used. We do not appreciate people coming in here and trying to use us for their own gain and this must be told to this Government that if these people want concessions that the concessions must be given but a mandate must be given that they have to purchase everything they want from the local suppliers first. If they cannot do that, then we cannot give them concessions. How can we give them concessions to support other people and employ other people from overseas? We are destroying our own and I would like the Right Honourable Member for St. Peter to understand that.

The Right Honourable Member for St. Peter must tell the selfish businessmen that the interest of Barbados must be seen not only by the poor by also by those selfish groups of people.

Mr. Speaker, one of the most disgraceful things in Barbados now is something called roads. Every single new road in Barbados now is cracked in the middle and at the sides. I have never seen anything like this in my whole life but then again I should not be putting this argument because I do not know what is a road anymore. There is an agency called the Rural Development Commission that had the audacity to publish a document and if you look at page 76 of the Barbados Economic and Social Report you will see every parish in Barbados mentioned and not one mention of St. Lucy. Do you know why? In five years they have not built one single road in St. Lucy and every time somebody gets up in here and tells me that this is the Commission that is supposed to represent the people in St. Lucy.

Let me tell you all something. Sometimes I wonder if I should allow them in St. Lucy. I do not know why they come into St. Lucy because when they leave you see no evidence. The only hope we have of a road, Sir, was two days before elections when they wanted to get a seat. They went into Ellis Tenantry and they bulldozed the road in Ellis Tenantry.

Aside.

Mr. D.StE. KELLMAN: I sent a list of forty plus roads to the Rural. If you want me to list one from Hannah Village in Cave Hill straight down to Ellis Tenantry in Checker Hall. The most disgraceful thing, Sir, is that the road at Ellis Tenantry is now worst than when they had the

unpaved road. That road is now breeding mosquitoes and the people cannot get out of their houses when the rain is falling.

I am calling on the relevant Government agency to correct that as from tomorrow because I will not stand by and allow it to happen to my people anymore. Because of cheap electioneering people bring a bulldozer into an area, create swamps and ponds and stop people from getting out of their houses just to get a few votes. Anytime that my party could do something like that to my people I will have to mount a platform and criticise them.

Mr. Speaker, one thing I do not like. You can unfair anybody but do not unfair poor people because it gets me angry. Those people are the ones that politicians are supposed to represent.

I want to thank the Right Honourable Prime Minister who when visiting the most beautiful cricket ground in Barbados some months or so ago acknowledged that the roads in St. Lucy, especially the tenantry roads, are in need of the necessary repairs.

Aside.

Mr. D. St.E. KELLMAN: By you giving Chefette permission to flood him out I will raise the issue for him. I know he cannot criticise his own party but when Chefette is finished in Speightstown there will be no dock or anybody on the seaward coast. All of them will be flooded out because what they have done in Speightstown is lifted the flooded area and all the water will push them into the sea.

Do not worry! I will carry my team there and I know the Honourable Member for the City would not like that. I know the Honourable Member for the City and the Honourable Member for Christ Church South would do the necessary to protect the interests of those small business people in Speightstown. As it stands today, Sir, the business people in Speightstown believe that there are only two names in Speightstown - Chefette and the one that owns the complex where Cave Shepherd used to be. You all would know them well because you wine and dine with them.

All the Armstrong's and the Eddies, you do not know and the 'Doc' but still you know the Haloutes and the Chefettes and the Altmans and all of them. I will say this, as long as I am in this Parliament I represent every single underprivileged person in this country. I will make sure that whenever I see injustice in this country that I highlight it and that is why I will look after the gentleman from the Other Place whom we cannot see right now.

The Transport Board, Sir, some year or two ago acquired many buses and we were told that they were new

buses. It is the first time I have seen in the history of Barbados new buses with parts 13 years old. The first time I knew that the Transport Board bought new reconditioned buses was a couple of months ago. I am challenging the Transport Board to tell me whether those new buses that were supposed to be new are new or reconditioned because they are reconditioned buses and I challenge them to deny that. The Parts Department and the Repair Department of the Transport Board has to be wrong. It cannot be me. When they went to source a part they realised that the parts were not of a modern model but something four or five years.

Hon. G. W. PAYNE: On a point of order. I was Minister of Transport when those buses were ordered and it is not only misleading the House but if I were another place I would say that the Honourable Member is lying. It is totally incorrect for him to make a statement to the effect that those buses are reconditioned buses. The buses are new.

8.30 p.m.

Wednesday, August 25, 1999

Hon. Sir Harold ST. JOHN: As I understand it, according to the figures, the female unemployment rate was somewhere in the vicinity of 26% and 27%. In the last quarter of 1998, it was 15%, a considerable improvement over the period of time since this Government resumed office in Barbados. That is why, Sir, the second preamble of the Resolution which the Honourable Minister of Finance moved is so accurate and I read it, Sir.

"AND WHEREAS the sustained strong performance of the economy has led to a substantial reduction in unemployment and has provided the opportunity for the pursuit of policies to eradicate poverty and improve the general standard of living for all":

Now, Sir, there are a couple of other matters that I would like to deal with and I think it is important that we recognise that the essential message of the Budget has been so clearly captured by the very fine speeches of the Honourable Member for St. Michael West, the Honourable Member for Christ Church East, the Honourable Member for St. Philip. I listened to those speeches and understand the difficulty the Honourable Leader of the Opposition has, because he is seeing and listening to the new breed in the Barbados Labour Party. It is something that is very worrying to him. It is no wonder, Sir, that he is pursuing the policy of discarding the old and looking for new.

Asides.

Hon. Sir HAROLD St. JOHN: He has, in his own mind and in his own assessment of the political future in

the new millennium to be able to produce a team to match the Barbados Labour Party. He has already given up hope that the Honourable Member for Lucy will be able to do it.

Asides.

Hon. Sir HAROLD St. JOHN: We have, Sir, to bear in mind that whether the Honourable Member for St. Lucy likes it or not, a new culture, a new psychology, a new understanding must take place among Barbadians. That is that we are part and parcel of a new international order. The position is that the old protectionists' mentality that we had has got to be adjusted to take into account the realities of an economic global system and a system within the Caribbean economic community in which we in Barbados must recognise that the protectionist measures that protected the people in the past have to be reduced over a phased period.

This Budget is about that and the Budget seeks to address the fundamental change that has to take place. It seeks to make Barbadians understand that changes are coming that we must understand and appreciate that things like competitiveness, things like the lack of protectionism in the traditional sense, must become the order of the day.

Sir, for a long period of time the Barbados Labour Party has been trying to inculcate these thoughts in the minds of the Barbadians. I am very glad that we have been able to put mechanisms in place to ensure that while we are phasing in the new millennium and the new order, we we have enough revenue and safety nets in existence to handle the changes that will take place with the least social and economic impact.

This Budget is not about expenditure. We have had the debate in here in our Estimates of Expenditure since the election. All of the criticisms that the Honourable Member for St. Lucy and the Honourable Leader of the Opposition made, with respect to the targeting of the Government's policy, were made during the Estimates. At that time it was pointed out that the Government had introduced measures which were directed to ensure that this safety net to alleviate poverty and unemployment was in existence.

One cannot on the one hand criticise the Government for failure to deal with those matters in this Budget when all of us in here went through the exercise of that debate and we know that the measures that the Government had introduced to deal with those measures were dealt with at the time when we dealt with the expenditure aspect of the Government.

Sir, if there is one thing I believe to be true, is that we should really change our system of dealing with the Government's financial and monetary policy and its expenditure policy, so that we can have a debate of both

together, so that the confusion that arises year after year, when you have the expenditure side of the Government's policy being dealt with before the 31st of March and revenue side being dealt with later, is changed. I hope this is the last year, Sir, that we will be dealing with it in this manner. Had we been dealing with it together. I am positive that the speech of the Honourable Member for St. Lucy would be different.

Sir, I wish to say a few things about the specific measures in this Budget, because they do affect my constituency. It is well known that the constituencies of Christ Church are constituencies in which fishing is an important part of the economic activity. I am very glad that the concessions that have been made in this Budget, have been made because there has been a considerable amount of criticism of the bureaucratic exercise that the fisherman and others have to undergo in order to take advantage of the well-known policy on both sides of the House that fishing should receive the maximum measure of concessions, because of its contribution to the economy. That is a positive advance and I am very happy on behalf of my constituents for those measures.

I want to go further and say that there are a number of other matters dealing with tourism that I feel should be highlighted. The Honourable Minister of Tourism has said that in Barbados we have to face the fact that the international tourism environment has become exceedingly competitive. Particularly arising from the fact that developments in the rest of the Caribbean have brought to the fore a number of new destinations which were not formerly as competitive as they are today.

One only has to look at what is taking place in countries like the Dominican Republic, Cuba and in the other islands in the Caribbean to appreciate and understand that we are operating in the tourism industry in a completely different environment. Not only do we have to face the competition of new hotel plants - newer than ours, in the Dominican Republic, Cuba, Jamaica and in the rest of the islands, we also have to face the fact that worldwide there has been a great change, particularly in Europe and in the UK with respect to the consolidation and the enlargement of the tour operators which provide a great deal of our business.

In Barbados we have to deal with that situation. This Budget addresses that situation.

8.50 p.m.

Wednesday, August 25, 1999

Hon. Sir Harold ST. JOHN: So in Barbados we have to deal with that situation. Now this Budget addresses that situation. Despite what the Honourable Leader of the

Opposition and the Honourable Member for St. Lucy had said, there is increasing evidence all over Barbados of great changes taking place in the hotel plants in Barbados. It is not only a question of the all-inclusive. What the Honourable Member must understand is, whether he likes it or not, there is a role in the tourism industry that the all-inclusive play. If the Honourable Member does not understand that, I will like somebody to donate a trip to him to the Dominican Republic, Cuba, Jamaica and all of those other places. There are a percentage of the hotel plant and the tourism enterprises all over the world in which both timesharing and all-inclusive play. It is a matter of policy.

I am very glad today, as a matter of policy, that the Government of Barbados is quite clear on this matter that it will not like to see too high a percentage of plant in Barbados being all-inclusive.

One of the chief characteristics of the Barbados Tourism Industry is, that tourists can come to Barbados, intermingle with Barbadians and participate in Barbadian activities. It is in this vain I would like to commend the Honourable Minister of Finance because it is in recognition of this that the incentives have been granted to restaurants in Barbados to allow them to upgrade their equipment and training so as to be able to compete in the international arena.

I think the Honourable Member should learn a few things about how you look at these matters. If the Honourable Member could tell me that his favourite restaurant which he goes at very regularly has a dominant position in the fast food industry in Barbados, then one would have to look at it in a different light. I know that in my own constituency we have a branch of the Honourable Member's favourite restaurant. I know that it does not compete in anyway with the fish bay at Oistins.

I have no doubt that in the fullness of time, when the Judge Gap and other areas in the north of Barbados, take advantage of the concessions that are granted for the restaurants, they will be able to contain any competition.

What we have to recognise that because of our historical and peculiar development in tourism, we must understand that our restaurants must be given incentives to have the best equipment, excellent chefs and good training of their servicing staff. This Budget recognises and facilitates that.

Sir, there has been a lot of criticism about the closure of Sandy Lane Hotel. The Honourable Leader of the Opposition said it was a big mistake to close the Hilton Hotel. As all Honourable Members know, I am the Chairman of the holding company that owns the subsidiary company that is doing the development. The decision to close the Hilton Hotel was predated in my tenure. It was

based upon the fact that feasibility studies after feasibility studies, complaint after complaints have been examined, the general conclusion for some considerable period of time was, that the Hilton Hotel has outlived its usefulness and the cost of renovation was prohibitive in relation to starting from scratch. That what the evidence was. The date of closure was fixed previously. It was postponed because it was announced that the Sandy Lane Hotel was going to be closed also and they had expected they would reopen by the winter of this year.

How can anyone make a decision other than upon reasonable assumption? You cannot announce in all of the marketing data internationally that after a year's notice you are going to close the hotel because the timetable set by the Sandy Lane Hotel was not met, that you are going to reverse yourself and stay open for another year.

In these large marketing organisations and international chains, marketing is a continuous business. You have to give ample notice to all of the potential users and a year's notice is recognised as the minimum period of notice. It is a very unfortunate coincidence that both hotels are closing at the same time. The basic position is, we are fortunate in Barbados that paralleled with the closure of these hotels, additional accommodation is coming into existence for the coming winter season and a lot of the impact of the closure of these hotels will be mitigated.

Sir, I would like the Honourable Member to take a little time and drive South rather than North.

Asides.

Hon. Sir Harold ST. JOHN: If the Honourable Member had his eyes open he would have noticed that from the time you enter the top of the Garrison Hill up to the Crane in St. Philip, redevelopment and upgrading of the hotel plant is taking place. It is part of the investment that has been taking place arising from the confidence in this administration to restructure and refurbish the hotel plants, to take advantage of the opportunities that are arising and to put Barbados in a better position than it was previously under the Democratic Labour Party regime.

One of the good things about the Budget is, that the Prime Minister has not claimed to be perfect in his reforms and new incentives to hotel industry. He has said he is setting out the basic structure for the new incentives for the hotel industry. He has made it clear that they are not cast in stone. He expects that having announced the new structures that he would get the benefit of advice and suggestions from people who have particular knowledge in this area and a more definitive and fine-tuned regime will be in existence. I think it is fair that it should be approached in that manner. At present, what we have in Barbados is a very unsatisfactory situation in which Ministers of Finance

were placed in a very invidious position. In order to attract new hotel development, Government had to give special concessions on an ad hoc basis under the Duties, Taxes (Exemptions) Act, where up front, everybody knew or would know what is the policy of the Government in relation to incentives to the hotel industry. I commend the Honourable Prime Minister for bringing that into the open.

Sir, I also want to say there is something else that the Government is doing and it is this. The Government has adopted a policy that in this tourism development there is room for public and private enterprise partnership. I am very pleased to say, that the Golf Course at Durants is a fine example of a public sector/private sector partnership. In 1985, when I was the Minister of Tourism, I tried putting that across. We went as far as buying the land. Under the Democratic Labour Party administration, they allowed that land to lay fallow for nine years. I am pleased to say that within the four years the Barbados Labour Party has been back in office we were able to resurrect the concept to have a company in which the public and the private sector are participating. We hope to have public golf courses where the Honourable Member for St. Lucy can try his hand at being another Tiger Woods.

Asides.

Hon. Sir Harold ST. JOHN: The Honourable Member for St. Lucy's mind is a prisoner of the past. Everybody who has an interest in golf will be able to participate in playing golf in that area. The Honourable Member for St. Lucy obviously feels that he is not somebody.

Sir, the same thing will be done with the Hilton Hotel. We expect the public of Barbados, in whatever form or fashion, whether through their credit unions, through their mutual funds, or through their own private investment, will be able to participate sometime in the ownership of the Hilton Hotel which will be a joint venture partnership between the public of Barbados, Hilton International and other investors.

It is essential that we in Barbados understand, as we move into this new era of globalisation, privatisation and openness we have to fashion new instruments to ensure that our savings entities and our people participate in these activities. That is what we are doing. That is the advance this administration is bringing to the economy. When the spokesman of the other side talks about no restructuring in the economy, they are failing to recognise what is happening.

I do not have to go over the points made by the Honourable Minister of Agriculture in respect to agriculture or those made by the Honourable Minister of International Business because both of them have been

clear and explicit in their explanations of the rationale of those provisions of the Budget that relate to their respective sectors.

However, before I sit, Sir, I think it is important to say a little about international business because it is an area that I have been following for many years. I am very glad to see that the Prime Minister is beginning to tackle some of the problems that we have with international business. The Honourable Minister of International Trade and Business made it clear that what we have seen in Barbados has been a change in the structure of some of the informatics industries. The evidence is clear that despite Barbados not being as competitive as it was in the past, in respect to some aspects of the informatics industry, mainly the data processing, it is clear that we have great potential for providing employment for young men and women not only in software engineering but also in the new development of telemarketing and e-commerce. Already in Barbados there are call centres that have been established. One of our major constraints to the development of that business is that our telecommunications costs were too high. The Government is tackling that problem with some success. There are others who feel that it should go faster. However, the basic position is, the Democratic Labour Party cannot talk, because they by their licence were the ones who crippled the development of these industries. I do not want to say anything more on that, Sir, but that is obvious.

The other point about the international business is this ...

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

Hon. Sir Harold ST. JOHN: Very well, Sir. The last point about the international business is this. I am a little surprised that the Honourable Leader of the Opposition has said that he did not think that the global conference was anything. The Honourable Member and his law firm were prominent members at every session that they had. Let us get it clear, Sir, we have a grip on our hands in relation to Barbados being recognised as a jurisdiction which does good clean business and has a competitive structure. We are doing our best to ensure that we are able to do our business in a fast and efficient manner so as to be able to attract the business. There are some problems. The Prime Minister has talked about the problems and he has recognised those problems with respect to this committee on competitiveness. I agree with the comments that it is all part and parcel of public sector reform but we also have other problems. There are problems that we have to devote more resources and manpower to ensure that we get speedy decisions and that we get a proper money laundry and regulatory regime in place. That is going to cost money. Some of the VAT money is going to go to pay for that.

Thank you, Sir.

Mr. D. T. GILL: Mr. Speaker, I want to make my contribution to this Resolution which is now before the Honourable Chamber. This Resolution embodies the Budgetary Proposals and the Financial Statement. Before I get into the meat of the discourse, I would like to thank the kind people of St. Michael South Central who have seen it possible and repose their trust in me on January 20, 1999 to be their representative.

First, Sir, this Resolution speaks to the sustained economic growth and development of the national economy during the past six years. Secondly, It also speaks to the reduction in unemployment and the opportunity for certain policies to eradicate poverty and improve the general standard of living throughout the island. Thirdly, the policies to enable Barbados to hold a competitive edge in the new global setting in the 21st century.

Sir, yesterday evening as I sat and listen to the Honourable Prime Minister go through his proposals and statements, because we were not fortunate as backbenchers to be able to follow it as he read it from the book, so it gave you the opportunity to listen and listen attentively. His presentation was so cogently and impassionately presented that it made one think we were sitting on the eve of yet another election.

Sir, it showed compassion in great measure yet character in content. It was cautious in balance yet courageous in outlook. It was concise yet comprehensive. 9.10 p.m.

Wednesday, August 25, 1999

Mr. D. T. GILL: Sir, one common theme kept coming back and that was the vision where the Prime Minister and undoubtedly the administration hope to see the position of Barbados in the new century and coming millennium.

Sir, it reminded me of the spiritual sung by Paul Robeson which says "Get on board." As the Prime Minister implored the people of Barbados, those who had not got on board to get on board. Sir, we heard that clarion call almost a year ago from these Chambers when he asked them to get on board in an earlier Budget. Then he came early in the new year with yet a second call asking them to get on board and they did, as the Honourable Member for St. Lucy so rightly said, with the exception of a few. On the eve of the turn of a century as we depart this whole century, this is probably the final boarding call for those who could not see it fit to get on board, to get on board.

Sir, a budget cannot be seen in isolation. It must bear relevance to previous budgets. It must also be taken in the

context of the prevailing Estimates. One budget lends a synergy to the other budget. It is impossible for one sector to get concessions year after year. If meaningful concessions are given in one year, it will redound to the success and improvement of that sector for years down the road. For example, an individual who some two years ago might have been applying or just qualified for a loan with the General Workers' Credit Housing Fund could be today the recipient of a \$80 000 loan through the Mortgage Finance Company. Sir, the same way this individual has moved up that ladder, he or she could today be the beneficiary of the land tax concessions which these budgetary proposals have so finely and accurately outlined.

Mr. Speaker, not being a student of economics, having not read it to any extent, I am inclined to say that an economy which has at its disposal a cheap source or cheap sources of energy must have a serious head start on economies which are deprived of such privileges or resources.

So, Sir, Barbados as we all know is not so privileged like Venezuela and Trinidad. Therefore, any time that there is a reduction in energy prices, and the administration can pass that decrease onto the people, it is bound to be felt by way of the trickle down effect in other sectors.

Sir, I make reference to the decrease in the excise tax on diesel coming from \$1.20 to \$1.00 per litre. I am sure and I know for a fact that the freighters, the truckers have embraced this and will be running with it. Sir, I am not as fortunate as the Honourable Member for St. John who carried out such a vast survey in only 12 hours to be able to speak with members from all the sectors in the community but what I can say, having done my own surveillance, there was only one person, and I would not break them down by categories, who said to me last night: "But you forget me. The Prime Minister forgot me." I said: "Oh no. Remember the reverse tax credit." It was not a one shot, one off thing. It carries on. It is in the law, as the Honourable Member for St. Thomas reminds me and it is in the hands, as the good Reverend reminds me. But, Sir, they are getting back to the persons to whom this reduction in fuel costs had been passed on.

There are lots of young and poor people who today own a truck, very humble origins. Sir, I am sure that the saving which they would accumulate would eventually be passed on to those who have just embarked or about to embark on building a new house because the nature of the trade is so aggressive that a fellow would start pegging his prices against the savings which he now enjoys so those who keep it up would suffer the consequences.

Sir, it does not stop there. The minibuses, the ZMs, the ZRs, the maxi taxis and that brings me back to some years ago where the policy of this same Barbados Labour

Party gave great assistance to persons purchasing taxis which were diesel operated. The competition is aggressive and, as I said earlier on, the people who are involved to a great extent in this trade are the humble and the poor. So this .20 cents reduction will go a long way in improving the cost passed on to the final consumer.

I know it is not the same thing with the owners of vehicles or engines operated by gasoline but the mere fact that there was an increase in crude per litre by .20 cents and the Government has chosen to absorb .15 cents that in itself is a de facto saving for persons who own vehicles or engines operated by gasoline. Were the full increase to have been passed on this would wreak havoc among those people who operate the mobile canteens from the back of vans, those persons who are involved in the clothes industry and moving from spot to spot, itinerant vendors. That would put pressure on that sector were this administration not so kind to have absorbed at least three-quarters of the increase.

Sir, the Budget showed me and shows me that the Honourable Prime Minister is one who can look, listen, learn and lead without reneging on the basic tenets of this party's basic philosophies.

Sir, he was able to detect quite early the precarious position which the non contributors to the old aged pension would have been in were they to be continued to be paid from the same pool as those who contributed.

9.20 p.m.

Wednesday, August 25, 1999

Mr. D. T. GILL: Sir, this Party has gone on record of being the Party to support the old in terms of pensions, very generously, and the same cannot be said about the Opposition. There has been a serious topping up since 1994 of the senior citizens' pensions. Having seen and having been advised about the state or the possibility of difficulties down the road in these funds by virtue of making withdrawal payments to non-contributors the correct measures were taken to separate the contributors from the non-contributors.

Sir, he has listened as has the administration to the Actuary's Report. There is nothing better than your constituency reposing faith in their leaders and/or their representatives.

Before I came into this Chamber, when I was in the other Chamber, on quite a few occasions I was met by people from within the constituency privately employed, some self employed, middle to upper income, who suggested to me from time to time that they would like to contribute a bit more so that they could have a more

handsome package at their retirement date and enhancement of their package. Sir, I am not at all surprised to see that the Minister of Finance has taken to heart those sentiments and he has indicated yesterday that he would do all in his powers to make these calls a reality.

Again, Sir, this shows the spirit of public and private cooperation, a reciprocity. This shows the cooperative spirit and we know that this Party has gone into quite a few joint ventures in construction and otherwise but this is yet another private/public cooperative spirit which would undoubtedly come to bear fruit in the not too distant future.

Sir, the timely establishment of a fund - remember at the beginning of my speech I made reference to those areas of the Resolution which have guided the Budget and the timely establishment of a fund to provide loans at concessionary interest rates for the refurbishment and the upgrading of accommodation properties with less than 75 rooms is an excellent stroke by the Prime Minister. It has a triple effect, a shot in the arm for the sector. It takes into consideration small family businesses and I can speak ad infinitum about that in the hotel sector.

Sir, it offers great buoyancy to a building boom which might be perceived as having plateaued at the moment. The Prime Minister and Minister of Finance could have included this in the last Budget. I am almost sure of that. What makes me think he was aware of the situation was when he himself shelved infrastructural projects for fear that there would be too much jumbling and overheating of the economy.

Never, ever, Mr. Speaker, have I in my lifetime seen one industry and so many small men involved as right now in the building industry. We have the bob cat owners, the truckers, the backhoe operators, the compressors, separate and distinct from the skilled contractors, the electricians and the air conditioning experts. Sir, when you see these young people involved in this industry their faces show fulfilment and achievement. Sir, as I said, it is a well calculated stroke by the Honourable Member. It is a master move to hold on until now.

The first time in this decade - and if you have any doubt about that I refer you to the Economic and Social Report - that the unemployment of men has sunk to 8.4%. That is as clear as crystal as shown on page 35 of the Report.

Sir, it would be remiss of me not to congratulate the Vocational Training Board in getting ready skilled men and women for the boom which we are going through. They were able to train them at short notice, again something which the administration detected before and asked to have the correct mechanisms put in place.

Sir, it would also be remiss of me were I not to congratulate the same Vocational Training Board for a job well done at the old Valery Great House at Collymore Rock. This house, Sir, was one I am told was used as a residence for the United States representative to Barbados and the Eastern Caribbean years ago. After the Ministry of Education left that residence some two or three years ago it started to go into a state of decay. It was vandalised.

Sir, I identified that this should be a place for skill training, a centre for learning. I spoke as far back as a year ago with the then Minister of Public Works, the Honourable Member for St. Andrew, about the possibility of converting that into use by the Training Board. He said, "If it stands the test I have no problem. If it does not stand the test of being functional then, David, you can't have it." In the meantime, Sir, I spoke to members of the Vocational Training Board and drew to their attention that there was a building up for grabs to serve the entire community, the environment, to help train skilled people for the ever changing labour force.

Sir, I visited it some two to three weeks ago and it is in immaculate state, beautifully restored and soon and very soon as a matter of fact in two weeks in September classes will be started there to accommodate people from the catchment area of Prince Gap, Pine Plantation Road, Flagstaff, Upper Clapham, Villa Road, take them off the block and bring down the excess which is small because remember my saying to you, Sir, the unemployment is down now to 8.4 per cent. I am sure, Sir, that these young people will get on board.

9.30 p.m.

Wednesday, August 25, 1999

Mr. D.T. GILL: Mr. Speaker, I myself am contemplating joining up the electronics course if and when it does come. Already young men have been so excited by the clearing of that spot by the bobcat and the heavy duty equipment that they have gone and registered for the bobcat and the heavy duty operations and maintenance. I know that for a fact. The jobs are manly and tough and well rewarded, as have been shown during this building boom.

Sir, it is my intention to ask the Honourable Minister for Social Transformation, whose constituency is contiguous with mine, for some assistance to finish off the southern side of the old Valery building, so that area will have a complete structure for not only training but for sports.

Sir, the other plank on which these incentives rest - the general concessions for small businesses but this time in the restaurant area. The Honourable for Christ Church South deal with that quite appropriately. Sir, we must be

reminded of the pressures which were brought to bear on these businesses in the early 1990s.

Sir, I said that the Right Honourable Prime Minister showed compassion to the various classes, rich or poor, middle income or lower income. This was no different as he addressed the Land Tax situation. We know that as Barbadians, it is a part of our thrift to do changes incrementally to their houses, bit by bit. Sometimes selling the first house and then purchasing a second or going the more sophisticated way of second mortgages. The older units, Sir, as you drive through in the housing estates, we have seen people made some fantastic additions to those older units. As we drive through rural areas where there was once chattel residences, now have residences valued in excess of \$200 000. Sir, gone are the days that structures worth \$200 000 and excess belong to certain area. Even, Sir, in the urban tenancies, as the Bajans say, once they have been given the papers, once the land has been run out and they have their papers; they move, they get on board. Two storey buildings, Sir, you can see dotting all through the constituency of St. Michael South Central.

Sir, as Chairman now of the Urban Development Commission, I have asked that the surveying of these tenancies be started as a matter of exigency so that people can purchase their properties at \$2.50 per square foot as we had promised them, and as soon to be legislated in the Parliament. Once they have the option to purchase, they too, will be the beneficiaries of the facility offered in this Budget with respect to land ownership and land taxes. Sir, there are other schemes there for them too, for house ownership. As I have said, there is the General Workers Housing Credit Fund. Only some two months ago, we came to this Parliament, as you can well remember, Sir, and we amended the Mortgage Insurance Act. That Amendment, Sir, did two things at once. It sent up the ceiling and it dropped the interest rate. Sir, in simply mathematics, you widen the base, you increase the height, therefore you increase the volume - automatically.

Asides.

Mr. D.T. GILL: Ask me, Sir, what more would the Honourable Opposition demand of this Administration? Do they want us, Sir, to defy the happenings of El Nino? We can do nothing about the drought.

Sir, as I wind up, I must say how pleased I am with the Urban Development Commission. A Commission, Sir, which has brought empowerment to the very low in the society with respect to the capacity to earn an income.

Sir, some \$2.6 million have been spent in repairs - in septic tanks and wells - out of a total of some \$6.8 million which have gone to the overall improvement of standard of living of individuals. I must say that come next week or the

week after, I shall visit the new facilities at Gully Hill in Carrington Village with the full team to assess how far they have gone. I shall also be going, Sir, to Brittons Hill where over in Bonnetts, I am told, the facility is just awaiting the official opening.

Sir, St. Michael East is well look after..

Mr. SPEAKER: I thought you were winding up.

Mr. D.T. GILL: Sir, I am winding up. Four houses, Sir, were finished in July. Of course, we spoke only day before about St. Michael East Central so you know how we feel about this.

Asides.

Mr. D.T. GILL: Sir, speaking about St. Michael South Central - 18 persons are awaiting assessment and four houses were completed. Sir, I was not the Chairman then so you cannot see it as feathering your own nest. Sir, 462 lights were requested in urban St. Michael, some 263 have been installed and some 121 applications currently in.

Mr. SPEAKER: Could you conclude, please? I know you have a lot of other things to tell us, but you have to conclude.

Mr. D.T. GILL: Sir, the next phase in the UDC will be beautification and rejuvenation of certain areas. In other words it is going to take on a strong environmental component. Lobbying, Sir, for the improvement of the park at Clapham Park, at the back of the tennis courts. That will be a priority. Sir, the lights across Pine Plantation road will also be a priority in addition to the traffic lights about which I spoke to the new Minister. We will discuss that at a later date.

Sir, no longer is the general public prepared to fall for ill-founded and confounded argument by the Honourable Opposition. No longer, Sir, is the general public prepared to tolerate baseless arguments clothed in emotive statement.

Mr. Speaker, I concluded my presentation, asking those from St. Michael South Central who did not get on board, to get on board and be part of the vision as this Administration departs the old century and moves in the new millennium.

Sir, I am grateful for your indulgence.

Hon. Miss B.A. MILLER: Mr. Speaker, Sir, I am very pleased to support the Resolution before the House, particularly where it refers to the fact that the Government has developed a strategy and a set of policies to enable

Barbados to enhance its competitiveness in the new global setting in the 21st century.

I believe, Mr. Speaker, Sir, that this is a progressive and very forwarding looking set of proposals put before us. I would wish to join those who are supporting the Right Honourable Prime Minister and Minister of Finance.

Successive administrations in Barbados, Mr. Speaker, Sir, as we are well aware, have already determined that services will dominate the Barbadian economy in the early 21st century. Not only Barbados, that is the case with other Caribbean countries and other non-regional small economies as well. We were in Mauritius a couple of years ago and it was pleasing to hear, in Mauritius that they are following, what they are pleased to call, the Barbados model.

I have in my hand, Sir, and I am disposed to make it a copy of the House, a publication by P M Communications report on Jamaica, Suriname and Barbados.

Now, this not the Right Honourable Prime Minister - this is not the Honourable Member for the City - this is P M Communications reporting on Barbados and I quote from page 23:

"Economic growth during the first quarter of this year worked out at an annual rate of 2.5% against an average of 4.5% during 1996/98. The increase for this year, as a whole, is projected at around 3%. The sort of expansion that Western European countries can only dream about. Better still, Barbados is enjoying its sixth successive year of economic growth. During that period it has also managed to restrict inflation to low double digits while more than halving unemployment, 11% of the work force, a comparatively low rate in the region."

It goes on to say, Mr. Speaker, Sir, that increasingly Barbados is regarded as probably the most prosperous country in the English speaking Caribbean.

9.40 p.m.

Wednesday, August 25, 1999

Hon. Miss B.A. MILLER: It goes on to say, Mr. Speaker, Sir, that increasingly Barbados is regarded as probably the most prosperous country in the English-speaking Caribbean and it says that this degree of prosperity has come about despite a notable lack of resources and a vulnerable dependence on tourism for the country's well-being. The secret has been to seek out other ways of breaking into the global economy, most notably a decision two decades ago, to turn Barbados into a reputable

and efficient international offshore financial Centre and it goes on and on. I recommend it to Honourable Members.

Mr. Speaker, the focus of this year's Budgetary proposals and the Financial Statement makes it positively clear, I hope by now, to all Barbadians that in a new era, in a new century indeed, in a new millennium our economy has got to transcend national imperatives. And regional ones too, Mr. Speaker, in order for us to negotiate and access the new global economic order.

The Honourable Leader of the Opposition in his contribution earlier today - well, what can one say to be kind to him - it would suggest that it was innocent of any reference to this millennial round of negotiations which are currently taking place on both sides of the Atlantic.

The global economic landscape has been undergoing fundamental and dramatic transformation. The liberalisation of trade is perhaps the most spectacular defining principle in this transformation process and we recognise it in many ways - the rules and disciplines that promote the reduction or elimination of tariff or non tariff barriers to trade. I think we all know now about the removal of restraints on investment, the right of businesses to establish anywhere on the face of the globe. The importance of preferential arrangements in trade, the removal of subsidies and domestic support to businesses that have the potential to distort trade, the protection of intellectual property rights and I can go on and on, not to forget the contraction of aid.

We have seen, particularly in this last decade of the 20th Century, Sir, a breathtaking technological break through. Developments coming hot and fast as soon as you buy a piece of new technology. Sometimes as soon as you order it, you know that it is already obsolete.

Mr. Speaker, Sir, it has to be clear that there is no way that Barbados or even the Caribbean as a whole, could follow an isolationist's policy. As has been said, we have to get on board. If you are not on board, you end up in the early 21st Century as a little back water that no one hears about. You are either in it, or you are out of it totally.

We have to face the fact, Sir, that there are a number of economic and trade policies which are circumscribing how we are going to do business in this new Century and we are being called upon to be competitive. I am very pleased to hear Honourable Member after Honourable Member in here today making this point about competitiveness is the key for us. It is to be our watch word. After all, Mr. Speaker, Sir, we are all selling the same count and a small 14 x 21 island like Barbados cannot be other than be constrained when we are talking quantity. So that quality will have to be what will distinguish the

Barbados product from all others. It is the best and of the highest quality.

Mr. Speaker, we have many challenges facing us. I have said it before in this House and I will say it again. There is a market share out there for us, but it is not going to come and visit us. We have to go out there and carve out that niche in this globalizing economy. We have to be at the negotiating table. We have to be engaged in the process and we have always to be bringing the private sector and the labour movement with us as well.

I think it is fairly well known, Mr. Speaker, that we have committed ourselves to participation in a hemispheric wide free trade arrangement, known as the free trade area of the Americas. We have a special responsibility within that negotiating process which is already underway. We have the lead CARICOM negotiator's status in three specific areas: services, Government procurement and electronic commerce - all critical to the future of services in Barbados.

We have a number of a subcommittee at the local level addressing many of the legal and the FTAA issues. In speaking of the FTAA we are speaking of the whole Americas: Canada, United States, Caribbean, Latin America. Just to be able to sketch out for Honourable Members, in terms of exports, Sir, there are 33 countries in the Americas involved in the FTAA process. Exports to those countries are accounted for approximately 70% of Barbados' total export trade in 1997. Our major trading partners are in this hemisphere - in the Americas.

The United States, of course, is our largest trading partner, but the partner with whom we have the most impressive balance of trade is CARICOM. During 1997 CARICOM and the United States with exports to Barbados of \$247 million accounted for approximately 83.9% of hemispheric trade. Imports from both CARICOM and the US accounted for 79.9% of imports from the hemisphere.

Mr. Speaker, Sir, the balance of trade between Barbados and Trinidad and Tobago - I am singling out Trinidad and Tobago specifically because mention was made of it a little earlier. I believe that those Honourable Members who would have watched television last night would have seen the Trinidad Minister of Trade and Tourism, speaking specifically to the matter of fisheries, but he is going to be back. Indeed, the Foreign Minister of Trinidad and myself started talks during July of this year when we were both in attendance at the CARICOM Heads of Government meeting in Trinidad and Tobago. It is proposed that he and I will soon officially launch talks between Barbados and Trinidad and Tobago with a large agenda. High on that agenda will be fisheries, the matter of maritime limitation and petroleum products.

The Honourable Member for Christ Church South is our National Chief Negotiator in these matters and has been already engaged on the matter of maritime delimitation. We have to look at our exclusive economic zone. These countries are so close together. Barbados is only 99 miles from St. Vincent and there are arithmetical dimensions which are brought to the way in which you delimit the maritime zones. It is very important when you are dealing with oil and gas which are being recovered from the marine environment and other matters

recoverable from the marine environment, such as fisheries.

9.50 p.m.

Wednesday, August 25, 1999

Hon. Miss B. A. MILLER: It is very important when you are dealing with oil, gas and other matters such as fishery which are being recovered from the marine environment. Sports too, is going to be on that agenda. That was raised by Trinidad at their initiative. We hope that very soon we will get these talks on the way preferably at an early date before the end of this year. I am hopeful that when the CARICOM Heads meet again in October in their special session that the Prime Ministers of Barbados and Trinidad and Tobago will be able to sign a Memorandum of Understanding in respect of these matters.

Mr. Speaker, that is what is happening on this side of the Atlantic. I can only sketch it out, because in 30 minutes I cannot address all of the matters that I would like to. We are currently engaged in many weighty complex matters to do with foreign trade. The days of preferential, concessionary and non-reciprocal arrangements as we know, are fast coming to an end in some areas. In respect to some commodities, they have already come to an end. It is not without interest to us that the banana issue in respect of our relationship with our major trading partner, the United States of America and our historic trading partners in LOME are part and parcel of all of this. What has happened with Bananas has to be very instructive for us in Barbados because sugar and rum are commodities which would appear to be next on the list.

Moving to the other side of the Atlantic, Sir, we are engaged, as all Barbadians will know by now, in an attempt to negotiate what is going to be a Fifth LOME Convention. The very special relationship which we have had with the European Union and the Fourth LOME Convention is going to come to an end in February of next year. All of this is going on and at the end of the day it has to be compatible with the rules and regulations of the World Trade Organisation (WTO). These rules and regulations are now demanding reciprocity. They are talking about streamlining instruments of financial assistance and

upgrading of the level of conditionalities. We have to be very careful in this, because in the developed countries they are very busy and fast to be telling us where we must not subsidise and where we have to stop protecting while at the same time employing the most sophisticated and not so subtle ways of means of protecting their own commodities and markets.

Indeed, we have seen in very recent times in the last few months where the OECD's countries have aggregated to themselves the right to monitor among other things our tax practices. As the Right Honourable Prime Minister constantly makes the point, it is not only free trade that we have to be careful about at the negotiating table but we have to be sure that it is negotiated in our favour and fair as well. Our fortunes as a country are tied up with that of the rest of the world. There are many challenges coming out of the World Trade Organisation. There are certain obligations that we have to fulfil and they are well-known. Mr. Speaker, these negotiations are very complex, and they are becoming more intense. We have to put our national house in order first and this is partly what yesterday's Budget was about.

Our regional business is now underway with the amendment of the Treaty of Chaguaramas. This is the treaty which governs the Caribbean Community so that CARICOM can become a modern entity to engage in trade and business. I will not go into any details on the nine Protocols which is the process by which we are amending. The Honourable Prime Minister did that yesterday, so I do not have to re-emphasise them. However, I will say this in respect of the single market and economy. I hope that we are not taking it for granted when we speak of the Caribbean Single Market and Single Economy that everybody knows what we are talking about. The Single Market provides for the free movement of goods and services of people and of capital without tariffs and restrictions so that we can have a single large economic entity or space to permit common economic and trade policies. The Single Economy provides for the furtherance of harmonised economic, monetary and fiscal policy and so on across all of the member states. This is important for us. Nobody is going to listen to Barbados by itself or St. Vincent or St. Lucia by themselves. CARICOM as a sub-regional grouping has everything to benefit from the Single Market and Economy. Greater market access, more competitiveness and the whole business of trade will become so much easier for us in this connection.

Mr. Speaker, Barbados enjoys high honour. The Right Honourable Prime Minister of Barbados has been given by his CARICOM Colleagues Heads the lead responsibility for the creation of this Single Market and Economy. More than that we have heard from him that it is on stream. He has been bending his energy and those of the officials and advisors in his various ministries to this task.

In addition to that, the Commonwealth Secretariat invited him last year to head a special ministerial mission to meet with leaders of the World Bank, the International Monetary Fund (IMF), the World Trade Organisation (WTO), The United Nation Conference on Trade and Development (UNCTAD) and the European Union to press for a new deal for small countries. Indeed, I should say, small and vulnerable economies such as ours in their trade, financial and economic relationships with the global economic institutions. That was in July of last year. I am amazed at the speed with which our Prime Minister's special ministerial mission has been able by October of last year to have persuaded a mission sponsored by the World Bank and the Commonwealth Secretariat supported by the International Monetary Fund (IMF) and the United Nation Conference on Trade and Development (UNCTAD) to start work devising more appropriate and realistic programmes and relationships for small vulnerable economies in all sphere of their dealings with the global economy.

The most recent, Mr. Speaker, and this is putting Barbados in focus - I am drawing these examples in the person of the Right Honourable Prime Minister - the Commonwealth Finance Ministers are going to meet this year in the Cayman Islands. There are 54 Commonwealth countries and every year they meet in a different country in different parts of the world. Because they are meeting in the Cayman Islands, the British Chancellor of the Exchequer naturally will be expected to chair the meeting because the Cayman Islands is what is now describe as a dependent territory. He is not able to do that. The Right Honourable Prime Minister and Minister of Finance in Barbados have been invited from all of the remaining 53 Ministers of Finance in the Commonwealth to chair that meeting. Mr. Speaker, I would hope that is telling us something about where Barbados figures in the eyes of the world. It is important because it is a global mix and Barbados is only a little drop in the ocean. There are other small economies not as small as Barbados which do well. The point is always made that for its size, it is very difficult for people both outside and inside of the region to understand and appreciate how it is, that with so little Barbados achieved so much.

This Budget, Sir, has been about putting ourselves in a situation so that when the time comes and it will soon be upon us, we will not be in a situation where we will be saying, "where is it" and "I thought" and "you did not tell me" and "I thought you said" we will be in a state of readiness of "here it is."

The way in which the Right Honourable Minister of Finance has sought to begin to teethe out - because he said it is only the beginning of a continuing process - a strategic position and begun to weave in and around it a number of policies, are everything that Barbadians need to become more knowledgeable about. This is what we need to be

reading in the newspapers, in regional journals and seeing on the television, so that people get an understanding of where we are at in the world, where the jump-off point is and where we are going.

Mr. Speaker, - I think I have said this on the Floor already but just to give an example - this is why I find it is incredible that the Leader of the Opposition could have entirely overlooked what is going on - this year alone, the Right Honourable Prime Minister has had no less than three summits and a fourth threatening. All of this is the phonetic activity that is going on. These negotiations all have implications one for the other. We have to be very careful that what we are negotiating in the Free Trade Area of the Americas and a lot of that work is ongoing in Miami is not going to be out of sync with what we are seeking to negotiate in Brussels and in other capitals when we are talking LOME. We have to be looking not only within CARICOM but into the wider association of Caribbean States. We are looking into Latin America. In the Americas alone, in this hemisphere there is going to be a humongous market in the early 21st century. People talked about the tigers of the Far East. They have a little hiccup, I suppose you might call it, they tripped a little and I hope that we are going to be able to learn lessons from that. But I have a lot of confidence in the marketplace that will be the Americas. That is where we are, we cannot change our location. You cannot dig up Barbados and sail it off to the Pacific or the Indian Ocean or somewhere else. This is where we are at. This is where our major trading partners are.

Mr. Speaker, other countries in the Caribbean and some outside of the Caribbean, looks very much to Barbados for leadership in these matters.

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

Hon. Miss. B. A. MILLER: Let me end on this point Mr. Speaker. The region - and I am proud of CARICOM in this respect - has come together and has agreed that we should have a regional negotiating machinery dedicated to informing these negotiations which are ongoing. To monitor, to keep us abreast, to do studies, to be teething out a Barbados position sometimes where it is required, sometimes a CARICOM position and sometimes a small country's position, so that we in Barbados and the Caribbean will find ourselves in a proper state of readiness when the new economic order becomes a reality. I would like to think, Sir, that we are ahead of the game. This Budget reassures me, that an important personage, the Minister of Finance in Barbados, has the best possible grasp of this. He is the one who has us on the leading edge of this process.

Mr. Speaker, I am obliged to you.

10.05 p.m.

Wednesday, August 25, 1999

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I rise to close this debate at a time that is relatively early by the recent standards of budget debates in Barbados. Therefore, I have an obligation at the outset to thank all of those Honourable Members of this House on the Government side who have ceded their right to speak so that this debate can be brought to a close and that we can proceed with a sense of expedition and get on with the people's business.

I make that point at the outset, Sir, because I was really greatly saddened by the carping remarks of the Leader of the Opposition about the fact that members on this side have not been speaking as much as perhaps they should be. We have tried our best, having regard to the numerical imbalances in the House to keep the House going. There have also been times when the Leader of the House has been gracious enough to allow the House not to meet when the Leader of the Opposition has not been in the country, so in protection of the members who did not speak I really have an obligation to thank them for their graciousness in allowing the business of Parliament and the people's business to proceed in this fashion.

I also have, Sir, to say how greatly impressed I am with those members who spoke in a Budget debate for a first time and to say what a wonderful, new, fresh and refreshing breeze they have brought to this debate. I must thank the Deputy Prime Minister and the Minister of Foreign Affairs for the depth of the analysis that she has just brought to the House regarding our external circumstances, as did the member for Christ Church South. That, Sir, perhaps, is the appropriate point at which I must start.

It is not by chance, Mr. Speaker, that I try to set this budgetary presentation within a strategic focus. Clearly, I could have gone hither, thither and beyond and dealt with a large number of other things but we must have a strategic focus. At this juncture Sir, the strategic focus must be to deal with how we are going to carry this country forward in the context of international developments that are already in train that we cannot reverse but that we simply have to deal with.

It is a matter of the greatest sadness to me that the Leader of the Opposition could have spoken in this debate without even coming into contact, even by accident, with the international context within which our future development is going to work itself out.

I go further. I say it is almost an irresponsible act because he more than others should know about the dimensions of that new framework. I say that because part

of the new dimension will be the new single market and single economy.

In 1989, Heads agreed that there should be a new Caribbean single market and single economy. That single market and single economy should have been brought into existence in 1993 when he was the Minister of Finance. Nothing was done about it. Over the course of the last three years we have put in place the provisions to bring that single market and single economy into existence.

I say to you, Sir, and I say to the House, and to all of Barbados that it is now an act of irresponsibility for anybody to want to suggest that we can pretend that we will not, for the immediate future, have to deal with a new Caribbean single market and single economy as part of our international realities.

Equally so, Mr. Speaker, it is totally irresponsible at this time to cause the Barbadian public to feel that budgetary presentations of today and tomorrow must not deal with the realities of our new international and economic relationships. Why do I say that, Sir?

In 1944 when Keynes and others sat down to shape a new international economic system they wanted to create three institutions to guide the international economy. One was the International Monetary Fund to supervise the management of an exchange rate and to provide credit for countries in balance of payment difficulties. The second was the World Bank to make funds available on a long term basis for countries seeking to develop. They also wanted to create a World Trade Organisation to do for international trade what the World Bank does for long term lending and the IMF does for short term lending. The American Government at the time said it was not prepared to have an institution to govern international trade. What the world had between 1944 and now was a series of rounds of trade negotiations, eight in number under which tariffs were incrementally brought down.

The important development in the international economy in the last five years was the bringing into existence of that World Trade Organisation that the international society in 1944 said they did not want to have.

The Democratic Labour Party, Mr. Speaker, on April 15, 1994 gave commitment in the name of the people of Barbados to that new World Trade Organisation which will have a profound bearing on how this economy is structured and will function in the future. Hardly a soul in this country was told what those provisions were about, and how those provisions would affect this economy. We now have, Mr. Speaker, to take this economy and put it in a condition to enable us to meet the commitments given in our names by the Democratic Labour Party in 1994, and that is the point, Sir.

Some of those commitments are very far reaching. Whereas in the past we could have applied licences on goods coming from extra-regional sources, the commitments given in our name to the WTO on April 15, 1994 says that by the year 2004 we have to stop doing that so it must be clear to sensible minds that between now and then I have to take and all of us have to take our productive sectors and wean them away from being able to survive behind barriers in the nature of licences and put them in a new context, Mr. Speaker, where they can now function in a new world where they do not have that kind of protectionism at all and that is what I am trying to do. That is what I have to do because that is the wicket that has been left for us to bat on by the Democratic Labour Party.

We are being told that these things do not matter to us and that given a strategic focus to our work that says let us use the time between now and 2004 to put ourselves in a condition to be able to meet the obligations which are legal that that is foolishness. That is the first essential issue that has confronted us this year in this Budget. We have five years to do it. The changes are going to be far reaching, irreversible but they must be done and nothing will deter us from that obligation to put this country in a condition where we can continue to be a robust dynamic economy notwithstanding the obligations that we have to carry within the new dispensation.

The second disappointing matter was that the Opposition sought to take our recent economic performance outside the context of what is happening in the rest of the world. Why do I say that, Sir? Last year, 1998, will go down in the history as a year when there was a major convulsion in the international economy. Countries in the Far East that were held up until recently as the new tigers collapsed. There was a major convulsion in capital markets in the world. The Brazilian economy almost went under. They had to devalue. The stock markets experienced trauma of a kind not seen since the Great Depression.

I must say, Sir, that there has never been before an occasion when there has been a major tumult in the international economy that this Barbados economy has not in some respect felt the effects of it. What is remarkable about last year, Sir, is that despite what was happening in East Asia, in Latin America, in the capital markets of the world with the stock markets of the world, this economy grew by 4.4 per cent faster than the average rate we wanted it to grow at.

10.15 p.m.

Wednesday, August 25, 1999

Rt. Hon. O.S. ARTHUR: What is remarkable is that despite what was happening in Asia, in Latin America, in the capital markets of the world, with the stock markets of

the world, this economy grew by 4.4 per cent faster than the average rate that we want to grow at, a wonderful achievement. It is growing, Sir, even now, and the thing about the international economy that I wish to talk about, is that last year we lived in an economy where 50 per cent of the growth of the international economy was accounted for by the growth in the American economy alone and as regards the American economy that economy was being driven by consumption expenditure arising from the fact that their citizens had the delusion of their own wealth arising from the fact that the stock market had shot up out of the roof. On such a slim limb we had to traverse to keep this economy growing, and we have done well, Sir.

Last September, there were early warning signs that we were growing too fast and this is the essential difference between the Democratic Labour Party and the Barbados Labour Party. Last year we lost \$11 million of reserves at a time when we were holding over \$600 million of reserves. Ordinarily, if you are holding \$600 million in reserves and you lose \$11 million to help finance infrastructure it is no big thing but what I said in September was this economy is growing too fast and although Parliament had given approval for the Government to spend \$325 million in capital expenditure that I would slow down the Barbados economy to protect our reserves. So we took a conscious decision to stabilise this economy to stop the loss of reserves although Parliament had given us permission to spend \$325 million. We could have spent \$45 million in St. John and St. Lucy and then perhaps the complexion of the House might be different but we took a decision in the interest of the Barbados economy to slow it down.

Would that the Democratic Labour Party had done that in 1989-90! Let me repeat Sir, reserves of over \$600 million, we lost \$11 million and I said let us slow it down to save the reserves. In 1989-90, at the start of 1989, the Democratic Labour Party administration had \$328 million in reserves. By December 1990 those had fallen to \$120 million. So they lost \$200 million in reserves and a DLP Prime Minister said that he was not going to take a decision to cause his Party to commit political suicide. So they lost \$200 million and did nothing about it and then had to put all the citizens of Barbados in conditions where they had to suck salt, lose their mortgages and their homes and eight per cent. We lost \$11 million from \$600 million and I said I decided to slow it down.

We reviewed it again in June, Sir, in circumstances where we had put in place public sector brakes to bring the economy in check but the private sector was still spending and I introduced a protective monetary policy to protect the reserves and the evidence is that it is working but we have not heard a word from the Leader of the Opposition as regards whether those policies were right or wrong. What we heard, Sir, was a lot of froth and foolishness as if we can live in a world of our own invention.

Sir, I say it was an act of irresponsibility for the economic circumstance of this country not to have been properly put to the people of the country by someone who is drawing a salary as the Leader of the Opposition. He said a number of very carping things about ministerial colleagues. The Member for St. Michael North who is presiding over the creation of a Free Trading Commission came in for his strictures although in last year's Budget I gave the commitment to the country that a fair trading commission would be in place by January 1 in the year 2000. Sir, the member for St. Michael North sponsored a national consultation on the free trading commission in June. Perhaps the member for St. John was not here because I suspect that he was then in Ireland watching cricket with folks with whom he feels more comfortable. But that is to distract me, Sir.

The point I want to come to is that over the course of the last year the most important thing that has to be done was to put in place the measures to stabilise the Barbados economy to make sure that the \$11 million loss in reserves would not put us back in the same condition as occurred in 1990 and 1991. That process of stabilisation is being satisfactorily concluded.

In addition, Mr. Speaker, our analysis shows that we not only have to stabilise the reserve situation but we have to deal with any sluggishness in the productive sectors so that what we are seeking to do is simultaneously stabilise the economy, regenerate the productive sectors to earn foreign exchange and while doing all of that, Mr. Speaker, to reposition this economy to be able to cope with the international obligations that are there for us to pay.

Hence, Mr. Speaker, the body of the proposal that I have brought to this House is to re-stimulate our productive sectors, to deal with the fundamental problems of competitiveness. If I am wrong, Sir, I have to stand on the judgment as I have seen it, as God has given me the light to see that judgment. I believe that at this juncture this is what is necessary for this Barbados economy and I want to say that it is a highly irresponsible thing for the Leader of the Opposition to cause people to believe that focussing a Budget to deal with the development of business in this country is not to deal with the interests of the single parents or the pensioner or any of all the rest of us who have to rely upon the income generated by that business community for our survival and our prosperity. I say, Sir, it is a false, dangerous and irresponsible thing to say that a Budget that is focussing on how we can regenerate business in this country is not a Budget that is dealing with people's needs.

I lived in a country, Sir, in the seventies where the bashing of businesses was put up as the appropriate political stance to adopt and that some false distinction was drawn between developing business and meeting social needs as if the two things do not come together in a sense

of harmony. We must never in this country allow ourselves to believe that the two things are necessarily at variance with each other. May I say, as well, Mr. Speaker, that you do not every year in a Budget have to come and reproduce and replicate what we did the year before. I do not have to speak to the issues of small business development. Last year I spoke about a new framework for small business development and before this House today, Mr. Speaker, there is a new Small Business Development Act. I do not have to go back to the issue of a new housing programme. We spelt out that last year and put it in place. I do not have to re-invent a new social investment fund. That is already in place. We do not have to re-invent a new programme for poverty eradication. That is already in place. To ask us each year to replicate what we already have in place is to misunderstand that economics is about the allocation of scarce resources and that every year you just cannot come and duplicate what is already there.

There has been a lot of false propagandising by the Leader of the Opposition that you pick a Budget; you must deal with the business issues because you do not have a choice but to deal with them and therefore you criticise it because it is not dealing with this body and that body as if the Budget must not have a strategic focus.

This country must be governed by a perspective as to the things that we must do today, tomorrow, next day in order to reach the objective in the year 2005. And I propose to hold this country to its course. I beg this House and the country, Sir, to come and go with me while we do that, Sir.

Sir, to the extent that the Leader of the Opposition came into contact with the fiscal issues raised in the Budget it was sad. He said that he spent the last night running around talking to taxi drivers, priests, teachers, mini-bus men, grave diggers, everybody, Sir.

10.25 p.m.

Wednesday, August 25, 1999

Rt. Hon. O. S. ARTHUR: I am glad that at long last he came into the contact with the people of Barbados.

Asides.

Rt. Hon. O. S. ARTHUR: I went through the last Elections and the DLP should have called me to give evidence in an investigation, Sir. I would tell them that the DLP had two problems. That the Leader of the Democratic Labour Party has no presence in urban Barbados. That is the first problem. The second problem is that he has no presence in rural Barbados.

Asides.

Rt. Hon. O. S. ARTHUR: If he now is running around to talk to taximen and so on, fine. He should have taken some time to read the Budget, rather than pick up what some analyst who does not understand what is being said, has put on paper and he has come and parrot it.

Last year I said very clearly that every three years we do a revaluation of lands in this country. On the last occasion when land values went up, I reduced land tax rates to make sure that people would not pay increased land tax. I said last year that the triennial valuation was going to occur in 1999. When that occur, I will review the rates. Sir, the triennial valuation has taken place. Anybody who is following the work of this House will know that I already signed the order making those valuation effective from April 1, 1999. Hence, what I said to the House yesterday is that if you have a property that is now worth \$200 000, given the adjustments that I have made, you will pay an amount at the new rates that are \$250 less than you would have at the old rates. That is the point. Some analyst picks up what I have said and says that land values have risen by 15%, as if I had not yet already signed them into existence, and says that the \$200 must be increased by 15% to carry it to \$230, and a whole set of foolishness which the Honourable Member for St. John should have dismissed as the foolishness that it is, if he was not busy running around talking to the undertakers, grave-diggers and all the non-existent people who I know he did not talk to last night, Sir - bringing confusion to a simple matter.

What this Government has done, Sir, is that there has been an increase in the values of property because of the triennial revaluation that is required by law. If I had applied the old rates to the new values of property, land tax would have yielded \$80 million. I have decided, Sir, to apply new rates, giving the benefit of those new rates to persons at the bottom and, hence, rather than land tax yielding \$80 million, it will yield only \$61.9 million. That is the point.

The Honourable Member for St. Lucy spoke about the repayment of the eight per cent. I just really have to say again, Sir, that it doth not fall from the mouth of anybody in the Democratic Labour Party to speak with any sense of honour about the eight per cent. Not because the DLP cut it but because the issue was put in 1991 by the trade unions when the 8% was about to be cut, that the Government of the day should have given a bond.

Asides.

Rt. Hon. O. S. ARTHUR: A circular went out and the Democratic Labour Party said that they were never going to give back a yen to a man. The unions also called for a bond, Sir, and they said, no bond either. I remember, Sir, in the last Elections, a candidate from the DLP said that if they had to cut again, they would cut too.

Asides.

Rt. Hon. O. S. ARTHUR: I say to Members of this Parliament that last year when I spoke about the repayment of the 8%, I was very clear. We were prepared to put it on the table as a matter to be re-negotiated with the trade unions of this country in the context of the new set of wage negotiations.

Sir, at present the trade unions are negotiating with the Government for a wage increase, a productivity bonus and the repayment of the 8%. Public workers of Barbados stand to get three types of payment from the Government of this country. They are all being negotiated simultaneously. If I go in and pull out one, you will hear that I am trying to intrude in the negotiation process. If I allow the process to work it self out, I will get curse for not solving the 8% problem.

All I am saying, Sir, is that I am going to respect the process of negotiation that is in place. In the interval, I do not want to hear a word from the Democratic Labour Party because they could have secured it in 1991 one by issuing a bond.

Mr. Speaker, Sir, I am really saddened that the Leader of the Opposition would not change his way. I had hoped that he would have been chastened by the last Elections results and would bring a new style of politics to the administration of his Party's affairs. Politics, Sir, is not a play thing. We are about the people business. You cannot come to this Parliament and made extravagant claims about Government departments that impugn the integrity of public officers in particular or make outlandish charges about them that cannot be rested on stratum of fact. You cannot do that. You cannot make wild charges about secret deals nor about Kola syrup, Sir - you cannot do that. Nobody would take you seriously in politics and you would end up with a 9.2 rating which is the kind of time you should run in a hundred metres. Today, we heard these outlandish claims by the Leader of the Opposition that there is a Government department, the Rural Development Commission which offered loans to people and told them that they could be converted into grants. That they are now running them down to collect the loans and how he is going to do this and do that, Sir.

Sir, the Leader of the Opposition sent me a copy of a letter. I will not give the name of the person because I do not want to embarrass him. I will call him Mr. X. Since he has made it an issue, I believe I have a responsibility to put the issue clearly before Parliament. He sent me a copy of a letter that he wrote the Director of the Rural Development Commission on August 5th pertaining to the issue he raised in this House today. It spoke in these terms, that he was writing on behalf of a Mr. X of a district in St. John in connection with a debt to the Rural Development

Commission. He said that Mr. X was granted a loan on August 24th which was to be converted into a grant as soon as he started slaughtering the livestock he purchased overseas.

Clearly, Sir, you would imagine that if somebody was given a loan when he started to slaughter the livestock that he would repay. He would not convert it to a grant but that is besides the point, Sir. He said that he was rather alarmed to receive this demand from a bailiff for repayment of the grant. He then went to say that no one from the Rural Development Commission had visited Mr. X since the funds were disbursed to see how his project was developing expect when a political advertisement for the 1999 General Elections was being prepared and he was told to say good thing about the Rural Development Commission for the camera, and he complied. Had they visited, they would have been able to assist him in getting out of the situation he now finds himself. I am sure that your officer - who he names - who had never been reluctant to show off his successes and score cheap political points throughout St. John, would not want to see this young business man ruined nor the object of his boast humiliated.

Then, Sir, he comes to this: I therefore appeal to you to reconsider taking this matter further. Call off the bailiff and convert the loan into a grant since Mr. X is anxious to tell his whole story. I shall not hesitate in assisting him in securing both his legal and personal rights. No questions were asked when Mr. X was of use to the Rural Development Commission for political purposes but now that the milk and honey is no longer flowing, Mr. X has been threatened and harassed. It must stop.

Sir, this is what a Leader of the Opposition wrote to a public officer. Sir, he copied it to me. Sir, when the Leader of the Opposition writes things to me, I respond.

The Director of the Rural Development Commission was in a position to write this letter to the Attorney General of Barbados.

10.35 p.m.

Wednesday, August 25, 1999

Rt. Hon. O.S. ARTHUR: The Director of the Rural Development Commission was in a position to write this letter to the Attorney General of Barbados on the 13th of August:

"Dear Sir,

I am advised by the Prime Minister to forward for your attention the attached letter dated the 5th August, 1999 which was received from Mr. David Thompson

regarding Mr. X. The background of Mr. X's case is as follows:

Mr. X applied for and was granted a loan of \$7 000 under the Rural Enterprise Fund for the purpose of milk farming. A letter dated 20th August was sent to Mr. X, setting out the terms and conditions of the loan. Mr. X signed the letter, accepting the terms and conditions, copy attached.

Mr. X signed a commitment letter, copy attached and it is noted from the commitment letter that repayment of the loan should have started in September 1999, at a rate of \$190 per month. The loan was secured by a Bill of Sale on household appliances which was registered with the Corporate Affairs and Intellectual Property office, August 28, 1999. Mr. X did not make any payment toward the loan and in accordance with the decision of the Commission, Mr. X's account, like many others, was handed over to a debt collector. I should point out that there is no evidence on our records that Mr. X was informed that his loan was converted into a grant. Contrary to Mr. Thompson's statement regarding visits to Mr. X, the loan officer visited on many occasion and I attach notes made on the file by the loan officer after two of his visits to Mr. X. The Prime Minister also stated that I should seek your advice about an appropriate reply to a letter to Mr. Thompson.

Sir, do you know what is stupid? I am also Chairman of a Party and two months ago, Members of the House who are Members of my Party were petrified: A similar case was brought to our Party regarding a person who had gotten funds from the Rural Development Commission - \$12 000 to build a pig sty. He did not proceed to spend the money for that purpose, brought the matter to my emissary and he asked recourse - as he should have - from the Rural Development Commission. The facts were laid out and our Members were chastised. That is our responsibility.

Sir, we cannot make people feel that they can get the funds from the Rural Development Commission, they do not live up to their responsibility. And then they use treats of embarrassment to public officers to get their way. When it came to me, as the Leader of the Barbados Labour Party and it got to my emissary we chastised our Members and told them to live up to their responsibilities.

We have this letter, without foundation, being written of a strictly political nature, by the Leader of the Opposition of this country, to a public officer threatening to use political embarrassment to stop the process of collecting a debt due - which should have been repaid - on a false basis that some nonsensical arrangement had been put in place to convert a loan into a grant when the man came into cash.

Asides.

Rt. Hon. O.S. ARTHUR: The reply to the Honourable Leader of the Opposition, Sir,

"I am in receipt of your letter and I am alarmed by the content thereof. They strongly suggest that your constituent has deliberately falsify the nature of his transaction to the Rural Development Commission. The facts are as follows":

And he spells them out, Sir. As I have just said to the House that the man was given a loan, there was no instruction that he did not live up to the responsibility of the loan and the documents were attached.

"As to your insinuation about our officer, I am to advise that discussions with him have disclosed that he has not acted improperly in relation to your Mr. X, though it is difficult to understand exactly what are the implications of paragraph four of your letter. I am disappointed that you should threaten in the terms contained in the last two paragraphs of your letter. But I assure you that neither I nor any member of staff of the Rural Development Commission has ever polluted the loan transactions with political considerations. I trust that you will exercise the necessary influence to ensure that Mr. X honours the terms and conditions of his loan agreement. Enclosed for your perusal are copies of the relevant correspondence."

This is how the Director responded to the Leader of the Opposition. But what we have been brought to in this country, Sir, that a Leader of the Opposition can write threatening to embarrass a public officer because the public officer has sought to protect the integrity of the public funds of this country.

I say in closing, Sir, that if this is what we are going to come to, then as I have said before, the Honourable Member for St. John is not worthy to be a Prime Minister. I now also have to say that he is also not worthy to be a Leader of the Opposition.

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

ORDER NO. 4 – SECOND READING OF THE RETIRING
ALLOWANCES (LEGISLATIVE SERVICE)
(AMENDMENT) BILL, 1999.

Hon. D.A.C. SIMMONS: Mr. Speaker, as a result of general elections in 1994, certain parliamentarians would have served for two sessions of Parliament. That is 1986 to 1990 and 1991 to 1994 either in one Chamber or the other. They have been denied retiring allowances for their legislative service because of the operation and interpretation of Chapter 12A of the Laws of Barbados.

The amending Bill seeks to correct the misfortune that applied to many persons. Our law has provided for a long time now, the minimum qualifying fee for pension as eight years and many Parliamentarians completed seven years, ten months, 18 days, Sir. This Bill therefore counts from the day after the elections until the date of nominations next following that election, or if you are continuing, then to the election date thereafter. The essential point is that under the present definition of a full parliamentary term, you count from the first Sitting of Parliament when in fact you are paid from the day after the election and that first day of Parliament could be a month or five weeks after and it is wrong. It has worked great hardship for those Parliamentarians who completed seven years, ten months and 18 days. And so, we have just changed the definition of a full parliamentary term. I hope this will bring substantial relief to all those who have been disadvantaged for the last four years.

It is very important

10.45 p.m.

Wednesday, August 25, 1999

Hon. D.A.C. SIMMONS: It is because the Accountant General counts days this Act is deemed to have commenced on May 29, 1986. There is ample precedence of that, of course. The law was amended in 1985 to capture a situation that arose in 1969, I believe, to deal with Mr. Reynold Weekes'...

Aside.

Hon. D. A. C. SIMMONS: I do not think we will have any difficulty in getting agreement on this. This is to correct an anomaly and an unfairness that has persisted for too long.

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

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

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

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. Miss B. A. MILLER, the House resolved itself into Committee on the Bill, Mr. D. CARTER in the Chair.

COMMITTEE

MR. CHAIRMAN: This Honourable House is now in Committee.

Clauses 1 - 6, inclusive, were called and passed. On the motion of Hon. D.A.C. SIMMONS, seconded by Hon.

Miss B.A. MILLER, Mr. CHAIRMAN reported to His Honour the SPEAKER the passing of the Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D.A.C. SIMMONS, seconded by Hon. Miss B.A. MILLER, the Bill was read a third time, passed and cited as the Retiring Allowances (Legislative Services) Act, 1999.

ORDER NO. 6 – RESOLUTION TO APPROVE THE LAND REGISTRATION (SUSPENSION) ORDER, 1999

Hon. G. A. CLARKE: Mr. Speaker, Sir, this Resolution is seeking the approval of this Honourable House for the suspension of the voluntary Land Registration Order under sections 14 and 15 of Cap. 229. This Order which came into effect in 1996 expires on August 28 this year. Therefore, a new Order is required to replace the old Order at this time.

It is critical that the suspension be continued so that the provisions of Cap. 229 should not come into effect. It is important to note that the Land Registration exercise to date clearly demonstrates that the practice is sporadic and voluntary registration of parcels as contemplated by sections 14 and 15 of the Land Registration Act is not feasible and cannot be accommodated by the Land Registry at this time because of staff, shortage of surveyors and so on.

The Attorney General has certified the Order and I beg that this Resolution do now pass.

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

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

ORDER NO. 3 – RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT TRENTS ROAD, ST. JAMES FOR THE PUBLIC PURPOSE OF ROAD IMPROVEMENT

Hon. G. A. CLARKE: Mr. Speaker, the Resolution before the House seeks permission to acquire compulsorily 954.1 square metres of land at the corner of Trents Road and Highway 1, St. James for the purpose of road improvement.

The acquisition of this land is to facilitate the construction of a roundabout at the junction of Trents Road and Highway 1, St. James. This is part of a road development project which is being implemented at Trents, Greenwich Village and Orange Hill, St. James.

I beg to move that this Resolution do now pass.

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

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

ORDER NO. 2 – TO MOVE THAT THE HOUSE RESOLVE ITSELF INTO COMMITTEE OF SUPPLY TO CONSIDER THE GRANT OF SUMS OF MONEY FOR THE SERVICE OF BARBADOS

On the motion of Hon. D.A.C. SIMMONS, seconded by Hon. Miss B.A. MILLER, the House resolved itself into Committee of Supply, Mr. D. CARTER in the Chair.

COMMITTEE

MR. CHAIRMAN: This Honourable House is now in Committee of Supply.

RESOLUTION TO GRANT THE SUM OF \$100 063 FROM THE CONSOLIDATED FUND AND PLACE IT AT THE DISPOSAL OF THE

GOVERNMENT TO SUPPLEMENT THE ESTIMATES 1999-2000 AS SET OUT IN THE SUPPLEMENTARY ESTIMATES NO.6 WHICH FORM THE SCHEDULE TO THE RESOLUTION.

HEAD 28 - MINISTRY OF HOME AFFAIRS - \$100 063

Hon. D.A.C. SIMMONS: Mr. Speaker, this is a very simple Resolution. A generator is needed at the Prison. One was ordered in the last financial year but did not arrive in time. The money voted lapsed and we are seeking a revote now that the generator has arrived in order to pay the supplier.

Secondly, the Acting Dental Officer at the Prison has indicated that much of the equipment there which had been used by the previous Dental Officer is in need of replacement. Some of it is obsolete and, in fact, the dental chair itself needs substantial repair and refitting.

10.55 p.m.

Wednesday, August 25, 1999

Hon. D.A.C. SIMMONS: There is a need to have therefore basic dental equipment at the cost of \$27 343.59 and at the same time we are asking to amend the explanatory note to include the words “dental equipment and one generator”.

I beg to move that Head 28 stand part.

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

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

On the motion of Hon. D.A.C. SIMMONS seconded by Hon. Miss B.A. MILLER, Mr. CHAIRMAN reported the passing of one Money Resolution in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. D.A.C. SIMMONS seconded by Hon. Miss B.A. MILLER, the Resolution was read a third time and passed.

Mr. SPEAKER: With the House's permission we will now revert to Notices of Questions.

NOTICES OF QUESTIONS

Mr. SPEAKER: The Honourable Member for St. John - Question

Mr. D. J. H. THOMPSON: Sir, Question No. 1 to ask the Minister of Finance and Economic Affairs:

1. Will the Minister state the principal features of any business plan in existence or plan of the Government of Barbados for the GEMS of Barbados Project. The expenditure to date on construction and building works, consultants' fees, travel, promotional and entertainment cost salaries and office expenses and all sources of funding for the project, the revenue projections for the project and the prospective date for the opening of any of the hotels.

2. Will the Minister also state:

a. Any proposed business, ownership or other corporate relationship of which the Minister is aware between the GEMS of Barbados Project and the hotels previously indebted to the Barbados Development Bank;

b) Any actual or proposed write-off or other accommodation in respect of the debts of those hotels to the Barbados Development Bank;

c) Any tax concessions offered or granted by Government on any aspect of the capital expenditure or operation of the project;

d) The number of rooms presently operating under the GEMS of Barbados project and

e) The anticipated profitability of the project.

Hon. D. A. C. SIMMONS: Mr. Speaker, that brings us to the conclusion of Government's Business for this

session. I wish to thank all Honourable Members for their cooperation since we started this Session. It has been quite easy doing the leadership of the House because I have got the cooperation of members on both sides and I remain grateful to them for that cooperation.

Mr. Speaker, I wish to thank the officers and staff of Parliament, the shorthand writers and all those who provide clerical and support services for us. I know that we have taken the staff a little late today, Sir, but I think they would be glad to hear that they will have a long break.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Speaker, having regard to the moment, I beg to move that this House do now adjourn until Tuesday, November 2, 1999 at 11:00 o'clock in the morning. I think we all deserve a little break. We came straight from elections into this Assembly and we have been going virtually non-stop.

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

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

11.05 p.m.

CONTENTS

RESUMPTION

Mr. D.J.H. Thompson, 1, 2, 4, 5, 6, 7, 8, 10, 11, 13, 14, 16, 17, 18, 19; Hon. R.R. Farley, 19.

BE IT RESOLVED THAT ...”

Hon. R.R. FARLEY.....20

Rev. J. J. S. Atherley, 23, 24, 25, 27; Hon. G.W. Payne, 27, 28, 29, 31; Mr. D.J.H. Thompson, 27; Hon. A.P. Wood, 31, 32, 33, 34.

RESUMPTION

ORDER NO. 3 – RESOLUTION TO APPROVE THE LAND REGISTRATION (SUSPENSION) ORDER, 1999.....35

Mr. D. St.E. Kellman, 35, 36, 37, 38, 39; Hon. G.W. Payne, 36, 39; Hon. Sir Harold St. John, 39, 40, 41, 42; Mr. D.T. Gill, 43, 44, 45, 46; Hon. Miss B.A. Miller, 46, 48, 49; Rt. Hon. O. S. Arthur, 50, 51, 52, 53, 54, 55.

ORDER NO. 4 – SECOND READING OF THE RETIRING ALLOWANCES (LEGISLATIVE SERVICE) (AMENDMENT) BILL, 1999.....55

Hon. D.A.C. Simmons, 55; Hon. Miss B.A. Miller, 55.

ORDER NO. 6 – RESOLUTION TO APPROVE THE LAND REGISTRATION (SUSPENSION) ORDER, 1999.....56

Hon. G. A. Clarke, 56; Hon. D.A.C. Simmons, 56.

ORDER NO. 3 – RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT TRENTS ROAD, ST. JAMES FOR THE PUBLIC PURPOSE OF ROAD IMPROVEMENT.....56

Hon. G. A. Clarke, 56; Hon. D.A.C. Simmons, 56.

ORDER NO. 2 – TO MOVE THAT THE HOUSE RESOLVE ITSELF INTO COMMITTEE OF SUPPLY TO CONSIDER THE GRANT OF SUMS OF MONEY FOR THE SERVICE OF BARBADOS 56

GOVERNMENT TO SUPPLEMENT THE ESTIMATES 1999-2000 AS SET OUT IN THE SUPPLEMENTARY ESTIMATES NO.6 WHICH FORM THE SCHEDULE TO THE RESOLUTION.

Hon. D.A.C. SIMMONS.....56

Hon. Miss B.A. Miller, 57.

NOTICES OF QUESTIONS

Mr. D.J.H. THOMPSON.....57

1. Will the Minister state the principal features of any business plan in existence or plan of the Government of Barbados for the GEMS of Barbados Project. The expenditure to date on construction and building works, consultants' fees, travel, promotional and entertainment cost salaries and office expenses and all sources of funding for the project, the revenue projections for the project and the prospective date for the opening of any of the hotels.

2. Will the Minister also state:

Hon. D.A.C. Simmons, 57.

SUSPENSION.....35

ADJOURNMENT.....57

Hon. D.A.C. Simmons, 57; Hon. Miss B.A. Miller, 57.

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O. S.

ATHERLEY, Rev. J. J. S.

CLARKE, Hon. G. A.

FARLEY, Hon. R.R.

GILL, Mr. D.T.

KELLMAN, Mr. D. St.E.

MILLER, Hon. Miss B.A.

PAYNE, Hon. G.W.

SIMMONS, Hon. D.A.C.

St. JOHN, Hon. Sir Harold

THOMPSON, Mr. D.J.H.

WOOD, Hon. A.P.

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Opening. The source opens at 'RESUMPTION' with the Budget debate already in progress and gives no Order heading or title for the Resolution being debated. Printed as in the source.

Q3. Resumption, about 7.06 p.m.. After the suspension the source gives the heading 'ORDER No. 3 - RESOLUTION TO APPROVE THE LAND REGISTRATION (SUSPENSION) ORDER, 1999' over Mr. D. St.E. Kellman's speech, but the debate continues on the Budget Resolution; the Land Registration Order is later taken as Order No. 6, and 'Order No. 3' is also used for the Trents Road Resolution. The headings are printed as in the source.

Q4. Suspension and resumption. The sitting was suspended 'until 8.00 p.m.', but the take-slip immediately before the resumption reads '7.06 p.m.'. Printed as in the source.

Q5. Hon. R. R. Farley's speech. The words 'BE IT RESOLVED THAT ..."' appear in the source as a heading in the middle of the Member's quotation from the Resolution. Printed as in the source.

Q6. Order No. 4. The Bill is headed 'RETIRING ALLOWANCES (LEGISLATIVE SERVICE) (AMENDMENT) BILL, 1999' but cited on third reading as the 'Retiring Allowances (Legislative Services) Act, 1999'. Hon. D. A. C. Simmons's speech also breaks off at 'It is very important' before a take-slip, and a later sentence ends 'to deal with Mr. Reynold Weekes'...'. Printed as in the source.

Q7. Mr. D. J. H. Thompson's speech. The source reads 'the Ministry09 of Finance', apparently with stray characters. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Wednesday, 25th August, 1999 to resume the debate on the Resolution on the Financial Statement and Budgetary Proposals, Mr. Speaker

in the Chair. The Leader of the Opposition, Mr. D. J. H. Thompson, Member for St. John, was allotted two hours and 15 minutes of television time. He said he had consulted pensioners, single parents, the unemployed and others, and that the 1999 Budget could have been the most courageous ever but was not. He noted a slowdown in 1999, with tourism down and Sandy Lane and the Hilton closed for refurbishment, while sugar production grew by 10.4%. He criticised the Property Transfer Tax measure, the handling of concessions since VAT, the sugar industry's relationship with Government and the lack of attention to EduTech 2000, and spoke of people sleeping on the streets of the City.

Hon. R. R. Farley, Member for Christ Church East, supported the Resolution, saying unemployment had fallen from 24.3% to just over 11% between 1993 and 1998 and that the economy had grown by an estimated 4.4 per cent in 1998, its sixth consecutive year of growth. Rev. J. J. S. Atherley, Member for St. Michael West, spoke of growth, lower unemployment and the work of the Police Force. Hon. G. W. Payne, Member for St. Andrew, spoke on CARICOM, the single market, the Property Transfer Tax and tourism; Mr. Thompson rose on a point of order to deny that he had ever called St. John the poorest parish. Hon. A. P. Wood, Member for St. Philip South and Minister responsible for Agriculture, described the agricultural incentives on pages 58 to 59 of the Budget, including rebates on irrigation systems. The sitting was suspended on the motion of Hon. D. A. C. Simmons.

On resumption, Mr. D. St.E. Kellman raised the allocation of televised speaking slots and argued that growth in construction was running ahead of the economy and depleting reserves. He pressed for the repayment of the eight per cent cut in civil servants' salaries, drawing a point of order from Mr. Payne, and said the Budget had brought a five per cent increase in gasoline. Hon. Sir Harold St. John said female unemployment had fallen from about 26% to 27% to 15% in the last quarter of 1998, and described the Member for St. Lucy's mind as 'a prisoner of the past'. Mr. D. T. Gill, Member for St. Michael South Central, said male unemployment had fallen to 8.4% and described housing and urban development in his constituency. Hon. Miss B. A. Miller spoke on Barbados' external trade, the FTAA and CARICOM.

The Prime Minister, Rt. Hon. O. S. Arthur, closed the debate. He said the economy had grown by 4.4 per cent in 1998 despite turmoil in Asia and Latin America, and that with reserves of over \$600 million and a loss of \$11 million he had slowed capital spending to protect them, contrasting this with the \$328 million in reserves held at the start of 1989. On the eight per cent, he said repayment

was being negotiated with the trade unions alongside a wage increase and a productivity bonus. He read a letter from the Director of the Rural Development Commission replying to the Leader of the Opposition about a constituent's loan, and said Mr. Thompson was not worthy to be Leader of the Opposition. The Resolution was agreed to without division.

Hon. D. A. C. Simmons moved the second reading of the Retiring Allowances (Legislative Service) (Amendment) Bill, 1999, explaining that parliamentarians who had served from 1986 to 1990 and 1991 to 1994 had been denied retiring allowances because a full term was counted from the first Sitting rather than from the day after the election, leaving some with seven years, ten months and 18 days against the eight required. The Bill passed through Committee, Mr. D. Carter in the Chair, and was read a third time. Hon. G. A. Clarke then moved

Resolutions to approve the Land Registration (Suspension) Order, 1999, which replaced an Order expiring on August 28, and the compulsory acquisition of 954.1 square metres at Trents Road, St. James, for a roundabout at Highway 1; both were agreed to.

In Committee of Supply, Mr. Simmons moved a Resolution for \$100 063 under Head 28, Ministry of Home Affairs, to pay for a generator at the Prison that had arrived after the earlier vote lapsed and for dental equipment costing \$27 343.59; it was agreed to and read a third time. Mr. Thompson gave notice of a question to the Minister of Finance on the GEMS of Barbados Project. Mr. Simmons thanked Members and staff at the end of Government's business for the session, and on his motion, seconded by Miss Miller, the House was adjourned until Tuesday, November 2, 1999 at 11.00 a.m.