
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1999 – 2004

THE SENATE

Monday, March 18, 2002

The Senate met in the Senate Chamber, Parliament Buildings, on Monday, March 18, 2002, at 11.05 a.m.

PRESENT

His Honour Senator Sir Fred GOLLOP, K.A.
(President)

His Honour Senator C. L. BOLDEN, C.B.E., Q.C.
(Deputy President)

Senator the Hon. J. X. WALCOTT, FRCS, J.P.
(Minister of Health) (Leader of the Senate)

Senator the Hon. G. S. H. MURRAY, B.A. (Hons.),
J.P. (Minister of State, Prime Minister's Office and the Civil
Service)

Senator T. E. BARKER, B.A. (Hons.), M.A. (Econ.)
(Parliamentary Secretary, Ministry of Economic
Development)

Senator P. C. GODDARD

Senator Dame PATRICIA SYMMONDS, D.B.E.,
G.C.M., B.A. (Hons.) P.G.C.E., J.P.

Senator Miss J. C. ODLE, J.P.

Senator J. E. D. WILLIAMS, B.Sc., M.B.A., J.P.

Senator D. D. MARSHALL, LL.B. (Hons.), L.E.C.

Senator D. L. HAYNES, S.C.M.

Senator K. D. SYMMONDS, LL.B.

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

Senator LeR. H. McCLEAN, B.Sc. (Hons.)

Senator Mrs. P. E. RICKINSON, B.A. (Hons.)
M.P.H. (Harvard) S.R.N.

Senator C. K. LAURIE, D.I.C.T.A. (S.T.), FBSTA

Senator Sir John Stanley GODDARD, K.A.,
B.Comm., C.A., Hon. LL.D. (U.W.I.)

Senator B. R. COLLYMORE, CMG

Senator the Rev. L. W.B. ROCK, M.Div.

Senator the Hon. Mrs. V. E. NEWTON, S.C.M., B.A.
(Spec. Hons.) M.A., LL.B. (Hons.) (U.W.I.), F.L.A. (Gt.
Brit.) L.E.C.

Prayers were led by Rev. Father Errington Massiah.

Mr. PRESIDENT: The Senate is in session.

PAPERS

SENATOR THE HON. J. X. WALCOTT: I am
commanded to lay the following documents before the
Senate:

1. Barbados' Estimates of Revenue and Expenditure 2002-2003 and the Schedules of Personal Emoluments 2002-2003;
2. Representation of the People (Expenses) (Amendment) Regulations, 2002;
3. Statutory Boards (Pensions) (Pensionable Offices) Order, 2002;
4. Local Government (Pensions) (Amendment) Regulations, 2002;
5. Annual Report of the National Sports Council for the year April 1, 2000 to March 31, 2001;
6. Report on the Social Investment Fund for the quarter ended December 31, 2001;
7. Report on the Public Enterprise Investment Fund for the quarter ended December 31, 2001;

8. Annual Report and Financial Statement of the Barbados National Standards Institution for the year April 1, 2000 to March 31, 2001;
9. Financial Statements of the Barbados Mortgage Finance Company Limited for the years ended December 31, 1999 and 2000;
10. Annual Report of the National Sports Council for the year April 1, 2000 to March 31, 2001;
11. Value Added Tax (L. E. L. Rollshutters and Products Incorporated) Order, 2001;
12. The Customs Tariff (Amendment) (No. 2) Order, 2000.

MOTIONS RELATING TO THE BUSINESS OR
SITTINGS OF THE SENATE AND MOVED
BY A MINISTER

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. J. X. WALCOTT: Mr. President, I beg to move that Standing Order No. 45(2) be suspended for the remainder of today's Sitting so that we can deal with the Appropriation Bill.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

On the motion of SENATOR THE HON. J. X. WALCOTT, the following Bills were read a first time:

1. The Road Traffic (Collection of Car Parking Charges) (Validation) Bill, 2002;
2. The Appropriation Bill, 2002;
3. The Magistrate's Courts (Amendment) Bill, 2002.

NOTICE OF A RESOLUTION

SENATOR THE HON. J. X. WALCOTT: I beg to give notice of the following:

Resolution to approve in accordance with section 5 of the Crown Lands (Vesting and Disposal) Act, Cap. 225 the vesting in the National Housing Corporation (NHC) of parcels of land at Alleyne's Land, Bush Hall, St. Michael for execution of a pilot project in respect of the Urban Renewal Programme.

PUBLIC BUSINESS

ORDER NO. 4 – APPROPRIATION BILL, 2002

SENATOR THE HON. J. X. WALCOTT: Mr. President, I rise to move the Second Reading of this Appropriation Bill and begin by saying that following eight consecutive years of real economic growth there was a recession in the Barbadian economy in 2001. There was also an obvious slowing down of the world economy, especially the economy of the United States of America, and this is not disputed.

It seems to me, Mr. President, as though these recessions go in cycles. There were recessions in 1981, 1991 and 2001. However, contrary to the situations in 1981 and 1991 when there was much hardship and layoffs, the average Barbadian never realized that there was a recession last year.

There are a number of factors which were responsible for this recession and I am going to list them not necessarily in order of importance:-

1. The whole concept of globalization and liberalisation of trade which has had a serious effect on our manufacturing and agricultural sector;
2. The uncertainty with the Organisation for Economic Cooperation and Development (OECD) and their harmful taxation initiatives and the subsequent blacklisting of Barbados last year which affected our offshore and international business sector;
3. The events surrounding the September 11 disaster.

Sir, I will give some background on some of these factors and show how we got to where we are now. We are all mindful of the fact of the Bretton Woods Conference of March 1944 as we approached the ending of the Second World War when the victims and some of the most dominant countries at that time gathered in North America to discuss how they would plan the global economy for the future, bearing in mind the ravages that had occurred in the 1930s because they were determined that this situation would not happen to them again.

Out of that meeting in Bretton Woods emerged the International Monetary Fund (IMF) which, at the beginning, was supposed to stabilise the economies of countries throughout the world. I guess that is a misnomer at this point in time.

The World Bank also came out of that meeting but at that time it was referred to as the International Bank for Reconstruction and Development (IRDB). Again, we can

query how useful that has been. Then there was the General Agreement on Tariffs and Trade (GATT) which was the forerunner to the World Trade Organisation.

Over the years there were a number of meetings and negotiations convened by this GATT grouping looking generally at removing tariffs and barriers to trade over the years. This culminated in 1994 in Morocco, North Africa where the World Trade Organisation evolved from this GATT arrangement. Coming out of that meeting was a 26 000 page document so this gives some idea of the prolixity and the complexity of the document and one that still speaks to the need for the wealthy countries to be dominant in the world society.

Ruben Ricupero, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) referred to this whole process and I quote:

“Global trade rules are highly imbalanced and bias against developing countries.”

In other words, the developed world had the time to nurture and provide subsidies and protection for their manufacturing industries and agricultural sectors to develop. Out of that meeting in 1994 they are asking all countries, especially developing countries, to come on board and are talking about an equal playing field all of a sudden.

Some may say it is unfortunate but the reality of the situation is that Barbados committed itself to this concept in March 1994 to remove all licences and quotas by the year 2004. This has certainly had an effect on our manufacturing and agricultural sector.

Sir, in those conditions, serious fiscal discipline is necessary to keep your deficit financing low to keep your inflation low. While doing this and maintaining the social practices, housing, health and education, it is expected that there would be cause for substantial tax measures. Obviously, these taxation measures must broaden the base of the whole net. You are losing your taxes on trade and you are obviously going to replace them with taxes on incomes and consumption.

As I mentioned earlier, in the previous recessions of 1981 and 1991 the conditions were different. In our situation now because of the increase in liquidity within the banking system, the interest rates and inflation rates are low. This was not the case in 1981 and 1991.

The United Nations (UN) is sponsoring a financing for development conference right now in Mexico and we await the outcome of this conference and some of the measures that would be used as we proceed with this whole negotiation.

The other area I mentioned was the Organisation for Economic Cooperation and Development (OECD) blacklisting of Barbados which resulted in a substantial decline in taxes from the sector. The Barbados Government was resolute. It gave no commitment or guarantee to the Organisation for Economic Cooperation and Development (OECD) and we have been taken off the blacklist and hopefully this will lead to a recovery in our international business sector.

Probably, the most important aspect was the general slowing of economies, especially that of the United States of America. This slowing of the economy started not after September 11 but in the second quarter of last year. The growth in the economy in the United States of America was 0.7 per cent which was regarded as the lowest in probably the last eight years.

The Government of Barbados, mindful of this, convened a meeting on the economy and out of this, the Budgetary Statement came in August to preempt and deal with the situation that was occurring. Thankfully, this was in place before September 11 and has helped to mitigate the effects of the September 11 tragedy, so when the events of September 11 hit the United States of America economy and made conditions worse, we had already put measures in place to cushion the effects of this problem.

The decline for us prior to September 11 affected us worse in tourism and I will give some figures. Tourist arrivals declined by 12.9 per cent in the fourth quarter of last year, leading to an overall decline to 6.9 per cent up to 2001. From the United States of America, the October to December decline was 9.7 per cent; the overall decline was 9.9 per cent. Canada for the same period October to December, the decline was 29.4 per cent; the overall decline was 12.6 per cent. The United Kingdom for the same period, the decline was 8.7 per cent; an overall decline of 4.1 per cent. Clearly, we can see the overall effects of the events of September 11, 2001.

11.15 a.m.

Sir, cruise passengers for the periods October to December declined by 17 per cent. The Government of Barbados convened a consultation on the economy on September 28 to look at what measures might be introduced to mitigate the impact of this disaster. Out of this came a National Emergency Economic and Financial Programme. Out of this came a package of \$31.8 million which was focussed on Tourism, International Transport, International Business, Agriculture, Energy and Manufacturing. This funding was geared mainly towards maintaining employment and minimizing the effect of the decline in the economy post-September 11.

In addition, there was an implementation of a 60 per cent duty-protection measure along with lower interest rates. These were meant to help ensure that the business in manufacturing and agriculture was given some sort of support and protection. This will have to be reviewed shortly.

The broad macro-economic objectives have been achieved and, at the close of the year, the Foreign Reserves stood at \$1.4 billion, that is \$439.7 million more than the year 2000. Of course, this reflects the proceeds of the bond issues but without this the reserves were expanded by \$150.7 million, representing 37 weeks of imports.

Sir, real output declined by 2.8 per cent in 2001, in contrast to 3 per cent in 2000 and an average increase of 2.9 per cent since 1993. In this setting the fiscal framework of 2003 was formulated to achieve a fiscal deficit of 3.4 to 4 per cent of nominal GDP, to reduce the level of outstanding taxes which is estimated to be about \$341 million and certainly to reduce the discretionary expenditure to cope with global economic recession. The Government's fiscal policy was set to support the restoration of the growth of the economy and yet try and continue to provide social and physical development in this country.

Sir, if I may give some statistics. The current revenue for the next fiscal year is projected at \$1 795 387 000. This is an increase of 2.7 per cent over that for the year ending March 2002, or 34 per cent of GDP. Taxes on income and profits are projected to increase by \$10.5 million or 1.8 per cent to \$592.2 million. Income Tax is projected to increase by \$5.9 million or 1.8 per cent to \$331.6 million. Corporation tax is expected to increase by \$4.1 million or 1.8 per cent to \$232.5 million. Taxes on property is expected to increase by \$9 million or 8.5 per cent, to \$115 million. Government expects to collect some of the \$25 million in arrears that are owed to the Land Tax Department and I should mention that last year they were able to collect some \$14.3 million in arrears. Taxes on goods and services are expected to increase by \$11.1 million or 1.4 per cent, to \$801 million. Import duties will decrease by about \$2 million and non-tax revenue is expected to increase by \$7.6 million or 10.5 per cent, to \$79.9 million. Estimates of the total expenditure next year are \$2 289 216 000, with a current expenditure of \$1.927 billion and a capital expenditure of \$361.3 million. Wages and Salaries are expected to increase by \$17.9 million or 3 per cent, to \$622.9 million. Goods and services are expected to increase by \$28 million to \$225.5 million. The debt payment is expected to increase by \$2.9 million or 0.5 per cent, to \$543.4 million. Interest payments are expected to decrease by \$23.2 million or 7.7 per cent. Capital expenditure is expected to increase by \$42.7 million or 13.4 per cent, to \$361.3 million.

Sir, this will give a deficit of \$226.8 million or 2.3 per cent of GDP which has been estimated at \$5 242 million. It is expected that the financial debt of

\$208 million, or 44 per cent, will be financed by domestic services and \$275.8 million in foreign financing or \$114.9 million will be project loans. The Foreign Reserves have been fairly healthy; \$1.4 billion. Domestic savings have increased over the past year to \$400 million. Unemployment remains stable at 9.8 per cent at the end of December last year.

Mr. President, bearing what I have said about the need to have physical restraints and to balance the situation regarding the stimulation of the economy to restore growth, at the same time retaining the physical and social development of the country, the Government has highlighted major programmes and projects for which there will be injections of money. Certainly, there will be increased subventions for marketing support for Tourism and the International Business Sector. Tourism will receive \$7 million and the International Business Sector will receive \$2 million.

In terms of social development regarding the recapitalising of the QEH, at the start \$6.5 million has been allocated for that in the next financial year and to which I will speak about later on. The National HIV/AIDS has been allocated \$16.3 million as opposed to \$9 million which was allocated last year.

The EduTech Programme will obtain \$45 million this year for civil works in Phases 2 and 3 and a procurement which will involve some 23 schools, both primary and secondary and both public and private.

Forty-three million dollars is allocated for the South Coast Sewerage Project which is expected to be completed later this year. A new Forensic Laboratory will be constructed and \$10.3 million has been allocated to the new Forensic Laboratory. Hopefully, we will be able to do DNA testings and other aspects of that later on.

Sixty million dollars has been committed to the University of the West Indies and we all know that is a very valuable and prestigious institution, as I said some time before, the last remaining regional institution that functions after the demise of West Indies cricket.

Two million dollars has been allocated for community technology project; a very useful project which we do not hear much about and of which I will elaborate on later, where computers will become available in the community centres.

Three point one million dollars has been allocated to the National Sports Council to develop sporting facilities in communities throughout the country and some of the plans for this would be: to construct hard courts in Rices, St. Philip, resurfacing of hard courts in Jessamy Avenue;

the Police Boys' Club; the Ivy; King's Village, St. Michael and for the construction of pavilions at Hoyte's Village, St. James; Proute, St. Thomas; Lears, St. Michael; the Whim, St. Peter and Glebe, St. George. Also there is provision for the installation of lights on existing hard courts and playing fields and for the development of playing fields at Sweet Vale, St. George; Jackson, St. Michael and Foul Bay, St. Philip.

In terms of physical development, there is \$15 million allocated for the Bridgetown By-Pass Roads' Project, which we all know about. A further \$6 million has been allocated for the Highway Rehabilitation Special Project.

Nine point two million dollars has been allocated for Coastal Conservation and \$2.5 million for the development of market facilities. Eight point eight million dollars has been allocated to equip the Ministry of Public Works' 13 depots and to improve the maintenance of roads and stalls. Seven point eight million dollars has been allocated for the Road Rehabilitation Programme and \$10 million for the Government's Concrete Roads' Programme. In addition, \$12.5 million has been allocated for the Grantley Adams International Airport Expansion Project and \$1.5 million for the renovation and improvements of Glendairy Prisons.

Sir, that is an overview of some of the aspects of the Appropriation Bill. I have a special interest that is dear to my heart and in spite of all the figures I have given in all the areas, at the end of it, the health of the nation is, indeed, the wealth of the nation and Government is committed to improve health care in this country.

Certainly this year, \$331.725 million have been allocated to health care and non-statutory expenditure is expected to be \$224.425 million. If one looks at the figures over the years, this shows Government's commitment. During the year 2001, some \$234 million were allocated. In the year 2000-2001, the sum of \$229 million and the year 1999-2000, the sum of \$270 million. Therefore, there is the gradual increase and this is all part of Government's commitment in its commitment to improve a proper health care over the past years.

11.25 a.m.

Sir, health care at the Queen Elizabeth Hospital is pivotal. This is an institution that has received a lot of flogging over the years even though it is a good institution which has done a lot of good work. I will give a historical perspective.

In 1964 when the Queen Elizabeth Hospital was opened, it was revealed as a flag ship for health care in the

Eastern Caribbean. It was seen as a referral centre and a centre of excellence in the Caribbean and patients were referred from several islands to the Queen Elizabeth Hospital. It was revered so much that two years after opening, the University of the West Indies started training doctors in Barbados. Over the years the Queen Elizabeth Hospital expanded its services and now has heart surgery, neurosurgical facilities and several other areas of activities.

Over the years, because of inadequate maintenance plans, the Hospital has gradually deteriorated and a lot of its equipment has become non-functional and obsolete and there are the perennial problems that we hear of like the breakdown of equipment.

The Hospital is also replete with management problems. We know what happened in 1995 when Government came in and management was basically sent on leave. This has still not solved the problems of the Queen Elizabeth Hospital. There are problems at the middle management level, at the level of the nursing sister and the ward sister and these levels leave us seriously lacking in skills.

The Engineering Department is at the heart of the Hospital and is barely functioning, so we are destined for problems.

In the last year \$102 105 982 was allocated to the Queen Elizabeth Hospital. This year the amount allocated has been increased by \$9 million. Sir, we have to look at a number of areas in this regard. Certainly we need to look at helping the Queen Elizabeth Hospital regain its position as being the leader in health care in the Eastern Caribbean, and this will take some doing. We could be at the cutting edge of technology advances and scientific innovations in medical health. Certainly, this is borne out in the Ministry of Health's commitment recently to the Barbados Cancer Study where they are looking, in conjunction with the National Health Institute, at genetics, its relation to cancer and cancer treatment so that we remain on the cutting edge as we access new technology.

Mr. President, when I discussed the problems earlier at the Hospital, I omitted to mention the Haynes' Commission and the recommendations for a Board of Management. This is very much on the cards, but all I will say today is that there will be a Board of Management to manage the Hospital and improve its efficiency.

Mr. President, we are all cognizant of the fact that there are problems with the staff. There are not only problems with nurses but with the medical staff. Throughout the world there is a shortage of nurses. Nurses are migrating from countries where they think they are worse off to where they think they are better off. In the Pacific, nurses are migrating to New Zealand and Australia. In Africa, nurses are migrating from

Sub-Sahara Africa to South Africa and countries where they think they are better off. Nurses are migrating from the United Kingdom to North America and in our region, nurses are migrating from here to the United Kingdom to North America and even from Guyana to Barbados. Government will have to put measures in place to deal with their situation.

In the short term, however, \$0.5 million has been allocated this year for the provision of additional training of nursing assistants. This is an interim solution and will be done over three years. We are currently offering a one-year training course for nursing assistants in addition to what is being currently offered so that more nursing assistants will be coming out at the end of each year to fill the gap so that registered nurses can do the work which they are best trained to do. This should help in the polyclinic systems where nurses are confined to the clinic to do dressings and if we have assistants doing these dressings, the nurses are then free to function in their roles as community nurses where they should be functioning.

In addition, we have to look at the career paths for nurses. Most of them see no hope of moving on unless they become senior sister. We have to look at the whole concept of marketing the nursing profession at schools among young men and women. These are all areas that will have to be addressed by Government.

There are also problems with the environment in which nurses work. This is one of the reasons why nurses and other medical staff are migrating. The facilities are dilapidated and deteriorating. A lot of the medical staff feel that the institution is not conducive to academia and medical excellence and have been leaving the Hospital. Right now there are vacancies within the Hospital for medical staff.

Then there are the problems of security. In this year provision has been made in the capitalisation fund for methods of security. The Hospital has received two close circuit cameras which will be installed shortly and the perimeter fencing is being built.

We are looking at measures for safety and security within the Hospital. This is an area which has been neglected far too long. Having said that, this problem of hospital security is not unique to Barbados. It is a worldwide phenomenon and there are problems in Australia, United Kingdom and North America.

Sir, when I talk about the environment of the Hospital, I think it is a national disgrace and we should hold our heads in shame when we see the state of the Queen Elizabeth Hospital. As you approach it you can see the dinginess, peeling paints, shingles falling out of the roof, the bad state of the balcony, it is in an awful state and it must be addressed urgently.

I am happy to see that in this year's Estimates provision has been made for maintenance of the property. The allocation for the maintenance of property has increased from \$3.4 million to \$4.9 million. This will certainly go a long way in assisting in refurbishment and giving the Hospital a much needed face-lift. This will help boost the staff morale within that building.
11.35 a.m.

The allocation of supplies and material has increased from \$10.2 million to \$13.9 million. This will be for the purchase of food material, linen, medical supplies, minor equipment, clothing, geographic supplies, joint replacement, a cardiacaterisation, supplies, among others.

There is an allocation of \$1.8 million for the construction of an incinerator and the continuing refurbishment of the air-conditioning units in the operating theatres. I need to speak a little about this.

Mr. President, in 1999, after a number of medical and nursing staff had fallen ill who worked in the Lions' Eye Care Centre, a study was done under the auspices of PAHO. It was determined at that time that the air-conditioned ducts were infected with fungal infestation and that the ducts were badly constructed. The air-conditioners were constructed with duct board which the PAHO officials thought the duct board was not the best thing to be used in a hospital's air-conditioning system.

It was felt that the complete system needed to be refurbished. While plans were being made for this, problems occurred in the main operating theatre suite. This is where six operating theatres were housed and they were also found to be infested with fungus. This situation was worse because condensation had started from the roof. This was dangerous when you start to get condensation and droppings sometimes in the middle of an operation.

In this state of affairs, it was thought that the theatres should close immediately and the renovation of the air-conditioned system should first take place in the operating theatres and then we would deal with the Lions' Eye Care Centre. You would appreciate that these six operating theatres are vital to the operation of the Queen Elizabeth Hospital.

This action resulted in some hardships because we have reduced the number of operating theatres to three instead of six for general surgery. There were delays and people who would have booked for elective surgeries have had their operations cancelled and rescheduled.

Sir, the process of the refurbishing of the operating theatres we began looking at the civil works that were done. It was decided that if so much work was needed to be done,

it was decided that we should refurbish the entire operating suite, not only the operating suite, but the recovery room, changing rooms and the entire area. This is what has been going on and this is the reason the operating theatres have not been reopened. Sir, more extensive refurbishment is being done than was envisaged at the beginning of the project. This year, \$1.8 million has been allocated and it is expected, I have been reliably informed that the theatres will be ready for use in July, 2002.

Plant, equipment and furniture: This is part of the recapitalisation project. The allocation has moved from \$2 million to \$6.5 million and this is for the purchase of medical, biomedical, mechanical and electrical equipment and for the replacement of medical equipment, which I said earlier some of which is not functional and some of which has become obsolete.

In addition, we have started and will continue the process of changing the windows to hurricane resistant windows. The elevators are expected to be upgraded and starting the computerisation of patient information systems.

Sir, the Hospital was opened in 1964 and it has expanded and offered additional services over these years. We know that the population in the year 2002 is not what it was in the year 1964. If you visit the Hospital, you will notice that some of the medical and surgical wards are overcrowded. There are some wards that were made to accommodate 24 patients and in some cases you will find that these wards are accommodating 32 patients and naturally there will be problems in the medical care of these patients.

In addition to that, we have added these additional services and we have not expanded the structure of the Hospital. It is the thinking of this Government that it is time for a hospital expansion project. We need to keep abreast of what is happening, and terms of references have been drawn up for consultancy to look at the Hospital and its needs and to plan for the next 20 to 30 years the kind of services that need to be offered: doctors' offices, day care facilities and the various facilities that would be needed. We will also have to look at the surroundings of the Hospital and the areas we need to designate in conjunction with the Town and Country Planning Department for future expansion.

This is expected to be looked at under the terms and reference of the consultants. This year, under professional services, \$470 000 has been allocated for this project. We hope that this process will help to improve the situation at the Hospital. Things would not change overnight but there will be a gradual process. It is a start and we hope to proceed with it. The Hospital Expansion Project would not be expected to be completed within the next two years.

Under Technical and Management Services, there is provision for the maintenance of property of \$1.5 million for the repairs of buildings. These repairs are primarily to buildings like the geriatric hospitals and a further \$1.3 million for upgrading of polyclinics.

I am going to start with the polyclinics. Work has already started on the Maurice Byer Polyclinic in the north of the island. It is expected that work will be done to several other polyclinics in conjunction with the HIV/AIDS Programme. There is allocation of funds for the HIV/AIDS Project for the expansion and upgrading of the polyclinics to allow patients living with HIV/AIDS to have access to counselling services.

Sir, I think at this time we should all be ashamed of some of the facilities. I think that both political parties who have had the honour of governing this country should bow their heads in shame. Some of the geriatric hospitals have been allowed to fall in a deplorable state. After all, the patients at these hospitals were the builders of this nation and to see the conditions in which they have to live is unbelievable. You will have to visit these facilities to see the condition under which they live.

Sir, \$1.5 million has been allocated for this financial year. We hope that will go some way in helping to alleviate some of the problems. As I speak, work has started at the Gordon Cummins Polyclinic and the St. Lucy Geriatric Hospital. Better days are coming.

Under Maternal and Child Care at the polyclinics, provision is being made for an adolescence health education programme. In this day and age when we talk about HIV/AIDS and the studies that have been done about the lifestyles and the degree of obesity in our teenagers, we think it is necessary to have a programme. In the polyclinics we have programmes to address infants, children, the elderly and pregnant mothers. We think it is time we address the question of adolescence health. It is a new area that we think we should be getting into.

The Government, having achieved success in immunization, continues to increase the allocation to the immunization programme. This year provision is made for \$230 000 for the provision of vaccine which would allow us to introduce the administration of the Prentibale Vaccine as we move away from the diphtheria pertussis and tetanus (DPT) but will also be getting vaccine for hepatitis and influenza B.

The Dental Health Service, which is a very important area for some of us, is an area that, within the polyclinics, caters primarily to school children, pregnant mothers and the elderly. Over the years, this is another area that has been

neglected. If you visit most of the polyclinics, you will find that the dental chairs and equipment are not working. There is a shortage of dental equipment and facilities to sterilize dental equipment. This area needs to be overhauled.

I am pleased to say that Government, mindful of this situation, has increased the allocation for dental health, for plant equipment, furniture and equipment from \$67 490.00 last year to \$257 285.00 this year and hopefully, we can get our Dental Health Services going again.

Mr. President, I now come to the South Coast Sewerage Project. Earlier I said that \$43 million had been allocated to hopefully finish this Project this year. I said "hopefully finish" because you will remember that this Project started in 1995 and was to be completed in 1998. Four years later we are still projecting when it will finish. I think we are all familiar with problems we have encountered in the South Coast Sewerage Project where one contractor was unable to do the job properly and it had to be stopped. That is in arbitration and now we are working with another contractor, Soares de Costa.

Sir, we should not forget the objectives of this programme which would fundamentally be to prevent further contamination of our ground water reserves and to prevent further contamination of the sea water and destruction of our reefs, and to generally improve the sanitary conditions of the population in that area.
11.45 a.m.

We should not lose sight of this. Bearing in mind the hardships, the dislocation, the disruption, the dust, the noise, the traffic diversions, I think at the end of the day it will all be worthwhile if we can protect our water resources, our reefs and sea water resources and if it would reduce the bacterial count in our sea water. In addition, at the end of the Project, it is expected that about 3 200 properties will be sewered and this will certainly benefit many households which, prior to this Project, had no water toilet facilities and the business houses which have been affected at this point in time will in the end benefit because they will have reduced sewerage costs. As I said, \$43 million has been allocated to the Sewerage Treatment Plant in the next financial year and I hope it will be completed by December this year.

We have all heard of the occurrence of dengue fever in Barbados increasing and the problems in the surrounding areas. The Ministry of Health has been mindful and continues with the debushing programme for which \$800 000 has been allocated in this financial year. In addition, under the Vector Control Unit there has been increased provision under Supplies and Materials for the ordering of other equipment like dengue test kits, and there is also provision to cover education programmes that advertise the problems of dengue.

After all, we talk about dengue and what is the Government or the Minister doing about dengue but a lot of us seem to forget that dengue is everyone's problem. It has a lot to do with health education and how you live in your community, how you treat your environs and a lot of this has to do with education. So in this regard, the Government will be putting more money in the education programme and advising people about measures to prevent the spread of dengue fever.

The Sanitation Service Authority has been allocated \$25.3 million in the next financial year. I think we all know the importance of the Sanitation Service Authority. All you need to have, God forbid it, is for the Sanitation Service to go on strike for a day or two. I think we all realise the very important role they play in this country. They collect about 400 tonnes of garbage daily, and believe it or not, they traverse 62 routes throughout this country and they cover 80 000 households. They are also responsible for cleaning the streets of Bridgetown and they look after cemeteries and are responsible for five cemeteries.

Under the Solid Waste Project, \$1.4 million has been allocated as professional fees. When I speak about solid waste I am speaking about the Greenland Project. This money is expected to complete the road construction of Vacluse in St. Thomas and to commence the road upgrade at Farley Hill. In addition, it is expected to complete the tender process for the selection of a private sector contractor to design and construct the physical facility at Vacluse.

In addition, provision is made for the conduct of a feasibility study to look at alternative technology for solid waste disposal. Mr. President, I think a country the size of Barbados cannot put all its eggs in one basket and certainly cannot put all of its garbage in one landfill. We have to look in this day and age at other methods of dealing with garbage disposal, methods like recycling, composting and anaerobic degeneration of garbage. We have to look at things like gasification and the use of incinerators and, of course, there are the landfills. We really have to look seriously, as a country this size, if every 10 to 15 years we can look at investing in landfills.

I think a serious study has to be done and there is provision in the Estimates this year for this study to be done to look at alternative technologies for solid waste disposal. In this regard, there is provision for consultancy services to assist in setting up recycling programmes and home composting programmes where we will be trying to utilise a number of householders in a sort of pilot study looking at home composting.

In addition to that, there is a very important area that has been neglected over the years in Barbados and not only here, but in a number of countries in the Caribbean, and this is the whole area of bio-medical and hazardous waste

management. Sir, I know many of you would be familiar with the issues that we dealt with in December and the problems with the picric acid which was potentially a very explosive situation at the Hospital.

This brought into view the whole need for a plan to deal with hazardous waste management which is basically non-existent in this country and the bio-medical waste management which we still have to look at in these days of HIV/AIDS. These are areas that have been neglected and seriously need to be addressed and there is provision in the Estimates this year at least for the initial consultancy services in these areas.

Mr. President, I come to the Psychiatric Hospital and \$1 million has been allocated for further refurbishment of existing buildings. Sir, over the last year a lot of good work has been done in the refurbishment of two new wards at the Psychiatric Hospital. If you take a visit there, you would see the iron bars have been removed from those windows. There is a new open place, a court, a sort of gazebo for inmates to go in and the whole prison like conditions which obtained in the 19th century which were carried on until quite recently, are being moved away.

More and more people are moving away from that sort of mental health care and, as we know, the whole movement is for community health care. Ironically, Barbados was ahead of this about 20 years ago when we concentrated on community mental health nurses and mental health care. Somehow we drifted away from it and now the World Health Organisation is coming again with this whole project of community mental health where by and large the majority of patients in psychiatric institutions can be accommodated in the community with the relevant facilities where you have doctors and nurses in the community visiting them and giving them their medication. This is what the whole push is going towards now.

We are moving away from these large psychiatric hospitals like prisons and moving into smaller units and getting persons back into the community as quickly as possible. Certainly there is provision made for coordination of a pilot programme in this regard in Barbados and I am happy to say that the community mental health programme has been restarted at the Community College. We are definitely moving in this direction and the plan at this point in time is to refurbish some of the existing wards and bring them into the 21st century.

With the movement of patients back into the community, we will have buildings we can then use to accommodate some of the geriatric patients. Quite a number of geriatric patients are accommodated at the Psychiatric Hospital with no particular mental problem. They are just having three meals a day and being cared as though they

were at the Geriatric Hospital.

I mentioned earlier when I dealt with the Technical Management Committee that \$1.5 million had been allocated but, in addition to that, \$22.8 million had to be provided in the Estimates for the Geriatric Hospital and the four district hospitals. As I said earlier, the conditions at these institutions are deplorable.

What I would say, however, is that it is proposed to close the Christ Church District Hospital this financial year. It is felt to be unsafe for patients and nursing staff. You have a situation where 74 patients are kept there and many of them are non-ambulant, unable to walk, and you have very steep staircasing and nurses having to go up and down with hot pots of soup, milk and tea and also problems in transporting patients from one part of the institution to the other.

The other problem is that Oistins has become a very busy place on weekends and you have the noise of a bus terminal just outside the Hospital. You have problems with the distraction of noise, the fumes from the petrol station, the frying of the fish and of food, the noise, the music, the dancing and you have old people in these conditions and you expect them to rest and be able to sleep and enjoy the last days of their lives.

Sir, it is not a situation where we want to have our elderly people being housed in 2002, not to mention the proximity to the water and the problem of tidal surges and hurricanes every year and having to move them every year once a hurricane is threatening. It is expected that these patients would be transferred. Some will be housed in alternative care for the elderly.

Government, in conjunction with some of the private caregivers, has made provision for some patients to be housed at these institutions provided they maintain certain standards and it is felt that some of these patients who are now housed in the Christ Church District Hospital can be transferred to some of these private institutions where Government will pay for them. In addition, others will be absorbed into the private Geriatric Hospital, Gordon Cummings and the St. Lucy.

Aside.

SENATOR THE HON. J. X. WALCOTT: I have been assured that there is space and the transfer beds have been prepared and kept for them. The problem also had to do with PR. Certainly, nurses will be deployed from the Christ Church District Hospital to the other institutions and PR will be necessary in this situation where some nurses will be reluctant to move from the Christ Church District

Hospital to go to work in St. Philip, or St. Lucy, or the Geriatric Hospital, for whatever reason.

We have had problems with some of the relatives who have a problem with their relatives being moved from Christ Church because they were accustomed to their being in Christ Church and they may have to visit them in St. Thomas. Sometimes we have to do this. Barbados is not exactly North America in size. We have to be serious about the care of the elderly. In alternative care the Government presently pays about \$50 a day for these people to be kept in these private institutions. It is proposed that this will increase to \$65 a day for those who are not ill and who are ambulant and to \$75 a day for those who might need more assistance. Provision is being made in the Estimates this year for this.

I must say that we are working in conjunction with the Ministry of Social Transformation in this regard and they have been very helpful in building a sort of partnership with us and with the nursing homes in looking after the care of the elderly.

11.55 a.m.

This is an aging society. We might not be aware of the statistics. The average life expectancy for males in Barbados is 74 years and for females, is 79 years. As I speak, there are some 41 800 persons in Barbados, or 15 per cent of the population over the age of 60. There are 1,178 persons between the age of 90 to 94. There are 445 persons over the age of 95. There are more than 125 centenarians in Barbados, and certainly I think that at the end of the day it is the reflection of the quality of our health care and other things.

Sir, apart from Japan, Barbados has the highest rate of mono centenarians per capita of any country in the world. That is, apart from Japan, there is no country in the world that has as many people over the age of 90, per capita, as Barbados.

I think this is significant and we need to remember and deal with this, as we plan for the future in health care facilities. Sir, with people living longer, we are going to have trouble with chronic diseases, and we are going to have to make provision for this as we plan.

The other area of interest is the care of the disabled and I do not think that many people are familiar with the fact that there is a Children's Home in St. Andrew. There are some children there between 16 and 50 years old, but it is called a "Children's Home" and it deals primarily and only with disabled children. I am pleased to say that after being neglected for several years, \$40 000 has been provided in the Estimates for needed repairs and upgrading of the building.

The Barbados Drug Service has come to be described almost as a financial albatross around the neck of the Ministry of Finance from year to year, as the cost of running

this Drug Service seems to escalate, year after year. The Barbados Drug Service was formed in 1980. Again, it was one of these projects which was very well thought-out and was ideal for our situation at that point in time. We were very progressive and ahead of the world. We had started a drug service which was an example, to certainly, the rest of the Caribbean and certain parts of the developed world.

We are going to provide access to drugs, free in some cases and at reduced cost in other cases to patients. It was very adventurous and bold. We would provide drugs for patients under six years of age and all those over 65 years, free of cost. Initially, they were taught to utilise a co-payment system, where some patients would pay according to the cost of the drugs.

As the years went by, the system was expanded. They moved away from the co-payment system and you started to get your drugs free. Then, they increased the age in which you qualify from six years to 16 years old. So, you moved from a situation to all children under six years old were entitled to free drugs and moved it to 16 years old. At the same time, you started off with offering drugs free for certain categories of diseases. Initially, it was for diabetes, hypertension and cancer and then you added epilepsy and asthma.

Sir, you have been adding to the system as the time went by. You have had new diseases, new and more expensive drugs being developed. The Hospital has been expanded and offering new services which require more expensive medication, and longer duration of treatment. You have done all of this and you have not reviewed your Drug Service. You are still running it the way you ran it in 1980.

You have not done anything to come up-to-date, you have not improved on your systems, you have not computerised the entire system. Importantly, you have increased the number of private pharmacies which benefited from about 20 when it started, to well over 100 at this point in time. In that situation, you have certain areas of expense, over which the Drug Service has no real control.

Certainly, in the case of the Queen Elizabeth Hospital, the Drug Service at the end of the day, has to pay for the drugs which were ordered by that institution, but has absolutely no control on limiting or deciding what can be ordered, what quantities, or volume has been ordered. Sir, at the end of the day, these things are ordered, used or not used but the Drug Service has to pay for them.

Similarly, in the case of the private pharmacies where a lot of work has to be done, the Drug Service has basically allowed the system to get out of control. You have systems

where invoices are coming in from private pharmacies and the prescriptions are following months later and sometimes they never come.

A case in point is that recently, we all heard that the private pharmacies were up in arms in November and December, because they had not been paid by the Barbados Drug Service. A lot said that they were not going to honour prescriptions. Many elderly people who went to their private pharmacies came to the Ministry of Health afterwards complaining, with bills and receipts, after they were made to pay for their medication.

Interestingly enough, the cost of private pharmacies to the Barbados Drug Service is normally \$1.4 million per month. There was a situation, where in December, a number of private pharmacies have not been honouring prescriptions, because they have not been paid, and the average payment to these private pharmacies moved from \$1.4 million in November to \$1.8 million in December and \$1.8 million in January, in a situation where some of them were not honouring these prescriptions.

I am not a mathematician, so I am not going to deal with that match at this point in time, certainly, just to say that there is something fundamentally wrong in the relationship between the private pharmacies and the Barbados Drug Service. To this end, we are looking at overhauling the whole system: supplies, procurement, reimbursement.

In the meantime, the Government, realising that it is a very vital part of our health care system, has allocated \$35 million to the Barbados Drug Service this year, as opposed to \$28.4 million which was allocated last year.

The provision primarily for drugs has moved from \$25 million last year to \$31.6 million this year. If I can give an example, in 1986-1987 the budget of the Barbados Drug Service was \$4.5 million. In 1999-2000 it was \$26.5 million. Last year, with Supplementals, it was \$42.4 million, so you have moved in 16 years from \$4.5 million to \$42.4 million and, obviously, this cannot be allowed.

Sir, in the financial year 1999-2000, the total expenditure was \$26.5 million. The Queen Elizabeth Hospital accounted for \$7.6 million, the Psychiatric Hospital \$720 000, the Polyclinics \$4.1 million and the private pharmacies \$14 million. Again, we see the disparity. As I speak, there is a Barbados Drug Service assessment which is being carried out, where we are looking at measures of improving the efficiency of the Drug Service and the management of its systems. An audit is also being carried out by the Ministry of Finance.

Certainly, we are moving along with this whole review of the Barbados Drug Service. We think it is a very vital part

of the Health Care System, but at the same time, we cannot allow it to sink the entire Health Care System.

Mr. President, I said earlier that the Government has allocated \$16.4 million for the HIV/AIDS Programme. Of this \$16 million, some \$11.3 million has been assigned to the HIV/AIDS Programme of the Ministry of Health. We are all mindful of the objectives to achieve a 50 per cent reduction in mortality from HIV/AIDS over the next three years and certainly to look at reducing the prevalence of 50 per cent over the next five years.
12.05 p.m.

We all know the seriousness of the HIV/AIDS disease. It has been said over and over, we have discussed it and we debated it in this Chamber, and its effects on the entire society not only on people's health but also on the socio-economic state of the society. The Government has recognised the importance of this and is allocating this money for the AIDS Programme.

In the case of the Ministry of Health, the total sum allocated is \$11 369 000 which would be disbursed in a number of areas. Four hundred and forty-three thousand dollars is for prevention. This is primarily for educational programmes to raise the level of awareness of this disease in the sensitisation workshops among the various departments in the Ministry, for the provision of condoms and to acquire the drug AZT which is given to pregnant women who are HIV positive.

This is a project that we embarked on since 1995 and it has been very successful in reducing the maternal to child transmission of HIV/AIDS in our society. In this regard, we are ahead of the United Kingdom and the United States of America who started giving AZT to their patients in a prevention programme at a much later time.

Two point four million dollars has been allocated for care and support. This is basically for care and assistance to persons with HIV/AIDS and their relatives. A lot of us do not realise the problems some of these patients have in fitting back into the community, in relating to their relatives and the counselling that is needed both for these patients and their relatives.

Out of these allocated funds, \$1.2 million is to provide funding for a drop-in centre and a food bank. These will be located at the old UNDP Building on the Ministry of Health compound. The whole idea of this drop-in centre is for patients living with HIV/AIDS to come into a setting where they can meet other people who are similarly afflicted and other members of the society to discuss things, have social events and, generally, be able to relax and have access to computer facility and training so that they can go back into the community and work.

We are looking at having a number of patients who have HIV/AIDS work in the community as part of this HIV/AIDS Programme and the drop-in centre would assist in this regard. A number of these patients are abandoned by their relatives, and some of them have lost their jobs after being diagnosed with HIV/AIDS, so provision is made for a food bank where they will be able to come weekly and get their supplies. This obtains presently in a very limited way and is done from the Ministry of Health and the AIDS Hotline Office.

In addition to that, some of the funds are expected to be used to upgrade the hospice in Black Rock and we will be doing some work to the polyclinics to assist in this whole concept of care and support of these patients. Seven point seven eight million dollars has been allocated to treatment. Of this, \$5 395 000 would be expended on the highly retroviral therapy. This is the new cocktail we have all read about which would be made available to all patients who are HIV/AIDS positive who have had the relevant test and have been assessed to have reach the level where they need to have these retroviral therapy. This is definitely a very positive move and is one that is being watched very closely by many countries in the Caribbean.

I know for certain that the Jamaicans are negotiating for this process to have these drugs available to their population but the Government is in no way able to give it freely to them. At this point in time, they are negotiating to get low prices but the patients will have to be able to purchase them. In the case of Barbados, I think it is commendable that a small country with limited resources is making this available to its population.

In addition to that, there is a state-of-the-art laboratory and clinic at the Ladymeade facility which is to be opened shortly. This will have provision for flow cytometry to do the CD4 count and the viral loads which are being done in North America and Europe on patients who are on anti-retroviral therapy.

The way to treat patients is to monitor their CD4 count. You do not put every patient who has HIV/AIDS on anti-retroviral therapy. You monitor their condition, how they are, their physical condition and their CD4 count and then you do their viral loads and you assess them and then you do a titration and you balance that against the sort of drugs you are going to give them. This is all going to be done at these new facilities at Ladymeade.

The clinic will also have a pharmacy and patients will be able to go in and see their doctors, have their prescriptions filled and then go about 25 yards across the compound and have their blood test, CD4 count and viral loads done in one small area. There will be counselling rooms where they will be counselled by social workers who will be available, and

this is certainly commendable. Officials from the World Bank toured the facility recently and they were certainly very impressed.

There are also provisions for the whole computerisation of this system where their results and medication will be available at the end of the day in a confidential manner and will also be available in the polyclinics. As I said, \$5.3 million is allocated for the supply of these drugs in this financial year.

An additional \$1.5 million will go toward the purchase of an incinerator which we do not have at this point in time. This goes back to the whole problem of biomedical waste and the consultancy.

The final category for the allocation of these funds to the HIV/AIDS Programme is for management and \$780 759 has been allocated to this. This is to cover the cost of the medical staff, the nursing staff and provision is to be made for social workers, counsellors and pharmacists.

Mr. President, that brings me to the end of the problems of the Ministry of Health and how Government is seeking to address some of these problems.

I want to go on now to the very important Ministry of Social Transformation which has been accused of all sorts of things for lack of a better word. It has been accused of squandering money, of patronising party sycophants and all sorts of things. I think it has been fairly unfair for the sort of statements that have been made about it.

The funding for this Ministry this year is \$75 million to continue its Poverty Alleviation Programme. There can be no doubt that this Ministry has done some very good work in the whole area of poverty alleviation. We only have to tour the urban areas and see the sort of changes that have occurred like the repairing of houses which were old and dilapidated, and in the building and provision of houses for people who were homeless and for elderly people who had no way of repairing their homes. Housing has also been provided for some young mothers who were unemployed who have about three to four children, so I think the Ministry of Social Transformation is being bashed unfairly.

I want to look at the Ministry of Social Transformation's plan for HIV/AIDS and its prevention and control. The Ministry has been allocated \$1.4 million to their Community Development Department. This Department is already doing some very good work in the communities in educating young people about AIDS, the whole gambit of sexually transmitted diseases and how to protect themselves, so I think it is necessary for us to continue the support to the Community Development Department.

Nine communities have been identified by the Community Development Department for intensive HIV/AIDS intervention in the next financial year. These include the Pine and New Orleans in St. Michael; Sion Hill, St. James; Silver Sands, Christ Church; Church Village, St. Philip; Gall Hill, St. John; Belleplaine, St. Andrew and Checker Hall, St. Lucy. Community workers will be going into the communities educating and interacting with the young people and telling them about HIV/AIDS, its prevention and control.
12.15 p.m.

They get food vouchers and, as I said earlier, many of them are abandoned by their families. They are unemployed and a lot of them, had it not been for the Ministry of Social Transformation, would virtually be living on the streets. In some cases, the Urban Development Commission pay their utilities, rent, counselling programmes and they assist, at the end of the day, in their burial expenses for many of these patients whose relatives, for one reason or other, are unable to pay for their funeral.

In addition, under the Urban Development Commission, \$750 000 has been allocated to provide housing for these homeless patients who are living with AIDS. I think this has to be commended. I do not think we know enough about some of the work the Ministry of Social Transformation has been doing in the community, and we need to be cognizant about it.

Other aspects of the Community Development Department include the aspect of developing the concept of self-reliance within the community. I do not know that many of us are familiar with the Community Art Career Programme and this again is under the auspices of the Community Development Programme. It aims to improve the artistic ability of the young people and lead them into avenues for self-employment. Interestingly enough when it started, 150 persons have benefited; 80 per cent have been males and obviously catering to the boys on the blocks.

There is introduction to graphic arts, animation, computer graphics and paint brushing. Out of this venture some have formed companies and others have found jobs in the private sector. I do not think many of us have ever heard about this Community Arts Programme and so we tend to condemn the Ministry of Social Transformation of doing nothing.

There is a community technology programme to which \$2 million has been assigned. This will be launched shortly in a number of community centres around the country, especially in Black Bess, St. Peter; St. Marks, St. Philip; St. Elizabeth, St. Joseph; The Valley, St. George; Bonnetts, St. Michael and Weston, St. James. The centres have already been refurbished by and large and now have

provisions for computer lab and internet access. Programmes will accommodate some 260 persons and the courses which will be offered include: introduction to computers, introduction to spread sheet, introduction to the internet, introduction to the worldwide web.

Certainly, Sir, this is a significantly social endeavour which will prepare citizens for the new technological era. Again, I think this is a very important area which a lot of us know nothing about and, at the end of the day, it ensures that those persons who do not have computer access, or who do not have computers in their homes, certainly will be able to have access to them. Later this year in September, it is expected to extend to Bush Hall, Emmerton, Parkinson, Deacons and Gall Hill, St. John. I think it certainly is a very commendable venture.

The Welfare Department to which \$20.5 million has been allocated this financial year, there are about 7,000 who receive financial support costing about \$200 000 per week, meaning 7,000 people benefit every week from welfare support and I think things like these are lost from us.

Sir, \$9 510 618 has been allocated this year for Poverty Alleviation and among the projects it is not like handing out envelopes with money, as some may feel. It is a project called "Employment Training Through Poverty Eradication Fund". They started with a Relief 2000 Programme. We are not in the habit of, as the Chinese say, giving them fish but teaching them how to fish. Since this funding started, 148 persons have attended training courses, for example, courses such as cosmetology, typist, receptionist, cookery, housekeeping and certainly this is helping. It is not just giving out disbursements to people who are in need but also giving them means by which they can survive and make themselves useful in the society.

The Urban Development Commission, to which \$15 million has been allocated, continues to help in the community. They have constructed well over 300 chattel houses in Barbados, have repaired several hundred houses. In addition to that, they are involved in the construction of roads, drainages and concrete tracks leading in the tenancies. Sir, while talking about tenancies, we must not forget the importance of the UDC in helping to acquire lands within the urban districts, where persons pay the first \$2.50 per square foot and the UDC pays the balance. There is money that is allocated under the UDC for concrete roads, also vitally important. Then there are redevelopment schemes and clearance processes in which this Ministry is involved. Cat's Castle is one of the areas identified where there are over 35 households and where 35 per cent have no sanitation. In this day and age about 20 per cent of them are using kerosine, 2.6 per cent coals as fire. If there is a

problem like this, how does one deal with it? This is where the Ministry of Social Transformation is addressing in its current clearance programme.

Sir, this brings me to another matter. In this country at this point in time, there are about 3 020 houses in Barbados that have no form of sanitary facilities whatsoever. This is a matter that certainly needs to be urgently addressed. It gets worse. There are some 4 020 premises which share facilities and this is the sort of Barbados we are talking about and things that we need to address. In this regard, the Ministry of Health has had discussions with the Ministry of Social Transformation at looking at addressing these issues. Certainly, we cannot be talking about becoming the smallest developed country and we still have this area where there are over 3 000 households without sanitary facilities.

In addition, Mr. President, the Ministry of Social Transformation is looking at the upgrading of many resource centres. Certainly we all have the example of the work that has been done in the Pine and there is also provision made this year for the upgrading of the Roberts Road Resource Centre at the cost of \$500 000; the Alkins Road Resource Centre at the cost of \$500 000. Sir, in all I think we can say that the Ministry of Social Transformation is, indeed, playing a very useful and valuable role in the whole concept of poverty alleviation in this country and I think it is flogged sometimes unnecessarily, sometimes unfairly, but I think they have a role to play and are certainly playing it.

Mr. President, \$15.2 million is being allocated for the Bridgetown Bypass Road Project and we are all hearing about the dislocation and the traffic congestion in all of the projects that are going on. Sir, we must admit at the same time, and I think a lot of us are mindful of the fact, that a lot of our highways and roads are in a terrible condition and need to be refurbished and repaired. Also, a lot of the roads need to be widened and certainly for the traffic congestion.

I have been reliably informed that we have approximately 90 000 vehicles and that we need to increase the width of our roads, *et cetera*. Therefore, this is very necessary. On the one hand, we are complaining about the disruption and the congestion and on the other hand we are complaining about the potholes, congestion and the narrowness of the roads. Sir, I mean, we cannot have it both ways at one and the same time and certainly the public has to be mindful of the fact that for progress we need to make sacrifices.

There is \$2.5 million for the development of market facilities and this is certainly dear to the heart of one or two Honourable Members in this Chamber. I have driven through the area of Glebe, St. George and have seen the new market built there. I think we know the sort of work that was done by the Rural Development Commission in this regard. Plans to equip the Ministry of Public Work's 13 depots will

certainly go a long way towards the programme of road rehabilitation.

Sir, I think most Members will be in agreement that the expansion project of the Grantley Adams International Airport is certainly a very necessary project. The Grantley Adams International Airport is certainly much too small for the volume of traffic it has to accommodate and therefore, the need to expand and build a new arrivals hall is certainly something we need to compliment the Government about. The Government is allocating \$12.5 million this year in the Estimates.

Mr. President, before I sit, I want to say that this year we are still in a state of recession, that Government has had to be mindful of the sort of fiscal discipline that is necessary, mindful of the state of the economy and the need to maintain a low fiscal deficit and a low inflation rate and also to be mindful of the fact that it has social responsibilities towards its populace. It has to maintain housing, roads, *et cetera*, and they are all vitally important in maintaining a balance. I certainly think the Government has obtained and achieved that necessary balance this year.

With those few words, I beg to move that this Bill be now read a second time.
12.25 p.m.

SENATOR C. A. MASCOLL: Mr. President, in the limited two-hour period available to me I look forward to these Estimates. In fact, when I reflect on the past year, I must confess that there has been some degree of admission on the part of this Administration if we reflect on last year's Estimates.

When we debated the Estimates last year in March there were all kinds of praises for the Government. We were on a record eight straight years of growth and we were told that the year 2001 would have been another record performing year.

Let me say that long before the events of September 11, the Barbados economy had already slipped significantly because on August 8 when the Financial Statement was laid in the Other Place, there was not enough analysis, in my view at that time, about the Barbados economy.

In the second quarter of last year there was a dramatic decline in economic performance of the magnitude of 3.5 per cent and before September 11, the economy had started to slide significantly such that by the end of last year 2001, the Barbados economy moved from 3.5 per cent growth in the first quarter to almost 3 per cent decline by the end of the year. This constitutes a significant reversal in the last nine months of 2001. Mr. President, I am saying that to put

in context the Estimates because, as I speak to you, the Barbados economy continues to decline very rapidly.

First, the tourism sector has shown significant decline in arrivals, a magnitude of 15 per cent, and this is compounded by the fact that the ailing sugar industry suffered a late start to the crop. The implications of those factors without mentioning the offshore sector are grave because in the first quarter of the year, tourism and sugar are extremely important to the performance of the economy.

I can say at this stage that this economy will decline about 6 per cent in real terms during the period January to March as a consequence of the combined performance of tourism and the late start to the sugar crop.

In the light of that background, we need to look at the Estimates, but before I get into an analysis of the Estimates, I wish to suggest that perhaps this exercise is bordering to some extent on the useless. You cannot put a budget in place and then the most significant part of a budget exercise is the extent to which you are going to be able to finance the deficit that you have incurred.

It is not only the financing of the deficit that is important but the type of financing that will be used. If the Government is now saying after publishing this, that it no longer intends to borrow \$166 million from foreign sources, as identified in the Estimates, then it has implications for the overall economy particularly the domestic side of the economy.

Sir, that does not surprise me because having borrowed \$150 million for a rainy day, then within less than 12 months Government negotiated to borrow \$200 million for a rainy day which means that we would have borrowed \$350 million for a rainy day then to have the occasion of September 11 which gives us the opportunity to borrow a further \$300 million for a rainy day, and it would be time now to determine whether or not we have had a flood. Sir, within less than two years we have borrowed \$650 million for a rainy day. This does not tell us about the additional borrowings which we have incurred over the last five years.

My concern with that is the \$200 million borrowed. We said explicitly in the Resolution that it was being borrowed to assist us with trade liberalisation and globalization. We anticipated some fallout, especially within the private sector. Provision was made to cope with the impact of trade liberalisation and globalization.
12.35 p.m.

The Leader of Government, on the Other Side, suggested that the major reason for the economic recession in Barbados is the fact that the economy has had to cope with

trade liberalisation and globalization and these two phenomena had impacted most heavily on the agriculture and manufacturing sectors.

Let me say that why there might have been some impact on the agriculture and manufacturing sectors, the impact of liberalisation cannot be the reason for the economic recession, as I speak. The major sector that has been affected, not by any trade liberalisation, is tourism. Tourism has been affected by the absolute neglect of domestic policy. I will argue in this debate, and I can quote the Prime Minister in his Budget Speech of last year when he said that there was unprecedented expansion of the United States economy, an eight-year period of unprecedented growth in the US economy under President Bill Clinton. I wish to suggest that is absolutely correct.

I also wish to suggest that over that period that the logical expectation in Barbados in terms of benefits would have been for a substantial increase in tourist arrivals from the United States. What we saw was that the arrivals out of the United States during the period of unprecedented growth declined from 175 000 visitors to 108 000 visitors during that period of expansion in the United States.

Therefore, I am suggesting that if we are now seeking to blame the economic performance in the US for the performance of the United States market in Barbados, we are on the wrong foundation because we should have had substantial growth in the US market during that period of boom. It cannot be the case that tourism is performing as a consequence of any economic recession in the United States.

In fact, let me hasten to add to this debate that there has been an inappropriate policy on the part of this Government. I am now going to expand on that to set the framework within these Estimates which have to be analysed.

The first thing that occurred is that there was a roundheaded decision on the part of the Administration to impose a VAT rate of 7.5 per cent on the hotel accommodation. It was a major error. Sir, that 7.5 per cent impacted on hotel accommodation in Barbados. Prior to the introduction of VAT, the hotel accommodation rate was 5 per cent. Sir, you can see that was a 50 per cent increase.

I also wish to suggest that when we introduced the VAT in Barbados, removed the hotel and restaurant tax and imposed the 15 per cent on food and beverages, we increased the rate charged on food in restaurants and hotels by 200 per cent. We also contributed in a major way to the increased cost of Barbados since the introduction of VAT. It was not a question of any recession in the US.

I can identify, as well as others in this room, that other destinations in the region enjoyed increased arrivals and benefits as a result of the US expansion but was Barbados contracting at that time? I can go further to demonstrate some things that happened in the tourism sector.

Since 1996, the actual spending for tourists declined by 15 per cent in nominal terms. The actual spending by tourists declined by 15 per cent over the last five years in Barbados. You can check the Central Bank's statistic even though I did not have the opportunity to go to that wonderful venue to make my point.

Asides.

SENATOR C. A. MASCOLL: I never got the chance to make any input.

Sir, when you account for prices, the actual decline for spending by tourists in Barbados was 21 per cent over the last five years.

We have had a fundamental shift in our tourist arrivals from the US to the UK, but the UK visitor, while he spends a longer time in Barbados, is not as wealthy and does not spend on average as much per day as the US visitor. Those figures are written in research. I am not speaking off the top of my head or even though I do not have notes. I am speaking from research data. I do not have to have the notes in front of me. I have been dealing with this for many years. In fact, I can remove all of these papers from in front of me.

Asides.

SENATOR C. A. MASCOLL: I am saying that the UK visitor on average does not spend as much as the US visitor. Therefore, we have seen a decline in per capita spending of the average tourist in Barbados. What we have had resulting from the shift of visitors is that output of tourism has increased because output is measured by bed nights. If you have a UK visitor and he spends a longer time than the US visitor in Barbados, you may get more expenditure from him but when you do your per capita you are not going to get as much.

I am not talking about Sandy Lane Hotel. Sandy Lane is a special case. Sir, that is like when you are talking about Sir Garfield Sobers. You do not talk about Sir Garfield in the same breath when you are talking about the other cricketers, some who may even be in this Honourable Chamber.

Aside.

SENATOR C. A. MASCOLL: You do not talk about Sandy Lane Hotel when you are talking about Silver Rock Hotel or some other property on the South Coast.

Mr. PRESIDENT: You have two hours, Senator.

Senator, although in a sense the matter is in my hands, I will not suspend the Sitting without your concurrence. 12.45 p.m.

SENATOR C. A. MASCOLL: I am asking whether I should speak to one o'clock and then take a break.

Mr. PRESIDENT: If that is your wish, Senator, I will accommodate you.

SENATOR C. A. MASCOLL: Sir, I do wish.

Mr. President, I am only seeking your accommodation not because of any lack of notes or knowledge. In fact, I have spoken in these Chambers for years without any type of note at all, but I wish to suggest that tourism is in trouble and that is a direct consequence of inappropriate domestic policy and nothing to do with any so-called recession in the United States of America.

The inappropriateness of the policy actually rests mostly in the changing of the guard in this very vital sector four times in five years. We had a Mr. Cheltenham, Miss Billie Miller, Mr. Payne and now we have the most painful of all, Mr. Lynch. I am saying that you cannot take a sector that is as vital as tourism and change the leadership of it willy-nilly and then you reconfigure the most critical institution of all, the Barbados Tourism Authority.

At one stage you had the high flyers and then you said they had not performed. In fact, they ran from the responsibility. Then you said we need to restructure and the restructuring of the organisation has caused some casualties. We have seen individuals who had some degree of hope being removed from the entire process and others who were never given the opportunity to show what sort of hue they have. They have also suffered as a direct consequence of ministerial lack of direction, if I may say that.

Then we are being told that the best way forward for the tourism sector is to construct a private company. Note the nature of this company: \$45 million that is customary would remain and then the private sector contribution would come by way of \$1 million out of the BIDC and then \$5 million, but the \$5 million the private sector is hoping to raise to part-fund this entire venture would be raised as a result of the imposition of a \$2 or \$3 per room tax.

I never knew that the private sector taxed anybody, but the private sector has skilfully decided that the \$50 million that is needed to run this new company, would be raised by way of a \$45 million provision from the public purse and then a \$5 million provision out of a tax to be imposed on the tourists when they come to Barbados. Remarkable ingenuity!

Tourism is not the only reason for the recession that occurred in Barbados. The excess taxation that was supposed to be a major stumbling block for the private sector, as identified by the present Prime Minister when he was the Leader of the Opposition, was allowed to increase from 28 cents out of a dollar to 40 cents out of a dollar over a short 5-year period. As was stated, it was a bull pistol at that stage when it was a mere 28 cents out of a dollar and it has become now a cat-o-nine tails.

There is no one that can dispute or even attempt to deny it. I do not make those kinds of errors in public. I would not say things that I cannot defend in public and the evidence is there to show that in any stalled dispute or stalling of my ideas that I will still be out front. I have shown repeatedly that you cannot even attempt to trap Senator Mascoll by way of public relations because he ensures that he is prepared for the task and you cannot use any stalling technique to deny him the right of public appeal. He is entitled to it and he gets it.

I have also to say that a major point of reference for this Administration was supposed to be the international business and financial sector. It was identified as the area in which the Government would be able to generate substantial jobs, as the area of major expansion for Barbados and only two weeks ago I heard the Prime Minister of Barbados asking the private sector community to tell him what they want in that sector. I find that really hard to understand.

I am managing the affairs of Barbados and after five or four years I can admit that I neglected the sector and I am now appealing to the players in the sector to tell me what they want. That is the hallmark of the leadership in Barbados as we speak, and it has not been that we have a view where the international business sector should go.

We have already seen casualties on that side. In fact, we have had one Minister who has suffered several demotions over the last four years. He was in charge of the smallest Ministry ever in the history of Barbados, was then demoted to a higher position, the Ministry of Health, and has now been removed to being an envoy. He would have been the person at the vanguard of changing the entire structure of the international business and financial sector to ensure that the objectives stated by the then Opposition Leader would have been carried out under his watch. This sector again has suffered because of inadequate policy. It has nothing to do with the international environment. It is because of inadequate domestic policy.

Then the inadequacy of the domestic policy continued last year. We are now hearing that the savings deposits of Barbados have increased by almost \$400 million. Mr. President, think about this. If you borrowed \$200 000 as a mortgage to put in a lawyer's hands until that transaction is finished then the transfer of those funds to the legal

profession would still find its way into the banking system and it may appear to be increased savings. In fact, you will not get increased savings that way because ...

His Honour SENATOR C. L. BOLDEN: On a point of order. Mr. President, I hate to interrupt the Honourable Member in his wobbly way this morning but he must not attempt to use his analysis to give people the impression that money can be borrowed and transferred to lawyers to use at a later date. It shows he is not aware how mortgages are provided today. He cannot use this sort of example. It is not correct. It gives a wrong impression about what happens in the legal and financial playing field.

If the Honourable Member wants to appeal for light at this time, which I asked him long ago, he should do so and get his information.

SENATOR C. A. MASCOLL: Mr. President, I do not know how to respond to that intervention because, as usual, Senator Bolden is making little or limited sense on this matter. I am suggesting that once you have transactions being conducted in any economy, the funds which are being used will eventually find their way into the banking system in any case. Therefore, you cannot look simply at the commercial banking deposits and determine that there has been increased savings in Barbados as a consequence of any growth. That is what I am saying. No legal mind like that can determine for me what I want to say.

Aside.

SENATOR C. A. MASCOLL: Of course, I rest and live next to a legal mind every day that I respect fully so that I do not have to come to that level. Once you have any economy where there will be transactions that lawyers and any other persons who provide services would have in their coffers resources that do not necessarily belong to them which would have been transferred but which would reflect themselves in a deposit of some sort, therefore, it cannot be the case that you can simply look at savings to determine that people have saved more. They are not saving. They could be on a demand deposit. You cannot tell me about commercial banking.

Asides.

SUSPENSION OF SITTING

Senator the Hon. J. X. WALCOTT: Mr. President, I beg to move that this Sitting be suspended until 2.05 p.m. today.

The question that the Sitting do now suspend until 2.05 p.m. today was put to the Senate and agreed to, and Mr. PRESIDENT suspended the Sitting accordingly.
12.55 p.m.

RESUMPTION

Mr. DEPUTY PRESIDENT: This Sitting is resumed.

SENATOR C. A. MASCOLL: Mr. Deputy President, I wish as I did before lunch, to set the environment within which these Estimates were put together. I want to deal with one or two of the matters raised by the Leader on the Other Side and I will start this afternoon's session by looking at the whole question of the performance of the foreign reserves of Barbados. Here again, we are witnessing an attempt to put in the public's domain, that in spite of the economic recession, the Barbados economy has performed so well that the foreign reserves increased substantially when you net the foreign borrowing that occurred in 2001.

Mr. Deputy President, during the period of recession, as in any small open economy, we expect that imports would contract and this has been the case in Barbados. In fact, the evidence is there to show that imports into Barbados declined, in double digits, by as much of about 15 per cent last year over the previous year. Sir, that immediately translates into a reduction in foreign exchange usage and *sedibus paribus* holding all other things constant. It means that it is possible for an economy to experience an increase in foreign reserves, if there is a contraction in the import side of the equation.

Sir, when you listen to the Prime Minister boasting, and account is taken of the borrowing of the \$300 million last year, the economy would still have experienced an increase in foreign reserves accumulation, you have to carry the analysis further. The part of the analysis that ties into what happened last year is that a small open economy in recession also has a contraction in its imports.

In fact, the Central Bank review for the economy did indicate that imports were estimated to slow down by about 13.8 per cent in the year 2001 when compared with 2000. It therefore means that you cannot boast that there has been an improvement in the foreign reserves, occasioned by improvement in the economic performance. You can boast, as is the case now, that the foreign reserves might have grown because of the contraction in imports. The contraction in imports either caused, or is a consequence of the economic recession, so that is nothing to boast about and we can see that in this very context.

Sir, what we should not boast about, however, is the excessive borrowing of \$300 million last year, when, to my mind, it was unnecessary. It was unnecessary because the foreign reserves were already beyond the \$1 billion mark. Because of the excessive borrowing, it was unnecessary because you could not demonstrate why you needed to go for such a large loan. I am not convinced to this day, that the Estimates provided in the emergency document were well put together.

The expectation that the tourism sector would contract by 30 per cent in arrivals was madness. As far as I am concerned, it was simply too much to expect to the contract in such a short time period. It does not work that way. Sir, that to have expected or anticipated such massive fall out, and then use it as an excuse to borrow \$300 million, was typical Barbados Labour Party politics.

It could never have been justified and in any case, as I said before lunch, we had already accumulated \$350 million for a rainy day, and the rainy day had come in the form of September 11, 2001. Therefore, we should have used the accumulated foreign reserves to offset any fallout that might have happened to the foreign reserves of Barbados.

This Administration has learnt a lot from the past, and the major thing that has happened is that it is possible to ask further generations to make contribution to present day development. Sir, that was a strategy of a former Prime Minister under a Barbados Labour Party Administration.

The strategy is that future generations should be asked to make some contribution to today's development. We have moved quite quickly on that path, because we have accumulated a foreign debt of Barbados, so quickly in the last two to three years, that there has to be a cause for concern.

The real cause for concern is directly related to the fact that there is no evidence that Barbados' foreign exchange earning sectors are performing well enough to earn the foreign exchange necessary to allow us to repay the outstanding debt in the foreseeable future.

I must confess that I have grave difficulty in what has occurred but let me just explain that as far back as 1975, the total debt of Barbados was a mere \$209 million. In 10 short years, under the Democratic Labour Party of 1976, the total debt of Barbados moved to \$101 billion, an almost 5-fold increase in the total national debt of Barbados.

Sir, it seems to me, that a similar type of strategy or principle is being used by this Administration. The thing that makes it different this time around is that this strategy is in direct contradiction to what the now Prime Minister of Barbados outlined before, when he said that his foreign borrowing strategy will differ from that of the Sandiford Administration to the extent that in any given year, he intends to borrow from foreign sources what is the level of foreign interest repayment for that particular fiscal year. To date, he has not followed that particular principle in any fiscal year, to the extent that as we speak in these Estimates, we should limit our foreign borrowing.

Last year, we should have limited it to a mere \$101 million, and we ended up borrowing as much as \$300 million. According to these Estimates, any time we go on the foreign market, we should be borrowing no more than \$99 million, consistent with the principle outlined by the Prime Minister of Barbados.

Sir, when you look at the Estimates and compare Table 8 with Table 10, you would see that there is a major difference between what we should be borrowing as the principal states, and the amount indicated, under commercial non-profit foreign borrowing, which is \$160 million. There is no consistency.

Sir, my greatest worry is that over the next 10 to 15 years, there is going to be bunching of repayment of debts in Barbados. There is going to be a major problem for any administration ahead to have to cope with the extensive level of indebtedness, that this Administration is putting Barbados under.

There is no evidence that would have warranted such borrowing, in the last quarter of last year. There is no evidence that can justify why we approach the international foreign market, for as much as \$300 million. Sir, that also has to be looked at, in its context. Perhaps we are really preparing for a rainy day, but I get the impression that the rain will come, not from an economic source, but from a political source and that political source may be in the form of an election. We are preparing for a rainy day, occasioned by politics rather than economics.

I can see it on the horizon. In fact, these Estimates do point to an election. I say that in light of what I am seeing in the Estimates. Could you imagine that we are currently in a recession, and there is little evidence that the economy is going to come out of a recession in the foreseeable future? When you look at the Estimates, you see an increase in expenditure. You will see even an increase in taxation and that for me, is the greatest worry. I would have thought that in an economy that you know is in recession, there would be an expected contraction in the amount of spending, that is the total expenditure in the Barbados economy. Sir, that would be directly reflected in the Government's expectation of taxation or revenue.

When you look at the Estimates, the Government is actually anticipating or expecting to receive almost \$50 million more in the coming fiscal year, than it received in this fiscal year. How could you justify, expecting \$50 million more in taxation or revenue, in an economy that is declining? What it would do, given that the actual economic base is contracted and you are getting more taxes, means that the tax ratio is going to increase.

2.15 p.m.

This simply means that I would not have to speculate any longer about whether or not the tax take is over 40 per cent. It would clearly be over 40 per cent, which is 40¢ out of every dollar. Nobody can dispute that and I would wish to spend a minute or two on that.

There are two major measures of Gross Domestic Product (GDP). Those measures are either the market price or the factor cost. The difference between the GDP at market price and the GDP at factor cost happens to be indirect taxation and net subsidies. In the Barbados economy, with a Value Added Tax (VAT) system, the level of indirect taxation is going to be substantial, so the difference between your GDP at factor cost and your GDP at market price is large.

When I went to the public to explain that Barbados' tax take was over 40 per cent, the Central Bank of Barbados sought to put information in the public domain to show that my tax GDP ratio was higher than is actually the case. That is simply because the Central Bank of Barbados and the Prime Minister use the GDP at market price which includes indirect taxation.

Mr. President, if we accept that a tax is a burden, then we cannot use the tax to GDP ratio using the market price measure because the taxes would be included in the denominator as well, so, let me bring that home to a layman. If you wanted to handicap a horse, you would put additional weight on the horse, but you do not correspondingly add weight to the horse so the horse does not become heavier as a result of the increase weight that you have placed on the saddle to handicap the horse.

Similarly, you cannot put a tax GDP ratio and put the taxes in the numerator and then include the taxes in the denominator as well and express the ratio like that. It makes no sense, so I am going to die saying that the tax GDP ratio in Barbados exceeds 40 per cent at this stage and I know I am right. This compares with the 28¢ under the Sandiford Administration which means that the overall taxation in Barbados has increased by a whopping 40 per cent in the last five to six years.

I am not talking French. I am not pulling the figures out of the sky. The figures are in the Central Bank's documents and the Government's documents and most importantly in the Appendix of the Financial Statement delivered by the Prime Minister on August 8, 2001. The only difference is that the Prime Minister sought to use GDP at market price when he should be using GDP at factor cost. Therefore, the measure that I am speaking of would be substantially higher. That is a point not to be trivialized because it is my contention that a major problem in our major sector is excess taxation.

Barbados' tax level is much too high in the tourism sector. It does not take for me to say that. That is the view of all Barbadians and all visitors. Barbados is expensive as a destination and you only need to take a trip to Trinidad and Tobago to appreciate what I am saying.

Barbados is a high-tax, high-cost destination. It cannot be denied, so all the pussyfooting with economic indicators, arrivals and all the GDP talk and the Minister of Tourism saying that this is the greatest winter season ever in the history of Barbados is not true because the players in the private sector are saying that it has been the worst. So these are the contradictions you are getting.

We need to come home and understand and appreciate that we rely very heavily on tourism and that tourism must be analysed to appreciate where it is at. Until we do that, we are not going to be in a position to make any significant changes to the character of our tourism sector because we are competing every day with destinations in the region that offer the sea, sand and everything else and with destinations that have exchange rates that differ from Barbados, so that compels Barbados then to look beyond the mere changing of a minister and the Board of the Barbados Tourism Authority and look at the real fundamental issues in tourism to determine whether or not we can become competitive. To date we have not been.

I, therefore, wish to end my little introduction on tourism with these words, and I quote the Prime Minister of Barbados in the Financial Statement and Economic and Financial Policies of Government, August 8, 2001 on page 5. I said this before, I do not quote verbatim.

"In particular, the USA economy recorded 10 years of strong, sustained growth which in turn accounted for about 50 per cent of incremental global economic growth. That extraordinary growth of the USA economy was driven in large measure by vast investments in its information technology sector, despite its low levels of profitability. It was also spurred by a 'wealth effect', as over 50 per cent of USA households came to participate in the Stock Exchange as equity holders, and benefited until recently from the remarkable increase in the value of stocks."

That is the period of prosperity to which I referred before lunch. That is the period of prosperity in the United States of America that did not translate into any increased tourist arrivals in Barbados over that ten-year period. You cannot on the one hand say that our tourism performance is directly correlated with the health of the United States of America's economy and then on the other hand say that our decline is indirectly correlated with recession, so I have difficulty there. How could Government now seek to explain that our fall-out in the United States of America is because

of a one-year economic recession in the United States of America when a ten-year boom did not result in an increase in tourist arrivals out of the United States of America?

It must, therefore, mean that the domestic policies of the Government are responsible for the state of tourism, not the external side. Therefore, I can end on that. The economic recession in Barbados is predominately as a result of internal policies and was not externally driven and predates September 11.

We all know what has happened in the manufacturing sector here. We have had a considerable to-ing and fro-ing between the manufacturing sector and they are not sure whether Government is with them or whether Government is supporting them with a lot of pie in the sky measures that do not result into anything significant in terms of easing the levels of hardship within the manufacturing sector.

We are not so sure whether Government is for or against trade liberalisation. We are not so sure whether the Government used the events of September 11 as an excuse to re-impose taxes to so-call protect the manufacturing sector. Recently, they are saying that they do not intend to maintain such form of protection because we are in a new era of globalization and trade liberalisation, so we are not so sure what is really the position of Government.

What I am sure about is that the manufacturing sector is dying for the most part in Barbados and there is absolute evidence of that across the length and breadth of the manufacturing sector, so you do not need to beat a dead horse. That is what is happening now with manufacturing. 2.25 p.m.

Then there is agriculture in which you reimpose taxes to protect local goods and there are all sorts of hue and cry over the measure. Sir, when one checks the analysis, there is little justification for the reimposition of a 60 per cent tax on items that are used within the same tourism sector, which only serves to increase the cost of the tourism product as well as the cost of living in Barbados. There was no real benefit in terms of the imposition.

Sir, again we need to decide where we are in relation to the future we are facing. Are we preparing for a new world or are we about making comments that suit the occasion? Is it practical to say we are protecting what we protect? When we have justification to do otherwise, we do otherwise. We tend to remain fully confused whether or not Government has a real policy in terms of the manufacturing sector.

Mr. President, there is the offshore sector. I must again say that when one looks at the Estimates of Barbados, there needs to be adjustments because you are hearing repeatedly that the level of corporation taxes in Barbados is directly

related to contributions of the offshore sector per company taxes, that the growth we have seen is a direct result to the improvements in the international business and financial sector. What we should be able to do in these Estimates then is to have information available to tell us how much corporation taxes will be paid, or is paid by local companies, and how much is paid by foreign companies. That is important because it has implications for the health of the economy but when you are hearing that the corporation tax paid has more to do with the performance of the international business and financial sectors, it has to do with the local business sector then one has to worry.

The reason one has to worry is that we are presently engaged in something called a tripartite system in which there is the Government, the private sector and the worker. Sir, as I can gather from all areas, the Government has benefitted because of VAT and other taxes. The private sector appeared to have benefitted because of the accrued profitability within the private sector, but we are not so sure because we cannot use corporation tax to gauge the profitability of the private sector any longer because a lot of it is supposed to be foreign. Then it is the worker who is part of this whole tripartite system that has not benefitted over the last five to seven years.

Mr. President, we need to have better information as it relates to the economy and to corporation taxes. We should know the sources of these corporation taxes. What we do know is that many companies have been under severe pressure, and if the Prime Minister is saying that a large chunk of the corporation tax paid belongs to foreign companies, then there is reason to believe that local companies may not be as healthy as we had first thought. If that is true, then it now explains why several of the small companies in Barbados have suffered over the last two years or so.

Sir, there is no need for me to tell you about Julie'N Supermarkets. I do not need to repeat the story of Budg'Buy Supermarket. I do not have to repeat the story of Shamrock Supermarket. I do not have to repeat the story of many manufacturing entities in Barbados, neither do I have to repeat the story of the small Goddard Enterprises duty-free shops, how they have been under pressure during the last few years. Therefore, there is an abundance of evidence surrounding the health of local businesses.

Then I need to ask the question. How is it that there are several indicators in this economy: (1) the borrowing of the foreign reserves (2) the health of the local businesses? How is it that during a period of recession this economy could have generated more jobs? This is classic voodoo economics that even during a period of recession, the Prime Minister is saying that we actually have more jobs being created in the Barbados economy. Do you know what has to happen? We

have to rewrite economic books and call it "Economics Made Simple in Barbados". We then have to export these books because any economy that in a recession can create more jobs must be a boss economy, or must be running by a boss and therefore I need to question the nature of the boss. This is really voodoo stuff. There has to be where there is a situation where there has been major decline in tourism, manufacturing, major fall-off in the offshore sector, sugar is not doing well, the retail and distribution sectors are under pressure but more people finding work. This is remarkable economics and it is time to rewrite text books.

It is time to ask Senator Barker to engage his wisdom in text books because this is real stuff now. It has to be exported all around the world. We have to teach Europe, the United States of America, Japan, Latin America, Central America, how it is that in this small open economy here in the Caribbean, all of the other Caribbean countries are experiencing difficulty in recession, job losses, *et cetera*, but still more people working. This is wack-for-wack. I cannot get it understood. How could it be that we are having more jobs being created while an economy is in recession?

Sir, I can itemise the job losses. At BarTel, hundreds of people lost their jobs, hundreds have lost their jobs at Julie'N, Budg'Buy Supermarket, Sharmrock Supermarket, Galaxy Motors, Simpsons Motors, Almond Beach, but still when you get the official statistics, you are hearing that jobs have risen, unemployment is reduced, all in spite of the failure. I need to understand what is happening because I am at a lost to understand how, in this underperforming economy, there has been an increase in jobs. I have all the reasons why there has been this kind of performance.

Mr. Deputy President, in spite of the so-called economic health, we have seen no social good in Barbados. The economic health in Barbados has not caused an increase in social good because, despite the elaborate extended elucidation of the Leader on the Other Side on health matters in Barbados, people believe that health services in Barbados have declined, both in perception and in reality.
2.35 p.m.

Despite the so-called economic growth people are questioning what EduTech really means. They are also questioning the performance of our students in primary and secondary schools. In spite of the so-called economic wealth, there has been no major improvement in the housing affairs of Barbados.

I can continue and analyse a whole range of social indicators that have declined as a direct consequence of the so-called economic growth. This is voodoo because in spite of economic wealth, the social indicators are in retreat in the Barbados society. How do you explain the considerable

fall-off in social indicators? You only need to take a look at several of the programmes in Barbados to see that.

We now have a National Cultural Foundation that is supposed to be in charge of culture but the Prime Minister has now seen it fit to adopt culture as his baby. All of a sudden, culture is now identified as a major area of concern for this Administration and that has more political value than it has social value. If you can spread activities to the community level, as is expected under this programme, then you can appreciate that there is a considerable degree of control and influence that an administration can exercise at the community level using the State resources to do so for major political gain, so you are not so sure what is happening culturally in Barbados. I hope that an attempt will be demonstrated soon on how you can truly develop culture at the community level.

Sir, efforts to develop communities in Barbados are being thwarted by this Administration. A concept of volunteerism which was the basis for improving a particular community was slashed at its belly because the author of that particular concept of volunteerism happened to be on the Other Side. Then you had all kinds of mess ensuing.

There was a mess of individuals denying that they had verbally approved when they had not. You had the mess of knocking down a stall that is now to be replaced. You had mess because an entire Cabinet met to make a determination on how many soldiers and police they should send in an area to disrupt an exercise that was rooted in volunteerism where each and every individual would have made a contribution to not only the building but to the upkeep and improvement of that community.

Would you believe that instead of understanding and embracing a concept of volunteerism, Government decided to remove the foundation from under those individuals and in less than one month and a half has been able to replace those funds?

I have asked the young men of that area to accept most willingly any amount of financial resources that this Administration is willing to put in their coffers because they deserve fully to be refunded for the wastage that occurred. On that score, let me explain the extent to which there has been the capacity to take resources belonging to the taxpayers and utilise them as they see fit.

There is a situation where the GEMS Project has now reached the stage where in excess of \$100 million has been wasted by this Administration with little or no hope of ever recovering the resources spent on this Project.

At Greenland, the Government has spent in excess of \$30 million to provide a water facility for birds and fish and there is little hope of it being adequately used. The more important part is that it was supposed to be funded by the IADB.

Anyone who understands Government projects knows that the IADB gives funds after the project is finished so you have to use your own funds up front. Sir, the wastage that has occurred has so annoyed the IADB that they made a decision not to finance the venture any longer and, therefore, the Government had no choice but to look for the resources themselves.

This is the reason why we heard that we would now be funding this project out of our coffers because we have money in abundance. Sir, it is not because we have money in abundance but it is because this Government loves to borrow. If the Government had the opportunity to borrow the money from the IADB to deal with Greenland, it would have done so as well.

We heard about the \$40 million concrete road project that was supposed to be funded from foreign sources as well, but now it will be funded out of local funds.

Asides.

SENATOR C. A. MASCOLL: It is not a question of borrowing. It is a question of shifting the philosophical base upon which you established the project in the first place and because you are now forced into a particular position.

Sir, it was not a paradigm shift or change in the understanding of the way these things worked. It has to do with the fact that you wasted money and you were forced into a position by the international organisations to look for other sources of finances.

All this talk about funding projects from the \$300 million borrowed, the Government is not in a position to go to the IADB and the World Bank the same way it could have done five years ago. As a result it means that they borrowed \$300 million and now they have found a way to use it. There is now a fundamental change because substantial errors were made in managing the economy. The Prime Minister of Barbados has made fundamental errors in managing the affairs of Barbados.

Sir, it goes further. The Government put in excess of \$5 million into Southern Meats and then the shareholders decided to pay themselves first and bail out of the project.

Sir, it goes further than that. An excess of \$30 million was spent on the South Coast Sewerage Project only to find

that the funds were wasted so we now have to look for local sources to finance the project.

Sir, it gets worse.

2.45 p.m.

Then it goes further than that. We have the South Coast Sewerage Project where we spent in excess of \$30 million. We have now found that we have squandered and wasted so much money that we have to look for local sources to finance.

It goes beyond that and it gets worse. The offices that were supposed to be built at Warrens by this Administration, they have now incurred cost overruns of \$30 million and the building is not even halfway built. We are now hearing that there were technical problems because of a cave. While under the former Minister of Housing, Mr. George Payne...

SENATOR THE HON. G. S. H. MURRAY: On a point of order. The Honourable Member is misleading the Chamber. I am speaking directly to the Warrens Project when he said that there were cost overruns. The latest authoritative indications are that 48 per cent of the Project has been completed and 48 per cent of the funds have been spent, so there cannot be any cost overruns. Therefore, the Honourable Member should stick to the facts and stop fantasising.

SENATOR C. A. MASCOLL: Those figures can only fool who wants to be fooled. They are very misleading figures. If you put a project in place and you are supposed to complete the project in a year's time and you took three years to deal with the project, are you now telling me that you have not spent the amount of money that should be spent? Who do you think you are fooling?

That is voodoo accounting and economics. It is foolishness of the highest order. You are telling me now that you have spent only 48 per cent of the amount and that only 48 per cent of the building has been completed in three years as opposed to one year? Do you think that I am a madman? It makes no sense.

Mr. DEPUTY PRESIDENT: Are you asking the doctor to diagnose you?

SENATOR C. A. MASCOLL: I do not mind. I do have a problem with that because I know that I am not mad.

Sir, you cannot tell me that you were trying to build something and it has taken you three times the length of time and now you are going to evaluate the performance of the building only on the basis of the expenditure you have incurred rather than how much of the building is completed?

It has cost Government three times as much because you have to value time in a project. Therefore, I can safely say that \$20 – 30 million has been wasted in this project. It is the same way that you can say that Greenland has not been completed. You have to include the cost of running Mangrove when you consider Greenland as a cost. You have to consider the fact that Greenland should have been completed three years ago and, therefore, all the costs that you have incurred in managing Mangrove will have to be considered in any cost benefit analysis.

Asides.

SENATOR C. A. MASCOLL: Sir, that is voodoo accounting and it cannot work. The Prime Minister of Barbados can tell that to the Press and they can make it sound good and put it on the front page of the paper but he cannot tell that to reasonable and sensible people.

Mr. Deputy President, it does not stop there. We have been trying to build the National Housing Corporation (NHC) headquarters for the last four years. When you pass by this building on Country Road you will see a lovely specimen with some nice pastel colours.

Aside.

SENATOR C. A. MASCOLL: I am saying that you have a situation in which the National Housing Corporation headquarters is now overrun by three to four years. The important thing about this debate is the amount of wastage that has occurred in the NHC Headquarters.

Mr. Deputy President, I have just identified the wastage at the NHC Headquarters, the GEMS Project, the South Coast Sewerage Project, Warrens and the Glebe.

Mr. Deputy President, you have a former Minister of Government who has now become a contractor and has incurred cost overruns on every site he has been engaged to work so far. He has gone so far as to hold a Government contract but refuses to pay NIS and taxes. According to my understanding, with Government contracts, once you have not met those obligations they should be automatically taken from any money owed by the Government to the contractor, but he is a guru.

Sir, he appeared on television behaving as he pleased. He is a giant of a man to be given these kinds of contracts. I am operating above board. There are no expletives coming from me. I use only the language as understood within the dictionary. This individual has been allowed to incur costs above what was allocated at St. Leonard's Boys' School.

Sir, you have a degree of wastage that has accompanied economic buoyancy in Barbados, while the social indicators in Barbados have declined and declined substantially.

Sir, now we have a tail-end of a recession. There has been excessive wastage in this economy while people continue to suffer. Then you have the classic of there being adequate provision within these Estimates for public sector workers.

In an ailing sugar industry we have been able to give, and rightly so, as much as a 3 per cent in one year but in a sector that has excess money, 40 per cent taxation out of every dollar, more money than it needs, money that it squanders even when it has not received permission from Town and Country Planning to establish a project and would not have submitted any such plans so that Town and Country Planning Department have been able, within less than a month, put back a stall on the same site. There was no Town and Country Planning permission sought by the Urban Development Commission, but this Government is in a position to give all kinds of benefits to all kinds of people.

Sir, all I am now asking for is that the public sector workers be given an adequate increase in salary for this coming fiscal year and beyond. They deserve it. The Government has the ability to pay them and therefore the unions are in a position to bargain effectively for public sector wage increases.

Sir, you are asking the Police Force to have at least three CXCs. It was admitted in the other Chamber that less than 30 per cent of all the people coming out of school every year get at least one certificate. On the other side of the coin, 70 per cent of children leaving school do not even get one certificate, despite EduTech and all the pretty talk. You now have a situation where 70 per cent of all children leaving school do not have even one certificate and policemen are now required to have at least three CXCs but are still confined to a salary that is suited to people with less responsibility, less danger in their job, people who do not have to use the intellectual skills and you have policemen confined to minimum salaries and no life insurance.

The policemen are deserving of adequate increases this time around because the Government found it necessary to intervene in the sugar wage negotiations and within two hours Houdini was able to resolve that matter, so voodoo and Houdini combined are related. We have a Houdini in our midst, so let Houdini find the resources to give the public sector workers in Barbados an adequate increase in salaries because they deserve it. They have suffered over the years.

Asides.

SENATOR C. A. MASCOLL: He spent an hour on me in the Lower House, so I am dealing as best I can, with ease. I do not even begin to blink when I consider the issues.

If you check all the records in Barbados, Senator Clyde Mascoll should be standing very proud because of the issues he addressed – tourism, the economy, foreign borrowing, the offshore sector, taxation, debt and unemployment. Senator Clyde Mascoll should be honoured. 2.55 p.m.

This Side has continued to hoodwink and fool the people of Barbados on the real matters and real issues in the Barbados economy and society and have succeeded in a public relations exercise that has clouded affairs, and only now within the last year you are seeing all kinds of things being agreed to, admission of and excuses being provided for when, in fact, we have been in a situation for three to four years with excess borrowing.

Without the excess that has occurred in Barbados, we would be on our knees but we have used the route of excessive foreign borrowing to help support the fragile economic circumstances in Barbados. Mr. Deputy President, there is substantial evidence of it.

When you go through this thing called the “Estimates”, really and truly, I must confess that the Estimates has reached the time where we should forget this document. This document should be laid in the House and in the Senate and there should be no discussion on it because it does not make sense to have a discussion on it. It is a set of numbers that bear no relation to the realities of life in Barbados.

These Estimates bear no relation to how the economy has performed within the last year. They tell no story about the social circumstances in Barbados as I speak. They do not tell you how you will get out of the housing problem. They do not tell you how to reduce the cost of land and housing in Barbados. They do not tell you how you are going to reduce taxation in Barbados. They do not tell you how you are going to make communities safer in Barbados. They do not tell you a lot of things about Barbados. What they do is to cloud and mask the issues in hundreds of pages that mean little or nothing to the average Barbadian.

It is a fact that we have been carried for a ride by this Administration over the last seven years. Everything that this Administration wanted to do they did the opposite. They wanted to reduce taxation and they increased it. They wanted to reduce foreign borrowing and they increased foreign borrowing. They wanted to reduce all kinds of things. They wanted to reduce unemployment in the private sector by a private sector driven strategy and they have not done that.

In fact, were it not for the excess VAT and excess revenue derived from overtaxing Barbadians, you would not have been able to create a further 7 000 jobs within the public sector, which is what has happened. When you check the Prime Minister's words he said that he has a private sector led, economic growth strategy. He never said that he would create jobs within the public service and he has created almost 7 000 new jobs in the public sector of Barbados which is directly opposite to what he said in 1995.

It is not me. You can label this speech M.P. vs. P.M. or Owen vs. Arthur. It is true that when you look at the Prime Minister of Barbados as a Member of Parliament and compare him to the PM that he is now, it is a complete different individual who has reversed everything he said on the economy.

He never agreed with trade liberalisation. He never agreed with an incomes policy, but he has sustained an incomes policy for a further three signings when he completely disagreed with an incomes policy. He said that he could not agree with an incomes policy because it had to be accompanied by a prices policy. He then put Minister Farley in charge of a committee to look at the impact of VAT on prices. It has never reported to any of these Chambers and a Committee was set up chaired by Minister Farley when he was Minister of Commerce to look at the impact of VAT.

In the meantime, the average Barbadian wages declined in real terms. You cannot buy a piece of land, you cannot get a house and you have to buy a reconditioned car if you want one. Now that the big fellows tell them not to allow reconditioned cars to come in because it is hurting the new car business, they find a way to stop that by imposing an age limit on the car. They find all kinds of things to do to prop up the people that already have in this society.

I do not have to worry when I speak. As I speak I stand tall. I am about ten feet tall as I speak, not because I am boasting about anything, but because the reality has come home that in spite of all that was being said about how good the economy was and everything else, the truth has come home.

Even last August when the Budget was delivered it should have been known at that point that the economy had slowed down. It was never said and then the Press Release of the Governor of the Central Bank was delayed because she could not have been permitted to say what she had to say then. Then again, that is consistent with recent behaviour.

What is happening here is that you have control over the information sources such that only certain kinds of information are really made available to John Public to scrutinise. I should not be here with these Estimates because

these Estimates do not tell me anything. This is a bunch of foolishness in my hand, hundreds of pages of garbage. These Estimates I have in here are hundreds of pages of wasted time. They could have found something better for the Ministries to do over the last year.

They say nothing about the current circumstances in Barbados. It does not tell you how you can get bailed out. It does not find a way out of the recession. It does not show you what is the thinking of Government as it relates to the various sectors. What it tells you is that the way forward now in the future of the Barbados Labour Party Administration is to give \$7 million more to the BTA while you have a Minister that talks all kinds of things in public.

Only in 1999, he said that this is the worst period ever for tourism and that tourism can never recover from these circumstances. Then he was made a Minister about a year after and he took the pain out of tourism and now he is being given additional funds without a vision how to carry forward the tourism sector.

Don't talk about the Hilton Hotel. The Hilton is another example of doing things before you are ready. Pull down the entire Hilton and you can find no way of putting it back up now because you cannot find the resources and now the way forward is to put more money in the hands of the Minister of Tourism, \$7 million more. To do what?

SENATOR Miss J. C. ODLE: On a point of order, Mr. Deputy Speaker. I believe the Honourable Senator is misleading the Senate in saying that these funds are being put in the hands of any Minister. We know that no Minister handles the public purse.

Mr. DEPUTY PRESIDENT: No point of order.

SENATOR C. A. MASCOLL: Mr. Deputy President, that is a very revealing comment because only recently I saw a Minister giving out money, handing over a cheque to some young men. So Ministers do not handle money? Times have changed. Do they handle cheques?

SENATOR THE HON. G. S. H. MURRAY: Mr. Deputy President, on a point of order. The Honourable Member does not seem to know the difference between cash and a cheque.

Mr. DEPUTY PRESIDENT: No point of order. Please continue.

SENATOR C. A. MASCOLL: Mr. Deputy President, you see what pressure can do. It can cause you to talk foolishness. What I have just heard in this Chamber coming from the Other Side in relation to cheques being different

from cash is ridiculous, that you can distinguish between cash and a cheque. Only recently in the Press the Minister at a Press Conference handed money to a group of young men. 3.05 p.m.

SENATOR THE HON. G. S. H. MURRAY: Mr. Deputy President, on a point of order. The Honourable Senator is misleading the Chamber because any cheque that would have been handed over, would have been authorised by the Chief Accounting Officer in the Ministry, who is the Permanent Secretary, and not by the Minister.

SENATOR C. A. MASCOLL: Mr. Deputy President, right now I am still biting at the bit. It is only about a furlong to go and I am saying that several...

Mr. DEPUTY PRESIDENT: Stop biting at the bit and continue.

SENATOR C. A. MASCOLL: Mr. Deputy President, I am saying that we have had situations recently in which Ministers have made contributions, and open expressions to Barbadians.

This Administration is now saying that a sector that is in recession, that has declined by as much as 15 per cent over the last six months, that has seen no improvement in the real value of the tourists, is prepared to give a sector of that magnitude a \$7 million increase in its budget to reverse a \$5 billion economy. Again, this is voodoo economics. It has to be voodoo economics that a tourism sector, which is the heart beat of the economy, is being provided with a mere \$7 million to reverse the economic recession that we are presently experiencing.

Sir, you have the international financial business sector, which has become a waste under this Administration. You can see that they are at a loss how to approach the affairs in the international financial business sector. They are completely at a loss as to what is to be done with the international business companies, what is to be done with the foreign sales corporations, what is to be done with the exempt insurance and all we are hearing now is a thumping of the chest, that we were the ones who travelled the length and breadth of the world to deal with the OECD. I would like to see it, like the Prime Minister, being translated into benefit to this Administration and to Barbados.

Sir, all the meetings that the Prime Minister attended, that he was so lofty in delivering on behalf of Barbados and the CARICOM economy, where is the benefit to Barbados? Where is the benefit in terms of the international business companies and foreign sales corporations?

Asides.

SENATOR C. A. MASCOLL: Do not talk about removing names because soon from now, and if the truth is told, we might not have a name. Therefore, I am saying that by now, the OECD's discussions should have translated into major benefits for Barbados because it has not done so.

Sir, there is no plan for the manufacturing sector. There is no real hope for the manufacturing sector. There is no policy position in the manufacturing sector.

Aside.

SENATOR C. A. MASCOLL: Where is the evidence of there being hope in the manufacturing sector?

Then you come to the worn out sugar industry, and there is a decision whether they should go into Bulkeley or Portvale. Years ago, I remember it well in a debate, a Minister or member on the Other Side was able to use his political location in St. George to delay a decision being made on Bulkeley and a political decision was taken at the time to stall the decision because it may have implications for politics.

Now, there is a whole set of discussions whether you should have one, two or three factories, when you can only make those decisions based on economic and financial indicators. The politics played at the time, and we have had to revisit in recent months the whole question of the future of the sugar industry in where we locate, which factory we have and how big should we make the factory.

When this Administration came in, it decided that an industry of about 75 000 tonnes per year would be ideal. They are down to less than 40, under this visionary Administration and the decision really is about how do you maintain St. George as a strong hole, as opposed to how do you maintain the sugar industry. It has nothing to do with if a one factory sugar industry is acceptable, economical or financially viable. It is the political implications of such a decision, but you have to be careful on that Side, because any time you make representation now for a constituency, you may get a message from Miami.

Sir, any time you make comments about a constituency, you may get a message from Miami and that is what happened recently. You are never too sure what the strategy is on that Side. I am uncertain what it is. Then you hear about housing. The future of Barbados has to be how do we provide a housing stock for Barbadians. There is no attempt on that Side to appreciate what happens in housing, because that is the same Administration that allowed – under WTO provisions which they are now seeking to criticise – the Property Transfer Tax to be so amended and allowed foreign persons to have equal access to land and property in Barbados.

Sir, if you really wanted to offer Barbadians an opportunity to have access to land and property that foreigners cannot have, you could have played big too. The same way in which the Prime Minister plays big with the OECD, he could have played with the Property Transfer Tax and made sure it was not equated to provide breathing space for the average Barbadian.

Aside.

SENATOR C. A. MASCOLL: No. Does it and then say, well, the WTO? You imposed 60 per cent on the imported items and then say to the people in tourism, "Do not blame me, blame the WTO." Then, you walk about big chested, the OECD talks, I am the leader, but the sector is still suffering, the ICB is down, registration down, foreign sales corporations down, everything you look at is down, but we are doing well.

Sir, there must be a way to understand that, but I do not. I do not know that every indicator in an economy or society could be on the slide, but everybody is doing well. It is remarkable. Perhaps, I am really confused about what really is the state of plans in Barbados. The economy is suffering, the society is suffering, yet still everything in Barbados is rosy.

There is not one unemployed person now in Barbados. Everybody has a job, works for the best salary in the world, could purchase a house and get a reconditioned car. Everybody in Barbados could do whatever they like because they have it in abundance. This is a very wonderful country where, in spite of the difficulties, in spite of the economic recession and in spite of the social depression in this country, everybody is happy. They must be very spiritual people, because when you make contact with the Lord and your spiritual being, you do not care about the physical. I am assuming that all Barbadians are highly spiritual, highly developed so that they can ignore their physical circumstances and connect to Christ.

Sir, that has to be the only way it could be explained, that in spite of the difficulty, everybody in Barbados is happy, including all the sectors, supermarkets, manufacturers, retail sectors and construction workers are doing well. Indeed, during the so-called boom in Barbados, we had major employment opportunities in the construction sector.

The construction sector has now declined substantially, but all the young men are still working. This is remarkable that the construction sector could have declined. There is no more Royal Westmoreland, there is no more Sandy Lane, there is no more Port St. Charles, there is no more big project in Barbados, but all the young people are working and getting handsome salaries.

In spite of the situation in Barbados, there is voodoo economics. This is remarkable stuff. In fact, I must confess that we really do need to study the affairs of Barbados. We really need to study the affairs of Barbados because this period is a period that requires explanation and special investigations because if we can replicate this period of Barbados at any other time in our history, we would have no problems in our lives nor in the lives of those to come because there is a simple solution to everything. You can borrow your way out, tax your way out and in spite of a recession there will still be boom. Boy, I tell "yuh".
3.15 p.m.

Provision is being made in the Estimates on the question of money laundering. When the Money Laundering Bill came to this Honourable Chamber, I made a contribution to it. It was felt then that there would never be a day in the history of Barbados when there would be any concerns about this question of money laundering because Barbadians are God-fearing, they live in heaven and they are not dishonest. Once you are a Barbadian, you are above-board, therefore, money laundering will never see the light of day in a place as holy as Barbados. That was the impression that was given in the debate on money laundering in this Chamber. However, today as I speak, it has become a major problem for the economy of Barbados, but that should not be so hard to know.

Why should it have been so difficult to anticipate that the apparent wealth of Barbados could not all be created above-board? It could not be so hard to see. There was nothing massive going on in Barbados. There was concentrated expansion in the hands of a few but I did not see an overnight miracle in house provision, in the provision of roads, in the delivery of health services, or in the provision of transportation. I did not see any of these miracles, yet everybody in Barbados is saying that we are too nice a country to even see money laundering.

On the question of gambling, it is time that this level of hypocrisy be removed from gambling because this society is fooling itself about casino gambling. We need to reopen the debate about casino gambling because if you can pretend that you do not want casino gambling here and I can sit having lunch and every five minutes something is being drawn and taking money out of the hands of Barbadians, something is wrong.

We cannot have casino gambling here because this is the only country in the world that is right next to heaven. All we got to do is to open a little door and walk right into heaven, but some of us do not deserve to get there, so casino gambling is never to be considered in this country, but you can allow all forms of other gambling which is something

I can never understand because you cannot pretend to be bias in one breath and be holier than thou and then on the other hand still doing other things to demonstrate otherwise.

I now come to Bushy Park. I turned on my television and saw Bushy Park being developed into a golf course and people praising it, but the discussion about here is that the Democratic Labour Party gave away the land at Bushy Park at a foolish price which was a ridiculous thing to have said. The golf course and the pending development at Bushy Park is now a big thing and there is no more discussion about the giving away of the land. That is ridiculous, man.

All forms of discussion in this country really need opening up again because we are fooling ourselves about who we are and where we are in the affairs of this country because we are not doing what we are saying. We are stating a principle and a policy today and then we break it tomorrow.

We have sporadic situations across the length and breadth of Barbados where certain people are allowed to sit on an area in Zone 1. The Zone 1 area in the Belle cannot be confined only to the squatters. Are you telling me that only the squatters have found it fit to pick out all the Zone 1 spots in the Belle to sit on and all the rest of the houses in the Belle are not in Zone 1?

The West Coast was a Zone 1 area too, but it got converted overnight and somebody got capital gains from it, and when it moved from Zone 1 to Zone 2, it moved from \$1 million to \$7 million and \$10 million. That is precisely why one of the fellows on the Other Side is not favoured in the south because he had a lot to say then. He cannot go into the south because when he was here he could have said it but he cannot say it now that he is over there and he cannot go south because the man in the south is not going to allow him to come to the south because he had a lot to say about Zone 1 on the West Coast. I remember it. He cannot go south, he has to go to St. Joseph.

I understand what is going on here now. Certain Zone 1 areas were identified as privileged areas. It seems as though only the poor man has seismic knowledge to send a wave down through the earth to identify where the water is and then be able to say that he is going sit on top of it because when the air comes up, it will be cooler, and he "gine" put his wooden house "pon" top of it and sit down.

I am not supporting anyone living in Zone 1 because our water resources must be protected, but you cannot take action against the squatters only and none against the rest of people who are in Zone 1. That does not make sense to me, but that is exactly what is happening in Barbados as I speak.

I turn now to business and telecommunications. As it

relates to business, everyone knows what is going on in business and all kinds of things now are happening in telecommunications. You downsize BARTTEL. You downsize Cable and Wireless and are now hastening the contract so that before the end of the period you can allow competition.

3.25 p.m.

Sir, it does not come in the form of negotiation. It comes in the form of a statement made in the Press as if they would feel that once one does X, then the other person is going to do Y. That is what is happening in telecommunication; that you can break the contract before and that certain things will be provided for you. Similarly in the tourism market, you can pretend that you do not have it, while you still have. Therefore you break the contract but still monopolise the market so that it appears that you have done your good as a politician and I have done you a good as a businessman but we will try to restrict entry.

Entry in the monopoly market can be restricted through lack of funds or through regulations but it can be done in very clever ways. We have seen in the reconditioned market where one can restrict the growth of the market by imposing an age limit on the cars. All that is required for us is to recognise that in order to compete in anything, we need to have entry, but if we create an environment which one appears to be opening but then blocks at the back, then there is no entry. That can be analogous to other things.

Asides.

SENATOR C. A. MASCOLL: The same can be said about Cable and Wireless and Telecommunications.

Asides.

SENATOR C. A. MASCOLL: Yes, but whenever he speaks on that, he is between a rock and a hard place in here. We are talking about how to eat versus how to keep.

Asides.

SENATOR C. A. MASCOLL: Therefore, it is a contradiction. When men are threatened by existence they have to play "round and round the mulberry bush". Very few people have the capacity to speak freely when the dollar is being affected. There is the situation in Barbados where we have all kinds of difficulties.

Sir, we cannot speak of the environment in Barbados without speaking to CARICOM. CARICOM is essential. The future of Barbados rests within CARICOM. Therefore, we cannot have a situation in which we just talk about Barbados and not about CARICOM. Sir, in this context, let me address the question of taxation since we are on the way forward. The level of taxation in Barbados has to be

reduced; it is too excessive. Sir, you cannot say that you are awaiting a study out of CARICOM to harmonize and coordinate within CARICOM when Barbadians have had severe pressure placed on them as a result of excessive taxation. How come it is convenient for you to want to wait on an assessment of what has happened within CARICOM in order to make your decision on the level of type of taxation in Barbados but when it comes to other areas, you give no consideration, whatsoever? You do not worry about CARICOM when it comes to fishing!

Mr. DEPUTY PRESIDENT: I have to draw the Honourable Member's attention that he has two minutes in which to wind up his speech.

SENATOR C. A. MASCOLL: Sir, at least I am happy that the Deputy President has drawn it to my attention.

Sir, we cannot do it that way. Under the Protocols for CARICOM they should have negotiated a Protocol for fishing. The sea is what connects the region. I am not saying this because Prime Minister Basdeo Panday is now in Barbados, but there should have been a Protocol on fishing in the CARICOM region. It is the largest resource and therefore there is no need to have a Bilateral Agreement with Trinidad. There is need for Protocol within CARICOM. We are waiting for CARICOM when it comes to taxation, we are waiting for CARICOM in other areas. How come it is not convenient to understand this problem can extend beyond Barbados and Trinidad and go to Grenada, St. Vincent, Dominica, the French Islands, *et cetera*? Therefore, our position in CARICOM is crucial to the future of Barbados.

Sir, let me therefore end by saying that we could really throw away these Estimates into the Carenage. They make no difference to what anybody in here has to say about Barbados. They do not contain any policies or any attempt to make a quantum shift towards resolving both the economic and social problems within Barbados. It is just an incremental arrangement that has been for years and in this environment where there is the need for a paradigm shift, these Estimates need definitely to be revised. We need to see lower taxation, lower housing and land costs, safer communities, opportunities for businesses, especially small businesses, an environment in which we can prosper and in which volunteerism can work, rather than the approach that is being adopted here, "once it does not come from me or from my Side, it will be cut down." Sir, I stall at this stage.

SENATOR Sir JOHN STANLEY GODDARD: Thank you, Mr. Deputy President. Earlier today the Estimates for 2002-2003 were introduced by the Leader of Government's Business. I believe this was the first time he had the occasion to introduce the Estimates.

Sir, I would like to compliment him. I think he made a very good presentation. I was particularly pleased with his frankness and honesty in that he admitted that the Queen Elizabeth Hospital was a national disgrace and an embarrassment. He made the same comment when he came to roads. There are the facts of life and he was man enough to admit it. Sir, at least when one recognizes where he is, then he can make the necessary steps to improve and to go forward but if he kids himself he, therefore, cannot take corrective action. Sir, to that I want to compliment the Leader for his presentation.

Sir, he started out too by commenting on the economy. I am referring to the Press release issued by the Central Bank of Barbados, dated January 29, 2002. It noted that following eight consecutive years of real economic growth, the Barbados economy contracted in 2001. Real output last year is estimated to have declined by 2.8 per cent in contrast to an expansion of 3 per cent in 2000 and an average annual rise of 2.9 per cent since 1993.

We all know last year was a difficult year and long before September 11, there was an international economic recession and with globalization of the economy, there was no way in which we could have escaped. Therefore, the economic contraction started in Barbados early last year and, of course, accelerated after September 11; hence we ended up with a decline in real output.

Sir, in the circumstances, I think the Government has done a commendable job in managing the fiscal affairs of the economy in very difficult circumstances. Sir, as we look ahead, the Current Revenue 2002-2003 is projected to increase by 2.7 per cent and Current Expenditure by 3.2 per cent. Capital Expenditure is projected to become 13.4 per cent higher at \$361.3 million. Taking these figures into account, a fiscal deficit of the percentage of GDP, less amortization and net enterprise – and Sir, nobody has been able to explain to me what net enterprise means but I am picking it up from the Estimates – is expected to be in the region of 4 per cent. I think I heard the Leader say 4.2 per cent or 4.6 per cent earlier today.

Under normal circumstances, that percentage is too high but I do not think we are dealing with normal circumstances. Government will have to watch its expenditure very closely. It cannot increase its revenues. I do not see how it can increase its revenues because I agree with what Senator Mascoll said. We are certainly overtaxed. Therefore, Government will have to watch to see how it can reduce its Current Expenditure because we cannot sustain a fiscal deficit of 4 per cent. We should be aiming to get it down to 2 1/2 per cent, preferably under 2 per cent.
3.35 p.m.

I would like now to comment on certain Ministries in the Estimates. I would like to start with the Ministry of Education, Youth Affairs and Sports. They have been allocated \$419.4 million. I am not being critical of that because education is vitally important, not only for the present, but for the future, but I would like to be assured that the phased implementation of the EduTech 2000 Programme is on schedule and being done in a satisfactory manner. It is a large expenditure and it covers a period of seven years.

I support the Programme but we have to be sure that it is on schedule and that it is being implemented properly. This particularly applies to the installation of the software programme for the various subjects to be taught. I understand many of the software programmes have not yet arrived so they cannot be used. I would like to know whether that is correct or not correct.

I would also like to be assured that the hardware equipment is being properly installed and maintained. We have a habit in this island of installing equipment and not making provision for maintenance whether it be at the hospital, schools, office buildings or wherever.

Finally, has adequate provision been made for the retraining of teachers who would be involved in this EduTech 2000 programme?

I now turn to the Ministry of Health which has been allocated \$331.7 million for capital and current expenditure. This is a 10 per cent increase by functional measurement.

In view of what the Leader of Government Business said today everyone would be anticipating staffing, capital and administrative improvements especially at the Queen Elizabeth Hospital with its record allocation of \$111.8 million. I fully support the appointment of a new board of management and I wish it well.

Sir, I now turn to the Ministry of Public Works and Transport which has been allocated \$108.2 million.

I know that the Government has come under severe criticism, much of it deserved for the condition of many roads. Efforts have been made to improve the condition of the roads but we have to recognise that the current task is far from completed. I would like to become assured in addition to fixing the roads that adequate provision is made to paint and maintain the markings on the road. We do not seem to have yet found the correct paint to mark roads so that they remain clearly visible.

Has provision been made to replace the many road signs that are broken or are illegible as well as the many bus stop signs that are in a similar condition of disrepair? It is a small island and we Barbadians are familiar with it but let us put ourselves in the position of a visitor driving a rented car,

that person becomes a menace to himself, other vehicles and to pedestrians.

Next, I turn to the Ministry of Tourism and International Transport. Much has been said about this Ministry already in this debate. I would like to call for a policy statement from this Government on the future of its Hotel and Resorts Limited, better known as the GEMS Project.

The Annual Report and Financial Statement for the fiscal year ended December 31, 2000 needs to be laid in Parliament without further delay. The most recent report that was laid last year refers to 1999. This report indicated an accumulated loss of \$16.3 million to the end of 1999. The shareholder's equity or Government's equity has been almost totally eroded. It had fallen from the original \$19.7 million to \$3.4 million so the company is now being financed by long-term debt which stood at \$85.1 million at the end of 1999. Half of that amount was secured by a guarantee of the Government of Barbados.

Since 1999, there has been considerable capital expansion programmes. I do not know the figure for 2000/2001 but I expect that debt to be well over \$100 million today, no doubt supported by suitable Government guarantees.

I raise that point because right now the current wage negotiations between the Barbados Hotel Tourism Association and the Barbados Workers' Union has either started or is about to start. No one can believe that Hotel and Resorts Limited could afford to pay any increase in salary and wages given the financial performance up to 1999, and I have no reason to believe that 2000 was any better.

We had the recent example of the sugar industry. Government was able to pay 3 per cent which they found in a special fund, not the Consolidated Fund. Unless there is a similar fund for the tourism industry, which I am not aware of, I do not know where the money will come from to pay any increase to these workers.

Sir, I am not saying that they do not deserve a raise, this is not the issue. I am saying that the hotels do not have the ability to pay the workers.

In addition to Government's annual budgetary exercise, other areas that require Government's attention include the collection of the considerable amount of taxes and arrears. I read a report in the Other Place and the amounts were staggering as well as the large overdue amounts owed to the National Insurance and other statutory corporations.

3.45 p.m.

There is a need for the strengthening of internal account controls against fraud and wastage.

In many of the Government departments, an acceleration of the public reform programmes needs to be given higher priority. The public does not understand how it is progressing or if it is progressing at all. I think the public needs to see demonstration of improvement in this much talked about Public Sector Reform Programme.

These Estimates provide assistance in certain areas in the private sector and this is to be welcomed and commended. It seems to me that we recognise that the private sector has to be the main engine of economic growth, to create jobs and to increase the foreign exchange earnings. Accompanying the announcement there were some comments, not surprising, both inside and outside Parliament, on the role of the private sector. Some of those criticisms can be justified.

In order for the private sector to become more effective and internationally competitive, Government's facilitating role must be clearly recognised and improved generally. For example, its existing delays in approval of various types of applications, the Town and Country Planning among others, as well as some delays in dealing with claims for tax refunds. This significantly affects the cashflow of the claimants. These will have to be remedied.

I am suggesting that in spite of the great strides that have been made today, the public and private sectors still need to cooperate more closely and work harmoniously. Such cooperation is necessary and the mechanism already exists within the social partnership but you do not hear about it as much as we did before, and which has served this country well and will continue to serve this country well.

Sir, for this society to deal with many of the challenges that it faces, like the scourge of HIV/AIDS which has been recognised and which has been increased significantly over last year's, the harmful effects of marijuana and other illegal drugs and the escalation of gambling, must be dealt with.

When the public hearings were held on casino gambling, at that time I was opposed to casino gambling. Never in my wildest dreams I expected the flood gates to be opened. Today we have a draw every five minutes and there are slot machines all across the country.

It may provide some revenue to Government but there is a hidden social cost attached. I do not think it does this country any good. If we have to choose between the control of casino gambling, by that I mean for visitors only, and excluding casino gambling, and have lottery draws every five minutes and slot machines all over the country, we are creating the greatest addiction, and I do not think it will do

this country any good whatsoever.

Sir, there is the increase in unlicensed firearms, the growing indiscipline on the roads and at social events, and the improvement of the roads. With approximately 90 000 vehicles on the island, we may have to revise or review our road system.

I am suggesting that Government and civil society have the capacity to work together constructively to develop a sharing vision of what the economy and society we are trying to create for the future.

Much thought and time has gone into the preparation of the Estimates. It is a voluminous document and the persons involved are to be commended, but these are just figures. Our economy remains vulnerable at this stage and the outlook is uncertain and we are not alone in that regard.

Careful planning and budgeting in the public and private sectors can never produce optimum results if the right attitudes towards service do not exist. I want to stress that, Sir. The right attitude cannot be quantified in the Estimates. They are figures without feeling. They are important in any country like Barbados that is striving to develop a service economy. We Barbadians need to be aware that unless we change many of our prevailing attitudes towards service, life in the international competitively global economy will become increasingly difficult and even marginalised. We need to pay more attention to matters like courtesy, language demeanour, discipline, efficiency, punctuality and the other qualities that are dearest to those we serve, communicate and work.

I am submitting that the standard of living and the quality of life in the future will depend on our changing and improving our attitudes towards service. All of us share the responsibility of improving attitude. We need to take this in our homes, schools, at all levels, churches, work, institutions, social clubs and wherever we congregate.

Sir, a positive attitude towards serving others, Barbadians and visitors alike, is people servicing people to the best of our abilities. It needs to become ingrained in our culture of our native pride and industry. I submit that this is the foremost challenge facing this society at the present time.

I thank you.

SENATOR T. E. BARKER: I want to give my wholehearted support to this Bill and to recommend that this Honourable Chamber send a signal to the Minister of Finance that we are happy with the work he is doing on behalf of the people of Barbados. We are cognizant of the

fact that we are in difficult economic times and they are thankful that they have a real man at the helm.

Sir, this is not the first time the international economy was in difficulties. There is something called an "inter-cycle" which affects most economies over time where a period of boom is normally followed by a period of difficulty. People who have studied economic history understand this inter-cycle. The difference is in these difficult times, we had eight years of plenty and we did not waste those eight years, so when the difficulties came we had something on which we could fall.

3.55 p.m.

That is why, Sir, the Prime Minister and his Cabinet must be commended that when the economy was going good, when we were getting impressive growth rates, in the back of their minds, they knew that there may come a time when the world and the international economy might be such that the factors which give rise to our growth might not be there anymore, and so the Prime Minister ensured that he did not run large budget deficits because we all know that one way to ruin the economy is to run an unmanageable deficit because we had the experience in the late 1980s when the Government was bent on a course of squandermania with a result that there were large deficits which they financed by resorting to Central Bank borrowing, what we normally call, printing money.

Sir, the last speaker, the Leader of the Democratic Labour Party, and the President of the Democratic Labour Party... I have to call him the President but he thinks he is the Leader but we all know he is not the Leader. The President was a member of the Government then. He was one of the economic advisers to the Government in the late 1980s when the result of that squandermania set us back tremendously and put us into the hands of the International Monetary Fund.

When I hear the Honourable Gentleman speaking, words fail me, because I cannot express myself about how I feel, the sort of revulsion when I hear him speaking. He was there and was part and parcel. He was not part of the solution and therefore he was part of the problem.

Sir, there is no substitute for proper economic management. You can buck the laws of economics no more than you can buck the laws of gravity. What goes up must come down. You cannot change it and there are certain economic laws that you cannot change. If you spend more than you earn, some time or the other the accountants can fiddle for a time but, at the end, they can jump the figures as much as they like, but the day of reckoning will come some time.

Not only, Sir, did this present Government eschew running deficits, but it ensured that the foreign reserves of this country were always in a healthy state because it knows

the time might come when there might be a downturn in some of the productive sectors and unless you have something to fall back on, you can find yourself running cap in hand to the international bailiffs otherwise known as the International Monetary Fund.

When this crisis hit us last September, it found a government which had taken pains to manage our foreign reserves so that we had a record number of foreign reserves and found a government which had ordered its affairs so that inflation was at very low levels. It found a government which put unemployment at the core of its economic and social policy so that when the crisis came it found that we had all of the macro-economic variables under control. Hence, the Government was able to use its foreign reserves to use the fact that it did not have large unmanageable deficits to help to stabilise its economy.

That is why, Sir, the Government could have afforded to say in no uncertain terms that in this crisis it would ensure that there would not be any job losses in the public sector. It could only say that because it had managed the affairs of State. If it had frittered away the wealth of the country, as happened 10 years previously, you would have not only job cuts but 8 per cent cuts. All of that is as a result of the mismanagement that took place in the late 1980s.

This time, we were able to say we are going to use what little economic strength we have in order to ensure that the people of this country can ride through the crisis, that they can at least keep their jobs and the Government set the lead. The result is that in the fourth quarter of 2001, unemployment was at 9.8 per cent. Sir, there is an old Greek custom that if you do not like the message you shoot the messenger. That is what the Honourable Senator Mascoll always seems to do.

If the Statistical Department said unemployment was 20 per cent, he would be in here jumping up and parading, but now they say it is 9.8 per cent he wants to shoot the messenger. He knows very well that they have not changed their method of collecting unemployment statistics over the years, even when he was running the Ministry of Finance from the Central Bank building, because we are told that he would not go into the Ministry of Finance building at Bay Street as it was too "poor-raky" for him, so he ran the Ministry of Finance from the offices of the Central Bank. No wonder he wants to use the Central Bank for political purposes because he has gotten so accustomed to working there.

The point I want to make is that this Government has had, and will have no intention of manipulating figures. Sir, I remember the old saying that figures do not lie but liars will figure, so we are having no quarrel with the

unemployment figure because we do not get involved in the collection of the information.

We have a department which is staffed by highly trained professionals independent of any political process. When they put out their figures, I trust them. When I was in Opposition and they put out their figures I never accused them of fiddling the books. I accepted the figures because I know that they are professionals, well trained and are going to do the job how they know it should be done.

It is very uncharitable that we are always hearing Senator Mascoll whenever he comes to speak trying to pour scorn on the figures when he knows that the process has been unchanged and there has been no fiddling with the process. I take it as unfair on those statisticians working for the Statistical Department, and I wish that Senator Mascoll would desist from casting these sorts of aspersions on their integrity. If you question the statistics, you are questioning the people who provide the statistics, when you know that the methodology has not been changed over time. Sir, I wish that someone would speak to the Honourable Member. Probably, his Leader should speak to him and tell him that it does not do him any good to be constantly attacking the integrity of the statistics.

The point is that the figure on unemployment reflects Government's priorities and it reflects Government's thinking that in the midst of all this crisis the people must come first. We are going to ride through this crisis, but we are going to ensure that they do not suffer in the way they suffered in 1991 and 1992 when they were called upon to make tremendous sacrifices all because the Government did not have the good sense to run this economy in the way it should.

4.05 p.m.

Sir, it is not that they were without advice. I may be humble enough to suggest that I used to write a column in one of the newspapers. It was a well written and well read column, if I may be humble. I remember, that some years ago a gentleman, I do not know his name, sent me a photocopy of an article which I wrote on the national diet years ago when I used to write for the "Bajan". His words were almost prophetic.

The point I am making is that the Government had advice, in most cases unsolicited, but nevertheless, advice. If a drunken man tells you that there is a well in the road, you would be a fool not to proceed with caution, just because the man is drunk. Sir, they had advice, they ignored it, but we are different. We understand the economy and the fundamentals about the economy in a way that Senator Mascoll did not seem to take in, when he was taught it.

Sir, the economic indicators are such that the Estimates that are presented can get us out of the problem. I want to pause for one second. Nobody on this Side has ever said, implicitly or explicitly, that our trouble started in September 2001. You may recall that around May or June of last year, the Government held a consultation at Sherbourne. I was there and we said that there is a weakening in the economy and we called people from all sectors of the community. Sir, I think, subject to correction, that Senator Mascoll was invited. I think he did not turn up for whatever reason, but the point is that we had a widespread consultation, because we saw, as early as May or June of last year, that there was weakening of the economy.

Sir, the reasons for this is that Japan, the number two economy in this world, has been in recession for the past three or four years. Sir, you cannot have an economy like Japan in recession without some effects in the rest of the world. The U.S. started to slow down from early last year, and they were in recession by about the second quarter of last year. You do not have to take my words for it, Mr. Deputy President, but those are the words of the Chairman of the Federal Reserve.

Sir, the U.S.A. was in decline last year, Japan was in decline for, maybe three or four years and they still are in decline. Then, we had the South American economies, Argentina and Brazil which were also having difficulties. The world economies were showing signs of weakening long before the events of September 11, 2001.

Sir, even Europe made less progress than the previous years. In light of that, we knew that from the second quarter of last year, that difficult economic times were on the way so we were proactive.

SENATOR C. A. MASCOLL: Mr. Deputy President, on a point of order. I do think that Senator Barker is misleading the Chamber. He is suggesting that everyone on the Government's Side knew that the economic circumstances of Barbados were going to be negative before September last year. He is saying that...

Mr. DEPUTY PRESIDENT: Senator Mascoll, those are not the words he said.

SENATOR C. A. MASCOLL: Mr. Deputy President, he said that Side never said that September 11, 2001 can be blamed for the slowdown. He said that they cannot be apportioned any blame to September 11 because they never did.

Mr. DEPUTY PRESIDENT: What I heard was, that long before September 11, 2001, the Government recognised there was a slowdown in the economy, and held

at Sherbourne to which all sectors were invited. He thought you were invited, but you did not attend.

SENATOR C. A. MASCOLL: I am happy for that, Mr. Deputy President, therefore I will now quote from the Prime Minister on August 8, 2001, a short 21 days before September. He said that overall the Barbados economy is expected to record its ninth consecutive year of growth in 2001.

Mr. DEPUTY PRESIDENT: Senator Mascoll, I have heard you all day speaking about your expectation of what will happen in Barbados. You said that you stood 10 feet tall in this Chamber...

SENATOR C. A. MASCOLL: Unlike you, Sir.

Mr. DEPUTY PRESIDENT: I do not stand 10 feet tall, neither would I want to stand 10 feet because giants fall easily. They are usually taken down by "Lilliputs" and therefore, if you can speak about your expectations, why are you going to criticise the Prime Minister for speaking about his expectations?

SENATOR C. A. MASCOLL: Mr. Deputy President, what I am saying to you is that they are saying on that Side that they knew about the economic slowdown way before September 11, 2001. I am saying to you that how could the Prime Minister have known about the economic slowdown and said that the economy was expected to grow in the year 2001.

Mr. DEPUTY PRESIDENT: We differ on your interpretation. Please take your seat. Mr. Barker, please continue.

SENATOR T. E. BARKER: Thank you, Mr. Deputy President. The Honourable Senator has difficulty with interpretation. When that package was interpreted in August of last year, because of the stimulus that was given to the economy, we had growth in the first quarter of 2001. In the second quarter we had a decline and this package came in the first quarter, so it was expected that all things being equal, without September 11, 2001, as a result of the package that was brought to the House, we would have ended up with growth in the year. That is all the Prime Minister was saying.

The Prime Minister has said that there was a slowdown and we took measures to correct the situation and we expected that we would have a small growth at the end of the year. What is the problem with that? The Honourable Senator does not seem to understand English.

Asides.

SENATOR T. E. BARKER: Sir, the point is that we saw there was a slowdown, and took corrective measures which were designed to arrest the slowdown and to carry the economy back to a positive growth. Sir, that is why the package came in August last year, and that is what it was designed to do.

September 11, 2001 came before the package even had time to grow, 21 days after, but the point is that the economy was sliding and the Government took corrective measures. I would go on record as saying, Sir, that the out-turn for 2001 would have been worse, if the Government did not have the foresight to put those measures in place.

Sir, it is like this. You cannot stop a storm from coming, but you can put up shutters and you can do things to lessen the effect of the wind. We know that we were in a stormy situation so we started defensive measures and, Sir, the measures worked. The negative growth could have been much worse but all the indicators, including inflation, jobs, foreign reserves and all those, were positive.

I will say that it is the direct result of the measures that the Prime Minister took in August last year to mitigate the effect of the slowing down in the world economy. Today, we feel confident that we can ride out the storm and carry this economy back to a positive growth pattern.

Sir, a lot was said about tourism and what are the facts?
4.15 p.m.

Sir, we know that tourism has been on the increase since a certain member left the Board of the Barbados Tourism Authority (BTA). Sir, when Senator Mascoll was on the Board of the Barbados Tourism Authority (BTA), tourism was on the decline. I am not saying that there is any causality, but it is coincidental that since he left the Board, tourism started to improve. I do not know if we have greater causality or what sort of causality but we could read a little bit more to find that out.

I am going to quote, not my own statistics because I do not produce statistics, from the Economic and Financial Statistics 2002 from the Central Bank of Barbados. In the year 2000, we had 546 696 long-stay tourists and chances are that we would have been along the same lines in 2001 had it not been for what happened at the latter end of 2001. This is the highest number of visitors ever to the island. The Honourable Senator has criticised tourism but up to the year 2000, long-stay tourist arrivals were at its highest level ever. Sir, these are not my figures. These figures are put out by the relevant authority.

Sir, the last year for which the Democratic Labour Party was responsible, which is 1994, only 425 000 tourists visited the island, but under the Barbados Labour Party, the

figure moved from 425 000 to 544 000, so tourism is doing well and continues to do well.

The Honourable Senator was making a song and dance that the tourists coming from the United States of America did not reflect the growth in the United States of America economy. The Honourable Senator knows that in 1987 and 1988 we used to get 170 000 tourists but in 1992 when the Honourable Senator was on the Board of the Barbados Tourism Authority (BTA), tourist arrivals from the United States of America declined from 170 000 to 110 000. Sir, these are not my figures.

Asides.

Mr. DEPUTY PRESIDENT: Will the Honourable Senator address the Chair and not the comments coming from the Chamber?

SENATOR T. E. BARKER: Sir, Senator Mascoll is in a position to talk about the decline of tourists coming from the United States of America because he presided over it, so he is in a very good position to know all of that. Since that period, the level of tourists coming from the United States of America has not changed, but has stabilized. Luckily for us, we were able to compensate for that by the number of tourists coming from Britain.

Sir, there is this fallacy that the American tourists spend more money than the British tourists. I do not know if that is borne out by evidence.

Asides.

SENATOR T. E. BARKER: Okay, it used to be so, but the Honourable Senator is living in the past. Recent figures indicate that there is no great difference between the per day spending of the tourists from America and Britain. The advantage you have is that the tourists from Britain stay a few days longer so the spend per tourist would probably be higher from Britain than from the United States of America. In spite of the fact that we had a decline in tourist arrivals from the United States of America, the spending by the tourists is reflected in the fact that our foreign reserves have done well and are continuing to do well because most of the foreign reserves come from the spending by tourists, which is continuing to improve, so there is a lot of misinformation about the tourism sector which has done well and continues to do well.

Even last year after the crisis, we had 507 000 tourists which is the fourth highest on record. This beats anything that happened when Senator Mascoll was on the Board of the BTA. Sir, even though there was some decline, the trend is still upwards. We might call what happened in 2001 a deviation from that trend.

Sir, he also spoke about foreign reserves and imports. It is true that in the time of a crisis you would get fewer imports and hence that would be reflected in the foreign reserves, so how would we explain the fact in the late 1980s when we went to about \$12 million in foreign exchange at a time when there was still a recession?

We had a recession in the late 1980s and our foreign reserves almost became negative but now we have the same situation and our foreign reserves are expanding. So how does one explain that? I would put it down to economic management and paying attention to fundamentals. The attention we paid to our economic fundamentals meant that our foreign reserves did not suffer in the same manner as it suffered when there was the squandermania era of the late 1980s of which the Honourable Senator was taken from his lofty heights.

Asides.

SENATOR T. E. BARKER: The crisis of the late 80s did not manifest itself in the same way that this crisis is playing out because we have different people running the economic show which is the key to all this.

So I come now to the question about current revenue and what percentage GDP is and all of that. Sir, that is a vexed question because we have to start with the fundamental law that nobody likes paying taxes.
4.25 p.m.

Sir, if all of us did not have to pay taxes, we would be glad, but when he talks about reducing taxes he must explain to me how that can be done without affecting either the employment situation or the delivery of services.

Sir, there was a Budget in 1986. We all know that very well, where Prime Minister Arthur – not when he made his mark because he had forecasted accurately what would have happened, not like other people. He said it could not work. Sir, nine months later, July 1986 to April 1987, the Minister then had to go and reverse himself and he visited upon this country the highest level of taxation ever imposed. You cannot afford to be talking about massive cuts in taxation unless there is a corresponding cut in expenditure, and the highest income of Government's Expenditure may be salaries. Therefore, tell the public the truth. When you are talking about reducing revenue, one is talking about sending home people. Once there is a massive cut in revenue it is going to equal a massive cut in the employment within the public service. Therefore, do not come here and tell persons that you are going to promise them tax cuts without telling them that you are also going to promise them job cuts.

Sir, I know this is the season where there are going to be a lot of promises. It has already started, but the point is

that people in this country have gone through the 1986 to 1991 holocaust and they are not going through it again. Sir, all this talk about cutting taxation is not going to buy them any votes because the people understand that if you are talking about that, you are also talking about paying for education. Sir, do not let us forget, the last DLP Government was in negotiation with a foreign lending agency where one of the items on the agenda was what they called cost recovery at the Samuel Jackman Prescod Polytechnic, the University of the West Indies, so that when one wants to learn to become a carpenter he would therefore have to pay for his education at the Polytechnic.

SENATOR LeR. H. McCLEAN: On a point of order, Mr. Deputy President. I hate to interrupt the Honourable Member when he is trying to get in flight, but he certainly should not introduce what could be a misleading statement, giving the impression that the former Government was in the process of negotiating anything about cost recovery. Sir, the International Monetary Fund or any other agency is free to put whatever they want to on an agenda but it does not say that anybody has to agree to it. Therefore, the Honourable Member, even though he wants to say one thing, is going to lengths to give the impression that the former Government was about to introduce payment of education, and it is misleading.

Mr. DEPUTY PRESIDENT: No point of order and I must point this out. When I am in the Chair, Senator McClean, if one of the people who formed the Government at the time would rise and raise a point like that, I would have to pay due consideration to it but I do not know from what basis you are speaking.

SENATOR LeR. H. McCLEAN: Mr. Deputy President, I take exception to that because I am a Barbadian who lives here and I am aware of what is going on in this country.

Mr. DEPUTY PRESIDENT: You can take as many exceptions as you feel like. We are talking about Government to Government. Please take your seat.

SENATOR LeR. H. McCLEAN: Mr. Deputy President, you cannot be insulting to a Member of this Chamber. I am a Barbadian who knows what is going on, therefore, you cannot tell me that I do not have any basis on which to speak, and as a Member of this Chamber I am free to raise any point I so choose.

Mr. DEPUTY PRESIDENT: No, you are not so free, not while I am in the Chair.

SENATOR LeR. H. McCLEAN: You are free to rule, I am free to raise.

SENATOR T. E. BARKER: Mr. President, I will repeat what I said. An item on the agenda was the issue of cost recovery at the Samuel Jackman Prescod Polytechnic, the Barbados Community College and the University of the West Indies. I am not saying that they were discussed. I am saying they were on the agenda.

Sir, it has always been our position that there be no fees at the Polytechnic and therefore we were not even going to discuss it; but they were discussing it. I am not saying that they were to choose it, just they were discussing it. Therefore, that would have been the result of the tax cut they are promising about.

Sir, we need to see a level of improvement in services. We talk about the Hospital and this year, the Government is spending more money on the Hospital. The Government is spending more money on roads this year. We are talking about our Welfare Services. We have too many of our old people living in substandard conditions. We are putting money both into the Urban and Rural Development Commissions for those purposes.

Mr. President, there is a crying need for Government to be delivering more services. If we want to put a greater dent in poverty, if we want to remove inequality, if we want to give the young boy and girl a chance, then the Government has got to ensure that it spends money in critical areas so that the future of this island is not compromised. Therefore, when we talk about tax cuts with the attending cuts in services, you are affecting, not the rich because they do not need the backing of the State, but you are affecting the lives and the aspirations of poor people. Sir, on this Side, we are here to stop poor people from remaining poor. We want to lift people higher.

Sir, the middle classes are the ones who will benefit from the increased taxation, but it is not to say that the same class paying tax would not benefit from it in a substantial way.

Sir, we know there is going to be direct tax reform in Barbados. The Prime Minister has promised from this Financial Year there is going to be some reform of the direct tax system. This is a promise by Government and one that was made in the last Election but we have to be very careful and selective in how we approach the question of tax reform because there are social objectives we must not go outside of which form the core of Barbados Labour Party politics.

Sir, from the time we came into existence over six years ago, our *raison d'être* was to reduce poverty and inequality in this country. Therefore, we are going to use the direct tax system in a selective and creative way to ensure the social objectives are not compromised. That must always be the key.

Sir, this Government is on record as doing some innovative things when it comes to taxation. Sir, we have people who did not pay direct tax and are now benefitting in a fundamental way by what is called a reverse tax credit. People who did not pay income tax but would have paid indirect taxation, if they were working for below \$30,000 per year, will get back the money they did not pay. That was a creative way of refunding some of the indirect taxation they would have paid. Therefore, when we talk about tax reform we are not talking of ways of ravishing the Treasury but using the tax system in a creative way to ensure that our social growth and objectives are realized.

Sir, we are not here to score cheap political points by saying that we are going to massively cut tax revenue, *et cetera*. That was never part of our politics. We suffered for it in 1986 but in the final analysis we could stand firm and say that we did not compromise the Treasury in order to win an election. We can stand firm on that principle and history has proven us right that in spite of all the temptations, we did the correct thing because the seeds of the early 1990s were sown.
4.35 p.m.

Sir, despite the fact that we are in difficult economic times, the Government is still going ahead with its aim to make Barbados the smallest developed country in a decade. My own view is that we are well on the way because all the indices point to the fact that irrespective of our size, we have made tremendous strides especially in the area of social reform and policy.

I want to talk about what Government will do to shore up our future and make Barbados an even more congenial place to live.

The Sewerage Scheme – \$43 million has been allocated to this Scheme. The Sewerage Scheme is of tremendous importance because the beaches on the South Coast were showing signs of degradation and we are spending \$43 million to finish this much needed project which was talked about before we left office last time.

Sir, the Queen Elizabeth Hospital and the Airport. We are going to spend \$62 million on the Airport which is a much needed project. It will not only provide jobs for the people but at the same time ensure that the Airport keeps up with the demands that are placed on it.

There is \$1.5 million for the justice improvement project and this is co-sponsored by the IADB.

The Coastal Conservation Management Programme is being considered at a cost of \$4 million. This is very

important because we get a lot of praise for the quality of our beaches. I am told that this project will include work at Crane beach, Hastings beach and other beaches will also be worked on because we know what a valuable resource our beaches are.

This Government, while paying attention to the social aspect of its programme, is ensuring that physical development takes place of the kind which will serve this country well in the future.

Sir, I mention before that all of us would like to see better roads in Barbados but, for the first time, a Government is going out of its way to ensure that the depots around this Island are put in a position where they can effectively carry out their work. We used to hear a lot of horror stories about not enough equipment and men unable to work because they cannot get a lorry to bring sand or gravel. We have now decided that we must put our depots in a position where they can effectively manage the roads in the districts to which they are assigned. The first thing is to ensure that there are trucks, pay loaders and all the necessary equipment to ensure they can do a proper job.

We are taking the opportunity this year to fully equip all the depots across the island. When they are fully equipped, we will see an improvement in the quality and quantity of work they do for the betterment of the road system and to the travelling public. We are carrying out the Road Rehabilitation Programme and this will cost \$7.8 million.

Work will continue on the Bridgetown Bypass Road Project. This is very important and we see what it has meant to the Black Rock communities so far because the Black Rock road is a pleasure to drive on. Businesses were complaining but, as a result of that road, business has improved. We thank them for their patience and we hope that the example that was set in that part of Barbados will be taken by people of the other areas.

Sir, Belleville is now being affected and obviously there are going to be complaints but they can take comfort in the fact that when the project is finished, they will have better access to their businesses.

Sir, the special works at the Scotland District is being allocated \$2.9 million. We know that the Scotland District has some of the best land in Barbados because there are a lot of water reserves and so on. Money spent in rehabilitating those lands is money well spent.

The Government is seeking to revive agriculture in the Scotland District. The Government land for the Landless Programme is one which I commend highly to this Chamber where a lot of people who would like to go into farming but

do not have access to the land are given a chance to participate in the economy in a meaningful way. Not only are we freeing up land in some areas, but we are taking the trouble at the same time to ensure that land slippage and road degradation in the area is addressed. We will continue the work in the Scotland District because it is an important part of Barbados and one to which we should pay a lot of attention because the potential for agriculture and other activity is tremendous.

Sir, education is dear to everybody's heart. We know that education is responsible for the social mobility in this country and that is why we want to commend Government in 1950 for expanding secondary education and making it free.

Asides.

SENATOR T. E. BARKER: Yes, free secondary education started in the 1950s. In the 1950s St. Leonard's Girls' School and St. Leonard's Boys' School were built. Princess Margaret was built, West St. Joseph was built and Parkinson School was built and they provided free secondary education.

We want to commend the Government from the '50s for seeing education as a vehicle for social mobility and ensuring that the masses had access to education. The work obviously continued in the '60s but the whole reform of the secondary systems started in 1950s. Also in the 1950s Combermere School, Foundation School and Coleridge and Parry School were built. Secondary education took off in Barbados in the 1950s and it was accelerated by successive Governments in the '60s and '70s. The result is that we have an educational plant which is the envy of a lot of bigger and wealthier countries. The fact that we are going to spend \$45 million in the EduTech programme is testimony to the fact that we continue to see education in a positive way. We must, as a country, invest in our youth in order to ensure that they reach the potential they obviously have. This money, in my view, is very well spent.

Sir, when I see the creativity that young people have with computers, I get a bit envious of them. I believe we are investing in a fundamental way in harnessing that creativity. As far as I am concerned, if they do not express that creativity in a positive way, they will express it in a negative way and we want to ensure that there are positive avenues in which they can express their creativity. We see the education process as a vehicle for change and we can bring about the sort of Barbados we want by paying careful attention to our educational process.

4.45 p.m.

The sum of \$60 million that is allocated to the University of the West Indies is money well spent. If we want to take a place among the elite nations of the world, we have to produce scholars. We have to produce people who

can go to any conference or university and keep the flag of Barbados flying high. We have to ensure that our young boys and girls reach their potential. The money that we are spending on our university is an investment in the future of this country. Sir, the \$60 million that we are spending on the university is money well spent and we can afford it because our young people deserve a chance to reach their potential.

We are spending money on our social programmes to ensure that the elderly in our society are not disadvantaged. We are spending money to ensure those who fall ill to diseases are not forgotten but they are made to feel that they are part of the process. Despite that they may be inflicted with a disability, they are still proud citizens of this country and the Government will do all in its power to ensure that they are respected citizens of this country.

These Estimates have a lot to be commended. They are well thought-out and they focus on the needs of the country. In spite of the prevailing circumstances, we know that we must do things to propel our country forward. Our country will only go forward when every citizen of this country is made to feel that they are part and parcel of the whole process.

Sir, the feeling of alienation that we sometimes experience must be a thing of the past and any Government worth their salt must introduce measures which will ensure that the feeling of alienation is no longer there. It is a part of our promise to the country that no one must be left behind. In the process of development as we seek to make this country the envy of the world, so to speak, we want to carry along all 260 000 of our citizens with us. That is why we feel that one person being unemployed is one person too many.

We know that there are social problems we must address. We must address the issue of access to land and that is why the Government has a programme in place where people who have been living on rented land for many years, we are ensuring that they have the opportunity to purchase this land at a subsidised price to own a piece of this rock. We feel that is the greatest empowerment you can give a person.

The Government is ensuring that the Urban and Rural Development Commissions have the necessary funds to carry the programme forward. It is going to take a long time for individuals to have ownership of the land because the legal work, surveying and other aspects are to be completed. The point is, we have to make a concerted effort so that in the shortest possible time the people would have access to land.

Sir, everyone commented on the fact that the Tenancies Freehold Purchase Act, 1980, was a remarkable

piece of legislation. As you go around the countryside you can see the wisdom of the action of Government. People who bought the land at 10 cents per square foot were able to use the land title to get loans and improve their living conditions. There are some lovely houses across Barbados today where poor Barbadians are living. The countryside is being transformed as a result of the Tenancies Freehold Purchase Act.

The same thing will happen when the urban tenancies are finished in the coming years. Those tenancies will also be transformed. It will also transform the psychology of the people because they now believe that the land they are living on is theirs.

Sir, while on one hand there is legitimate concern about the question of land, Government, through the National Housing Corporation (NHC) Land Programme, will ensure that there will be land for the ordinary people of this country. This Government is prepared to put money and resources in the NHC and the various Ministries to ensure these dreams are realised.

I hope I introduced in this Chamber the seriousness of the situation that faces us and the fact that we have a Government which is not only looking down the road at Elections, but who is prepared to do whatever is possible to ensure that this country goes forward. It does not mean that every year you are going to have positive growth. Sometimes you are going to have a hiccup but the trend is upward and onward and this Government will take the rough along with the smooth but, in the final analysis, we will remain focussed because it is our intention to make a difference.

4.55 p.m.

SUSPENSION

SENATOR THE HON. J. X. WALCOTT: Mr President, I beg to move that this Sitting be suspended until 5.15 p.m. today.

The question was put to the Senate and agreed to.

RESUMPTION

Mr. PRESIDENT: This Sitting is resumed.

SENATOR P. C. GODDARD: Mr. President, I rise in support of this Bill and to say at the outset that one has to see the broad strategic thrust of Government in the development of this country and also to understand the times we live in. People seem to think that September 11 was a single event and we have therefore acted after that event without any concept that an ongoing struggle against terrorism and the fragile nature of things in the Middle East are issues that could impact on the world economy in an extremely negative

way at any given time. Therefore, we have to be prudent in how we approach the business of Government, the issues of raising revenue and in the way we spend our money.

Much has been said here in detail and I will first turn to the area of tourism where Senator Barker very clearly pointed out that the decline in USA visitors took place between 1987 and 1992 which was at a time when the Democratic Labour Party was in power and the dramatic drop from 175 000 to 110 000 visitors over that period of time.

This Government has not stood still on the matter but we were, quite frankly, limited in the area of seat capacity into Barbados from the USA and by the fact that we had essentially a *de facto* monopoly with American Airlines serving the region. To some extent, we have managed to break that monopoly by a long period of negotiation and discussion with USAIR who now is serving this market from Philadelphia and I expect that new entrants will be coming into the marketplace from North America. This will give us the capacity once again to increase the visitor arrivals from the United States of America.

Mr. President, let me just say that it is not just the capacity that we suffer from in the issue of American Airlines. If one flies from Miami to Panama, one will see the different levels of service that are offered on the same airline, from seat comfort to food presentation, to menu presentation and the quality of the food, also a distinct and obvious level of service differential in how people are treated. It is astonishing that within one single corporation you can have such a diversity of service levels.

The Barbados market is clearly an up-market location. British Airways found this out when they moved the first-class section from Barbados one year and promptly lost all of their high revenue customers who then decided to go to other locations. Not only did British Airways lose the customers, but Barbados lost the customers too. They responded quickly and put the first-class section back on the area. There are some people who will only travel that way and those people are individuals of high network who have a certain lifestyle and who bring a significant spending power to any destination they go to.

While we are on this subject, Mr. President, I would like to dispel the myth which was fairly accurate in the 1970s in that the US visitor clearly outspent the UK visitor in the 1970s. However, it is quite characteristic of the Democratic Labour Party to hang onto old statistics and old views long after they have gone. The reality is that today the UK visitor per capita spending is now greater than the US visitor per capita spending in Barbados. Their consumption patterns are different and what they spend on is usually in the area of entertainment, restaurants and fine wine.

You will find that the European is a much more discriminating epicurean, if I might use that word, who understands fine cuisine and who understands good service and clearly the growth of the European market in Barbados has been paralleled by the development of the most superb restaurants in the world here in Barbados which are the equal of anything in the West End of London. The only thing is that the ambience is very much better.

Mr. President, I think we will see that in time with the addition of seats into Barbados from the USA and with new properties coming on stream, Barbados will be in a position to grow the European and US markets over the next few years. It is very clear that the Ministry of Tourism is focussed on these two things.

If I will talk now about the issue of our economic activities, the trade liberalization, the issues of manufacturing and the issues of competition in business in Barbados. Last week, I opened a new manufacturing operation with the guest speaker which brought the new facilities to a manufacturing process that has been long in Barbados – the company has been here 30 years. It is a Barbadian company and they had partnered with a major international chemical giant and by the use of good robust and state-of-the-art technology they have been able to effect a reduction in their inventory by 25 per cent and an increase of their product range to be almost limitless and delivered to the customer at the point of sale.

What I am saying, Mr. President, is that manufacturing concerns have to look now at new ways of reaching their customers. They have to look at new technology and act smarter and better. They have to become ISO9000 compliant and this particular company is ISO9002 compliant. Therefore, Mr. President, I think that if manufacturing operations clearly identify how they can move smartly, add value to their product and add value to what they deliver to customers, while bringing efficiencies into it, we will see that there is a future for manufacturing.

I have seen more than one manufacturing enterprise reinvent itself, reinvent the way it interacts with its customer and how it helps its customer use its product bringing knowledge and information to that product which adds value to the product. This may not necessarily be a cheaper product than its competitors' but the value added knowledge makes it more attractive to the consumer, more acceptable to the consumer and it builds customer loyalty and long-term customer usage of these products.

Mr. President, you can see that manufacturing is not being obliterated by the new Information Age but instead enhanced and being transformed. It is a lesson I think that one can learn from the steel mills in the United States where

the recent tax measures introduced by President Bush really only helped the large integrated steel mills and it has added profit to the very efficient small and dynamic mills of specialty products.

We have to be careful about how we are using tariffs or using protective measures because it will postpone or in some instances even prevent people from thinking outside the box and reinventing their companies so that they can have a long-term future rather than a short-term gain with a protective wall for a period of years.

Government understands this very clearly and it has developed several programmes through the BIDC to help companies transform themselves, help them understand the new information technology arrangements that could be made, put them in touch with working on the worldwide web and giving them an opportunity to use technology to bring efficiencies to their operation and transform their products in a substantial way.

5.20 p.m.

Mr. President, there were some criticisms of activity in the international business arena, and anyone listening to Senator Mascoll would think that industry was in retreat, but nothing could be further from the truth. While there has been a decline in the formation of new companies in the international business arena, there has been a continued growth, so that there are new companies being formed, although not at that high rate that we had in the middle to late 1990s.

The issue of the OECD threat to Barbados was very real, and work was done by our Prime Minister, the Director of International Business, and the Minister of International Business at the time, who is now the Minister of Economic Affairs. They, assisted by others, put up strong cogent reasons why Barbados should not be included in international business, based on double taxation agreements and exchange of information treaties.

We talked about Barbados' reputation as a clean domicile. We talked about the way in which we have strengthened our regulations, and that we were adding skills and abilities to further regulate this industry. It was a long drawn out process and, as you can imagine, Mr. President, large countries never like to back down, and certainly not in the face of microscopic countries. It was truly a herculean task that was well-executed and well-completed. It is something that is truly remarkable, and we will look back at this as one of the major historical highlights of this country, as we move forward into the 21st century.

To say that we have not had benefits from this, is to somewhat jump the gun, because it is not like turning on a tap and getting water out of it, so we now have to re-sensitise the marketplace. We have to communicate this information to people and we have to build again. As you

know, Mr. President, these things take time, and it will be at least another two or three years before we really get back into our stride.

We also have to complete the renegotiations of our Barbados/Canada Double Taxation Agreement, and that is ongoing, but I think we have turned the corner in this chapter of our national history. I think the international business has a bright future in Barbados.

Let me also say, Mr. President, that more domestic companies are taking advantage of our national tax regime and national business regime to invest regionally or extra regionally. It has also put a mechanism in place whereby we are no longer insular in our business outlook, and we are changing the mindset and the prospective of business people in Barbados.

Sir, not only big businesses, but small and medium-sized businesses which do very fine work and produce excellent products, but are probably not naturally marketing and are not *au fait* in how to be structured as an international business, or how they can become more efficient and deliver products, hitherto unconsidered marketplaces. This is something that is growing and happening and I feel that the international business environment will be very strong for the rest of this decade.

Mr. President, I believe that we have to strengthen our marketing in this area. It is something I feel the Government is not very good at, but we have to find ways and means to reach our target markets. We clearly recognise that there is a great opportunity in the insurance markets right now and that we should expect significant formations of captives and new reinsurance companies, post September 11, 2001, that will emerge to be the major clean reinsurance companies, without the baggage of the horrible liabilities that were incurred on that date.

In terms of employment generation, we just cannot look at the international business community and say that it employs 3 000 people and 2 600 are Barbadians and therefore, that is all it employs. The international business environment creates a tremendous amount of activity in the hospitality industry, arts and music and the provision of many services, such as gardening, food, accounting and secretarial services and, quite often, they deal with other companies that supply many of these services.

I think if the international business regime were to be extracted from our environment, we will probably see that for every person that directly left, it would probably affect another four or five jobs for each one of those individuals. You have to look at the employment generated by this industry in quite a different context. Of course, Mr. President, we also recognise the high level of taxation that

they do contribute to the Treasury of Barbados, and that also helps us with our social programmes and our own employment.

Sir, regarding money laundering, I do not think anyone on this Side has ever said that money laundering is not a problem. In fact, it was identified very clearly as being a problem when we first came into office and prior to that, so the whole concept and issue surrounding money laundering is something that has been dealt with in a successively more efficient and dedicated way.

We have strengthened our legislation and capacity to manage the flow of money and to understand the information that attends to it, and also to ensure that we were very careful about the source of funds. The private sector has been very accommodating in this and they also recognise the value of our environment.

Therefore, international businesses are very meticulous, and they have to ensure that they know their customer and understand how the money flows go. Of course, this has taken on a greater urgency with the narcotic trafficking that takes place and now with the terrorism funding and the international effort that is being put to get a hold of money in these illicit areas of activity. Mr. President, we have always been very focussed on the issue of money laundering and we have continually upgraded our capacity to deal with it and will continue to do so.

Mr. President, we keep talking about becoming a developed country by the year 2010. By becoming a developed country is not all about per capita income. One of the hallmarks of our society is that we have reiterated that we are not going to leave anyone behind and have to put things in place to ensure that the digital divide does not develop in Barbados. Luckily we are a small community and we are better able to do these things than a large country.
5.30 p.m.

Let me talk about the digital divide. There are those who are computer literate, or what I prefer to call digitally literate, who understand the role of the Internet and working in groups, or across national or county borders, by getting information from any source at any time, seven days a week, 24 hours a day and those who have not got access to this knowledge.

This tremendous knowledge deficit or positive that could occur will leave a tremendous gulf which is referred to as the digital divide. It was well recognised in the United States of America as being a very serious problem for the inner city. We recognise it here in Barbados and our EduTech programme is geared to ensure that every child in Barbados would become digitally literate. We have a huge adult population and we have people who fall out of school,

not because they are foolish or stupid, but because their imagination has not been captured, and we also have people who want to get back into productive work or into mainstream learning.

As was outlined by the Leader of Business in the Senate, we are establishing computer labs at the various community centres across Barbados. These would be open to the general public who are encouraged to use them. These labs would be basic at the initial outset but as these labs grow, you would find that a lot of small business people and a lot of entrepreneurs will emerge from this lab. It will introduce them to a new way of doing business, a new way of thinking and a new way of dealing with information.

Ultimately, everyone in Barbados would have an e-mail address and ultimately the preferred way of doing business with Government in Barbados will be the citizens interacting with the Government via the Internet. This is already being done in some instances. In fact, if I want to find out the cost of a postage stamp for a letter to Australia, or to France, I can go on to the web and access the Barbados Post Office and get the current price list of stamps for a particular region by the ounce or half ounce, so this is being done but a lot of people do not know about it.

We are moving in this direction but we have to adopt certain standards. In this regard, the establishment of a building code is one of the critical factors we really have to get a handle on. A lot of work has been done and it is not just the establishment and publishing of building codes, but the mechanisms to ensure that those building codes are adhered to, but they have to be as bureaucratic free as possible. I think there is an excellent opportunity for a symbiotic approach between the insurance companies in Barbados and the Ministry charged with managing the building codes.

This is becoming critical because, as was mentioned with our land reform programme, we are going to see another burst of building in Barbados over the next 15 years. In fact, the building boom that is taking place in the tenancies is an ongoing thing that has been going on for three years now, so we are going to see another explosion of personal building. People need a road map. They need to understand what they are building for in a hurricane-prone environment. They need to understand safety as regard to fire. They need to understand proper electrical standards.

We have little bits and pieces of standards dotted all over the place and this building code will bring everything together, so it is something that is vitally necessary for the future, not that they are not necessary right now. I do feel that this is something we have to really get a move on and put in place.

I remember seeing a large industrial building with a fire

escape made out of wood. I could not believe it when I saw it. It was put up by a multinational company. It was built in the '60s and it no longer stands, so I could tell you the sort of things that happened by accident rather than by design that we need not try to repeat. Funny enough, people would do things that will defy the imagination if there is no building code.

One of the buildings that could well benefit from the use of a building code is the very Queen Elizabeth Hospital that we are going to renovate. I am sure the Minister is well aware that there is a great need to upgrade the Queen Elizabeth Hospital, not just in terms of bringing medical efficiency, enhancing its cleanliness, the ambiance and the flow of work, but we also need to upgrade it from a point of view of the building code. He has already mentioned that they are replacing the windows with hurricane proof windows, but there are some other things that would have to be done as well.

That takes me, Mr. President, to the area of health. The Minister has adequately dealt with many of the issues and I want to commend him for not losing sight of the very, very important aspect of public health in our country because, ultimately, what we are trying to do is to stop people from going to the Hospital. I know that is like having heaven on earth but there is much that can be done. I see that the Minister has strengthened the immunisation programmes and is working assiduously in the area of mental health. There is a whole panoply of other things that are all about health other than the Queen Elizabeth Hospital that the general public does not seem to grasp or understand.
5.40 p.m.

Mr. President, this takes me on to the environment because, to a large extent, environment impacts on our health. There is a great need for us to finally establish and control the level of auto emission in this country. It is unbelievable to see some of the emission coming from minibuses or trucks going up Gun Hill that emit so much smoke so much so that one has to stop behind them so that the visibility clears in order that one can continue on his way. Sir, that will give you the sense of smoke being produced by some of these vehicles. It is almost like a purposely built smoke generator for wartime purposes. It is unbelievable.

Mr. President, linked to that is the knowledge that we have had a steady increasing level of asthma and there is direct linkage being discovered between auto emission and that of asthma. Studies in the United Kingdom along the major motor highways show a distinct high level of asthma in that population basin, and they are almost certain there is a linkage between these two things. We have moved to implement some positive things. We have eliminated leaded gas from the environment but we still have this tremendous problem with auto emission.

I will not touch on noise pollution too much other than to note that there are some minibuses that do pass my office that do not deafen you so much but vibrate the whole building. It is interesting to note that one of the construction people who was working in front of my office was an ex-policeman. When I mentioned to him about that minibus, he said he had about 10 outstanding tickets on that minibus but that he had retired from the Police Force a year ago, therefore he knew about the driver and his law breaking activities.

Mr. President, coming back to the area of industrial safety. Once again, there is in the pipeline legislation for industrial safety and this is something that is really urgent in our country. I understand there is a major installation that had inspection of fire extinguishers and that is a critical area and the last inspection date was in 1988 for the fire extinguishers. This is an area that should be noted for its safety and adherence to safety regulations.

Mr. President, we are very casual about safety in Barbados. We have had a number of accidents: a fire at the airport which damaged a wing of an aircraft, people killed or injured on work sites, and we have talked a lot about issuing people with protective gear but there is no discipline in the use of that protective gear.

Mr. President, the recent tragic lost of a young man in a trench only highlights this issue. Clearly there should have been protective sidings and holdings put up in an operation like that. There are no standards. There are no directions. There is no legislation that really focuses on this area.

I remember once, as a young man coming to work, they were painting a multi-storied building on Broad Street. I saw a chap standing on this scaffolding painting without a safety harness or anything to protect him up there. When I drew it to the contractor's attention, he said that the man on the scaffold probably had a good couple of rums before he went up. Sir, that gives you the sort of level of concern and attention to safety that does not naturally come to us as people. If we are going to be a developed country and are going to be introducing more sophisticated and powerful equipment for people to be using on larger or taller buildings, these things have to be done. Therefore, I call for legislation to be expedited, if at all possible.

Mr. President, I have no doubt these Estimates will result in the continuing social, cultural and economic development of Barbados. Too often people focus just on the economic development but we have to make sure that our whole society benefits from the economic expansion that is going to take place.

Mr. President, the economic management of this country has been superb. There is no other way to describe

it. I do not say that from my own observation but also from recent comments made by a senior member of the World Bank that highlighted the fact that Barbados is a leader in innovative programmes and the reason Barbados does this is that it has superior economic management.

Mr. President, it is very clear that this country is well on its path to significant development. I am truly proud to be part of this Government and to be part of this Party that has done so much for Barbados and who will do so much more in the future.

I thank you, Mr. President.

SENATOR Dame PATRICIA SYMMONDS: Mr. President, I too join in expressing admiration at the fine economic management of our country. The Minister of Finance has revealed customary economic acuteness, sensitivity and humaneness in preparing these Estimates, especially at a time when the events of September 11 threaten to affect our economy greatly. Health and education continue to be allocated the largest percentage of the projected expenditure in recognition of their importance to the social and economic development of Barbados.

Sir, if education is to continue to be the underlying principle upon which the social and economic development of this country lies, then competency language is essential and I wish to focus on that for a while.

Mr. President, we have a very good education system. It is certainly one of the best to be found anywhere, but as much as we have reason to be proud of our successes, there is need to optimise more the opportunities offered. We would have to admit there has been some deterioration in literacy and numeracy. In addition to motivation on the part of teachers, more self-motivation is needed on the part of students. Teachers now have, in some instances, to beg children to behave and to learn. There is too much of this and when so much money is being spent on education, there must be greater returns in terms of behaviour, discipline and attendance. Behaviour and intellectual rigour must return to all our classrooms.

5.50 p.m.

Sir, intellectual rigour must return to our classrooms because there are too many students who are not able to read at any acceptable level. However, the Ministry is working on that and teachers are assigned to visit schools where there are problems to diagnose these problems and identify strategies in addressing them.

I am also happy to note that the National Library Service also aims at promoting and supporting literacy by creating an information rich environment and developing a reading culture that will nurture positive learning behaviour.

Parenting too, is a key factor. They still have a critical role to play. The Ministry of Education has a working relationship with PAREDOS and there are courses primarily for parents and underachievers. There is a Student Service Unit at the Ministry which looks after deviant behaviour.

Mr. President, language has a psychological and sociological aspect. All language is about communication. In some instances, the social context and the opportunities are not there and they have to be recreated in the schools. Generally, people do more talking than writing and teachers have to go back to oral structures.

The revised syllabus from the Ministry of Education is trying to work on oral components of language arts since the home, in large measure, is no longer insisting on it.

Regrettably, psychologically a great many people have been told that it is not their language. I agree that dialect has a place but teachers who have demonstrated a practical mastery of these subjects have been taken from their normal duties and sent to help teachers plan lessons that are more meaningful and will address schools that need it most.

I do not have to belabour the point which I have made in this Honourable Chamber from time to time that English is the lingua franca, as well as the language of diplomacy, and it is becoming the primer language on the Internet.

I am relieved to hear that the Ministry is focusing on this because I have observed in the society that there are flaws such as neologisms, false concord and other common grammatical errors, poor sentence structure, mispronunciation and misuse of idioms in a country where for years we have boasted of a very high percentage of literacy.

There is also the frequent inability displayed to distinguish between "it's" and "its", "principle" and "principal", to know when to use "they", "there" and "their", and "who" and "whom" also present difficulties as well. It is not only a matter of going back to basics but we should have to aim at making our students bilingual. I do not mean bilingual in the sense of being able to speak French or Spanish, although that is desirable, but also to teach as if English were a second language.

In addition to what the Ministry is doing to address these problems, there is need for more consistent help for PTA's, unions and the media. Each PTA can mount an activity. I hear attempts by VOB on mornings to enrich the vocabulary of its listeners and this is laudable but I should like to appeal to the presenter to go further and concentrate on grammar as well. CBC has also been very cooperative and willingly collaborated with teachers of English to have discussion on dialect, grammar, language and poetry reading.

There is also a new programme, Action Line, beginning on April 7, initiated by Mr. Jeff Broomes. Each week a concerned area of English and Mathematics will be discussed and listeners can call in on television in Barbados because we have to approach this programme of literacy on different fronts.

A series of sessions should be set up and continued discussion with teachers year after year as to what is desirable so that every teacher in the system will be exposed to resource persons on what constitutes standard English. A common framework should also be drawn up.

Senator Murray mentioned this and I also think that there is a need for the revival of the Barbados Association for Teaching of English, or some similar professional organisation is necessary where the voices of the English will be heard. This will help them to also keep on the cutting edge of things professional. It is important we have competence in language today because this is the age of information, technology and computer.

Sir, I also want to touch on values education. I am tired of people complaining to me, and former colleagues, that religious education is not being taught in the school. It is on the curriculum of every school in Barbados as a foundation subject at primary and secondary levels. Moreover, values education using the peace programme started last September and each teacher is being given the methodology. It will be built until it reaches the secondary level.

The Ministry recognises that children need social and emotional learning. PEACE, an acronym for Personal Empowerment Through Arts and Creative Education, is helping to inculcate positive values through arts, drama and music. It is pleasing that CXC now has a drama programme and all subject areas have clearly identifiable values. For example, in Mathematics precision, accuracy and honesty are emphasised. In Language and Literature, empathy, sympathy, respect and tolerance are emphasised.
6.00 p.m.

Our Leader mentioned the National Sports Council and its objectives. I would say that the Council's plans for 2002-2003, include coaching programmes in primary and secondary schools and tertiary institutions. I have observed, however, that there is still no tennis coach. I believe that from the time I have been in this Honourable Chamber, I bemoaned the fact that there is no tennis coach available. I will talk a little more about that later.

I want to praise them for the road tennis innovation. I think that Barbados can proudly claim to be the inventor of road tennis. I understand that the participation of road tennis is increasing. There is a coach on the staff of the

National Sports Council who goes into the primary schools, although there are a few secondary schools who participate in road tennis. This coach has been appointed approximately five years ago.

Sir, last August, 2001, the Director of the National Sports Council, along with eight players, visited Great Britain and played indoors and outdoors road tennis. They also visited Coventry where they attracted many spectators. They played demonstration matches and gave talks to various groups.

In addition, there were three demonstrations at the Caribbean Expo. There were interviews on the Caribbean Broadcasting Corporation (CBC), both radio and television, and the print media. As a result, it is interesting to note that a British Road Tennis Association has asked Barbados to teach their coaches how to play road tennis.

The Council is sending two persons in May, 2002, to give demonstrations to coaches and others involved in the game. I think that the Director, Mr. Erskine King, and his staff deserve to be congratulated on their ingenuity and drive in promoting this sport.

It is also interesting to note that the rackets with which they play are locally made and many players make their own rackets. The students at Alma Parris School make their own rackets in the Industrial Arts classes. I think this says a great deal for the positive side of our young people.

The group who went to Britain took 50 rackets with them and they have been asked to send more rackets. The National Sports Council is also preparing a coaching manual and plans a Master's Course for coaches to teach others. It is hoped that it will take the game to a higher level and make it known worldwide.

I wish to revert to what I said and to elaborate a little on the need for a tennis coach. The game has spread and tennis can no longer be called an elitist game as it was considered years ago. In 1996, The Lawn Tennis Association (LTA) introduced in the schools what is called "The Schools' Tennis Initiative". As the students progress, the best of these children go on to the Schools Performance Initiative and they play at the tennis centre.

Sir, at the level of the Schools' Performance Initiatives, a special racket is used and teachers who are being paid assist in the training. Again, I emphasise that there is need for a coach and the LTA cannot do it alone. I noticed that 12 temporary coaches were appointed to permanent positions in the year 2000 and I hope it will be very soon when there will be a lawn tennis coach on the staff of the National Sports Council.

Sir, I am going to dare say a little about cricket. Cricket is still popular in spite of our misfortunes. We are still rallying around the team. There is a programme organised by the National Sports Council for the Under 15's and Under 13's cricketers and it is working very well. They also took a team to England last year and they played 18 matches and won all the matches except two. Those two matches which they lost they were playing against older children.

I have heard that the netball team, which is number 10 in the world, is going to the Commonwealth Games in Manchester this year. I think they are already in England playing practice matches.

Mr. President, I want to say a little about the Ministry of Social Transformation. Government is committed to empowering persons with disabilities. I think this is very much to their credit and very important. I think it is only in recent years that we are beginning to realise that people with disabilities are people too and they deserve the same rights, recognition and opportunities as those who have been fortunate to be born without some of these disabilities.
6.10 p.m.

The Ministry of Social Transformation is responsible for providing services and support for persons with disabilities, facilitating collaboration between Government and non-government organisations and developing programmes and projects that are relevant to such persons. There is a National Disabilities Unit that seeks to integrate fully all persons with disabilities by the year 2010, but it can only be achieved if they have full information which, up to now, they have not been able to do, they would like to register all persons but so far only 14 have been registered. They are seeking to continue with it this year.

Their main challenge is accessibility to employment and then the Ministry of Social Transformation is doing all that it can. In the first half of the financial year they obtained work experience and placement for 25 persons and some of those trainees also gained permanent employment as a result of that.

This financial year they propose to place 50 persons and the Unit seeks to meet the needs of persons with each type of disability and I think that too is worthy of mention. It also plans to set up sheltered protective workshops and as soon as it is ready – I think again this is something that needs to be highlighted – the programmes will be started in computer training for blind persons and for deaf persons. I hope that Senator Laurie is listening to this, that an agricultural project will be started this year to provide work for the mentally challenged. Again, I think that is a very important undertaking.

A wheelchair repair shop will provide training or work for three or four wheelchair users and an upholstery unit will provide training or work for another two or three persons with disabilities. Ramps and bathroom adjustments for 16 recipients have given them greater independence and greater self-esteem and self-respect. Respite care is also given. Some single mothers needed rest and it has also given pleasure to the people with disabilities themselves.

The Unit also hosted two summer camps and chaired a third. One hundred and eighty-three children benefited, 83 with disabilities and 70 without. This combination of joining the two is psychologically very desirable and it benefited both parents and children. In the coming financial year 2002-2003 it is proposed to host four camps.

Some artistes have disabilities and had complained that they were not being given enough recognition and so there was a concert held at the Gymnasium and all the artistes who were persons with disabilities had an audience of school children.

Communication among the deaf is an important issue. It is a major one. Therefore, three sign language classes for parents of children who are deaf or are hearing impaired are being sponsored by the Unit and there are three other classes for members of the public, and one for NUPW members to be held. I hope these will be widely advertised and I think that it is another area where there needs to be more done. I have seen some churches where there are people who know about sign language and use it. I have always thought that it was a wonderful gesture on the part of the churches.

I am wondering too if PTA groups and even some church groups would consider this to be one of their activities where they seek to learn sign language. The Unit wishes to hold eight classes in the next financial year, including three advanced classes. We recognise that sensitization of the public and working with organisations is also very important and workshops will also be held to lead to capacity building with those organisations, and they include leadership and management of organisation courses.

One hundred thousand dollars have been provided to the National Council for the Disabled to enable it to function as a coordinating body to the other organisations and the Council is really doing very fine work. It was established in 1996 and there are 15 groups affiliated to the Council and they are all striving to ensure a better quality of life for their members and incidentally, I do not know if everyone here knows but this month is being celebrated as the Month of the Disabled and it is the regular time at which they celebrate.

I wish finally to touch on the Fair Trading Commission and the carrying out of its mandate. A draft Consumer Protection Act has been circulated for comments among stakeholders, the Chamber of Commerce, the trade unions, BMA, Consumer Research Organisation and the Small

Business Association. The Chamber of Commerce has held two seminars on a draft Consumer Protection Act and the Consumer Guarantees Act. It had a public hearing as a result of an application by Cable & Wireless BARTEL in relation to re-prescription of asset lives. PUB would have set the lives of assets and a public hearing will resume on April 8.

It is also perhaps coincidental, if you believe in coincidence, that a workshop for one week started today and this workshop is on regulating utilities in Barbados. It was staffed by commissioners and persons from the utility companies, that is, Cable and Wireless BARTEL, Light and Power which are all under the aegis of the Fair Trading Commission as well as the Water Authority and the National Petroleum Corporation. These last two will be regulated in due course. Also consumer advocates and the media have been invited to this seminar.

A consumer guide to the functions and objectives of the Commission will be published shortly. I also noted with interest that they are building up a reference library and a good comprehensive library is very important. I found out that when I was a member of the Public Utilities Board.

The Commission has already published draft procedural rules and circulated them among the service providers for comment. Initially, the Commission concentrated on the physical structure but they have got that in place and they have also developed a code of ethics for the staff to ensure that any conflict of interest is disclosed and to ensure that staff deal with possible gifts that are inappropriate with propriety. They also have to disclose any outside employment. In other words, it is obvious that there is going to be transparency.

Mr. President, these Estimates are very important at this time and I am sure that with this Barbadians will continue to enjoy a high quality of life and that poverty alleviation will be given the attention which is so important in Barbados if it is to become the smallest developed country. Again, I say that the Minister of Finance is to be very highly congratulated in the preparation of these Estimates which also reveal a promise that no one is going to be left behind. I think that everyone in this Honourable Chamber deserves to give their complete support to it.

I thank you, Mr. President.
6.20 p.m.

SENATOR B. R. COLLYMORE: Mr. President, the occasion of the annual Estimates and Revenue of Expenditure is important to the extent that it gives one the opportunity to review and comment upon the performance of the economy, and to get a look at what the plans are for

effecting any necessary variations or new programmes, to stimulate the economy. A rather basic understanding that I have of economics is that the science of economics, imprecise as it is, is about resources and the use of resources in any given time frame, for the reasonable satisfaction of the people of a country.

The branch of economics under which this subject of budgeting, Annual Estimates and Expenditure falls, is referred to generally as public finance. Public finance deals with fiscal matters. It deals with revenue, expenditure, debt management, refers to banking and money matters but in its extension, considerations of the cost of living, employment, social life and the quality of life are very important.

In this whole milieu of the economy, people and people's interests should be at the base of any economic programme. Therefore, the expenditure aspect of the Estimates should be seen as not only providing and paying for services, but also to stimulate activity and facilitate the factors of production, and the various industries of tourism, culture, manufacturing, offshore services, *et cetera*.

Looking therefore at the aspect of stimulation and facilitating something like tourism, we have heard various figures being bandied about. We have heard accusations and denials here, but looking at tourism which, as we say, is the bedrock of our economy, what is the story which the average person understands?

First, over the last few months there has been very mixed and confusing signals about this business of tourism. I remember in December we were told that we were probably going to have record numbers, in terms of visitors and the combination of long stay and cruise liners' visitors, we were going to have a record year.

I heard a figure like \$1.2 billion or \$1.4 billion could hardly be a matter for the whole year. I am sorry I did not bring publication. Then, within a few days, the true statistics came out from the professionals which indicated that there would be something like a 9 per cent fall in the numbers coming into Barbados for the year 2001.

The next signal which I found confusing, and I am speaking as an ordinary citizen, was that the private sector would lead, and the Government will follow, in this matter of tourism. I think that is perhaps the most unfortunate of the statements, because the purpose of a Government's use of the available resources, as I said, is to stimulate and to provide the facility for coping with unexpected changes in any particular industry.

If you say that the Government is leading, I can understand this, and I think this is the area where we need to see some demonstration of the Government leading in the

tourism sector. We talked about sourcing tourists and we have all been informed that tourism has changed, to the extent that our greatest source is now the United Kingdom and Europe. I think there are good reasons for this, if you look at the fact that there are cultural and historical connections with the United Kingdom.

When cricket is played here of any standard, we get lots of tourists from that area, and other cricket loving areas like Bermuda, but with the United States which, for many years was our greatest source of tourism, there are no such cultural or historical connections. Therefore, we should examine how we can stimulate tourism from the United States, given the competition which we have in the area, and within the mainland of the United States of America.

Recently, I had reason to speak to someone who is an American citizen of Barbadian extraction, but knows nothing about Barbados. He was hoping to bring in about half a dozen people and ask them if they were any Hilton's, Sheraton's, Four Seasons' or Marriotts' in Barbados. 6.30 p.m.

Are there any Hilton's, Sheraton's, Four Seasons' or Marriotts' in Barbados? This may sound simple but that is what the Americans identify with. Therefore, I can see the Government not facilitating but stimulating in this area of the tourism industry with the development or at least the encouragement of the development of a brand name hotel of some high quality in Barbados.

I think that would do more for the tourism industry than we could measure. That is exactly what happened back in the '60s when, for the first time, there was a Hilton in Barbados and within two years of the Hilton there was a Holiday Inn and following after that there was Marriotts.

None of these exist in Barbados now and it would be wise to look carefully at how we can change the tourist culture in relation to the United States of America and try to adopt one or two brand name hotels in Barbados. Now, I do not feel that the only way to go is up market because up market is important in the context of the modern day tourist who can spend money.

Therefore, we need to have not just a small up market like Sandy Lane Hotel but a fairly substantial hotel in Barbados with about 400 rooms that carries conference facilities and even golf facilities. That would be an innovation which would help to stimulate the tourism industry, but unless the private sector can see much returns from any such operation, I do not think they would invest in that, so this is where Government must lead. The Government must lead as it led in the '60s in terms of developing brand name hotels and we need to get back to

that if we are to get into the American market with any degree of success.

It is important, as the Minister said some time ago, that we have a distance of four hours travel, perhaps the greatest centre of economic activity that has ever been, and we do not exploit that area. We must not exploit it only by airlift. I understand we have been getting airlifts that have been a little bit of a disappointment and that we could lose some of that airlift. Airlift must bring people, therefore, we must find the mechanisms to get people to come to Barbados. I have very strong feelings about this question of trying to vary the tourist industry to attract people from the United States of America.

Sir, if the whole area of economics is about managing and protecting our resources, we have not demonstrated in many areas that we are taking that aspect of it as seriously as it needs to be. For instance, I find that the large degree of derelict buildings belonging to the Government do not give a good impression in terms of the protection of our resources.

I can recall a project complete with plans and the locating of finances for the reconstruction of the Town Hall right in the middle of town near to St. Mary's Church which is in a beautiful condition and the development of a number of other buildings within that environ which make the Government look quite hardy in coping with this question of its building.

A little further down the road there is a building called Marshall Hall. Again, financing has been earmarked and a project developed for construction on that building to help assist with the rental of government offices. I left the service 11 years ago and nothing has happened to them.

I understand that the Government is paying up to \$15 million a year for rental of office space. I think if we were to spend two years rent on some of these buildings, we would have no need for spending that sort of money on rental of space. We have on Bay Street, the street for development, a building that used to house the Child Care Board which belongs to the Government. It was bought specifically for the Government back in the 1980s and it has been allowed to become quite derelict.

I would not want to dwell much on the Empire Theatre which had a war of words with the people who held the lease for many years but that was leased back at the turn of the last century for 50 years in the first instance for peppercorn and it changed hands several times over the last 100 years where the lease was transferred. The Government was never involved in those activities until the building was allowed to go into disuse and they then had to try to get it back. I believe it led to a court case. That is still there as a monument of great inefficiency in terms of this matter of the

management of buildings and I could go on and on because there are others.

Now, that is our resource which we inherited and this is a resource which I think we could put to better use rather than leave it there to accommodate vermin, as it obviously now does.

That whole question of expenditure and its use efficiently arises again when I look at the subject which perhaps is dearest to my heart, the public service. I see from the Estimates that the figure given for personal emoluments runs to over \$600 million. Now that is underestimated.

My own examination of the Estimates would suggest that the money for personal emoluments and related expenses is about \$1 billion because if you identify a dozen statutory Boards, 60 per cent of that used to be considered for those Boards as personal emoluments. These include the National Assistance Board, the Child Care Board, the Barbados Tourism Authority (BTA) which is probably less than 60 per cent, the National Conservation Commission, the National Sports Council, the Secondary Schools non-teaching staff and the Barbados Community College. 6.40 p.m.

Sir, in the old days we used to estimate that those transfers accommodated about 60 per cent.

Sir, if one looks at the fact that Government said that, as a matter of policy and law, persons working in these organisations should become permanent, then you are underestimating the fact of personal emoluments and the amount of personal emoluments there are to be in the annual Estimates. Now, that has never been a matter that is repudiated. I think there is an assumption that one does not talk about personal emoluments but it is the one that has to be talked about. A lot of it is not statutory. A lot of the protection of our resources can lie in the proper management of our personal emolument.

Sir, with some satisfaction I note there will be no cuts in employment but I warn that if expenditure is not properly managed, sometime later in the future there will be substantial grief for us all if there is not that expenditure of \$1 billion. I make no hesitation of putting it to that figure because I have done my checks, but if we do not do something about that \$1 billion dollars, if we do not do something about people not coming to work, if we do not do something about people being so undisciplined and not being corrected, if we do not do something about the fact that they give a day's work – I am sorry the union representative is not here. I am not criticising him. As a citizen, I am making what I consider to be a very important matter for the future of this country. Do not say that it cannot be debated. We want a full-fledged debate on this

matter of personal emoluments and the utilisation of personal emoluments. Sir, it is time we look at a lot of other things in this matter of the public service.

Sir, in the public service, we have created a number of statutory Boards. I support, unhesitatingly, the creation of a statutory Board to manage the Hospital. I warn, however, and I will repeat, that you cannot go ahead and do it without the necessary consultation – not with the union but the staff. The union cannot make decisions for the members of staff of the Hospital. The union is only an umbrella facility. Each individual of that staff falls under what is called the Civil Establishment Act that predated the Constitution. Therefore, to that extent, there are provisions, I am sure the Government has recognized, that are necessary for its satisfaction. The Privy Council has ruled that once that Act exists, it cannot alter or vary the salaries and wages of people who fall under that Act. The Hospital staff are under that Act and, therefore, should be consulted, encouraged and adamant about this question of going over to a statutory Board.

I am saying this because three Members of that Commission had made a point of trying to talk to the National Union of Public Workers and had asked the Union if they want those Members of the Commission to go in with them to the Hospital and try to assuage the fears and reservations of staff. There are fears and people are not foolish. They are wised up to their special provision which provides that in the public service, a person's employment cannot be changed without his consent, even though you may demonstrate to him that there is not going to be any loss.

Aside.

SENATOR B. R. COLLYMORE: I am sorry, Sir. I would say the Union appeared to be responsive. I do not know if subsequent events have necessarily changed anything. Sir, the point must be made that if some of us were to sit on a commission and look at the hospital – and we invited the National Union of Public Workers on several occasions to come and put their cases and they refused. We knew and we have very carefully written this in our Report, that the critical factor was transition, that any long or forced period of secondment would lead to disaster and that people would bluntly refuse to be seconded.

You cannot abolish their posts because if you do then they get substantial compensation in the form of immediate pensions, regardless of their age. This is a cost which prevented the 1965 Law from being put in place. Sir, that Law preceded the Constitution but when an attempt was made, up to 1966, it was pointed out to the Government of the day that it was absolutely necessary to amend the Law to protect the conditions of persons because they now fell under a Constitution. Sir, rather than do that, the Government put it in abeyance. I think we have gone too far with this one for it to be put in abeyance and, therefore, it is very important.

I am saying this with a special plea which my colleagues on the Commission have suggested that we do, that an attempt be made to level with the highest possible level of staff, to talk to them and to make – not only the trade union because the trade union cannot speak to each individual. It has a role to play but if that is not done, then the whole management of the Hospital will not improve because the same people will be required to carry out the services at the Hospital.

The Commission sent an interim Report in September 1998. That Report identified a number of things that can be done that do not necessarily have to wait for a Board. I believe some have been done but the critical ones of which, for example, one is the supplies, the Hospital cannot run without supplies. Why should it take the Hospital down to August to tender for supplies when the financial year starts in April? Therefore the Commission, in discussion with the Ministry of Finance, had the advice that the Ministry of Finance had no objection to going out for supplies in December or January the year before and this tender can go out for two years instead of the one year. Sir, we suggested this be implemented this financial year.

Sir, getting tenders can be late and it takes four months before tenders can be processed and awarded, therefore, what is the use going out to tender when the financial year 2001-2002 awarded it in November and therefore only six months will apply. Sir, obviously the Hospital has been getting supplies – and it has to get supplies on the open market which is costly. I do not know that the Hospital must wait for eight months to get a contract signed between a doctor and the Government.

In the old days, not so long ago, we used to have proforma contracts and the responsibility rested on the Hospital to ensure that the right information was put in each case. If you pay a man to be a hospital director, can he be any less responsible, especially when it is his organisation? If it is a proforma, why do you have to send each one to the Solicitor General for opinion? There are several now, not like in the old days when there were not so many. When there is a proforma, the same information appears in all of the contracts except that the individual case will have different terms. We pointed out that it was something that could be corrected.

6.50 p.m.

When the system of central purchasing was instituted, a special dispensation was allowed for the Queen Elizabeth Hospital where a member of the staff of the Central Purchasing Department resided at the Hospital and that person was responsible for ordering all hospital supplies before there was a Central Purchasing Department and this short-circuited the red tape there, and for many years that worked.

Naturally, with change of personnel, no knowledge was left behind of these things and all supplies had to be sent through Central Purchasing Department which does not know a lot about hospital supplies. Therefore, this was a handicap when sourcing supplies and we asked why the old arrangement could not be revived but, as far as I know, it has not been revived.

Given the fact that the Civil Service Department has been advised what used to be done, as well as what could now be done but they have not done it, there is good reason to change the governance of that institution.

Mr. President, I am impressed with the programme that has developed about the whole question of HIV/AIDS. I am impressed that the Prime Minister has taken over ministerial responsibility for HIV/AIDS, but I note that the allocation has been disbursed throughout the public service and, therefore, aspects of the financing will be controlled by different Ministries. I would like to know the coordinating mechanism for that because I see here that the Urban Development Commission has a share of the money as well as the Rural Development Commission and the Minister of Health. I would like to find out why there is this dispersed arrangement.

Sir, the Prime Minister has also taken on Culture. I know that Prime Ministers are very powerful people who can do almost anything, but those that I worked with did not take every Ministry under their wing but still had the capacity to find out what happened in every Ministry and sometimes they even made decisions to transfer Ministers on the basis of their knowledge. However, I do not like a Prime Minister to appear to be the person to do most things.

I do not think that industrial relations should reach the Prime Minister except in very extraordinary circumstances, but the Prime Minister can give instructions to other Ministers. The Prime Minister has taken responsibility for Culture, HIV/AIDS and even though he has not taken responsibility for industrial relations, he has shown that it was easy to accomplish a settlement in industrial relations when he alone had the authority to give what was necessary to make it happen. Sir, we should not overburden our Prime Minister when he already has the stress of managing the economy because two of them died in office and another one had an attack in office.

I want to talk about provision for the elderly because this is a subject dear to my heart. Mr. President, I do not see any coordinated programme that addresses the problem of the elderly. The association which I am the Vice President, BARNOD, made representation to the Government that there should be a desk or point where elderly people can get basic education because some elderly people do not know how to get their pension and other basic information about things that

affect them. This could be an aspect of social transformation. It is not an expensive proposition to establish a point in a Ministry and give it the necessary publicity.

In an interview with the Press someone made the point that the income available to elderly people in Barbados needs to be revised and gradually brought to the point where it is not far below the national poverty level. There are 3 500 pensioners who have retired for more than 20 years and, therefore, do not get National Insurance pension and that number is going to increase.

The National Insurance Department is now informing that 15 per cent of the population is above the age of 65 and this will rise substantially over the next 10 years. The elderly have given proper service to this country and there should be some system of ensuring that they are not on the breadline when they reach the age of 65. Sir, housing for the elderly is despicable and we can see not far from here that they live in horrible conditions.

Sir, I know that all of this cannot be done overnight, but one wants to see a policy and programme for addressing the total problem of the elderly in Barbados. There are policies which need to be properly articulated on matters affecting the elderly and other disadvantaged groups of the society and one of these is gambling.

Sir, gambling is a much more serious matter in Barbados than we recognise. I am not a prude. I will buy a ticket sometimes. I had the misfortune or good fortune to be in a line two days before Christmas, 2000, to buy a ticket. There was a man in front of me in a conspicuous condition, who obviously ran out from work to buy his tickets and he could not find his money and was looking for it. I said, "What is wrong." He said that he could not find his money and I said that I could lend him \$5. He said to me, "Man keep that. That is chicken feed." I put away the \$5 and he went up to the line and spent \$110 in tickets. Sir, the lady dispatching said that he buys tickets twice a day. I said that he must win regularly and she said, "He wins, but nothing like what he spends." He looks to be like the kind of fellow who is in a very regular occupation but he was spending \$110 a day to buy tickets. That was nearly two years ago.
7.00 p.m.

Mr. President, we now have a draw taking place, according to the media, every five minutes between the hours of 6.00 a.m and 2.00 a.m. How did this happen? Did the original licence for the people who promote that game, did they get a special licence to do this? There is, at the same time, a new and attractive, certainly in terms of the advertisement, a scheme which says that \$1 million is at stake.