
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Wednesday, November 26, 2003

4.00 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

Mr. C.A. MASCOLL: Mr. Speaker, today I have the honour to present to this Parliament, the Opposition's response to the Economic and Financial Statement delivered yesterday by the Prime Minister and Minister of Finance and Economic Affairs.

I do so, Mr. Speaker, conscious that this is my first opportunity to deliver a reply to what is commonly referred to as the Budget.

I do so, Mr. Speaker, conscious that in five days' time, we celebrate 37 years of Independence and that Christmas bells ring just around the corner.

This Budget is Arthur now, later than ever. What was served up yesterday was more fluff from Arthur than ever. Yesterday, we had the fluff, today, we will get the seeds for growth.

Mr. Speaker, I am conscious that this is the first Financial Statement, Economic and Financial Policies of the Government presented to this new Parliament, the first elected in the 21st Century. I therefore want to take this opportunity to thank my colleagues on This Side for the honour which they have bestowed on me.

I also want to thank the people of Barbados for their support which they have given to our Party, the Democratic Labour Party, during the last general elections and over the many years. While having only seven seats in Parliament, we received nearly 45 per cent of the popular vote.

I especially want to thank the people of St. Michael North West for giving me this honour this evening to speak on their behalf and on behalf of thousands of other Barbadians who are listening for a message of hope, a message that says, it would not be business as usual, a message that speaks to the needs of the people.

Mr. Speaker, we can come to this Honourable Chamber week after week, year after year, and spout a lot of 'hot air' but when it is all said and done, the men and women out there want a better life. It is not only about foreign reserves, fiscal deficits and GDP. It is about how we ensure a brighter future for all, a fair share for all.

The Prime Minister recently made a call for the uplifting of Parliament. We shall see in this debate, if it was a serious call, if it would be business as usual, or if we will be treated to the same name calling, the same self-serving presentations where Honourable Members get up and grand stand for the cameras, but at the end of the debate, the people's lives have not been enhanced.

Asides.

Mr. C.A. MASCOLL: Mr. Speaker, this may be the opportune time to draw to your attention, the Opposition's deep concern and dissatisfaction over the practice by the Leader of the House to inform us of which items on the Order Paper are to be debated on the same day of Parliament.

We are all Honourable Members in this House and we come to do the people's business and the Opposition is part of the democratic process in this country, protected by the Constitution. We know that some wished for all 30 seats, but 45 per cent of the people of Barbados said, no.

Mr. Speaker, if we are to have meaningful discussion and debate then, this political gamesmanship must end.

On my way into the Chamber today, Mr. Speaker, I was stopped by a maid at the hospital and she said to me, “Mr. Mascoll, say something for the workers.” Sir, for the last several days, that request in different forms has come by fax, phone, e-mail and even on paper napkins pushed into my hands while sitting in restaurants. I had a written letter from a vendor in the Cheapside Market saying, please help us, say something for the workers, say something for the people of Barbados, and here it is.

Today, Mr. Speaker, I speak for the maids, teachers, nurses, doctors, bus drivers, lawyers, butchers, masons, carpenters, vendors, taxi men, policemen, housewives, women, employed and underemployed and the unemployed. I speak for the workers of Barbados and the thousands who want to be workers.

Unfortunately, they have been labeled as no longer actively seeking work. This would remind us of those whom a former Minister of Finance, in 1981 labeled as the voluntary idle. I speak for them mindful that for us to make life better for them. I must also speak for the entrepreneur, the businessman and businesswoman, large and small. I therefore, Mr. Speaker, speak for the people of Barbados.

Mr. Speaker, I intend today to engage members and those Barbadians viewing on television, listening on the radio, riding in their cars or just ‘liming’, in a discussion on where we are as a people, as a nation, as we celebrate 37 years of Independence and where we are going and need to go. After all, leadership is about catering for or creating the future.

Mr. Speaker, all Honourable Members on both sides of the House share similar experiences as Parliamentary representatives, for daily, we are faced with requests for jobs, houses, help in all forms and fashions, you name it, we get it.

I am often left to ask where have we gone wrong. I am not talking about the bright lights, the tall buildings, the large houses, the glitz and the glamour. I am talking about our Bajan society. I am talking about declining morals. I am talking about the boys and girls who leave school and cannot find meaningful and productive work. I am talking about the men and women with about two or three degrees and cannot find work. I am talking about those families of people that have to squat and cannot find housing. I am talking about the mothers and fathers that struggle to make ends meet, the old people that go to bed hungry at night.

Daily, I see pain etched across the faces of men and women who face another sleepless night. We have been sent here to alleviate these problems. Yesterday, we heard from the Honourable Member for St. Peter with all the latest buzz words and catch phrases, globalisation, trade liberalisation, being CSME ready and the list went on. On

my way home last night one young man at Deacons corner said to me, “So boss, the Budget gone, any hope for me finding a job?” I chuckled and said at him, do not give up, there is still hope.

Mr. Speaker, for the last nine years, the Prime Minister has been coming to this House setting up commissions and rattling off a litany of figures and a list of proposals. The Commissions are either not finished or their recommendations and findings are never implemented. Some of the figures have been shown not to be accurate, while the proposals stay as just that, proposals.

We are now treated to more proposals than ever, taking longer than ever to be implemented. I will get back to these figures, but for nine years on the morning after, his ‘psycho’ fans are in the news heaping praise, great Budget, forward looking, maybe they can answer the young man with no job, no stake in our society and no hope.

Mr. Speaker, I make bold to say that the social and economic revolution which started in 1961 has come to an abrupt halt. Many of the gains are being reversed. House 13, sequence 23, 16:10:14

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Mr. C. A. MASCOLL: The aspirations of the young are being frustrated and the hope for piece of the pie that was within reach of the average Barbadian is slipping away. It can be said that since 1994 Barbados has undergone a unique form of deprived, delayed development.

Mr. Speaker, the gist of my discussion this evening is, how can we restore hope and deliver a fair share for all. The Economic and Financial Statement presented yesterday did neither.

An article was recently published in one of the daily newspapers which was written by Harriette Brathwaite, a former communications officer in the Office of Public Sector Reform, who said that leaders make decisions that create the future and that leaders create a vision which inspires people with an ideal of what can be achieved.

Mr. Speaker, politics is about the art of managing change, but of equal importance in today’s world is the need for leadership in anticipating that change. So my discussion would not be confined to politics as usual but would seek to provide a broader understanding of the issues involved in the management and leadership of the economy and the society, something the Prime Minister attempts in these exercises as he is on record as saying that the Estimates is the means by which the country’s financial affairs are planned and budgeted for on an annual basis. He is correct and has therefore relegated the Budget

presentation to a statement to be presented at his whim and fancy. Arthur, now more powerful than ever, while removing all of the ancient landmarks established by our founding fathers.

Mr. Speaker, after eight straight years of economic growth from 1994, the majority of Barbadians are no better off and in many cases have seen a worsening of their circumstances. Mr. Speaker, why do people feel left out of the process? Why is it that there is a disconnection with the youth? To search for answers, we have to delve deeper into this issue of management versus leadership.

Management involves planning and budgeting, leadership involves setting direction. Management involves organising and staffing, leadership involves aligning people. For example, rather than realigning the staff of the Barbados Tourism Authority, the manager chopped and changed the staff willy-nilly. Therefore, the lack of leadership is responsible for the continuous haemorrhaging at the Barbados Tourism Authority. The same modus operandi goes for the Queen Elizabeth Hospital. In came the manager, chopped off four heads and the repercussions are still being felt today. I would return to the Queen Elizabeth Hospital later. Management also provides control and solves problems, leadership provides motivation. "Cease and settle" is a command statement by the Prime Minister that sought to control public opinion while solving a problem created by the Attorney-General whose sole mission now, after wrecking the educational system, is to decriminalise prostitution and buggery. What would she think of next? Cease and settle and the level of control we witnessed with the televised versions of those two recent press conferences in order to control public opinion must send a chill through all freedom-loving, free-thinking Barbadian. Are these covert signs of the nature of creeping dictatorship? More control now than ever.

Mr. Speaker, organisations need great management and good leadership whereas countries need good management and great leaders. This difference is rooted in the fact that the wealth of an organisation or corporation is reflected in its balance sheet whereas the wealth of a country is reflected in its people. Put another way, leadership is about people, whereas management is about figures and systems. The development of human capital is therefore at the heart of my discourse this evening and is a fundamental plank of the Democratic Labour Party's philosophy and policy.

Mr. Speaker, over the last nine years, figures have been quoted to argue good management if you are on the Government side. We in the Opposition have quoted figures with equal authority to show average or in some cases poor management. For example, the Government may quote the number of persons employed to put its case while we may quote the number of unemployed and the

unemployment rate in addition to speaking about the number of underemployed.

In his first budgetary presentation in 1995, the Honourable Prime Minister and Minister of the Finance made the following observation:

"The burden of unemployment bears grievously on the best educated and trained generation of young Barbadians in our history. The growth and expansion of the national economy has benefited many, particularly large established enterprises, but it has not been as beneficial to smaller, newer economic entities..."

The big question now is: What has changed?

We come to this Honourable Chamber year after year and hear a lot of figures, but the bottom line is, how is life better for the people of Barbados.

Mr. Speaker, the Government may quote GDP growth while we, the Opposition, would speak to an unbalanced growth or lack of growth in the vital exchange earning sectors of the economy, the instability in tourism, the declining output of manufacturing and sugar and the international business sector. The Government may boast about low inflation, we can speak about low wages and little or no growth of wages in real terms. In fact, we can argue effectively that the average Barbadian is worst off today than ten years ago. The head of the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) has admitted recently that the workers of Barbados have made no real tangible progress since 1991.

The Government may quote the number of houses constructed without reference to the cost of housing and the unavailability of housing to the average and middle income Barbadians. We all are fully aware that a \$300 000 mortgage is out of the financial and economic reach of more than 65 per cent of the workers in Barbados. Mr. Speaker, we could continue the game of playing numbers which can go on and on.

On the question of the management of Barbados' economy, there could be arguments and counter arguments with the appropriate use of numbers. The reality is that the economy lies in the pockets of the workers and so who feels it where it hurt most, knows it.

On the issue of the people's plight or circumstance, there can be no argument that the majority of Barbadians have not benefited from the numbers and so the leadership has failed the people of Barbados. The basis upon which the Opposition replies to this Financial and Economic Statement is the stark reality that the leadership has failed the people in the post-1994 period. We have had no vision outlined. The people have not been inspired to participate.

Several do not even want to register or bother to exercise their right to vote and there has been no attempt to develop fully our human capital.

Mr. Speaker, in this context, I wish to draw to the public's attention some changes in the population profile of Barbados that will require not just management accompanied by 'long talk' but leadership.

House 13 Sequence 24

4.20 p.m.

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Mr. C. A. MASCOLL: Mr. Speaker, according to the Population Census, 2000, there are more males than females under the age of 25, who are living in Barbados. This is a figure I know that will surprise lots of Barbadians. It is equally true that there are more females than males who are over the age of 25.

A manager might just dismiss this as just another statistic unworthy of note, whereas a leader of government business might, some 20 years ahead, project what are the implications for the social and economical developments of such statistics. Furthermore, the leader would seek answers for this new phenomenon, if, indeed, it is so. But we are aware from our research this trend of there being more males than females under the age of 25 has started since the 1970s.

Mr. Speaker, the question of having more females above 25, takes into consideration migration in the 1950s, 1960s and early 1970s, when men were in the mainstream and were leaving in search of jobs to support their families or were seeking better education. This might very well be responsible for women being in the majority in the age cohorts of above age 25.

The potential, therefore, exists that over the next 20 years, the male population might be greater than the female population, up to the age of 45. As we could well appreciate, this has implications for economic and social planning, as our productive capacity in the short-term and long-term could be compromised since there are serious concerns about the failure of our young men, at several levels, to produce.

In the area of education, at all levels, females outperform males. This has resulted in the staggering statistic that more than 65 per cent of the enrolment at the University of the West Indies (UWI) are females. Further, at the secondary and Caribbean Examination Council examinations levels, 70 per cent of our children leave school without certification, the majority being boys.

These are, indeed, worrisome trends and must be addressed by our social partners but more so by the political directorate. This is where leadership comes to the fore. It is not only about tinkering with numbers, it is imperative that these kinds of far-reaching issues are to be understood, if this country is to progress and not just grow. Development is economic growth and positive change within the clearly defined political ideology.

Mr. Speaker, the phenomenon of there being more males than females must have come as a surprise to many, as the common belief is that women outnumber men in all of the age categories in Barbados. This new realisation must make us sit up and think, for it must have implications for our educational, training and job needs, and even our health policies. There is need for serious debate on the efficacy of co-education, which the many studies undertaken have suggested that our young men are being placed at a disadvantage. Our systems of penal reform and rehabilitation need to be discussed and changed, just to mention a few.

Mr. Speaker, our move towards a service-driven economy might also hold implications for the kinds of jobs that are available, which might further marginalise the young males. The recent photographs of 15 lawyers being admitted to the Barbados Bar Association, with only three or four of them being men, is a sure sign of the times.

Mr. Speaker, the above illustrates why Barbados now needs leadership, not just management. We have to chart a future for our people and this brings the 1961 era sharply into focus. Barbados urgently needs the Democratic Labour Party. Barbados urgently needs the Democratic Labour Party now, more than ever.

Mr. SPEAKER: Order, please.

Mr. C. A. MASCOLL: Mr. Speaker, the Right Honourable Prime Minister opened his Financial Statement yesterday and talked about the periods of change, and made the observation that he believes we are at this stage once again.

The best example of leadership and real economic growth and change in the modern history of Barbados was evident during the revolutionary period between 1961 and 1976, a period enriched with policies that continue to impact the economical, social and political landscape to this very day.

The Prime Minister sought to frame this change slowly in terms of globalisation, trade liberalisation and regional integration. Yes, we must adapt to the changing times and influences from abroad but I prefer to see change in terms in the advancement for the masses of the people of

Barbados, economic enfranchisement for the majority of Barbadians.

Mr. Speaker, when I engaged my students at the Cave Hill Campus in any discussion about change, they challenge me about the slow pace of real economic change, the ownership structure in Barbados and what is a country, so that they can realise their hopes and aspirations.

Sir, when I move around the country and talk about change, I am challenged about the stagnating black entrepreneurial class. As Mac Fingall sang some years ago, "There is no change." Mr. Speaker, while I agree with the Honourable Member that there is need, he and I differ about the directions and priorities. While we change to adapt to the new economic order, we cannot leave the people behind, I am suggesting, therefore, that the management has to be driven by people at the centre.

Mr. Speaker, to better appreciate and truly understand what change as a result of leadership with a vision means, let us clinically analyse that period 1961 to 1976 and compare it to what has transpired since 1994. It will be an education for the young ones among us and those who are in television and radio land.

First of all, the leadership between 1961 and 1976 put people at the centre. It focused on creating opportunities for the young, for the not-so-young and for the aged. It created a future for the adults through education. It created a future for the not-so-young, through jobs and business opportunities, through ownership of houses and lands, and a future for retirement through a National Securities Scheme and a National Insurance Scheme. Provisions were also made for those workers who lost their jobs through no fault of their own, by the introduction of a severance payment legislation.

Mr. Speaker, speaking several years later in the reflection of the Democratic Labour Party's efforts, the Right Excellent Errol Walton Barrow said: "We have tried to ensure that as far as possible, every child born in Barbados has the opportunity to develop its talents with which the Lord has blessed it, regardless of the family circumstances into which it happens to be born."

I wish to argue that people who lived through the Barrow era had a better opportunity to live a more wholesome life in Barbados:

1. By having access to education,
2. Jobs and greater job security,
3. Access to houses and lands;
4. Access to a more stabled extended family environment;

5. Access to a safer community.

Sir, there are two landmark events around which to put this era into a true national perspective:

1. The revolutionary educational policy of 1961;
2. Independence in 1966.

Mr. Speaker, this year has some personal meanings for me. My eldest brother, who is now approximately 53 years old was the first in the family to have gone to high school. To this day, in her declining state of health, my mother speaks of Errol Barrow as a savior and so do other thousands of Barbadians.

16.30 p.m.

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Mr. C.A. MASCOLL: The truth is, he is the greatest leader in all of Barbadian history. He had a vision and he left a legacy because leaders make decisions that create the future. They also create visions which inspire people with an idea of what can be achieved.

Mr. Speaker, the Barbados Labour Party has sought at every turn to dismantle the record of the Democratic Labour Party but this record is indelibly etched in the minds and memories of Barbadians. Unlike a structure like the Hilton Hotel, a vision, particularly one that became a reality and way of life, cannot be pushed down, imploded or deleted from the memory by the click of a mouse.

Alas, Mr. Speaker, after nine years of plenty there is no legacy in sight for the Barbados Labour Party that will be positive and lasting. By the time the next election comes around the Honourable Member for St. Peter would have been Prime Minister of Barbados for three terms, one more than Errol Barrow, but in charge for an equal length of consecutive time. To further illustrate the difference between management and leadership, I will quickly list some noticeable achievements between 1961 and 1976.

During that period we established free secondary and university education, the National Insurance Scheme, the Central Bank of Barbados, the Barbados Development Bank and many others. Compare this record to the Barbados Labour Party under the Honourable Member for St. Peter. The Barbados Labour Party under the Honourable Prime Minister established the Urban Development Commission and the Rural Development Commission, the only two institutions with any lasting and economic social impact. The Barbados National Bank and Insurance Corporation of Barbados formed under a former Barbados Labour Party administration were jettisoned by the Honourable Prime Minister. The Barbados National Bank is now in the hands of foreigners and Insurance Corporation of Barbados is on the auction block. To get rid

of these was a management decision and showed lack of leadership. Having made the distinction between management and leadership, perhaps we can appreciate why countries need great leadership and good management. Of course, the ultimate is to have great management and great leadership. Sir, there is still hope for Barbados after the next general elections.

Mr. Speaker, it would be fair to say that a vision for Barbados has not yet been conceptualised, planned or advanced in the last nine years. Certainly, no decisions have been made to create the future. The closest we have come to a vision in Barbados over the last nine years was to wish to see two cars to a household. Should we interpret this to mean that poverty would be eradicated? If so, all is well but if we are to use data from the population census, it is clear that there is a disproportionate distribution of wealth and cars in Barbados. In fact, the number of cars is not a good barometer of being well-off.

There are approximately 83 000 household and of those 27 796 have no cars at all and 27 722 have only one car. We in the Democratic Labour Party want first of all to see a roof over every family's head. If this is the closest we have come to a vision in the last year, it is not surprising that the Barbados Labour Party has succeeded in strengthening the rich and weakening the poor and has sought to use poverty alleviation as an empowering strategy among the less fortunate.

However, this has turned out to be nothing more than hand-outs with the real relief reaching those who have a "hand-in". Any strategy that seeks to alleviate poverty through hand-outs will fail. This is because poverty cannot be defined in purely economic terms. There is an equally powerful psychological dimension to poverty which is far more devastating because it ultimately defines one's self-esteem. While providing the leadership, the Democratic Labour Party did not neglect the management of the economy in the society.

Sir, under the Democratic Labour Party we had job creation, infrastructural development, housing development for all classes, house and land ownership among the masses and improved health care for all, to name a few. Compare this to the record under the Honourable Prime Minister who had excesses from VAT. In fact, since 1997, we have collected almost \$2.5 billion in VAT, accompanied by the colossal waste on public projects. We also had high foreign reserves but little trickle-down. We have had some wealth accumulation by only a few and there has been some big land and property owners overnight. Sir, the Prime Minister almost created an oligarchy.

Now that we have outlined the framework to demonstrate the golden era of leadership in Barbados, it is necessary to construct a framework to evaluate the period

of management since 1994. This is best done by analysing the Barbados Labour Party's position before it came to office and since it came to office and by their own words, they stand condemned.

Mr. Speaker, we cannot appreciate where we are going if we do not know the kind of philosophical position that drive their actions. In this regard, the views of the Barbados Labour Party in the following issues must be examined.

First, its economic growth strategy.

Second, its position on the level of taxation. Third, its employment strategy.

Fourth, its foreign borrowing policy.

Fifth, the party's position on trade liberalisation.

Sixth, the Barbados Labour Party's view on an incomes policy. Seventh, its position on corporatisation and privatisation. Eighth, its position on the Caribbean Single Market and Economy and globalisation.

The Barbados Labour Party economic growth strategy identified a lead role for the private sector with emphasis on the foreign exchange earning sectors. This required allocating more resources to the private sector particularly tourism, manufacturing, agriculture and the international business sector but instead the excess resources from VAT went to the Government sector.

Mr. Speaker, it makes for interesting listening and analysis to recall the words of the Honourable Member for St. Peter as a member of Parliament versus his words as the Prime Minister. His morning words bear little relation to his evening words or actions. Maybe after the Happy Hour at John Moore's things changed. He said yesterday that he is the only non lawyer that has been called to the bar.

In the reply to the 1994 Budget, the then Leader of the Opposition who is now the Honourable Prime Minister referred to the level of taxation at the time in very crude terms. He said:

"The country is overtaxed to begin with."

Sir, at that time the tax take was just under thirty cents out of every dollar. In reference to the changing tax system he opined:

"It is simply a choice. Either you are beaten by a bull pistol or you get beaten by a dog hunter".

Those were the words of the then Honourable Member for St. Peter. Over the last eight years under the

Barbados Labour Party the tax take of Barbados has move from just under thirty cents in the dollar to forty cents out of every dollar.

H13/16:40

Sequence 26

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Continuation of: Mr. C.A. MASCOLL:.. This was not consistent with a private sector led gross strategy, moreover, crippling the workers' capacity to earn and spend. The lack of spending power is an important factor in explaining the plight of local businesses especially the struggling black businesses in Barbados.

I have argued repeatedly that what we have seen is an incapacity on the part of the average Barbadian to purchase as he did ten years ago and it has undermined the ability of the private sector to earn.

Sir, even on the expenditure side of managing the fiscal affairs of Government, the Prime Minister's morning words do not match his evening actions. In an apparent critique of a former Democratic Labour Party administration, the Prime Minister said in his 1995 presentation that in addition, public sector projects have been badly planned and even more poorly executed and there is still very much the threat that unless concerted action is taken now to curb the financial appetite of some state institutions, or to restructure those that have been bankrupted for sometime now, there will come to constitute a major drain on the public purse.

Sir, we have seen under this administration abundant wastage at Greenland, the Gems project and across the board in the public sector. Again, by their words they stand condemned. Those were the words of the Honourable Prime Minister in 1995.

Mr. Speaker, I need to remind Barbadians that one of our National Heroes, the Right Excellent Sir Grantley Adams, a former leader of the Barbados Labour Party, once said that Bajans have short memories. This present leader apparently thinks so too. I need to remind Barbadians of the Gems project where we spent over \$192 million, \$30 million on Greenland, \$40 million on the National Housing Corporation building at Warrens, millions on the South Coast Sewerage Project, several subsidies were given to the Transport Board and the Urban Development Commission has become a cesspool of corruption. In addition, the Honourable Member for St. Michael South East tried to fire the Director of Urban Development Commission but the Honourable Member for St. Peter ordered him back to work.

Mr. Speaker, in 1994, the then Opposition Leader referred to the Democratic Labour Party and said that this Government has committed Barbados to a process of trade reforms with which the Barbados Labour Party does not fundamentally agree and that under his watch, trade liberalisation has not changed its character. Meanwhile, the process was poorly managed with the unnecessary imposition of high and heavy bound rates on items that increased the cost of doing business in the tourism sector. These bound rates served to cripple parts of the tourism industry.

In a similar vein, the then Opposition Leader revealed on the question of the incomes policy, that the Barbados Labour Party led a political outcry against the original concept of the incomes policy.

Mr. Speaker, there have been three revisions on the same prices and Incomes Protocol under the Barbados Labour Party. The low income worker is yet to be treated more favourably as promised.

In fact, the Minister of Industry and International Business, at the time the Honourable Member for Christ Church East, was put in charge of a committee to monitor the impact of the Value Added Tax on commodities and other prices. Sir, like the commissions, there was never a report. We have never seen a report and I would like Barbadians to remember that we were supposed to have a Prices and Incomes Protocol.

In the 1995 Budget, the Barbados Labour Party stated that it would have a different foreign borrowing policy borrowing from that pursued by the then Democratic Labour Party administration. The Honourable Prime Minister said that the foreign borrowing policy of the Barbados Labour Party in any given fiscal year would be limited by the foreign interest payment that the Government has to make in that year. This principle has been repeatedly broken, so much so that in the last three years this administration borrowed in excess of \$650 million, more than any other administration in the history of Barbados. Sir, by their words and actions they stand condemned.

Sir, I now refer to the national debt. History is repeating itself in respect to the management of the national debt. Mr. Speaker, between 1976 and 1986 the Barbados Labour Party managed to increase the Barbados national debt from \$266 million to \$1.3 billion, an increase to over \$1 billion in ten years.

It is a fact that during the 1994 to 1996 period the debt also rose by a similar amount but it was supposed to be a period of crisis that triggered that behaviour. In the post-1994 period when the economy was on a growth path,

for the most part, the national debt increased by \$1.5 billion.

Mr. Speaker, yesterday we learnt from the Honourable Prime Minister that the national debt is now 72 per cent of GDP and that constitutes the highest ever in the history of the Barbados economy. A national debt of such proportion has to be a frightening thing because we now have a national debt of that magnitude in a low interest rate regime. Sir, could we imagine what our debt servicing requirement would be if interest rates go upwards in the next three years?

However, numbers should not be the focus of our analysis alone. It ought to be about how we use the borrowings. I recall in a debate, when I was in the Other Place that when we were seeking to borrow \$300 million from the Trinidad and Tobago market, it was said that we were going to put this money aside for a rainy day or do what is called sterilising the money at the Central Bank but it never happened.

Sir, I now quote from the International Monetary Fund Staff Report, December 20, 2002, at Page 10:

“Our staff argued that those proceeds should be used at least in part to reduce the cost and lengthen the maturity of existing public debt. Instead, the authorities departed from the original to sterilise the proceeds of this bond issue and are using them largely to finance the Budget, with the ratio of total public debt to GDP rising to over 60 per cent in the year 2002.”

Sir, yesterday we were told by the Honourable Prime Minister that the public debt ratio is now 72 per cent. It is very instructive that, in fact, the International Monetary Fund is still apparently in the land of Barbados. It was said that Mr. Fitzproco will have to go and that there will no longer be any dealings with the International Monetary Fund as it relates to the question of policy and policy direction.

Mr. Speaker, the Barbados Labour Party's growth strategy required a restructuring of the economy to ensure that the foreign exchange sectors led the way, instead, over the last years tourist arrivals are up but average visitor spending is down.

13.16 p.m.

Sequence 27

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4.50 p.m.

Mr. C.A. MASCOLL: Manufacturing output is down and so to is employment and sugar has become an artificial sweetener in its contribution to the country's economic performance. Only yesterday, we were told that, in fact, it is almost doom's day for the sugar sector in Barbados.

The international business sector which was to provide 2 000 new jobs each year, over a five-year period, realised a contraction in jobs from just more than 3 000 in 1994 to less than 1 200 in the year 2002. The OECD initiative might have added fuel to fire, but, certainly, cannot be the only explanation for the decline of our employment levels in that sector. We saw the departure of CDS, and we saw PRT moving from the shores of Barbados. It was replaced by a firm called Heritage. In fact, we were told that PRT was the ideal kind of firm that we are seeking to attract in Barbados to look at the question of computer software development.

The sector has declined significantly in the last nine years but was supposed to be, according to the Prime Minister, the major area for job creation in the economy in the post-1994 period.

Mr. Speaker, if we evaluate the management of the Barbadian economy within the framework outlined above, mismanagement is therefore reflected in the Prime Minister's handling of the various sectors.

Rather than a foreign exchange private sector led global strategy for the most part, there has been a construction led economic growth in Barbados. Rather than the lowering of taxation, there was a policy of excess taxation. Rather than a private sector led employment strategy, there is a public sector led employment strategy.

In fact, to support my contention, I once again want to quote the International Monetary Fund (IMF) report, because we were supposed to have a private sector led employment strategy but we have not seen it. In fact, between 1994 and now, there has been a substantial increase in jobs in the public sector of Barbados and I wish to quote page 13 of the IMF's report:

“Given the Government's poor record of investments in hotels, staff strongly urged privatisation of hotels.”

Mr. Speaker, I just argued that the public sector in fact, was responsible for the increased level of employment in Barbados for the most part since 1994. At page 14 of the IMF's report is some very damning information, and I quote:

“The Public Wage Bill declines by half of 1 per cent of GDP during fiscal year, 2004-2005 to fiscal year 2006-2007.”

Mr. Speaker, the Public Sector Wage Bill declines by ½ of 1 per cent which is approximately \$25 million to \$30 million because Barbados' economy is now a \$6 billion economy according to the Prime Minister. We are seeing in the IMF's Report that there has been an agreement in principle to reduce the Public Sector Wage Bill by a ½ of 1 per cent.

Rt. Hon. O.S. ARTHUR: On a point of order, Sir, the Honourable Member must not mislead the House. The International Monetary Fund under the laws of Barbados can carry out an Article 4 consultation at anytime. It can propose anything. As he should know, something contained in an IMF report does not reflect an agreement between the International Monetary Fund and the Government of Barbados and I am asking, Sir, that those remarks be withdrawn from the record because there is no agreement between the Government of Barbados and the International Monetary Fund and this is a matter of fact.

He said, Sir, that there is an agreement and I am asking that those remarks be struck from the record because that is not truthful.

Mr. C.A. MASCOLL: Mr. Speaker, I am quoting from the IMF's report. It says here that the Public Wage Bill declines by ½ of 1 per cent of GDP in the fiscal year 2004-2005, 2006-2007. It goes on to say that greater reliance on official long-term project finance for public infrastructure investment, reduces the public sector's recourse to domestic financing and supports increased private investment.

Asides.

Mr. C.A. MASCOLL: I am not saying there is an agreement. The gist of the report is that the Government has agreed in principle that public sector employment will decline via attrition. This has been said.

Rt. Hon. O.S. ARTHUR: On a point of order. The Government has agreed neither in principle nor in fact or in any other respect. The IMF is free to make any recommendation to the Government of Barbados. It even recommended that we increase the VAT to 17½ per cent. The IMF can say anything that it wishes. That is its right.

The Government has not agreed to reduce employment in the public sector of Barbados. I am asking that those remarks which said we have agreed in principle be struck from the record.

Sir, I am asking you to rule.

Mr. SPEAKER: The Honourable Member, I have allowed you to refer to the report of the IMF and give the statements by the IMF, but you did say that the

Government has agreed in principle and I am asking you to withdraw those remarks, please.

Mr. C.A. MASCOLL: Mr. Speaker, I withdraw, but certainly, Mr. Prime Minister, you owe it to the public to provide an explanation of the contents of the IMF report.

I mean, when you read the gist of the report, it does indicate that there has been some fundamental position agreed to. This is in the IMF report. I am not seeking here to be malicious. I am simply using the consultation that has been engaged.

Mr. Speaker, we will move on. Sir, rather than a trade liberalisation policy to promote agriculture, there has been a tardy misguided trade liberalisation programme. This is a fact. Rather than a prices policy to accompany an incomes policy, the Honourable Member for Christ Church East has not yet reported to the Parliament of Barbados on the report of the impact of prices.

Aside.

Mr. C.A. MASCOLL: It has not yet come. We were told that the 'little man' will be protected in an incomes protocol.

Mr. SPEAKER: The Honourable Member, you will make that a document of the House, please.

Mr. C.A. MASCOLL: Of course, I would.

Rather than reduce dependence on foreign borrowing, there has been excessive reliance on foreign borrowing. More recently, we have used the sale of public sector assets to augment the Government's foreign reserves. Again, I quote the International Monetary Fund's report, and this is in the contention of the question of propping up our foreign reserves.

"Given the Government's poor record of investment in hotels, staff strongly urge privatisation of hotels. In addition, privatisation of the Airport and the Bridgetown Port were recommended, so as to lower cost and improve services. Further proceeds from privatisation should be used to reduce public debt or build up the Government's bank deposits."

Sir, again, I cannot say whether or not there will be any privatisation of the Airport or the Seaports of Barbados but

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Mr. C. A. MASCOLL: I well recall a recent debate in which a document was drawn to suggest that a report asked by a previous Democratic Labour Party administration had committed the Democratic Labour Party to the privatisation of the port, which was not true. What you are seeing here now is a feeling on the part of the International Monetary Fund with respect to the seaport and the airport. So when we talked about corporatisation, no one is saying that Government has agreed, but the Government owes the people of Barbados a position on these two issues. I will speak to privatisation, the Caribbean Single Market and Economy and globalisation in greater detail later in my presentation.

Mr. SPEAKER: You will make that a document of the House, right.

Mr. C. A. MASCOLL: Yes, I will.

Mr. Speaker, in the aftermath of the stabilisation programme in 1991/92, the management of the economy should have been routine. A good leader would embark on a mission of restructuring the economy within a vision for the country. Let us not forget that leaders make decisions that create the future and that leaders create a vision which inspires people with an ideal of what can be achieved.

Mr. Speaker, the best way to assess the leadership of Barbados in the post-1994 period is to think of a car going forward in reverse. When you go forward in reverse, your forward movement is retarded as your eyes are fixed behind. Think about it.

Asides.

Mr. C. A. MASCOLL: After nine years, this Government still refers to the Democratic Labour Party's term in office as a mean of defence.

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, should I go on?

Mr. SPEAKER: Yes, proceed.

Mr. C. A. MASCOLL: A caller to Brass Tacks, the call-in programme, put it this way to the moderator, if they rented a dirty house, how long would they live in it without cleaning it. When I said that this administration is going forward in reverse, I am suggesting that their eyes are still fixed on the past.

Asides.

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

Mr. C. A. MASCOLL: This administration refers always to the Democratic Labour Party in the early 1990s.

Mr. Speaker, when I therefore view the period 1994 to the present, I am reminded of the words of the great West Indian economist, Sir Arthur Lewis: "Happiness results from the way one looks at life, taking it as it comes, dwelling on the pleasant rather than on the unpleasant and living without fear of what the future may bring." If that is true, then Barbadians are not as happy as they were. That is a fact of life.

Mr. Speaker, the period of economic growth 1994 to 2001, coming on the heels of a period of difficulty should have realised benefits to the people and the workers of Barbados. The first advantage of economic growth is not that wealth increases happiness, but that it increases the range of human choice. In the case of Barbados, since 1994, the range of human choice has been increased for a select group of property and land owners, the oligarchy, but the 25 000 to 35 000 cannot boast of having their range of choice increase.

In fact, over the last nine years, they had to reduce their expectations of owning land and houses, their prospects of owning a car were diminished by the restrictions on reconditioned cars, their capacity to extend their health insurances have been undermined by reduced real disposable income and their children's opportunity for further education have sunk under increasing cost. In short, public servants have not derived any benefit from the period of economic growth up until 2001, but they were the ones who bore the burden of the adjustment in the early 1990s.

In fact, this view was recently put in the public's domain by the President of the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB) when he said that CTSUAB and one of its major affiliates have failed to advance beyond 1991 regarding negotiations of national issues. That must have pained that proud leader of the labour movement in Barbados.

The range of human choice has not increased for thousands of workers whose concern about job security has increased and the range of human choice has reached the point where an individual would soon be forced to put his or her savings in a foreign bank. Sooner rather than later, we would not have an Insurance Corporation of Barbados, and if we are not vigilant, the credit union movement, the last bastion of the poor man, would be pressured out of the market under the weight of excess regulation, oddly enough, in a global environment of deregulation.

We have recently seen hundreds if not thousands of workers going on the breadline in the tourism sector alone. These were workers from the Hilton Hotel, Sam Lord's

Castle, Rockley Resort and Sandy Beach Hotel. Added to that, there is a cut back to a three-day work week. In the banking and financial system, we had losses at Barclays Bank, Canadian Imperial Bank of Commerce (CIBC), Sagcor and Life of Barbados. In the commerce and manufacturing sectors there were losses at Bim, Bottlers (Barbados) Limited (Ju-c), B&B Distribution, Geddes Grant, Modern Living, Cable and Wireless and BARTEL.

With all of these job losses, we heard the Honourable Prime Minister talking about keeping the unemployment rate at a minimum. That gives little comfort to those mothers and fathers who faced daily hardships and in some cases the loss of their homes. What we have had in the unemployment statistics is a dramatic rise in the numbers listed under no longer seeking employment, and so we question the validity of the employment statistics quoted by the Honourable Member for St. Peter. In fact, since 1998 the number of unemployed persons in Barbados has increased by 5 000. So there has been an increase in the unemployed numbers almost to that of the early 1990s.

It is similar to the inflation statistics. We heard about the small rise in the price index but not about the true cost of living, that is the cost of goods and services in relation to income. Prices in Barbados are the highest in the region and no fancy footwork with statistics will change that. I understand well the difference between an inflation rate and a price level, but I am very concerned that the figures being quoted for inflation in Barbados are so low.

A London study published in the Sunday Times of London dated September 28th, listed Barbados as the most expensive destination out of the 15 top destinations surveyed in the tourism sector. Mr. Speaker, we can go on but there is no joy on this side in reciting figures that have caused pain and suffering among our people. What angers us most is that Government has not develop any strategy to halt the lay-offs or to return to an employment growth path.

House 13 Sequence 29

5.10 p.m.

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Mr. C. A. MASCOLL: Mr. Speaker, yesterday the Prime Minister did not offer any hope for those persons who want to be gainfully employed so as to provide for their families and themselves.

Mr. Speaker, I now turn to tourism. The management of our leading economic sector has been characterised by changing ministers, removal of heads of the Barbados Tourism Authority, concerns about crimes against tourists, the declining contribution of the 'small man' in tourism, excessive tax impositions, lower revenue

per tourist, falling employment in the sector, shorter work weeks, and low profitability.

Mr. Speaker, since 1994, we have had Ministers Honourable Richard Cheltenham, Honourable Billie Miller and Honourable George Payne, and finally the Honourable Member for St. Michael South, who has made it quite clear that he is a Minister in a hurry and that he has come to take the pain out of tourism. Mr. Speaker, the Honourable Member has proven that he was faster than Obadele Thompson, for few would forget the 'tongue-lashing' this young man has received from Sidney, and I think we all would recall that period.

We now hear a lot of talk about the highest ever, the longest ever, the biggest ever, and the most ever. The Minister's penchant for the superlative is second only to his habit of putting his foot firmly in his mouth.

Mr. Speaker, the reality is that spending by tourists is down; hotel occupancy is down; length of stay is down; profits in the sector are down; employment in the sector is down; the participation of the 'small man' in the industry is down.

In 1990, the average spending per tourist in Barbados was \$US 1 163. In 1996, it reached a high of \$1 469. However, since 1996, the average spending per tourist has declined by 10.4 per cent, to be \$1 316 in 2002. When prices are taken into consideration, Mr. Speaker, the decline was in excess of 20 per cent between 1996 and 2002.

Sir, given the level of discounting that has occurred in the sector during the last year, it is reasonable to suggest that the downward slide in spending per tourist declined further in the year 2003 as well. As a result, profitability continues to be a problem in the industry.

Mr. Speaker, the decline of the industry did not start this year nor last year. In a speech delivered in the year 2000, the Executive Vice President of the Barbados Hotel and Tourism Association has identified several challenges in the industry which included declining market share, occupancy rates below the Caribbean average declined and declining hotel stock. Mr. Speaker, of special note was the point she made about the existence of artificially inflated real estate and building costs.

I think we all know that the Paradise Beach Hotel was purchased along with the LaTouche' Hotel in St. Lucia and to this day, almost nine years later, there has not been any renovation done to the Paradise Beach Hotel. In fact, it is believed that the property is now more valuable as a piece of real estate than it is as an hotel. Perhaps, the issue of profitability in the industry is best reflected in the fact that five international chain resorts have ceased operation in Barbados during the 1990s. These include: Divi, St.

James; Cunard Paradise; Wyndham, Heywoods; Marriotts, Sam Lords; Sandy Lane. We may ask the question, whether or not it was low profitability or could it be that the inflated real estate values had made the hotels more attractive as real estates than as business entities and, therefore, made them attractive for sale by their owners? That is a fact of life.

Whatever the answer is to the above question, the fact is that the hotel room stock has declined in the last decade. There has been some refurbishment of hotels without additional rooms being provided. In a similar vein, someone needs to explain why one net new job has not been created in the tourism sector between 1996 and 2002.

In fact, there have been job losses in the tourism industry over the last five years. In addition, the average earnings of a hotel worker has declined because of fewer working hours and less revenue generation in that sector. Sir, let us recall that some major hotel chains had requested workers to accept severance payments. There is, therefore, still much pain in the industry for workers and owners alike.

Mr. Speaker, perhaps the most notable failure in the management of the tourism industry came in 1997 when a proposal to establish the Barbados Tourism Company was put forward. In principle, it was designed to focus on core competencies by eliminating duplication and optimising resources among the existing entities.

Sir, reflecting the sentiments of the Honourable Minister that he is a minister in a hurry, the Board, without Cabinet's approval, took a decision to sever, to make redundant, and to shift senior Government staff at the Barbados Tourism Authority, in preparation for the formation of the company in April 2001. The company is yet to be established.

Mr. Speaker, notwithstanding the increase in arrivals during the first nine months of 2003, the performance of the industry is a cause for concern. As in the Minister's words, this is not a numbers game.

Therefore, when analysed in its proper context, the overall performance of the tourism industry is below what it was five years ago. In real terms, revenue, profits and foreign exchange earnings, have all declined in the industry. The industry first needs to look at its cost structure, and the first item for investigation is the impact of VAT.

A recent study has concluded that VAT has been passed on to the tourists in the form of higher room rates. It argued that this might be due to the fact that while VAT on hotel accommodation was levied at 7.5 per cent as opposed to 15 per cent imposed on other goods and services, this

represented a 50 per cent increase from the previous 5 per cent rate on hotel accommodations, a point the Government refuses to appreciate.

Mr. Speaker, many analysts in and out of the industry have warned that, as a country, we have been skating on thin ice by putting all of our eggs into one basket. I share their concern. Sir, as we go around the country, the people are asking if there is so much money in the banks, why they cannot get any? Perhaps the technocrats would ask, why is it that there is so much excess liquidity in the banking system and the businesses are not increasing the investment portfolios to utilise the excess liquidity. There is so much money in the banks because the banks are not lending enough to use up the deposits and this leads to excess liquidity, that is, the excess of deposits over loans.

Mr. Speaker, the truth is that people are not borrowing because of the uncertainty in the economy, with respect to job security and because of the unavailability of investment opportunities for business men and women. Over the last nine years, the greatest investment opportunities for Barbadians have come in real estate, either by way of land and housing, or by way of office space, essentially for firms in the international business sector.

Mr. Speaker, note the proliferation of office buildings at Collymore Rock, St. Michael and the building of high-end houses to accommodate foreign officials and workers. H:No.13(30)17.20 p.m.

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Mr. C.A. MASCOLL: It is well documented in Barbados that 'small people' find it difficult to acquire loans to build house and well-nigh impossible to acquire loans to purchase land or build commercial buildings. In the case of housing, the small man's ability to pay is questioned down to his last underwear. When he goes to the commercial bank, his capacity to repay is questioned while the building of a second, third or fourth home by the so-called 'big man' is accommodated as an investment. Of course, this increases his capacity to earn income and pay back the loan. In short, lending institutions have become more risk-averse in spite of so much money being put into the banking system.

The Prime Minister is on record as suggesting that the offshore sector which has now become the international business sector is capable of providing 20 000 jobs in Barbados over a five-year period. He said that this sector suffered job losses between 1994 and now and that employment has gone below 12 000 jobs. Of greater significance to the financial sector is that businesses and individuals saw opportunities to invest in office space and

housing in catering to some of the needs of the international business sector. The decline of this sector has affected the high end of the housing market and certainly the demand and supply for office space.

Furthermore, the decline of the international business sector has reduced the demand for loans among those most able to pay and consequently, contributed to the excess liquidity and the so-called excess money in the banking system. The small man still cannot access any of this money and small businesses are crying out but the Honourable Prime Minister has not yet dealt with the issue that small businesses are not yet in a position to acquire their own properties because it required them to have 25 per cent of the cost and they have a shorter time period within which to pay these loans.

In addition, these individuals are being forced to rent from larger property owners in Barbados and this is going to keep the whole concept of economic enfranchisement away from the ability of small people to acquire these kinds of assets.

Mr. Speaker, I now turn to one of the more current heated topics. First, let me state that the Democratic Labour Party is against the introduction of metered rates in Barbados. In the absence of a full comprehensive study of the sector, any such sector should address the issues of the current performance of the industry, the appropriate competitive structure for the industry, the appropriate ownership structure in the industry, whether rules for competition are necessary and the degree and type of regulations necessary in the industry.

Sir, Cable and Wireless cannot be protected from competition in the international market for overseas calls or cellular services. Perhaps, it can be protected from competition in local telephony. This protection must, however, redound to the benefit of the consumer.

Sir, I say this because I well understand that it would be difficult in a deregulated market to protect Cable & Wireless in providing domestic calls but given the need for infrastructural development in the provision of local calls are we going to seek to encourage competition or we can consider allowing Cable and Wireless to proceed for the next few years in the absence of competition, in the provision of domestic calls. These matters require a lot of empirical work to be done.

Government should state clearly the policy framework for the industry and then the empirical work would be conducted with particular objectives in mind. The Memorandum of Understanding signed between Cable and Wireless and the Government is seriously flawed and this is where leadership rather than management is once again required. Cable and Wireless long ago stated that local calls

were being subsidised by international calls but there is no clear evidence to support the contention by Cable and Wireless who refused to prove this beyond the shadow of a doubt.

The Democratic Labour Party is therefore, calling for the postponement of the issue of metered rates for at least two years. This would allow Cable and Wireless to operate for a period where there is competition in the international calls market and cellular services market but more particularly it would allow Cable and Wireless to separate the market thus providing clear evidence on the domestic calls market to justify its contention that international calls have been subsidising local calls. Sir, this is an issue that must be resolved.

Mr. Speaker, I want to present the Democratic Labour Party's view on the telecommunications sector in Barbados by making this a document of the House. As I have said before, we are against metered rates because it will change the culture of telephone use. It will also change the social and business environment as households and workers adapt to the impact of cost based on time used. The impact will vary as students at all levels primary to tertiary become constrained and confined. Sir, the adults will be concerned and conscious of cost and the elderly will become confused and contained by circumstances. As I said before, I am making this a document of the House to demonstrate where the Democratic Labour Party stands in relation to the question of metered rates.

We are concerned about the cost to business because Barbados is already a high cost business environment and metered rates would certainly increase the cost of doing business in Barbados. I think in terms of a lawyer who has to conduct transactions on a daily basis and I have said I would postpone metered rates for two years so as to allow Cable and Wireless to tell us precisely what the cost of a domestic call is before we advance because they have not been able to put that kind of information to the Fair Trading Commission.

Sir, Government is the biggest user of telephones in Barbados so could you imagine the cost of metered rates to Government. Therefore, sooner rather than later, there will have to be a specific provision within the Estimates for all Government departments because in the event that we have a situation where repairs are to be made then, there has to be a Line Item to pay persons for delivery of such a service. Sir, the cost to Government will be extremely high in a period where there are metered rates in Barbados.

If the FTC believes that on the basis of historical approach to rate fixing that Cable and Wireless is deserving of an interim agreement on the existing fixed rates, then some accommodation may be made to grant an adjustment one way or another. Until the issues outlined for a

comprehensive study are resolved within the policy framework of the Government no decisions should be made to alter the fixed rates.

H13/17:30

Sequence 31

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Continuation of: Mr. C.A. MASCOLL: Mr. Speaker, it is about providing leadership and since we think that it is particularly critical, the Democratic Labour Party took some time to study the issues and we will make this document available to the public in the very near future.

However, I would let the Honourable Members and the listening public have the benefit of our thinking. Perhaps, we need to consider the issues that we have outlined for consideration. Sir, we are suggesting that it is very possible for the provision of local telephone calls to be retained by Cable and Wireless because it may be a question of having to first set up the infrastructure development to be able to deliver. It is not a strong position that we hold but we are saying that, perhaps, there is need to offer some protection in the local domestic call arena.

Mr. Speaker, I now turn my attention to the small business sector, a sector critical to any employment strategy. In our Manifesto of 2003, we outlined several key policies to kick-start the sector. The Democratic Labour Party believes that there is a need to reconsider the reintroduction of a National Development Bank. Of course, such a bank would have to manage its affairs better than it did before but it also has to provide leadership to the small business sector.

Sir, if we open up the market, then businesses with headquarters overseas are going to have access to cheaper capital from their home bases as well as access to local capital. Therein lies a major disadvantage to existing small businesses because we are saying that in the event where a Trinidad business can go to Trinidad to get capital and still be able to access local funding, then it puts local businesses at a disadvantage.

It is well known that for small businesses to acquire commercial buildings, there is a requirement of a 25 per cent down payment on the cost of the building. This places the acquisition beyond the reach of the average small businessman. There are some characteristics common to all small businesses. For example, they use borrowed capital and are under capitalised. They are unable to differentiate between sales and profits because most of them do not prepare balance sheets and income statements. They are unable to respond quickly to market changes in the absence

of adequate financing. Sir, these small businesses depend solely on their owners in decision making.

Sir, in the absence of an indigenous bank from which to source funding at concessionary rates, small businesses have to depend increasingly on commercial banks which are now obsessed with the methods of risk management that are inappropriate in a banking culture created out of personal contracts.

The struggle of Shamrock, Ricks, Budg' Buy and Julie 'N in the supermarket business is a cause for concern, as this sector is said to be just in the business of buying and selling. However, it goes deeper than that and calls into question access to capital from the commercial banking sector for black businesses in Barbados.

Sir, the reality is, initiatives such as those put forward by this administration to establish a micro enterprise lending institution with a \$7.5 million start-up capital, the Enterprise Growth Fund of \$12 million in 1997 and an Innovation Fund \$2.8 million, have not worked. It was not surprising to hear the Honourable Prime Minister call for the recapitalisation of these Funds. These Funds have not worked in the interest of small businesses. Sir, that is what the small business men and women are saying, not what the Honourable Member for St. Michael North West is saying so. These funds have no impact on the ability of these firms to survive far less prosper. Mr. Speaker, the creation of these funds was just a matter of more fun than ever for the Prime Minister and it is, therefore, not surprising to hear that there is going to be the consolidation of these institutions in the year 2007.

Mr. Speaker, when the business people hurriedly called a meeting in a public relation exercise and told the Prime Minister the facts of life, he flinched in astonishment. The reality is, with all of these funds, the necessary finance is not reaching the small business sector. The Prime Minister has delayed this new finance corporation until the year 2007 and that is a major cause for concern.

Mr. Speaker, in the Budgetary Proposal of 2000 the Honourable Prime Minister reminded the public, and I quote: "He had committed the Government using its privatisation programme to provide additional opportunities for investors and at the same time increased the activity on the Security Exchange in Barbados." Today, the Prime Minister has achieved none of the above.

The Honourable Prime Minister has added a number of shares of selected enterprises and said that the shares would be sold to the staff and public in general so that the masses could have the opportunity to participate in the ownership of successful local companies.

The Prime Minister further stated that the structure of privatisation would be set out as follows:

- 1) A bloc of shares for the staff enterprise.
- 2) A bloc of shares for credit unions, trade unions and mutual funds.
- 3) The offer of shares to the general public in small blocs.
- 4) The retention of substantial shareholding by Government and where necessary the offer of shares to strategic partners.

In an introspective manner, the Prime Minister inquired of himself, with such successful state corporations, one may wonder why it is necessary to privatise. He then consoled himself with the following words, and I quote: "The privatisation of Insurance Corporation of Barbados and the Barbados National Bank must be viewed as the continuation of the process of economic enfranchisement through the widening of the ownership of assets in this country and the development of the capital market. This action by the Government demonstrates in a practical way Government's commitment to facilitating the ownership of assets of successful businesses by the non traditional shareholding class, thus allowing the small man to own a piece of the economic pie."

In this instance, the management of his words outweighs the leadership in his thoughts. That was the Honourable Prime Minister in the morning and his actions came in the evening.

Sir, contrary to the views expressed, we have witnessed the corporatisation of the Barbados National Bank and not to the institution stated in the proposed structure of privatisation but to Republic Bank Limited of Trinidad and Tobago.

Mr. Speaker, once again, pragmatism got the better of the Barbados Labour Party Government as a desire to to acquire funds to rebuild the Hilton Hotel took precedence over the uplifting process of economic enfranchisement so eloquently referred to in the Prime Minister's Budget of 2000. Sir, if you start wrong, you have to end wrong.

Sir, I would like to know why the Prime Minister sold the shares of the Barbados National Bank to the Republic Bank Limited, having stated so eloquently that it could have encouraged the economic enfranchisement process. We have witnessed that the Insurance Corporation of Barbados is also up for grabs.

The new Hilton Hotel would require financing to the tune of \$192 million of which \$76 million was to be raised through the issue of shares to the private sector. H13: 17.40

Sequence 32

Wednesday, November 26, 2003

5.40 p.m.

Mr. C.A. MASCOLL: This was a reasonable expectation from a private sector that cries excessively about the lack of profitability in the tourism sector of Barbados, and a private sector that understand the past, present and particularly, the future challenges in a tourism sector that is becoming increasingly vulnerable to the sharp edges of competition and the global threat of terrorism.

The Democratic Labour Party supports privatisation and corporatisation when it is in the national interest. We are, however, physiologically opposed to the privatisation of our airport and seaports and other essential services like water and transport.

Asides.

Mr. C.A. MASCOLL: Mr. Speaker, I now turn my attention to another area of concern for the vulnerable in our society, the credit unions. Rather than release the one indigenous financial institution from the grips of regulation, the Prime Minister managed to question the integrity of an entire movement, by referring to a practice of the movement that rests upon a basic tenet of outreach to its members, as a demonstration of mismanagement.

The Credit Union Movement does not need to be told how to manage its affairs. It needs to know the parameters within which it can operate and provide leadership. Why should the movement be constrained, while others are being unleashed to enter its space to compete. Like the others, the Credit Union Movement needs to know the parameters of its management, as it leads the fight to empower its members.

Mr. Speaker, Government's attempt to rescue the manufacturing sector has come too late. Perhaps the temptation to treat the sector as a homogeneous group has been a major shortcoming of policy makers. In the 1970s, the manufacturing sector contributed 12 per cent of real GDP and employed 15 per cent of the labour force. According to the Prime Minister, it now contributes only 8.4 per cent of GDP and employs 9,838 people, up to June of this year.

In 1970 we were in a peril, food and beverages and tobacco accounted for most of the growth in

manufacturing, and to a lesser extent, furniture, building materials and paints.

The decade of the 1980s saw a reversal in the fortunes of the manufacturing sector, even as protection was offered to local producers. However, the opening up of the domestic market to regional competition, with the introduction of a common external tariff, as part of CARICOM efforts, affected the segment of the industry that catered to domestic consumption.

In the 1990s the sector continued to be plagued with problems of contracting markets, and cash flow problems resulting in further declines in output. Growth in the sector was hampered by its inability to effectively compete in the region and at home, where it continued to lose ground to relatively cheaper regional imports.

The state of manufacturing is the worst it has been for the last three decades, and it faces its toughest tasks from trade liberalisation. Yesterday, the Honourable Prime Minister said that the prospects in the medium term for the local manufacturing sector will depend on its ability to compete in an ever increasing liberalised environment. Given the history of the sector, it is hard to share the optimism that the strategic objective of Government for the manufacturing sector is to realise improved output in exports, during the next three years. We must aim to increase output by 5 per cent to 10 per cent and the export of manufacturing goods by 15 per cent to 20 per cent. It is well and good to talk the talk, but you have to walk the walk.

The Government will have to hold the hands of the manufacturers for some time to come. The opportunity to retool and restructure was lost a decade ago. Almost immediately on assuming office, the Barbados Labour Party relieved the manufacturing sector of \$2 million of import duties and it was hailed by the sector as a major impetus.

I can recall the headlines in the newspapers, quoting the President of the Barbados Manufacturing Association at the time. After a six-year delay, the Government introduced bound rates on selected items from extra-regional sources that were deemed to be competing with locally produced goods. The bound rates have raised as much as \$28 million in a given fiscal year. The bound rates were never intended to deliver revenue to the Government, but were simply offering protection to local manufacturers and agriculturists as the import licences and non-tariff barriers were removed by the Government's shortlist of manufacturing items on which licences were removed.

There was some admission that the tariff protection could have been implemented years earlier, thus giving the manufacturing sector a longer period to adjust to the

inevitable competition that would result from the removal of licences. Whereas an earlier move could have given the manufacturers almost ten years, the period of adjustment was cut by six years, thus giving them only four years to make the adjustment.

Sir, having recognised the failure of its policy to address the fundamental issues in this sector, a series of initiatives was embarked upon during the Budget of 2000, which came as late as October 24, 2000. Effectively, the measures would have been taken effect in the year 2001.

These late and ineffective measures included a \$5 million provision for three years, to assist manufacturing businesses to become more export ready, and to improve the international competitiveness of those already involved in exporting. The result was that domestic exports, especially manufacturing exports, had declined both in real terms and nominal terms over the last five years.

Financial assistance to the manufacturing sector will be significantly enhanced by the creation of a \$25 million Industrial Investment and Employment Fund and this was a policy in the year 2000. The result has not been a successful one in the area of manufacturing.

The Government also established a joint, public/private sector marketing company and a cost of \$2 million to assist in export marketing of locally produced goods. The result is that this initiative has not worked, if it has been implemented at all.

Mr. Speaker, I do hope that my lack of optimism is misplaced for the sake of hundreds still to be employed in the sector. Actually, the prospects for the manufacturing sector, in spite of what we heard yesterday, are still not very positive.

Again, Mr. Speaker, having neglected the agricultural sector between 1994 and 2001, with the exception of a reference to the establishment of an agricultural development trust in the Budget of August 1999, the Honourable Prime Minister loaded his Budget of 2000 with initiatives for the sector and, again, with this Financial Statement under discussion.

Unfortunately, most of the initiatives were futuristic with an Agricultural Development Bill seeking to chart the course for the sector, over the next ten years.

A national agricultural commission was to be established to bring actuaries together to provide a coordinating mechanism to oversee the interest of the entire agricultural sector. We had irrigation systems to refurbish and establish over the next three years, at a cost of \$6.7 million. This is too futuristic to have impact on the agricultural sector.

House 13, sequence 33, 17:50:14

Wednesday, November 26, 2003

Mr. C. A. MASCOLL: I repeat the benefits coming from the Democratic Labour Party's Manifesto for all to hear. It is said that persons living in Government units and paying rents for more than 20 years will be given the opportunity to own these units with the payment of a small fee for their title deeds.

Mr. Speaker, if one understands that a house is not a pair of shoes, then one must understand that there must be a title deed to show ownership of that house. Therefore, we are saying that there will be a cost to providing the title deed to the potential owners of these housing units. Sir, if, in fact, we have accepted that, especially in an area such as the Farm Housing Area, where Government has been repaid for the cost of these units, then there is going to be a cost associated with the individual acquiring a title deed which becomes an additional cost to the potential homeowner.

The Democratic Labour Party, the Party which I have the honour to represent, does not support the bulldozing of poor people's houses in the Belle. Government has enough land and should offer more land for sale to those unfortunate individuals.

Mr. Speaker, I wish to ask the question whether or not it is a fact - and by this I do not mean to be an alarmist - that the sewerage from Glendairy Prisons actually gets into the water system in the Belle. Mr. Speaker, it has been reported to us by a very reputable individual who does not want his name called, that the sewerage from Glendairy Prison actually gets into the water supply at the Belle. Sir, if that is happening, we have a situation which we immediately have to address.

Mr. Speaker, the Honourable Prime Minister has been spending much time talking about the Caribbean Single Market and Economy. In his Presentation yesterday, he spoke to Barbados making the Caribbean Single Market and Economy ready. The Honourable Member has been saying a lot but to this day, has not told the people of Barbados what is in store for them. He has been changing a number of laws, he has been moving this and that, and has told us that, within the next three years, he would meet a number of obligations, yet the people of Barbados are no wiser.

Mr. Speaker, I intend to spend sometime discussing this matter this evening. First, there is already a single market within CARICOM. The challenge, therefore, is to create a single economy. The notion of a single economy requires a single currency and so, it is highly unlikely that we would have a single economy in the foreseeable future.

Mr. Speaker, the question of a re-evaluation of the regions currencies might be needed and, therefore, it must be a bother to most countries that there would have to be a re-evaluation of most of their currencies. It is, however, possible to pursue an imperfect Single Economy by adopting in principle, the intent of the original nine protocols in the Revised Treaty of Chaguaramas.

Sir, beyond the intent and content of the nine protocols, the Caribbean Single Market and Economy would require convergence of fiscal and monetary policies, in addition to the Caribbean Court of Justice.

Mr. Speaker, I wish to enter a point at this stage. There ought to be an additional protocol in CARICOM. Can one imagine that the sea is the largest resource in the region within the Caribbean, and members of all countries throughout the region have sat and have discussed nine protocols and have never given any attention to the management of the sea in the region.

Sir, it should have been seen as a priority. I said that to say that, in fact, because there is no such protocol that we are engaged in any bilateral talk with Trinidad and Tobago to try to resolve our fishing dispute. We have not come anywhere close to being able to resolve that matter with Trinidad and Tobago.

In fact, I wish to suggest that the matter should have been dealt with at the CARICOM level and should not have been confined to a bilateral consideration. It is an important point I am making and one that is necessary for consideration.

Mr. Speaker, the Caribbean Single Market and Economy is far from ready. According to some recent research in the area of institutional and legal framework, the following should be noted:

(a) Yes, the actual establishment has been delayed but the Caribbean Court of Justice is on course.

(b) To date we have not been able to put a competition policy in place. This is yet to be formalised.

(c) We have not been able to determine the intellectual property rights that are needed to be placed on the books of several member states, such that we can establish mechanisms for the protection of indigenous culture, expressions of folklore and traditional knowledge. These have not been put in place across most states

in the region.

(d) We have not been able to put company law in position such that it be harmonised across member states.

(e) We have not been able to put financial services in place so that they would be harmonised across the banking, insurance and securities industries.

(f) The Customs Law has been adopted by only one member state and the Organisation of Eastern Caribbean States has made it clear that the model will not be accepted and they have, in fact, rejected that model.

(g) We have not dealt with the issue of Government procurement and it is extremely vital that we understand how contracts would be issued in Government if we are thinking in terms of bringing the entire region together under the Caribbean Single Market and Economy.

(h) Yes, we have established the Caribbean Organisation for Standards and Quality but the funding is yet to be settled.

(i) In the year of settlement dispute, the Caribbean Court of Justice is to be supported by a Conciliation Commission and an Arbitration Tribunal and these two entities have not yet been put in place.

Therefore, the question of bringing together the single market is way from being established and completed as a precondition to establishing the single economy.

In the year of the single market, we know that almost 90 per cent of interregional trade already moves freely across the region. The same is not true of services. In fact, no member state has enacted legislation to put into effect the movement of free services. Mr. Speaker, self-employed service providers, entrepreneurs, technical, managerial and supervisory staff, spouses and immediate family members, all cannot travel freely in exercising their capacity to provide services in the region.

H:No.13(35)18:10 p.m.

Wednesday, November 26, 2003

Mr. C.A. MASCOLL: Mr. Speaker, skilled workers can move freely in all but two Caribbean countries but only those workers at the tertiary level. There is no free movement of capital to date because the way capital moves in and out of member states varies by national law. We have not resolved in the Caribbean region the way we deal with the issues of direct foreign investment, portfolio investment, banking, insurance, securities, real estate, industrial establishments, profit and capital repatriation.

I now turn to the question of the single economy. The Committee of Central Bank Governors recommended that a monetary union involving all CARICOM member states is not achievable at this point in time but that it should remain a long-term goal and the single currency

idea has been abandoned. It is well known that it would have been almost impossible to put a single currency in place and governors of the central banks across the region have recommended the delay of any such consideration.

If the single currency objective has been abandoned, then there is no merit in pursuing macro-economic coordination and, certainly, fiscal policy, harmonisation could also be abandoned. It is going to be extremely difficult in the absence of a single currency to have a single economy. In short, there will be no single economy in CARICOM although we already have a single market since in effect, a single market is no different from the pre-existing common market according to Ambassador Havlot Brewster, who recently delivered a lecture in Barbados on the state of readiness of the Caribbean Single Market and Economy earlier in the year. The Honourable Prime Minister of Barbados has for a long time been putting initiatives in place for the Caribbean Single Market and Economy but when you look to the readiness of it you have to be doubtful as an individual.

Mr. Speaker, I now turn to health. We on this side are committed to the principle that quality healthcare is a fundamental right and this has been so within the Democratic Labour Party since its formation. There is no doubt that Barbados health status has improved remarkably since Independence. A look at the life expectancy figure would testify to longer life expectancy in Barbados from 69.6 years in 1960 to 76.8 years in the year 2000. Sir, these figures are taken from the Strategic Document of the Ministry of Health. In fact, it is as a result of this significant improvement compared with our advances in education over the decades that Barbados' ranking in the human development index is so high. It is also true that Barbados has lost its prime position as the number one developing country in the world and this is as a direct consequence of our below average GDP performance in the years since 1999.

The Queen Elizabeth Hospital, our premier health care institution is presently embroiled in major controversy and Government's policies over the last nine years are responsible for this state of affairs. One of the first actions this administration took was to sever the heads at the apex of the management structure of the Queen Elizabeth Hospital. In one fell swoop, years of experience were removed from the institution and after nine years of indecision, a commission of inquiry and the changing of the ministerial guard, the management of the facility is yet to be settled. The Chief Executive Officer (CEO) is now the director and the board to run the Queen Elizabeth Hospital is still unsure of its status.

The Honourable Member Christ Church South had all the answers but is now demonstrating how inept he is looking after the health care institution of Barbados.

While the confusion rages on, the Queen Elizabeth Hospital has become a nightmare for all stakeholders. The staff were told not to obey the CEO and they are not sure who is their employer. Doctors are complaining about the unavailability of theatre, the malfunctioning of equipment, shortages of medicine, dressing and supplies. The interns are overworked and consultants are frustrated, that is the status of the Queen Elizabeth Hospital.

Mr. Speaker, it gets worse. The laundry has to do salvage jobs as the shortage of linen has meant that sheets, towels and surgical garments come from the operating table to the laundry and back to the theatre. This has meant that the washers, dryers and rollers are up today and down tomorrow.

Mr. Speaker, the delivery at the Queen Elizabeth Hospital has deteriorated in the last four to five years as indecision cripples the operations of the hospital and, as in tourism, the change of Ministers was frequent. The process of changing in accordance with the principles of a board started when a private sector guru - trained as he was - was made Minister but we know that he needs computers to function.

Mr. Speaker, here are some of the facts:

It is a fact that the waiting time for services in the Accident and Emergency units of the Queen Elizabeth Hospital has increased. It is a fact that waiting for operations has increased.

It is a fact that lack of staff morale has increased.

It is also a fact that what has not increased is the quality of care. It is a fact that several locally trained nurses and doctors have exited the Queen Elizabeth Hospital for London, Cayman Islands and the United States of America. It is also a fact that well-ordered maintenance system of both plant and equipment has to be addressed urgently at the Queen Elizabeth Hospital.

Mr. Speaker, for the sake of our people, we wish the new Director/CEO well. The insecurity one feels these days when they are admitted to the hospital cannot be good for the well-being of patients or family.

Mr. Speaker, it has been mooted in other places, that Government clumsy handling of the present issues facing the Queen Elizabeth Hospital is a way of setting up the institution for privatisation but I do not wish to go that route. The sudden call for kidney dialysis patients to pay for the service does nothing to allay these fears. We are also closely watching what is happening with the ambulance services where the dependency on private ambulances is being more of a reality.

Mr. Speaker, we have not bought into these conspiracy theories but would want to warn that should any privatisation of the Queen Elizabeth Hospital be attempted, the manner of all civil and political battles will ensue.

Mr. Speaker, I want to deal with the issue of human capital development.

H13/18:20

Sequence 36

Wednesday, November 26, 2003

Continuation of: Mr. C.A. MASCOLL: . Mr. Speaker, we know that we are confronted with a world where globalisation and trade liberalisation are taking over. We also know that we have to prepare Barbados for the future. In this context it is extremely important that we put increasing emphasis on the need to develop our human capital resource.

Sir, as stated earlier, there is only 30 per cent of all school leaving children are acquiring at least one CXC certificate or more. We heard earlier that there is excess of 65 per cent of all enrollment on campus are females. Therefore, when you look at the fact that more people under the age of twenty-five are male, we have a situation where there is cause for concern about the future.

Therefore, the question of human capital development must be at the heart of our developing to become more efficient and effective and it has to start within the public sector of Barbados. In order for them to be effective in the repositioning of the economy, I am suggesting that there is need for the retooling of the entire work force of Barbados. The retooling must occur *es[eco];u* within the public sector of Barbados because the growth of the public sector is very much the result of the inefficiencies that have been established.

If Government has to retain the size of the public sector, then it has to increase the level of taxation on an ongoing basis. This constitutes the reason Governments throughout the region have been growing over time. It is the difference between productivity in the public sector and the private sector that causes Governments to grow. Government in an attempt to maintain the size of Government, has to increase its level of revenue.

Mr. Speaker, there has been, to my mind, an excessive reliance on taxation in the Barbados economy. I have spoken to the issue for the last several years about over taxation. I have also spoken on matters of serious import in Barbados. I recall in 2001 when there was a discussion as to whether or not there was an increase or decline economic activity, and there was a recession, that

the Governor of the Central Bank sought to defend the position, only to recognise two years later that in all the documents which we have available, there is admission that there has been a sharp recession in Barbados over the last three years.

Sir, we on this side have made several matters critical available to the people of Barbados. It is for the individual Barbadian to recognise that the Democratic Labour Party is analysing the issues that affect them and in their interest so that in the future, the Democratic Labour Party would put increasing emphasis on the question of human capital development.

Mr. Speaker, I wish to suggest that there has to be a major concern for the retooling and retraining of our labour force. If we are to make any strides in this new world, then it is not a question of simply providing free education from primary to tertiary level. The most important requirement of any government in the region is to retool and retrain the existing labour force as a means of enhancing productivity, which is a means by which we can become more productive, more efficient and therefore being able to compete in a global environment.

We first have to retool the existing workforce of the Barbados economy and that is why the Democratic Labour Party has been on record as recommending the establishment of an institution that would provide training for the existing labour force. The social partnership in Barbados must now shift its focus from simply increasing wages toward conditions of the worker.

We have argued this extensively over the last few years. It is not simply a question of increasing wages or salaries of the individuals. It now has to be how do we retool them in the face of a new global environment. Therefore, that was a major consideration for the Democratic Labor Party in the construction of its Manifesto in recent times.

Mr. Speaker, I now turn to some of the specifics in the Budgetary Proposals. We are extremely concerned that the Scotland District is now being recognised as a potential area for agriculture development. In fact, we were surprised to hear that there is excess water in that area which could facilitate the development of an agriculture sector.

Sir, when the Government was told that because of the excess water in that area it would be difficult to place a landfill at Greenland, the Government ignored the advice of the experts. The Government having wasted in excess of \$30 million is now prepared to accept the advice of experts that the Scotland District area does have adequate water supply in order to sustain an agriculture development programed but could not have accepted that the landfill should not have been located where it is located.

Mr. Speaker, it is well known that the representative for St. Andrew identified that particular action as an act of madness. I have great difficulty in understanding how in a more liberalised environment we are now in a position to put such emphasis on the agriculture sector, when we neglected the agriculture sector for the last nine years. Sir, having not put any measures in place between 1994 and 2001, the Government came last year in its Budget and outlined a list of initiatives for the agriculture sector.

Sir, if we research the Budgets between 1995 and 2001 we would find that there were no initiatives except for the establishment of a Development Trust in 1999. All of a sudden, in a new liberalised environment the Government recognises that some emphasis could be placed on the agriculture sector. I have no doubt that the Honorable Member for St. Philip South must be somewhat concerned that he could not have been in a position to influence the Prime Minister of Barbados to put some emphasis on agriculture over the last several years. However, the new Minister has been able to put that kind of emphasis on the agriculture sector in less than seven months.

Mr. Speaker, all of a sudden there is a litany of initiatives to try to prop up the agriculture sector in Barbados. By the way, this is the same Government that agreed in principle to allow land to have its highest value and embarked on a process of pulling land out of agriculture over the last nine years and allowing for the development of housing and businesses across the length and breadth of Barbados.

H13: 18.30

Sequence 37

Wednesday, November 26, 2003

6.30 p.m.

Mr. C.A. MASCOLL: All of a sudden there can be all kinds of initiatives in agriculture. I therefore find it very difficult to understand.

Mr. Speaker, yesterday we also heard that there will be efforts made to, once again, give the life to the manufacturing sector of Barbados. A major initiative was to reduce the cost of corporation taxes on the manufacturing sector to 25 per cent.

Mr. Speaker, you can only pay Corporation Tax when you make a profit. If it is admitted that the manufacturing sector has been in the doldrums for the last several years, that output has contracted, that employment in the sector has declined and the capacity to earn foreign exchange has declined, what is it that is going to allow manufacturers all of a sudden to be able to increase their

cash flow, to be able to increase their revenue base, and to be able to increase their profitability such that they can take advantage of a policy to reduce the Corporate Tax rate.

Mr. Speaker, it says here that there will be that kind of reduction over the next couple of years. I wait to see the outcome of such a policy.

Mr. Speaker, on the question of Value Added Tax adjustment, this Government, even though we had been preaching for the reduction of Value Added Taxes over the last several years... Sir, let me caution here, because I know, I was not in the Honourable Chamber but the Honourable Prime Minister, in a previous Budget tried to suggest that I was guilty of asking the Democratic Labour Party to impose excessive VAT on food.

I wish to suggest here that in a study done in 1994 before the election, that the ASYCODA system, the automated data system at the Customs Department, gave us some information that suggested that food imported into Barbados carried both a Stamp Duty and a Consumption Tax. On the basis of that evidence, Mr. Speaker, we then made the recommendation to the then Government that perhaps it could consider retaining a 15 per cent VAT on food, and giving relief to the hotel accommodation sector.

I wrote a report saying that perhaps we needed to consider zero rating the hotel accommodation sector, and said that because of the existing high level of taxes on food, we could retain a 15 per cent VAT on food. However, after we recognise that the ASYCODA system at the Customs Department had provided inaccurate information, we then revisited our conclusion and advised the then Government that in the event a VAT is introduced, the VAT on food could start at 10 per cent with the expectation that it will be reduced to 5 per cent.

I therefore, would not wish for the Honourable Prime Minister in his wrap-up to this debate to seek to bring false evidence that I suggested a 15 per cent on food, when in actual fact, there was a subsequent report revising the initial position because of the erroneous data that we were able to retrieve from the Customs Department.

Therefore, I still suggest that the implementation of a 15 per cent VAT on food, was a little too burdensome on the average Barbadian, but we saw the introduction of a food basket and that is acceptable. But, let me say that I can still continue to argue that there should never have been an imposition of 7.5 per cent on hotel accommodation, since the previous rate was only 5 per cent. I have argued consistently that a high cost destination like Barbados should use all forms of fiscal measures to reduce the overall cost of business.

In this regard, the tourism sector was viewed as a sector that has delivered the goods to Barbados and was the goose that laid the golden egg and was to be treated specially. What we have seen here is that the imposition of taxes has caused a major damage to the overall cost of doing business in tourism. I am still calling for a revision of the rate.

Mr. Speaker, yesterday after tremendous recommendation on the part of the Democratic Labour Party, we are seeing that the Property Transfer Tax paid by the vendor, will be reduced from 10 per cent to 7.5 per cent as of April 1, 2004. We have consistently argued that the Government of Barbados at the time, should not have increased the Property Transfer Tax from 5 per cent to 10 per cent on the local vendor. At the time the Prime Minister said that he was only doing so, in conformity with the expectations of the WTO, and he had to remove the discriminatory charges on a local vendor and a foreign vendor.

Sir, that increased the burden on the local vendor and, therefore, pushed up the cost of land and property to Barbadians. What it also did, Mr. Speaker, is that the removal of the Property Transfer Tax on the foreign purchaser freed up the environment and allowed for the intrusion of foreign purchasers of land in Barbados especially on the west coast.

Sir, I am not surprised that hotel properties have become real estate more so than tourism entities. I am not surprised that the Paradise Beach Hotel has not been refurbished. I am not surprised that we had the sale of the St. James Beach group to Elegant Hotels Group because, Sir, having recognised the difficulties in tourism, and having recognised that the industry was talking about low profitability, and not the good prospects for the industry, when the Honourable Member for St. Michael South was Vice President of the BHTA, persons in the industry, on the whole, felt the need to get out as early as they could. Persons who were able to sell their properties got out of the hotel and tourism sector. This is evidenced by the removal, as I said before, of five international chains.

I therefore am happy to see a reduction of 25 per cent in the Property Transfer Tax rate. I am saying that had the Government - this is where the question of management versus leadership is important - recognised that the overall utilisation of land should be seen within the context of a land use policy, then the Government of Barbados would not have succumbed to the pressures of WTO in 1999. They would have argued for the retention of the Property Transfer Tax, as it was at the time, until the issues relating to agriculture would have been settled within the World Trade Organisation and the FTAA.

The question of land use is a very important issue and is central to the future of Barbados, but for the Government to simply give in to the pressures of the WTO's clause on non-discrimination which permitted an influx of foreign investors, who purchased all of our lands on the west coast, which ultimately drove up the cost of land across Barbados, then I had a grave difficulty with that.

I am not surprised and as I said yesterday. Perhaps, the Honourable Member for St. Andrew is exceedingly happy after he spoke ad nauseam on this issue two Budgets ago. He spoke extremely well on that occasion.

Mr. Speaker, we are recognising now the need to remove the VAT on computers. Again, all of a sudden, we have recognised the importance of technology in the new global environment and the need to make available to Barbadians, more computers, so we have recommended the removal of the Value Added Tax.

House 13, sequence 38, 18:40:14

Wednesday, November 26, 2003

Mr. C. A. MASCOLL: Mr. Speaker, this is a measure that could have been introduced long ago because it is not now that we needed to appreciate the importance of human capital; it is not now that we needed to appreciate the importance of retraining and retooling; it is not now that we needed to understand that businesses ought to be able to keep proper accounts and that they would need to have computers at a low cost in order to reduce the cost of doing business and it is not now that we understand that technology is changing rapidly and that a computer can become obsolete almost overnight. It is therefore not now that we appreciate all these issues. Therefore, to hear that all of a sudden they understand the issue of technology and the need to remove the Value-Added Tax is really to misrepresent what has been happening since the early 1990s.

The whole question of globalisation and trade liberalisation did not start yesterday. The question of preparing our labour force did not start yesterday. The question of retooling our educational system did not start yesterday. The Honourable Member for St. Michael North East, as Minister of Education, was almost in the forefront of the implementation of EduTech. EduTech delivered on repairing schools, but it has not delivered on the whole question of making information technology accessible to school children.

Asides.

Mr. C. A. MASCOLL: If one were in this Chamber before, one would have noticed that the overall way in

which EduTech was promoted, the way in which the public relations came out and all the talk about this new world that we would create, one would not believe today that EduTech is still not a major force in the educational landscape of Barbados, but that is the kind of nature that we are dealing with.

I well remember at the coming of the millennium when we were told that since Barbados is the most easterly of all the Caribbean countries that we can expect an intrusion of visitors, and that they would see the sunset first. As part of the public relations of this administration, it was said that there would be a major time difference between when the sun comes up between Barbados and St. Vincent and St. Lucia. That is the kind of thing we are accustomed to.

Mr. Speaker, let me go to the issues in this Budget because there are many. One is the whole question of the execution of the million dollar Oasis Project. I think that the other side read most intently the contents of the Democratic Labour Party's Manifesto in which we spoke to the issue of giving the boys 'on the block' a greater opportunity. This was well-documented in the Democratic Labour Party's Manifesto at page 9, in which we said that we will introduce a \$20 million restart programme that would seek to reintegrate the marginalised youth back into the mainstream of society. So to hear that a million dollar project would now make a substantial difference to the boys 'on the blocks' is really to misunderstand and to misrepresent the realities of life in Barbados.

Suddenly now, this administration is recognising that culture is now an economic force that can provide opportunities for young Barbadians. The establishment of a national art gallery will not increase the number of artists in Barbados because there is a difference between the demand and the supply. The establishment of a national performing art school that would cost \$650 000 is not going to make a substantial difference to the landscape of Barbados. What we have to be concerned about is the predominance of the males in the earlier age cohorts who are not making good use of the opportunities available to them. This is what we have to address as a country.

To come now at this late stage to think that we can bring culture in the forefront and offer opportunity for the boys 'on the block' is a mistake because the overall social fabric has to be dealt with first. How do one motivate the boys 'on the block' to get involved? How do one motivate the boys 'on the block' to feel a part of the system and to feel a sense of hope and aspiration, which is what is required. To put this project in the context of providing opportunities for the boys 'on the block' is really to stretch it too far.

As usual we heard talk about the establishment of two scholarships dedicated towards the study of cultural affairs. As I understand it, culture is about norms and values, a way of life, attitudes and mores. Mr. Speaker, giving two scholarships to persons to allow them to study culture is not going to make a major difference to the culture of any country.

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, the entire Budget debate yesterday was a full recognition that all of the initiatives taken before were ineffective and this was a revisit of what the policy environment should have been because suddenly, the Government is now understanding what the new world is about, the need to reposition the Barbados economy and the need for culture and technology. Mr. Speaker, the definition of globalisation is the interaction of economies, cultures and technologies. Perhaps, that definition has now become familiar and therefore it does not surprise me that all of a sudden issues of culture, the economy and technology are being recognised as important to a new Caribbean and the society of Barbados. I would have thought that this definition of globalisation would have been known to all and sundry on the other side, so I am surprised that all of a sudden emphasis in this Budget is being placed on technology and culture since as I just said globalisation is the interaction of economies, cultures and technologies. Perhaps there is a recent discovery.

Mr. Speaker, this Budget goes on to talk about a new festival and events bureau which would be established as a limited liability company incorporated in Barbados. All of a sudden to do anything in Barbados, you need to establish a company. Everything has to be corporatised; the airport, the seaport, the Caves of Barbados and Hotel and Resorts Limited. What are we really hoping to accomplish? Is it going to be the case that a new festival and events bureau is going to promote culture and make it an economic activity. Have we just discovered it? Is this why culture has been brought under the ambit of the Minister of the Finance?

House 13 Sequence 39

6.50 p.m.

Wednesday, November 26, 2003

Mr. C. A. MASCOLL: Mr. Speaker, let me say that I am extremely happy that this administration has, in fact, sought to bring together and to coordinate issues and events around Independence. Sir, I remember as a boy being involved in sporting events, cultural events, plays, singing, everything at Independence but the truth is it was never coordinated the way in which it is now coordinated. That does not mean that the level of activity associated with

Independence has declined, what has happened, as is the strength of this administration, is the whole question of public relations have been used most effectively by this administration, to the extent where one even has to admire the jingle for Community Independence Celebrations because it is too sweet.

Mr. Speaker, let it not be the case that suddenly we the people of Barbados have discovered culture. It is not the case. It has been well co-ordinated and what we have recognised is the importance of using lights and glimmer. Mr. Speaker, I am happy that the Honourable Member for the City, is most happy, like I am, when walking the streets of the City and seeing such beautiful lights. I would like some of that light to shine on the poor people of Barbados.

Mr. Speaker, again I have repeatedly heard that this side does not address issues of policies in the budgetary presentation. Mr. Speaker, what we are seeing is, and it cannot be faulted, an opportunity to deal comprehensively with some of the measures in the Budget. Perhaps, the Right Honourable Minister of Finance felt that he could stretch his presentation for more than three hours so as to put the young boy, the newcomer, the emerging leader, the Opposition Leader, under pressure because he would not be able to last for three hours in the eyes of the public, would then be seen as less than capable of dealing with the issues of Barbados.

Mr. Honourable Prime Minister, I wish to tell you...

Asides.

Mr. C. A. MASCOLL: No, I have to say it because I was told that it would have been a strategy and that I should be prepared to come on television and be in a condition to speak at length on the issues affecting Barbados and not just the issues of the Budget Speech. I am saying that the Honourable Prime Minister has not succeeded in his mission.

Mr. Speaker, I now wish to turn to some measures announced yesterday with regards to the income taxes of Barbados. Sir, we in the Democratic Labour Party, prior to the Manifesto, had issued a statement to the public suggesting, and quite rightly so, that there should be a reduction in the income taxes of Barbados. Sir, for years, we have been arguing this point just like we have argued the need to restructure the Barbados economy.

Sir, last year in his budgetary presentation, the Honourable Prime Minister sought to justify the relief of income taxation as a condition of the need for fiscal harmonisation with the rest of the CARICOM countries and that we could have only made adjustments to our corporate tax or income tax in concert with the movements across the region. Sir, we all now know that there is no real

need for fiscal harmonisation across the region. If we cannot have a single economy, pursuing all of these measures of monetary and fiscal policies, will go to nought, unless, we as a country, can be assured that we are, in fact, moving towards the establishment of a single economy.

Mr. Speaker, I was not surprised when I saw the Barbados Labour Party's Manifesto had included a schedule of reducing income taxation over a five-year period. If one would look at both manifestos, one would see that the Democratic Labour Party's Manifesto spoke to this issue at length and in detail. Therefore, as is the words of the Honourable Prime Minister, if one gives a good idea, he would use it, so I suspect that there has been an attempt to reduce the level of income taxation in Barbados.

Sir, there is a need to go much further than where we have gone. It continues to be the case that 40 cents out of every dollar in Barbados is in the form of taxation. That has to be addressed and, in the absence of being addressed, will continue to plague the economy as a whole and would undermine the capacity of the private sector to create jobs. That is what has happened.

If one looks at the information, there has been a reduction in job creation within the private sector of Barbados over the last 5 to 7 years. Mr. Speaker, that goes against the stated objective of the Prime Minister, that is to have a private sector led employment strategy.

Mr. Speaker, that is what we saw as a country and this is what was addressed in the International Monetary Fund (IMF) report of last year, where their recommendation was to reduce the public sector wage bill by between \$25 million to \$30 million over the next two years.

Mr. Speaker, in all fairness, this Budget is just a complete recognition of the failure of the policies that were enunciated over the period 1995 to 2002. Suddenly, we have come to recognise where we are as a country; we have come to resuscitate agriculture; we have recognised that sugar is doomed; we have recognised the importance of culture and we have recognised the need to manage the affairs of Barbados with the future in mind.

Mr. Speaker, I think what has really happened to the Honourable Prime Minister is that when he recognised that over the last eight years, there has been growth in the economy but the average Barbadian has not been able to benefit from that growth, he, perhaps, had to rethink his overall strategy. I think that is what has happened to this administration.

Mr. Speaker, I, therefore, would like to suggest that a number of flaws have been made in terms of not identifying an ideological base upon which to rest

Barbados and the region, when dealing with the new global reality.

Mr. Speaker, it is okay to accept all the cliches but we must be in a position where we understand what is really required of us as a people in Barbados and in the region. The most frequently used word with reference to future is change but to know where we are going, we need to know where we are, and that is something that we have not yet done. We have not yet fully come to grips with where we are as a country nor certainly where we are as a region.

19.00 p.m.

Wednesday, November 26, 2003

Mr. C.A. MASCOLL: Sir, Barbadians and the Caribbean people are not unfamiliar with change. The biggest change with which we have had to cope was the moral and psychological damage occasioned by slavery and we came out of it as a people. We understood the transition and that even though slavery was a system that was dehumanising that we could survive as a people, so we moved from slavery to freedom. We further had to cope with the transition from being ruled as a colony to self-rule and we now have to cope with the threat of imperialism of a different kind. It is imperialism that is no longer rooted strictly in politics but has its roots in economics.

Sir, in order to cope we must know our history well because it is not simply about endorsing WTO, FTAA or understanding Cancun but in the midst of all this change we must be able to define an ideological base on which to move as a people and we are not doing it. We have managed okay but this country lacks leadership. We have managed the GDP, fiscal deficits and the foreign reserves but we have not led our people out of the revolution of the 1960s. It was an educational revolution that resulted in change and saw the emergence of a middle class. It saw the upliftment of the poor class and the emergence of an entrepreneurial class but we have not yet moved to the next step in the revolution of being a business class.

In 1974, William Demas wrote the following about change:

"In order to bring about meaningful change in the Caribbean we need an explicit ideology that is relevant to our history, our present situation of psychological and economic independence on the outside world and our hopes and aspirations."

Sir, he was speaking about the need for an ideological base from which to deal with the psychological and economic dependence. Almost 30 years later, the

independence of which he spoke still has to be addressed because we must become more self-reliant.

May I say that perhaps coping with dependence is always going to be part of our agenda as small countries in the region. The need for an ideology is still with us and given the global reality, the need is arguably greater than before because there are threats of WTO, FTAA, globalisation and trade liberalisation.

William Demas further suggested that an ideology would define the kind of change required and would help to give a sense of coherence and direction to efforts at bringing about change. Sir, we need an ideological base.

Sir, an ideology should not be confused with a set of objectives. In fact, within the whole matrix of the Caribbean Single Market and Economy you will hear about the following objectives:

Improved standards of living and work. Enhanced level of international competitiveness.

Enhanced functioning cooperation.

Sir, our ideological base ought to be about the basis values, norms and mores that constitute the Barbadian or Caribbean man. It is not about conforming to any international competitiveness or any improved standard of living because we all deserve and expect an improved standard of living from any Government. Therefore, when we go to WTO and talk about globalisation we ought not to believe that we have to confine ourselves.

We have heard a lot of talk about Caribbean Single Market and Economy but I ask what is the ideological base upon which it is being built. Recently, I came out against an initiative between Barbados, Grenada, St. Vincent and Trinidad and Tobago. It had nothing to do with going against a previous position by a former Prime Minister of Barbados because I am an integrationalist and a Caribbean man and I understand the need to have integration as the means by which we are going to confront this new world. I also understand that the new reality requires us to identify who we are as a people. Sir, whatever we adopt it must be a relevant, indigenous Caribbean ideology of development that includes social change. This indigenous ideology must not import and accept other people's values and attitudes because herein lies the danger of globalisation, which is an interaction of economies, cultures and technologies.

Recently we had a debate in Barbados on the whole question of decriminalisation of buggery and prostitution. Sir, it did not come out of the blue. It could not have come out of the blue but it came from the fact that we are now so exposed as a people that we feel the need, having not identified a Barbadian man or Caribbean man to simply sit

back and wait to import. Sir, the timing of this was not by any accident. It came at the same time as the consecration of a 'gay' bishop in the United States of America. It came at a time that a court in the United States of America is permitting 'gay' marriages and when there is a proliferation of 'gay' shows and movies on our television.

Mr. Speaker, as a man, a real man, do you think it would make me feel good to turn on my television set every night and see men kissing men under the guise of freedom of expression? Sir, it is a major concern.

There are some dilemmas which we have to cope with in this new world. As a young independent state, we are being absorbed by powerful economic forces that undermine our independence. Therefore, the threat exists for our status to move from an outpost of the British political empire to an outpost of the North American economic empire, that is where we are destined to go. This is an observation made by William Demas.

H13/19:10

Sequence 41

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Continuation of: Mr. C.A. MASCOLL: Sir, to know where you are going you need to know where you are but you cannot neglect your history. Therefore, if we want to understand how to cope with this new global reality, we need to start reading the likes of William Demas, Beckford and Marcus Garvey and the others.

Asides.

Mr. C.A. MASCOLL: Sir, our sense of identity is resting on the knife-edge of cultural penetration that is at a variance with values and attitudes. Sir, to even contemplate and entertain decriminalising buggery is in itself an acceptance of a change of value within a society. I would not be there so please listen to me carefully. I do not have the intention or desire...

Asides.

Mr. SPEAKER: Order, please.

Mr. C.A. MASCOLL: I am going to repeat it, Sir. This desire to entertain this matter is rooted in a 'gay' man becoming a Bishop of a church. If we are to define who we are, we cannot deal with and accept those kinds of things in our society. We need to define who we are based on our own value system, not one that is imported.

Unfortunately, the blind force of technology is already reconstructing our economic, social and political

institutions as we prepare for the coming together of CARICOM to cushion the inevitable intrusion on our way of life caused by television, internet, et cetera. The irony is, as a country we are making the effort to prepare for a change coming from external forces whereas the change that we need to make is from within us as a precondition to dealing with the changes which we will encounter.

Mr. Speaker, the decline of the hopes and aspirations of the youth must be seen as a shortcoming of the economic and social system to provide for them during a period of so-called abundance over the last decade.

Since 1994, we have heard of record levels of economic growth and foreign reserves. However, when you check the reality the youth of Barbados do not have the aspirations that we had as young men in the 1970s.

Asides.

Mr. SPEAKER: Order, please.

Mr. C.A. MASCOLL: In the 1970s if you left school with just O'levels, and certainly with A'levels, you could have easily commanded a job in Bridgetown. How are we going forward? We are going forward in reverse.

Sir, it is not only the youth who are being affected. Look at the low voter turnout in Barbados during the elections. It must be a cause for concern as it is indicative of an indifference with respect to our people's beliefs and expectation of a system that is not delivering a fair share for all. If individuals are not participating in the process of who governs, it is because they do not have the belief and expectation of something good, that is the problem that we are having. No one would expect that a reward would come without effort. Sir, why is there a lack of motivation? Why is there a lack of hope and aspiration in Barbados within the last decade in spite of the so-called growth?

The road ahead must be travelled with people once again becoming the focus of our developmental strategy. We must never forget that a nation's wealth is its people. Since 1994, who has benefitted in Barbados? That is the question that needs to be answered.

Mr. Speaker, our father of Independence the Right Excellent Errol Walton Barrow instilled in us that Independence was not only about breaking colonial ties with Britain or about taking our place at the United Nations but that Independence meant being independent in mind and spirit, forging an identity and being proud to be a Barbadian. It was not about the independence of a people or not a landmass of 166 square miles. The visionary that he was, he would have known that one day we would face these challenges where physical borders matter little in the global village.

Sir, if Barbadians adopt this spirit of independence, then wherever we choose to travel, live or work, we will triumph over adversity because we know who we are. It is our belief that to maintain and improve our standard of living and attain goals in a fair society, given all that is impacted on us as a people and a country, the development of our human capital must be the cornerstone of any economic and social development strategy.

Sir, education, health care, housing, social security and all of the components of the social master plan that capitulated this country to become number one among developing countries on the Human Development Index of the United Nations must once again be the priority of our Government.

Sir, people must matter. We must call on all our resources, real, potential, material, intellectual and spiritual, if we are to go forward. We must safeguard all our morals, culture and value systems if we are to go forward and build a fair society. This is what the challenges are in today's world. It is not about GDP or foreign reserves. It is not to become obsessed with the performance of the economy. It is about whether or not there has been a distribution of the resources in accordance with fairness and justice.

On behalf of my parliamentary colleagues and members of the Democratic Labour Party I want to say thank you Barbados for the confidence you have imposed in us.

Mr. Speaker, as I close, I am reminded of the words of one of the great United States Presidents, William Jefferson Clinton, who also put people before self.

Asides.

Mr. SPEAKER: Order, please. Order, please.

Mr. C.A. MASCOLL: He said: "I did not run to have a pleasant time. I ran to have the chance to change the country and if the bad days come with it, that is part of life."

Asides.

Mr. SPEAKER: Order, please.

19.20 p.m.

Sequence 42

Wednesday, November 26, 2003

Mr. C.A. MASCOLL: Mr. Speaker, as I close, I am reminded of a poem I wrote and performed at NIFCA, some 24 years ago and it went like this:

“Towards the peak we climb in search of a light

Knowing that our destiny will be determined by our
foresight

Our collective power will bring the sense of unity we
seek

So march on, both the strong and the weak.”

Happy Independence and may God continue to bless
us all.

I thank you, Mr. Speaker.

Asides.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I rise with a certain degree of pleasure to participate in a debate that I believe will come to be regarded in the Annals of Barbados' Economic History, as a significant debate that sought, for the first time, in post-independent Barbados to treat to the issue of the re-engineering of our economy, to ensure that our circumstances and our quality of life could be assured for the next 50 to 75 years.

Mr. Speaker, we do this today, as the Right Honourable Prime Minister indicated yesterday, not on the eve of an election to try and win votes, but in recognition that the world in which we live, is one that has been traumatised by severe economic challenges, is one that has been traumatised by threats to global security. Sir, there has been a deliberate attempt to marginalise small states, such as ours, whether it is in the context of the OECD's actions against us or the financial action task force seeking to prescribe methodologies for us to follow, in relation to the fight against money laundering or counter terrorism.

These are the day to day realities that this Government faces in the defence of this country's strategic interest.

Therefore, Mr. Speaker, what this Government has laid before this country in this Honourable House, is a set of programmes which recognise that the challenges we face domestically as well as internationally, are such that will require the greatest resolve on the part of the Barbadian people. The Barbadian government has to reposition the economy to work within the society to ensure that the precepts of social justice and equity are honoured, also, Mr. Speaker, to ensure that in a society such as ours, there shall

be none who shall continue to be left behind, simply because we are too focussed on moving forward.

Mr. Speaker, when therefore we speak about an ideology and a philosophy, I do not need to read a piece of paper scripted for me to route what this Party's ideology is, because it is an ideology felt in our heart. It is an ideology understood in our heads. It is an ideology practised by a Government for nine years.

It is not one rooted in the readings of William Demas or Girvan or C.Y. Thomas, great Caribbean men, though they are, it is one born out of the experience of how it is to be a Barbadian in a post-independent world, where challenges confront us.

Asides.

Hon. Miss M.A. MOTTLEY: I therefore say, Mr. Speaker, without apology tonight that what we have just been treated to, has been an esoteric, academic and historic exercise, relating to the question of leadership in the third person, without ever once causing leadership to collide with himself. It is exercise, Mr. Speaker, that serves only to remind us how much the Honourable Leader of the Opposition was led by the International Monetary Fund when he was the advisor to the Minister of Finance in 1991. It is an exercise, Mr. Speaker, that is rooted in a mentality that would cause this Government to have to come in and say, we will not raise bus fares, we will not carry up house rents, simply because the IMF said so.

Mr. Speaker, yet, we can hear today, a leader of a Democratic Labour Party speak about having a leadership perspective in this country, after they have so decimated that Party that if the Right Excellent Errol Barrow, God Bless him, were to rise from his watery grave, he would not recognise any element of those who continue to act as imposters in George Street.

I say to you, Mr. Speaker, that it has been a cause of great concern to those concerned about democracy in this country, that we could have a Democratic Labour Party move from the pinnacle at which it stood, between 1961 and 1976, to the mere shadow of a political action movement, not even a political party.

Mr. Speaker, I say to you, therefore, in this debate we must not forget that the public of Barbados made their judgement, not last year, but in this year of our Lord. It was the judgment of the people of Barbados that those things which continued to be articulated in here today, were either fanciful or unacceptable. They were rooted in a philosophy that saw us lie prostrate before the IMF, that say us, lie prostrate even within CARICOM, but when contrasted to this Party that fought against the OECD, and the Americans with the Shiprider Agreement, that in this Parliament, in

this year of our Lord, spoke out without fear on the American war in Iraq, in circumstance where other countries, Mr. Speaker, were not prepared to do.

Therefore, I say to you, Mr. Speaker, let us allow the Barbadian public to see who is rooted in ideology and who is not. Let us allow the Barbadian public to see who does not need a script to speak to about ideology because we believe that we have a responsibility to continue to build this country.

Mr. Speaker, to come here and pretend that we live in a world that is not characterised by severe challenges would be an exercise in sophistry. Just as to come here and pretend that all is woe in Barbados is equally an exercise in sophistry.

Asides.

Hon. Miss M.A. MOTTLEY: It may be all woe in George Street, but at a time when almost every other Caribbean country saw declines in their tourism sector, saw layoffs in a post-September 11th 2001 environment, the position in Barbados is that we have been able to hold our own, Mr. Speaker, in exceptionally difficult economic times.

Mr. Speaker, let us characterise the approaches used by the Democratic Labour Party when they were faced with similar difficulties in 1991 at a time of global economic crisis, and the Barbados Labour Party Government, if we want to understand what is the philosophy that drives the two parties.

Mr. Speaker, in 1991, in the midst of a global economic challenge, according to the then Prime Minister, they ran a higher deficit than we ran at the 5.4 per cent which we ran in the post-September 11th 2001 environment. They borrowed money from Barclays Bank in England at the astronomically high interest rate of 13½ per cent, a Barclays loan that, today this Government, in spite of our efforts to renegotiate the loan, cannot remove that from the necks of Barbadians.

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Hon. Miss M. A. MOTTLEY: Mr. Speaker, having run a higher deficit and having gone and adopted this high loan, do you know, Mr. Speaker, that they still sent home 4 000 people and cut wages by eight per cent.

Mr. Speaker, when confronted with similar circumstances, this Government called a consultation with the private sector, the unions and the non-governmental organisations at Sherbourne and made a commitment,

within two months of September 11, because we were not prepared to allow people to go home. Sir, we said that we would do two things, we would use the Government as a fiscal stimulus and would ensure that we support any losses by any tourism establishment over what they sustained from the year before because we did not want the private sector to send home people. That is the condition under which we would support the private sector effort. Therefore, we took a decision, Mr. Speaker, to run a higher than ordinary deficit to be able to preserve employment and to be able to maintain a level of economic activity in this country that would not allow us to go the same route.

Mr. Speaker, the philosophy behind it is that it is easy for people to be sent home, but when you send home people, you are affecting the capacity of those households to live. When you affect the capacity of those households to live for four to six months, that triggers a host of other social consequences from which one cannot recover even if you can give back that person a job in a year. If they have a bank loan or a mortgage, they would miss the payments. If the children are sick and need additional assistance, they would be unable to meet the cost. Mr. Speaker, this Government is proud because when it was faced with similar difficult global economic challenges, we did not pay lip-service to putting people first.

Mr. Speaker, so confident are we that certain measures must never be used again on the backs of the people of this country, we amended the Constitution to stop any government from cutting salaries as an option to be able to treat to economic difficulties. Mr. Speaker, all who are left in here now, with the exception of the Honourable Member for St. Lucy, can all disavow themselves because the Opposition of the time, the Democratic Labour Party, voted against it. Mr. Speaker, I do not intend to spend all of my time on these matters except to remind the Honourable Leader of the Opposition that it is interesting to hear him speak about a value added tax and that it is desirable not to have a value added tax on food.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, may I remind Honourable Members that of the 30 of us in here there is but only one person who has ever been paid by the Treasury of Barbados to advise on the establishment of a value added tax. That is the Honourable Leader of the Opposition. At the same time he was an advisor, the Cabinet paper, when prepared and approved by the Democratic Labour Party, had a recommendation - I do not want to misquote, Mr. Speaker, because in these matters one needs to be specific - that taxation of all foods is highly desirable in terms of compliance and protection of revenue.

Mr. Speaker, the point I am simply making is that it is easy to come in here and speak, but it is a different thing

when you start to analyse their action. Truly there must be a determination on those who come to public life to not only talk the talk but also to walk the walk. I say to you, Mr. Speaker, that we have come to a sad state in our public affairs when people can seek to divide and rule as a leader and when they can seek to breed the seeds of intolerance through a speech in this Honourable Chamber purely for the purpose of partisan and personal political gains.

Mr. Speaker, I say to you let the chips fall where they will. Sir, if you believe that leadership is about breeding intolerance in this country, then let us understand that we have a Democratic Labour Party that would take us back to the times of the deep dark days of discrimination and slavery. I will say no more on that, Mr. Speaker.

Mr. Speaker, one of the reasons I may well be the happiest person in this Parliament tonight is that I came to public life in 1988-89 with a fervent belief, spurred largely by the excellent work done by the Honourable Member for St. George South when he was Minister of Culture when, in spite of all the allegations against him, he brought CARIFESTA to this country. I was 15 years old when CARIFESTA was brought to this country in 1981. I was managing a band at the time and we got the opportunity to perform at CARIFESTA with the likes of Nicholas Brancker, Arturo Tappin and others. Mr. Speaker, around that same time, decisions were taken to form the National Cultural Foundation.

Mr. Speaker, from the time I came to public life in 1987, I have been advocating that this country must rely on cultural services as a critical component of its economy if we are to move into the 21st century with a sense of understanding who we are, but at the same time exploiting the best economic gains that we can exploit. Therefore, after seven and a half years as Minister of Culture and working in detail on many of the proposals that have found acceptance of the Minister of the Finance, I am happy that we have signalled in this Budget debate that this Government is prepared to nurture the creation of two new economic sectors in this country, the creative economy and indeed the whole regime for retirement villages.

Mr. Speaker, they have the potential to be able to take up some of the slack that manufacturing and agriculture have been undergoing largely because of decisions given in April 1994, in relation to the liberalisation of our regime of protection for domestic agriculture and manufacturing. When I hear the Leader of the Opposition speaks about the performance of agriculture and manufacturing, I realise he has a short memory. Sir, he forgets that he was the advisor to the then Minister of Finance, the Honourable Member for St. John, when he announced that he would have introduced a VAT in January of 1995. His silence, clearly indicated to us that at best there was a lack of appreciation for what they were

committing Barbados to, at the World Trade Organisation. or there was an intention to perform a sleight of hand to deceive the Barbadian public in relation to those commitments at the World Trade Organisation in April 1994.

Mr. Speaker, I am not going to say which intention I believe was the dominant one, I will leave it at that. Suffice it to say, that when you make commitments at an international level, there is a domestic consequence. So if you say that you are going to reduce the protection on manufacturing in four or five years time, the Government has to respond. Therefore, we took a decision to phase it out even longer than we were supposed to. To suggest now that this is the first set of measures we brought for agriculture in nine years, in order to mislead this House is such a ludicrous statement that it really merits discipline of the highest order.

Asides.

House 13 Sequence 44

7.40 p.m.

Wednesday, November 26, 2003

Hon. Miss M. A. MOTTLEY: Mr. Speaker, it is so ridiculous an assertion that anybody who remembers the Budget debate last year will also remember that similar treatment was given. All that we are saying is that we believe that the time has come because we are having the Caribbean Single Market and Economy coming in 2004, the Free Trade Area of the Americas in 2005 and we have to operate in a liberalised economy by 2007.

Mr. Speaker, those decisions would all have consequences on domestic sectors. The domestic sectors must try to reposition themselves or they are going to be caught napping. If they are caught napping, they would no longer be competitive. If they are no longer competitive, they can no longer maintain the jobs that they are now providing to the Barbadian public.

Mr. Speaker, in fairness to the Right Honourable Prime Minister, year after year since 1995, he has come to this Honourable Chamber speaking about these issues, trying to sensitise and to make ready the Barbadian public.

Mr. Speaker, the truth is that it is not going to be all negative because there are now opportunities that would not have before existed. We had to plan an economy based on 250 000 people and \$6 billion Gross Domestic Product (GDP). We can now plan an economy, confident that we could move anywhere in the CARICOM region with the exception of the Bahamas, and establish businesses. Therefore, if someone from Bush Hall, in St. Michael

North East constituency, wants to go and set up a business doing manicures or pedicures, he or she could now go to St. Lucia and do it, if he or she does not believe that there is sufficient competition. If a person believes that with an air-conditioning business and with a level of expertise that is not available in St. Kitts, then he or she could go there and set it up. If a person believes that he or she could provide a level of cuisine and wants to go to Suriname, which has a different flavor that is dominant, and provide a different type of cuisine there, that person could go there and could do it. Mr. Speaker, they could not have done that before the Caribbean Single Market and Economy came into effect.

Mr. Speaker, if there is one thing we have to do as a Government, and I accept responsibility to do that, is to move away from the technical explanation of the single market and, in meaningful ways, to be able to show how it impacts on the ordinary man and woman in this country.

Mr. Speaker, I say to you that this Budget is significant for a number of reasons. We have sought to address our minds frontally to the question that Government can do more to facilitate businesses in this country, from small businesses, to medium businesses, to pan-Caribbean enterprises.

We are talking about establishing a regime because I genuinely believe that Barbados, given its high cost of production, outside of a few areas in manufacturing and agriculture, that our future is genuinely and generally in the services sector. If we could provide Barbados as the hub for a number of corporate headquarters, regionally and internationally, whilst twinning it with production in other Caribbean countries by reason of the flexibility that now exists in the Caribbean Single Market and Economy, we can now increase the quality of life, increase the number of jobs and make a viable economy, growing at the 3.5 per cent that the Prime Minister has intimated is necessary. We recognise that there are a number of things on which we must work and, therefore, to be able to put a regime in place to attract pan-Caribbean companies is a significant thing to be put on the ground.

Mr. Speaker, in the area of culture and other services, we believe that it is not only about what we could produce domestically but that Barbadian music producers should be going to Cuba and throughout the region, signing and producing music. Our talent pool must not only be limited by Barbados' geographical landscape, in the same way that our investment opportunities should not be limited to Barbados alone. We must export capital and invest in entities throughout the region and wider afield. We must export our brand, whether it is Almond Beach hotel or other brands that can carry weight, just as we have done, for example, with an entity such as Automotive Arts, which has branch in St. Lucia.

Mr. Speaker, many persons do not realise that last week a number of Barbadian fashion designers went to Jamaica and captured the highest levels of praise for designing out of all the other countries. There are markets out there where we should now be seeking to position those fashion designers to provide designs to major department stores across Europe, Latin America, North America, et cetera. Sir, if in all instances, we cannot compete with the production cost by producing locally in Barbados, we could provide the designs out of Barbados and could seek to use other Caribbean territories in a joint venture, to produce the final product at a lower cost, so that we could capture the market.

Mr. Speaker, we have also indicated that we believe that after 300 years, the time has come for us to treat to the sugar industry, not only in the production of sugar as a bulk commodity. In the past we have gotten together and have talked about when we would start treating Barbadian sugar and when it would be branded.

Mr. Speaker, we talked about it in the days of the last Democratic Labour Party administration. We have talked about it in the days of the Barbados Labour Party. We have come to the point and have now said definitively that sugar in Barbados as a bulk commodity, is a thing of the past and that we must have a sugar cane industry. We must see how best we could produce branded Barbados sugar while, at the same time, seeing how best we could use it for other purposes, such as pharmaceutical and others.

Mr. Speaker, this is not only talk, the research work is already going on with the University of Michigan. We have said that we believe we must have an integrated Sea Island Cotton industry. Our history as a nation has been to treat to agricultural commodities only as basic commodities rather than treating to them in an integrated context where we control from the planting, through to the production of the final value-added product.

Mr. Speaker, as children of an independent and modern Barbados, I believe that we have a duty to make these things a reality. That is what I mean by walking the walk and not only talking the talk. That is what I mean, not to create a new CARSICOT but to be able to retain control of the trademark and to ensure that we could move from the plant stage, right through to the final product.

Mr. Speaker, that is not all. This Budget is also characterised by the recognition that the Government cannot do it alone and that there must be a meeting of minds and objectives on the part of the Government, the Social Partnership, in particular the private sector and the trade union movement, and the civil society.

Mr. Speaker, so confident are we that this is the appropriate methodology for the governance of this country, we are prepared in the new Constitution which would come next year, to embed the consultative process for the Social Partnership in that Constitution.

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

Hon. Miss M. A. MOTTLEY: Thank you, Sir. Mr. Speaker, once we could finish the work of the Commission on Parliamentary Reform, we could move to that position.

Mr. Speaker, that is the difference between the Democratic Labour Party and the Barbados Labour Party on the point of consultation, ideology and ultimately, performance.

Mr. Speaker, it is easy to come to Parliament and to poke fun at me for all kinds of recent debates but other Honourable Members have told you that I am mortified, wounded and so alone, so that I would like to get the warmth and the milk and honey from the Opposition, since they believe they could use it as a prop to be able to attack from on high. But I say to the Opposition, not to worry about me, I shall take care of myself. They should worry only about the fact that, on the first occasion, the Barbados Labour Party has won in 1994, on the second occasion, the people accepted the policies of this Party's policies over those of the Democratic Labour Party's, and on the third occasion, they found favor with these policies and with the leadership in this Party.

19.50 p.m.

Wednesday, November 26, 2003

Hon. Miss M.A. MOTTLEY: I say to you that in the same way they have done it once, twice and thrice times, I believe, Mr. Speaker, they are discerning enough to be able to separate fluff from substance, when an ideology is scripted and when it is from the heart.

Mr. Speaker, they are discerning enough to know when people seek to use divide and rule methods to elevate themselves to high, political, personal, partisan fortunes rather than treat to issues in the society seriously and in good faith, even if we have to say that if it is not the will of the people, we will 'reel' and come again.

Mr. Speaker, I say to you that this is not an election year. This Budget is about re-engineering the society that all of us must live in. In the same way 100 years ago others had to make judgements about the settlement of new economic sectors, this Government is making judgments that may not come to pass during our immediate lifetime in

public life but which may come to pass when our children are sitting in this Parliament.

Therefore, Mr. Speaker, we are intent on meeting today's needs but governing for the people tomorrow.

Sir, I am obliged to you.

SUSPENSION

Hon. Miss M.A. MOTTLEY: Mr. Speaker, Sir, I beg to move that this House be suspended until 8.30 p.m.

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

The question that the House be suspended until 8.30 p.m. was put and resolved in the affirmative without division and Mr. Speaker suspended the House accordingly.

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RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

Honourable Member for St. Philip Sout.

Hon. A.P. WOOD: Mr. Speaker, I rise to make my contribution in the first Budgetary debate since the elections. It would be remiss of me if I did not thank the people of St. Philip South who, in their wisdom, placed a high confidence in me to look after the political affairs of the constituency of St. Philip South. I will pledge to those good constituents that I will do everything that is humanly possible to work tirelessly, in an unswerving manner to further the cause of that constituency and the constituents who live there.

Mr. Speaker, I, like the Honourable Member for St. Michael North East, feel very honoured to participate in this debate because it comes at a time when the Barbadian economy is delicately poised. If we do not recognise where this economy is and what needs to be done, given the changes that are taking place in the regional, hemispheric and international economies, then we might, in the near future, recognise the folly of our ways if we do not do the right things at this point in time.

Yesterday, when the Honourable Member for St. Peter delivered his medium-term economic strategy he was very pointed and certain in his delivery. He put it in a conceptual framework which made contact with the key

issues that economic planners of today, especially in small economies must be very conscious of.

Mr. Speaker, when I contrast the approach adopted by the Honourable Member for St. Peter and the Honourable Member for St. Michael North West, I am left to wonder what it is that the Democratic Labour Party seems to be offering this country at a time when this economy is delicately poised.

Sir, I do not want to be unkind or uncharitable to the Honourable Member for St. Michael North West but this afternoon in a discourse spanning a period in excess of three hours, there was hardly any conscious effort being made on his part to make contact with the key issues. The Honourable Member for St. Michael North West sought to give the impression that it is not important to have a clear understanding of developments in the regional and hemispheric economies like Caribbean Single Market and Economy, the FTAA, the European Union, and in the World Trade Organisation, with the built-in agenda for continued multilateral trade negotiations. Sir, more so, he wandered far and wide. He wanted us to focus more on moving along a philosophical trip, while seeking to identify what is a Barbadian or Caribbean man and where our ideological underpinnings fit.

Mr. Speaker, all of what we are trying to achieve by way of macro- economic development is in progress. We need to reposition, refocus and re-engineer this Barbadian economy to take on the challenges of what is happening in the external economies. If those things are not important to the Honourable Member for St. Michael North West, we can understand why he sits on the Opposition side in this Honourable House.

Mr. Speaker, the University of the West Indies has moved to a position, where in the context of its programming, they want to develop a capacity for international trade policy and law, particularly in relation to small island states. Why do they want to do this? The Pro-Vice-Chancellor, Professor Rex Nettleford, and Principal of the University of the West Indies, Professor Beckles, indicated that the university will assume a leadership role in the area of international trade policy and law as it seeks to bring programmes on stream to assist regional Governments in building capacity to more effectively take on the task of negotiating critical regional and international trade agreements. The University of the West Indies is also trying to establish a centre of excellence in this very important area.

Sir, these things mean little or nothing to the Honourable Member for St. Michael North West. As far as he is concerned, managing a small open developing economy in this time is not about us having a great understanding about what is happening in the international

arena but more so seeking to identify a Barbadian or Caribbean man.

The Honourable Member for St. Michael North East spoke of the philosophy of this Party, of which I am very proud to be a member. The Barbadian man was clearly identified at the point in time when the Honourable Member for St. Peter led the fight against the OECD. Asides

Hon. A.P. WOOD: His behaviour and resilience spoke volumes about the Barbadian people.

20.40 p.m.

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Hon. A.P. Wood: Mr. Speaker, in the context of the Shiprider Agreement, once again the Barbadian personality steep in resilience, strong in courage, was exemplified and demonstrated for the whole world to see, and that is the essence of the Barbadian man.

Mr. Speaker, I would go further to say that when the Honourable Member for St. Michael North West was wandering all over the place, he did not offer a single suggestion about the make-up of a Caribbean man or the makeup of a Barbadian person or about the things that will affect the ordinary man in the street, that is, how the development in the various spheres of negotiation will impact on the ordinary person.

Mr. Speaker, any man who can use three and a half hours and can focus on what transpired in the period between 1961 and 1976, tells me that he is definitely living in the past and has no ideas about how this economy should be taken forward. It also tells me that the Democratic Labour Party continues to be in big trouble and shambles, because the least we would expect from a leader of a political party in this day and age, in this Caribbean economy, is that when he gets an opportunity, the things that he should speak about in force and fervour, should be the things that are more important and would impact on the way person lives in this day.

Mr. Speaker, the Honourable Member for St. Michael North West as well, like his previous Opposition Leader, the Honourable Member for St. John, likes to come in here at these times and tell us about the conversations he had with these fictitious people, who asked them to speak on certain issues. In his case now, he is speaking on behalf of the workers, when we know that the record of the Democratic Labour Party, when it comes to the workers, the ordinary person, the middle class and the small businessperson in Barbados, is extremely poor.

Mr. Speaker, I am going to explain quickly because the Honourable Member for St. Michael North East touched on them. In the early 1990s, the trade union leader, Sir Roy Trotman had the workers out en masse, up and down Barbados, and even Honourable Members on the Other Side joined the march in those days. Who was speaking on behalf of the workers at that time? Where was the Honourable Member for St. Michael North West who comes in here now and makes pronouncements that he is speaking on behalf of the workers? He was planning strategies to decimate the working class in this country, and he has the temerity to come in here and say that he is speaking on behalf of the workers. Who was speaking on behalf of the workers, when the workers' pay was cut by 8 per cent? Where was he? He was doing the math to see how many more persons could have been hurt.

When large numbers of Barbadians houses and other consumer durables were being possessed, who was speaking on behalf of the workers? Where was the Honourable Member for St. Michael North West? He was planning more strategies to bring even more hardship on the people in Barbados. Let him tell us who was speaking on behalf of the workers at that time. Do you know something about the Democratic Labour Party, and in particularly the Honourable Member for St. Michael North West? He has a fixation in his head about people who cannot find work.

Can you imagine that between 1994 and 2003, Mr. Speaker, this Barbados Labour Party took up an economy with an unemployment rate of 24.3 at the end of 1993, moved it down to 9.9 by 2001, and 10.3 by the end of 2002? The Honourable Member for St. Michael North West still has this fixation about people who cannot find work.

Sir, do you know why there is a fixation with people who cannot find work? Because in the Democratic Labour Party regime, there were so many people unemployed, and so many people pushed out of the actual labour force and that is what he remembers well, so that is very close to him and is very dear to his heart; people cannot find work or people being pushed out of work.

Mr. Speaker, I have to thank the constituents of St. Philip South, over and over, but what is more important, I also have to thank the Honourable Member for St. Peter and my colleagues on This Side. I do not look forward to the day when I have to be a member of an Opposition team. I will have to be true to myself and my profession. Sir, with the sort of rhetoric that emanates from the mouth of those over on the Other Side, I would hate to know that I would have to be a part of a team that has to behave in that manner.

Sir, things sound nice but you need to get behind them, analyse the facts and check the record, because when the Honourable Member for St. Michael North West could come in here and all of a sudden rediscover the importance of investing in human capital as a necessary precondition for economic growth, you are left to wonder where he was living since 1994.

If you want to know a Government that has invested heavily in human capital, you need to look at what the Barbados Labour Party has done since 1994. Look at what we are aiming to achieve with the EducTech project. We are not talking about a project costing \$50 million. We are talking about a project costing upwards of \$450 million. Sir, when you take information technology into schools and you try to equip the young ones with the necessary skills that would bring them faster into the information technology age and give them a greater appreciation for information and communications technology, that is investment in human capital of a substantial order.

Where is the Democratic Labour Party's recent investment in human capital? When you look at the increase in the enrollment of the Samuel Jackman Prescod Polytechnic, the Barbados Community College, the University of the West Indies, Cave Hill, Erdiston Teachers' Training College, the expansion in the Skills Training Programmes, and how Government institutions are used, Mr. Speaker, that is real investment in human capital. When you look at this Government's effort to introduce the Community Information Technology Programme, that is real investment in human capital.

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Hon. A. P. WOOD: When you look at the Government giving full support to Professor Hilary Beckles' vision to have at least one member of every family in Barbados being a university graduate by the year 2020, that is real commitment to developing human capital.

Mr. Speaker, the Honourable Member for St. Michael North West, cleverly or otherwise, spent all of his time on what took place between 1961 and 1976. He mentioned some nice things which would have been achieved to further social and economic progress during that period. However, Mr. Speaker, he forgot to tell this Honourable Chamber and all those listening outside that between the period 1986 and 1994 the Democratic Labour Party, especially in the early 1990s, abandoned all of the things they held to between 1961 and 1976. There was a tinkering with the Severance Payments Scheme. They literally destroyed the unemployment benefit scheme. There was gross job insecurity and gross deprivation. There was a lack of self-esteem and self-confidence among

Barbadians. There was even a threat to our currency and Barbadians were the laughing stock of the Caribbean during that period. All of the things that they would have built up between 1961 and 1976, systematically in the early 1990s, they dealt with. So when he talks about 1961 to 1976, he must compare it with another period of the Democratic Labour Party administration and let Barbadians be the judge. Mr. Speaker, so much for the Honourable Member for St. Michael North West.

Mr. Speaker, let me move on now to the Financial and Economic Statement. I find it very strange that a trained economist could come into this Honourable Chamber after having been treated yesterday to a detailed medium term economic strategy that recognises - and the Honourable Member for St. Peter is not too big to say it and he said it very clearly - that as we seek to move this economy forward given the challenges that are there for all of us to see, that the heavy reliance we place on tourism in the period immediately after September 11, 2001 to keep the economy going and that if we are to achieve real growth rate of the order of 3 per cent, which would be required to maintain a reasonable standard of living for all Barbadians, that we would need to pursue a balance growth strategy.

I did not hear the Honourable Member for St. Michael North West who is competent to comment on these things speaking to the proposed medium term, macro-economic strategy. I did not hear him make a single comment as to whether or not the approach to be adopted by this administration that recognises the need to accelerate the pace of the implementation of programmes for tourism while at the same time seeking to lead a resurgent in the foreign exchange generating sectors is an appropriate strategy. Instead, he spent a lot of time telling us what happened in manufacturing, agriculture and in the international financial services sector.

Sir, we know all about that and that is why we are using this opportunity to reposition, re-engineer and modernise certain industries and sectors. That is why we are also giving the sectors more and more support because we are saying yes, that tourism might have performed well and we want tourism to continue to perform well, but it will take a lot more than tourism if we are to achieve the growth rate this economy will need in order to propel those who live within. That is what he should be focussing on. He should be telling us if the programmes for agriculture and manufacturing are sensible. He should have given us a careful economic assessment of those programmes instead of going all over the place and saying very little.

In 1991, the Democratic Labour Party negotiated with Cable and Wireless, and once again there is a fixation in their minds, for a 20-year licence which would have expired in 2011. We are saying that we needed to

reposition this economy and that one of the things we had to do to move with some degree of alacrity in our attempt to reposition this economy was to liberalise the telecom sector. The economy hinges a lot on our ability to bring full liberalisation to the telecom sector. There is no doubt about that. When the Honourable Member for St. Joseph gets up to speak, he would have time to expound on that. A lot of effort has gone into the negotiations which have led to Cable and Wireless surrendering the monopoly eight years ahead of schedule.

The Honourable Members for Christ Church East and St. Michael North East were integral to the process which has been a long hard period of negotiations. Now that we are trying to get to the end of it, the Honourable Member for St. Michael North West, fixation in his mind again, is saying that Cable and Wireless should have been given a further two years and that they should be further protected when we are trying to break that monopoly stranglehold they have on us. They have already surrendered the licence. I handed them new domestic licences not very long ago.

Sir, if the Democratic Labour Party had won the last general election, they would have dismantled and abandoned EduTech in midstream. They would have taken the licences that were handed to Cable and Wireless and ripped them up and would have taken the new Telecom Act and ripped it up and then let the status quo remained as it was prior to the handing over of the licences and the surrendering of the licences.

This side is in the business of facing up to the challenges. We are in the business of managing change. This thing about economic management is not about understanding and participating in international trade negotiations. Economic management should be more about us identifying ourselves, which we have already done and this Barbados Labour Party continues to do a very good job at that. The philosophy of this party mandates us to have a clear sense of identity and to know what the Barbadian personality is and what the Barbadian person stands for.

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

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9.00 p.m.

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Hon. A. P. WOOD: Mr. Speaker, I think we on this side are holding firm and fast to the mandate that has been given to us by the people. A few months ago we said that the challenges are glaring where everyone can see them. We have to prepare ourselves because we have to

participate. What we need to do is to understand what the developments in the regional and international economies hold likewise for this economy and how we need to respond. That is what this Budget is all about. We have said that we need to pursue a more balanced growth strategy and this Economic Statement prepares us for that.

Mr. Speaker, I want to close by referring to something which I have said in here on numerous occasions. It is one thing to be able to draft a good medium term, macro-economic programme but the policies are as good as they are implementable and as they are implemented.

Mr. Speaker, I want to urge all Honourable Members on this side and to seek the cooperation of all Barbadians who have a hand in implementing these policies because the country stands to lose too much if we do not have an effective implementation programme.

Mr. Speaker, we must recognise that in pursuit of effective implementations, things will have to be done differently and this Economic Statement speaks to it. There must be more flexibility in labour practices and more nimbleness on the part of those who are in charge of the implementation programme. Sir, there must be reduction in the incidences of those incumbrances to doing business in Barbados; the bureaucratic inertia that characterises certain operations, must be dealt with otherwise we are not going to achieve the level, the speed, the type of the implementation that we are looking for, and the desired impact of these policies would not be felt in a timely manner.

Mr. Speaker, I am obliged to you.

Dr. D. C. ESTWICK: Thank you, Mr. Speaker, I want to make my submission to this debate and would first want to pay my respects and to thank the constituents of St. Philip West for giving me the opportunity to represent their interest. I want to thank them for reposing the confidence in me and to assure them that I intend to do my utmost and will always continue to fight on their behalf.

Mr. Speaker, this evening, I need to do a job on behalf of the constituents and the people of this country because I am somewhat concerned. Sir, all too often we in this country get caught up with talk with respect to what is development, what is Gross Domestic Product (GDP), what is Net International Reserves and a number of macro-economic indicators, when the people in Barbados are suffering and are struggling.

Mr. Speaker, I have an intention this evening to point out with clarity exactly why it is that this country is where it is today, and it has nothing to do with the Democratic Labour Party but with the Barbados Labour

Party. Mr. Speaker, there is no Honourable Member on this side who would allow the Barbados Labour Party or its Honourable Members to continue telling the people of Barbados what happened during the years 1990-1993. It has to stop and tonight it will be stopped.

Mr. Speaker, this Budget and Financial Statement is nothing else but an attempt to rectify nine years of economic mismanagement and politically expedient policies, which created an unstable environment in Barbados, which I would prove later on. Mr. Speaker, suddenly Honourable Members on the Other Side now know that Barbados must now be restructured and repositioned. They did not know it before when the Democratic Labour Party, under both Honourable Leaders, the Honourable Member for St. John and the Honourable Member for St. Michael North West, have been calling daily for the Barbados Labour Party to change their misguided ways, but instead they would not listen. Now suddenly we are hearing about repositioning with respect to the CARICOM Single Market and Economy, Free Trade Area of the Americas, and World Trade Organisation (WTO).

Mr. Speaker, I have every intention this evening of exposing all of them. Since the 1940s, Barbados has always had developmental plans, which were either short-term or medium to long-term. It has always been that we would utilise Budgetary Proposals and Financial Statements to make adjustments to those plans with respect to achieving the attained goals.

Mr. Speaker, what bothers me is that I do not know as yet what goals are to be attained by the Barbados Labour Party. I do not understand what is supposed to be the vision of the Honourable Member for St. Peter and other Honourable Members on that side. I am hearing talk about having a car in every garage in Barbados and about one university graduate for every house.

Mr. Speaker, I do not know what sort of vision that is for a country because there might be a car in every garage but if there is no road infrastructure in place, nothing has been done, it would only be creating chaos in Barbados. Furthermore, there might be three university degree graduates per house but if Government has not expanded the economic base of this country, any one of those three university graduates might still find it difficult to find employment. What is the value? What is the vision?

Mr. Speaker, I think the Right Honourable Prime Minister, the Honourable Member for St. Peter, is somewhat confused as to what development is and whether or not he understands that development has nothing to do with figures but that it has a direct link to social development.

Mr. Speaker, I would guarantee that the evidence would suggest that within the last eight years, we have had a precipitous decline in many of the social services in Barbados. That cannot be refuted. Sir, without reservation, we have seen a decline in the health care system in this country. We have seen a precipitous decline in the application and delivery of drug service mechanisms in this country. Mr. Speaker, for the first time in Barbados, we now have more than 70 per cent of young persons coming out of schools without certification, an unprecedented development in Barbados.

Mr. Speaker, I do not understand the talk about development when we have more crime being committed in Barbados, where persons cannot leave their homes without getting mugged. What frightens me, Sir, is that today the Barbados Community College gets more than 3 000 applicants that are turned away because of limited space. Sir, with more than \$250 million in VAT and additional revenues in the Bound rate, I want to ask the Prime Minister, if he is so interested in human capital in Barbados, why did he not make provision for the expansion of the Barbados Community College or why would he not go to the north of the country and build a new facility to make sure that the children in Barbados have access to education.

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Dr.D.C. ESTWICK: He must answer that to the people in Barbados, not to me. He must also tell the people of Barbados why it is that the Samuel Jackman Prescod Polytechnic is now turning away more than 2 800 young people every year. The Prime Minister must answer these questions if he is talking about human capital. It is not just a question of repositioning Barbados for the Caribbean Single Market and Economy. He must tell the Barbadian public why it is that their children cannot get into the Barbados Community College and yet a new facility was not built. Sir, he must explain why 3 500 young people come out of school every year who cannot get into Samuel Jackman Prescod Polytechnic or the Barbados Community College yet he speaks about a new initiative for the 'block'. Sir, the problem did not start on the block. The problem has to be solved where it started.

Mr. Speaker, in the early 1990s, the Barbados' economy experienced macro-economic instability. I want to say without reservation that it had nothing to do with mismanagement of the macro economic policies of the then Erskine Sandiford's administration. The macro-economic instability in Barbados during that period of time was precipitated by a worldwide recession between 1989 and 1992 and no one on the other side can refute it.

Mr. Speaker, during that period of time England, Germany, Japan, United States of America, Canada were in recession. In the Caribbean, Jamaica, Dominica, Guyana, Trinidad and Antigua were also in recession. Sir, it was worldwide recession. However, the Government and its accomplices, the private sector and the unions, were able to fool Barbados into believing that it was the Democratic Labour Party's mismanagement of the economy that resulted in the problem but that was not so.

I want the Honourable Member for St. Peter to tell this Honourable House what were the precipitating factors of the recession in the year 2000 in Barbados.

Asides.

Dr.D.C. ESTWICK: The Central Bank reports will show that this economy went into recession in the last quarter of 1999. Mr. Speaker, the Prime Minister cannot blame it on a recession in 1995 because there was none. He cannot blame it on a recession in 1996, 1997, 1998 or 1999 because there was none.

I want to know after the Democratic Labour Party had reconstructed the economic base, how did this country go into recession in 1999. I want the Prime Minister to also answer this question.

Mr. Speaker, the Prime Minister also had the benefit of Article Four consultations with the IMF annually. Tom Adams did not have these consultations in the recession of 1980 to 1983, when there was a precipitous fall in the sugar quota. The Right Excellent Errol Barrow fought the recession of the early 70s when there was the oil crisis and he did not have Article Four consultations. I want the Prime Minister to explain to the people of Barbados how this country went into recession.

Sir, I have every intention of making my point because the Prime Minister of this country is on record indicating that the decline in the Barbadian economy occurred before September 21, 2001 and he must tell me the reasons for the recession.

Asides.

Dr.D.C. ESTWICK: The Prime Minister probably went to church that morning, had a blessing and was forced to tell the truth. Mr. Speaker, the Barbados Labour Party created the recession in Barbados at a time when fiscal prudence was required and when the country was to face the perils of open competition due to regionalisation and globalisation and the economic measures outlined did not restructure the economy to deal with the impending competition and as a result we ran into difficulties. Sir, I will systematically prove this point.

The Honourable Member for St. Peter cannot refute that there is fiscal imbalance in Barbados. We have a widening trade deficit in Barbados with CARICOM and extra regional countries. We have a growing national debt both foreign and domestic and, furthermore, we had to borrow....

Hon. A.P. WOOD: Mr. Speaker, on a point of order. I hate to do this but sometimes you have to save people from themselves. It would be remiss of me if I allowed the Honourable Member for St. Philip West to make these wild, reckless statements that he is renowned for doing. They are misleading statements as well.

Mr. Speaker, the Barbados Labour Party did not through any mishandling of the economy created recessionary conditions in Barbados in 2001. The Prime Minister is on record as saying that conditions in the national economy in 2001 had began to have impact on the Barbadian economy and it was intensified by the event September 11, 2001. The record will show that while the economy declined by 2.3 per cent in 2001 by 2002 the decline in the economy stopped and by 2003 we are on a growth path.

Dr.D.C. ESTWICK: Mr. Speaker, I would like to guide the Honourable Member to the Article Four consultations of the IMF that were concluded in 2002. It is important for me to refer the Honourable Member to these consultations because it was clearly indicated in them that the Barbados Government had to borrow US\$150 million at 7.15 per cent on the international market in 2001 to prop up the foreign reserves in this country. Sir, any time Government has to borrow foreign reserves to prop up the economy, it means that there is a net foreign reserve deficit. In other words, more money is leaving the country than what is coming in, it is as simple as that.

Mr. Speaker, I will reiterate my point because I can support it with information. The Honourable Member for St. Peter made the same mistakes that his predecessor, Tom Adams, made between 1976 and 1984.

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Continuation of: Dr. D.C. ESTWICK: Tom Adams and the Barbados Labour Party came to power in 1976 and in seven years Barbados was in economic difficulties and had to seek monetary assistance from the International Monetary Fund. The Barbados Labour Party came into power in 1994 and in the same seven-year period Barbados was plunged into recession and there is a reason for it. It is

not an accident. It is because they pursued the same misguided macro economic strategy, not by accident.

Let us look at the notion of the national debt. The Honourable Prime Minister on Page 21 of the Budget indicated that the national debt was 72 per cent of the GDP. He indicated that the target he wanted to achieve was 60 per cent of GDP but I want to the Honourable Prime Minister to remember that he was the person who increased the national debt to 72 per cent of the GDP in six years, the Democratic Labour Party did not do that.

Mr. Speaker, over the last four years, the Barbados Labour Party borrowed more than \$650 million. In 1999 they borrowed \$150 million; in 2000 they borrowed \$200 million; in 2001 they borrowed \$300 million and in 2002 they acquired two new loans. Sir, I do not speak willy-nilly. The Barbados Labour Party borrowed US\$17 million from the Inter American Development Bank and \$15 million from the Caribbean Development Bank. Are you telling me that this brilliant economist was not aware last year that he was pushing the national debt beyond what was necessary that he has to come here yesterday and tell this Honourable House that all of a sudden the national debt is too high and he has to reduce it.

Asides.

Mr. SPEAKER: Order, please, order.

Dr. D.C. ESTWICK: I believe that one of the strategies that they would try to employ is to use Government-owned private sector companies and statutory corporations to invest in Government papers to raise the revenue required so that it would not be reflected in the accounts of the central government. They cannot fool me or any of the Honourable Members on this side.

Asides.

Mr. SPEAKER: Order, please.

Hon. R.R. FARLEY: On a point of order. The Honourable Member is talking about companies established by Government under the Companies Act. If you were to take a literal interpretation of his words that they would use their own private companies, the record may, in fact, suggest that Honourable Members on this side are acting improperly in the use of companies owned by by them as individuals.

Mr. Speaker, I am rising to ensure that the record reads correctly and that the Honourable Member is speaking about companies established by the Government under the Companies Act as opposed to its statute to undertake the work that he is talking about.

Dr. D.C. ESTWICK: Mr. Speaker, I want Barbadians to understand tonight that the situation that now exists in Barbados is one where our trading sectors, that is the foreign exchange earning sectors, are not earning the level of foreign exchange that is consistent with serving the type of national debt that was created by the Prime Minister.

Mr. Speaker, to underscore the point, the Annual Statistical Digest of 2002 will demonstrate that in seven years this Government increased the national debt by \$1.3 billion. Sir, it was an amazing feat.

Asides.

Mr. SPEAKER: Order, please. Order, please.

Dr. D.C. ESTWICK: Do you know what is also amazing? This Government, a blind Government, led by the great economist, also increased the foreign component of the national debt by \$1 billion at the time when the foreign exchange earning sectors in the economy were under-performing. Sir, that is madness.

Mr. Speaker, during the time that they were borrowing they had an annual windfall of more than \$250 million from the Value Added Tax in excess money.

Mr. SPEAKER: Order, please.

Dr. D.C. ESTWICK: They also had excess revenue from the bound rate duty, yet they are running the deficit in excess of \$260 million and are wasting money on projects which the Honourable Leader of the Opposition indicated earlier today.

I want to refer the Honourable Members on the other side to the 1997 Budgetary Proposals. In Article number eight, in the Summary of the Financial Proposals, it says that the Government would implement a privatisation programme to provide more activity for the Securities Exchange and to broaden state ownership. The institutions mentioned are the Bridgetown Port, Barbados National Bank and Insurance Corporation of Barbados. The Insurance Corporation of Barbados is about to be sold off and the Barbados National Bank was also sold. Yet, they came to this Honourable House and lied to Barbadians that there were never any indications that the port was going to be privatised but it is noted in the Budgetary Summary.

Mr. Speaker, Caribbean Broadcasting Corporation, Barbados National Oil Company and National Petroleum Corporation are also on the list to be privatised. Sir, no member of the public should believe anything any Honourable Member on the other side says. They cannot be trusted and I will not trust them as far as I can throw them.

Mr. Speaker, what concerns me more is that the Honourable Prime Minister indicated that he agreed that the fiscal deficit was unsustainable. He said that he would like to have the deficit reduced to 2.5 per cent from the present 5.6 per cent. I do not know how he going to achieve that when there are already declining Value Added Tax receipts in Barbados and the penalty for late Value Added Tax receipts has been decreased. Sir, it is also expected that there will be a downsizing of business in Barbados with respect to the less market share because of Caribbean Single Market and Economy, FTAA. There has also been a reduction in personal income tax, a reduction in land tax revenue and corporate tax. Sir, I am saying to you tonight that there is no way the Honourable Prime Minister can cut back on capital spending in Barbados because from 1994 the non trading sectors, construction and ancillary services, have been leading economic growth.

Sir, if the Prime Minister cuts back spending, unemployment is going to soar. He cannot fool me with that infantile economics.

Asides.

Dr. D.C. ESTWICK: I remember an Honourable Member on this side making the point that this economy was supposed to be private sector led since 1994 but it was led by Government expenditure through the Urban Development Commission which employed 400 contractors and the Rural Development Commission more than 200 contractors. The Government pays the bills for the contractors that worked for Urban Development Commission but it affected the fiscal deficit.

21.30 p.m.

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9.30 p.m.

Dr. D.C. ESTWICK: Sir, it affected the fiscal deficit, so while, in 1994, the Democratic Labour Party emitted office with a surplus of \$40 million and by the year 2002, we ended up with a fiscal deficit of \$268 million that was created by the Barbados Labour Party.

Mr. Speaker, anybody who understands a modicum of macro-economics would appreciate that anytime you have a high national debt, if you have a high fiscal deficit and you have a very wide trade deficit, you are heading down the wrong road. Sir, anytime you have to borrow money to prop up your reserves, you are in serious trouble. I take no confidence and pride in what I hear over there, I will read the facts as they are.

Mr. Speaker, before I sit, I want to challenge the Honourable Members on the Other Side who talk about creating 30 000 jobs. I hear them all the time. I am going to the Central Bank Employment Labour Force, by Industry Group, Table 115: agriculture and fisheries, 1994 5.6 thousand people employed, 2001 5.5 thousand people employed, Sir, no change. In manufacturing, there were 10.8 thousand people employed, Sir, a reduction of 8.9 thousand, so we lost 1 900 jobs. Electricity, gas and water increased from 1.1 thousand to 1.7 thousand, only an increase of 600 jobs. Sir, construction and quarries increased to 45 000, an increase of another 6 000 jobs, which underscores that the non trading sector is what is leading the economy,

Sir, do you know what is interesting? When I look at commerce and tourism, the combined increase is only 6 000 jobs and Government financial and business services, provided another 3 000. When I add up all of the job increases, Sir, it comes to 18 000 jobs. I want the Honourable Members to review the data and tell me where did they get the 30 000 jobs.

Mr. Speaker, I am here to do the business of the people and I am not going to come in this House and make any 'mock-sport' If the Honourable Members on the Other Side refuse to bring to this House information that is accurate, then I have a responsibility to correct it for them and I will not shirk from that responsibility. Today, I will point to two things.

It cannot be refuted, Sir, that between 1994 and 2001, that there was a high and growing national debt, a high and growing foreign component and domestic component to the national debt, a high fiscal deficit, over 5.6 per cent of GDP, pressure on the balance of payments because of the large trade deficit that existed, and the fact that we were not earning foreign exchange in Barbados.

Mr. Speaker, you can rest assured that after 2005 when this economy opens and we have access cheap foreign goods, all pressure is going to be on the balance of payments in Barbados. Sir, there is going to be a massive outflow of foreign exchange in this country and all of the restructuring that should have been done since 1994 would come to naught.

I do not want to hear all the rhetoric about restructuring, repositioning and so on. It is too late. Mr. Prime Minister I want to tell you that too late shall be your cry because of political expediency and playing politics with the future of Barbadians. Sir, no Honourable Member on This Side would get involved in that practice.

Mr. Speaker, I thank you.

Asides.

Hon. R.R. FARLEY: Mr. Speaker, it has been an interesting evening thus far. We were treated to a speech which took us back to biblical times. In Genesis, Sir, it is said there was a time when the earth was without form and void and darkness was upon the face of the deep. That could also be used to describe the speech of the Honourable Member for St. Michael North West, the Leader of the Opposition was without form and void, and there was much darkness upon it.

The Honourable Member for St. Philip West, a lot of fury, somewhat akin to Armageddon, but at the end of it, Sir, no conclusion.

Sir, it is very clear that the Honourable Leader of the Opposition has been put in the position with persons in my father's generation, where when you were going to learn a trade, very often the boss man would send you out to bring water or to run an errand when he was doing the technical work. Clearly, Sir, the real political boss men in the Democratic Labour Party ensured that the Honourable Member was not around when they were doing the technical parts of their work.

Aside.

Hon. R.R. FARLEY: We can see in the evidence of the presentation made by the Honourable Leader of the Opposition, that it is mainly the work of the raw apprentice. Sir, he did not have the opportunity to see the real political work going on, but perhaps, I am being too harsh on him.

I can only conclude that he is running true to form because in March this year, when he was asked to make public comment on the preparations that he was making for the Democratic Labour Party Manifesto, he indicated first of all that it was a document which seeks to change the future.

Sir, he went totally off the mark because he then indicated that his 2003 Democratic Labour Party Manifesto would be drawn from the 1961 Manifesto of the Democratic Labour Party. He said it would be a major policy Manifesto with education for adults and workers, rather than children, and that would be his focus. Sir, we have a man who wants to set the agenda for the 21st Century when we are going into the 37th year of our Independence. He wants to go back to colonial times in order to find the context and the framework within which we must set the agenda for the 21st Century.

Sir, in this period of Independence, we need to be looking at the next stage. The first stage of Independence focussed on our rights and privileges as a free people and rightly so. We now, in the present world environment have to focus more than ever on our responsibilities to communities, families and to the nation. I am really at a

loss as to exactly what the Democratic Labour Party was trying to say to us this afternoon, by way of the two presentations thus far.

The Honourable Member for St. Philip West was angry about something. I could only conclude, Sir, that he was upset because the economy was going well. Clearly, it would have suited his purpose better, if he was able to come in here and honestly say that the economy is in shambles, there has been no growth, and there has been a loss in foreign reserves. He cannot say any of that, Sir, because the same Central Bank's report which he likes to quote from...

Asides.

Hon. R.R. FARLEY: Mr. Speaker, the economy has experience 2 per cent growth for the full year. The foreign reserves of this country, for the first time has reached the \$2 billion mark. There has been no foreign borrowing since 2001.

Sir, if we were not earning, the more than \$1 billion that we would have had at the time would have been reducing, rather than increasing. It stands to reason, Sir. Is that logic too high for the Honourable Member for St. Philip West? He would rather have come in here to complain.

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Hon. R. R. FARLEY: We have been able to run an economy in which there has been low inflation. We have been able to make both public sector and private sector investments in our productive capacity such as new hotel rooms, additional investment in manufacturing, investment in golf courses and other productive investments.

In addition to that, there has been continued investment in our social services, housing, the expansion of our educational facilities, physical improvements at the Queen Elizabeth Hospital, in our roads, our sewerage system and a range of other social services, while bringing the economy out of a recession in less than a year.

Asides.

Hon. R. R. FARLEY: The economy, based on world trade issues, was going to allow us off around 2000. The Honourable Member for St. Peter, the Minister of the Finance, held a national consultation at Sherbourne to see how we could revitalise the economy. We came up with a set of strategies and before the ink was dried on the paper, along came September 11, so we went back to the drawing board and were able to do even better than larger countries

with more resources in formulating a plan which was based on a very simple premise. We determine that our first priority was the preservation of the jobs of our people. The Democratic Labour Party's plan of 1991 was based on trimming what they consider to be the facts, which to them were the people. They balanced their books by severing people, but we said no, we will build everything around preserving the jobs of our people and we will defend the productive sectors of our economy so that when we come out of the recession, we would have them intact. Sir, we were even bolder than that. We determine that then was the time to build and we were into investing, so it should not be any surprise to anyone that whereas countries were losing airlift capacity and other forms of productive capacity, that this country was expanding.

Sir, I am not going to spend much time on that, other than to remind the Honourable Member for St. Philip West that when he is doing Economics 101 he has to find out what is meant by the term counter-cyclical policies.

The Honourable Member for St. Philip West is making the point that the Government was spending and borrowing, but that was a deliberate counter-cyclical policy. If in the face of a downturn, the Government had decided to cut back, the result would have been that people would have been sent home and the economy would have continued into a downward spiral because cut back, plus cut back equals, slaughter. We made deliberate decisions to preserve expenditure in the public sector such as would ensure that there is a sufficient level of economic activity in this country as would allow the private sector to continue operation, and the results are here to prove it. Sir, I do not want to spend too much time replying to the Honourable Member because I have things that I need to say.

Sir, this is a Budget which looks to the future. This is the first time I have heard anyone, in any Parliament anywhere in the world, at the start of a century using looking to the future as if it were a bad thing, but that is what we are here for. The Leader of the Opposition said that this Budget is futuristic, that is a good thing, that is the intention. He also tried in his not too elegant fashion to suggest that this Budget has nothing to do with the ordinary man and the ordinary woman.

Sir, I checked with my constituents - and I am here to speak on their behalf because they put me here to do that - the people in Ealing Grove, in the Boggs, in Spencers, in Coverley, Fairy Valley and even the small section of Parish Land, where they still do some agriculture, and they all want me to say, particularly in relation to those matters in agriculture, that they do not agree with the Leader of the Opposition when he says that the Government is propping up a dying industry. For them, agriculture is their livelihood. They, like us, recognised the critical importance of agriculture in terms of food security and in terms of the

preservation of the ecology of this country. They recognised that we cannot afford to import everything that we use.

Sir, our - my constituents and I - political wagon is not hitched to those people who make their fortune from the sale of imported fruits and vegetables, so our perspective will be different from that of the Leader of the Opposition because we are hitched to different wagons. Perhaps, it is always true that where a man stands, depends on where he sits. We sit squarely in that part of Barbados where there is good agricultural land and we intend to produce for our people. We do not have to come in here as lobbyists for the fruit and vegetables importers of this country.

Sir, I want to support the measures as advanced by the Minister of the Finance. I have been instructed by my constituents to say that to him. They are very pleased that the Minister of the Finance, in addition to having announced the 60 per cent requirement for departments of Government in terms of the purchasing of fresh foods, is also willing to put aside the necessary funds that even where the implementation of that decision involves a little premium, that we are willing to pay.

In terms of the School Meals Department, we use lots of local produce. I have asked to have this matter tracked and during the term so far, in terms of our purchases, 56.86 per cent of our agricultural produce has been sourced locally. The reason there is not more is that one of the local producers with the contract has not been supplying. We use large quantities of limes; cabbages; celery; sweet peppers; parsley; carrots; melons; beets and chicken. We use a wide range of items and the annual bill can run in the region of around \$900 000. We are solidly committed to making sure that our money goes in support of our local farmers and families. We prefer to spend our money here in Barbados rather than sending it to Miami or to Brazil to support the farmers and families of those countries. It is not that we do not love them, but we love our Barbadian farmers and families even more, and therefore this programme is one which we are pleased to support.

Sir, I also want to take this opportunity to commend the staff of the School Meals Department for not only moving with alacrity in implementing this programme, but in making sure that our children are able to receive good, tasty meals on a daily basis. I asked for some sample menus and it makes me want to go back to school, Sir. For example, take a sample of a week's menu. Macaroni and cheese pie with peas and corn and melon wedges, chicken loaf with lettuce in a wholewheat bun and ice cream, beef stew with vegetables, lentil peas and rice and a banana. That is for Monday, Tuesday and Wednesday. There is a new menu cycle for Thursdays and Fridays. On Thursdays

there is fried flying fish in a salt bread with lettuce and a cherry cup cake and on Fridays there is turkey and potato pie with diced carrots and an orange.

House 13 Sequence 54

9.50 p.m.

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Hon. R. R. FARLEY: Mr. Speaker, this programme and policy of the Minister of Finance, results in not only practical benefits for the farmers but a combination of what is good for our children and our farmers.

Mr. Speaker, I am saying this because my constituents know that the Honourable Leader of the Opposition, just like his predecessor, would want to say that this has nothing to do with the ordinary man in the street or the ordinary man of the sea but 'Rojie', with his long liner; Steven and 'Daddy Nurse' with their ice boats, 'Muscular' and others with their moses, have all asked me to indicate that the initiatives for the fishing sector are of critical importance to them.

Mr. Speaker, it goes beyond that. I was in London a few weeks ago, where I met with some of the Barbadian community. Sir, one of the first questions they asked was why is it that they could not bring flying fish back to London anymore for their friends.

Sir, this shows that international trade rules and policies are not esoteric issues, they touch the lives of ordinary persons. One Barbadian said to me that the British High Commissioner should keep his cell phone on at all times because he might very well have to come to the airport to collect some Barbadians because since Barbadians love the flying fish delicacy so much, they might take the chance of bringing them back to London. Of course, I advised them against it but I gave them the assurance that this Government would spare no effort in improving our fish landing sites and our handling practices throughout Barbados, such as would ensure that we are able to receive the certificates from the veterinary authorities in other countries.

Mr. Speaker, from an importer's point of view, our veterinary department in the Ministry of Agriculture has to approve the source of meat and fish that come from other countries. If our veterinary department is not satisfied that the conditions are wholesome and sanitary, we protect the Barbadian public by banning the imports. Therefore, we have seen it in the reverse and for this I must salute the Minister of Finance, for looking to the interest of those persons at Oistins by continuing the improvement work on that market.

Mr. Speaker, your would recall that last year the work on the jetty was completed to make sure that the situation that had existed for sometime where, because of the damage to the fendering system and where the pillars were all damaged, boats were imperilled as they sought to approach the jetty. Sir, we will press on with the work to the roof, improving the display areas for the fish, similar to those at Bridgetown and several of the other sites. Sir, the bottom line is that this is being done to ensure that we are able to benefit from the tremendous potential for exports.

Sir, for example, the long-liners are out fishing for 7-14 days at any one time. These persons catch sword fish, tuna, et cetera. Most catches come through the harbour, are transported to the airport and then are flown to Miami and elsewhere as dinners. Sir, that is an area of business that is being addressed in the Budget. It is not being esoteric, nor is it grandstanding. It is not to throw-some-funds around policy'. These are policies which are in our strategic long-term interest and also in the short-term interest of the people whom I know will appreciate this tangible gesture which protects their livelihood. Sir, this is not in the books the Honourable Member read. The Honourable Member for the Opposition came to Parliament with two books under his arm, one on leadership and the other on management. He then made notes and was going through those notes, trying to compare what is leadership and what is management. The Honourable Member has made no contact with any of the sectors of the economy nor with the working people of Barbados on how the issues in this Economic Policy Statement affect them.

I do not know how the Honourable Member is going to walk into St. Michael North West tomorrow but I can walk with my constituents because their issues are being addressed in this Statement.

Sir, clearly this Economic Policy Statement looks to the future. The Honourable Member for St. Michael North West and the Honourable Member for St. Philip West have both made very passing - if not scathing - reference to project OASIS. Mr. Speaker, this is a very serious matter because all around Barbados, including areas of my constituency in Silver Sands, Parish Land, Fairy Valley, et cetera, we have these 'blocks' where persons congregate. I sometimes too congregate on the 'block'. Last Saturday night, around the midnight hour, I was enjoying a birthday celebration with a number of the guys who had birthdays. A few Sundays ago, again there was birthday celebration on the 'block' at Sayers Court but on those 'blocks' much talent goes adrift. Very often it is merely the matter of information and access.

Sir, for example, after my meeting on the 'block' a number of Sunday nights ago, I was able to have a follow-up meeting with a young gentleman who 'limes' on the 'block.' This young man is a mason who supervises a

number of jobs. When he goes out on his jobs, he brings along some of the guys from the 'block'. Sir, he wants to move to the next stage and has, therefore, asked me to collect application forms for the registration of his business. Today I went to the Corporate Registry in Belmont Road to collect the forms. Sir, after we have agreed on a business name, I will help him fill them out and have the business registered before the end of this week. I will give him the guidance, we will design a number of business cards and letterheads and we will introduce his firm to prospective clients.

Sir, this project OASIS recognises that in a personalised, customised way, one could go on the 'block' and work with a number of persons.

Sir, I want to salute a committee that exists in the Ministry of Youth Affairs and Culture called the Block Committee. This Committee travels the length and breadth of Barbados. In fact, very often their first introduction to a particular 'block' is where there has been some trouble. They have gone to St. John, St. Philip, St. Lucy, St. Andrew, et cetera, and many places in St. Michael, to intervene, to separate groups that might have differences of opinions.

Sir, over the last year, this Block Committee has been able to gather what are the needs of these young people. Sir, we are not standing here in Parliament and merely prescribing out of our wisdom, this project on which we are pleased to commit \$1 million, has been developed by hearing what are the interests of the people.

Sir, many persons might not remember but Honourable Members of Cabinet had a meeting sometimes last year with the Block Committee and various persons from around the country and a number of these ideas were advanced. Sir, I am pleased that we have been able to take it to the stage where it has now become an actual project.

I want to assure this Parliament that there is great enthusiasm for digital film media project. Sir, this is one of the most interesting areas of activity, and it ties in very much with the cultural industry programme.

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Hon. R. R. FARLEY: We want to build a film industry in Barbados and we are including a project which will tap the creative abilities of the people on the 'block' because they see life from a different perspective. They have history to tell and talents which can be used and I look forward within a year that we will be able out of the first group of fellows on the block to be trained in this digital film media project to have a film that could be aired on

television and whether documentary or fictional, it will depend on them. We have already put the programme in place and made provision for the studios. Some internationally recognised and talented digital film persons will work with the programme. I look forward to working with the Honourable Member for St. Michael North East to make use of the increased number of channels which will be available on CBC shortly to be able to air some of the talent produced.

Sir, as we move to establish the national film bureau, to create the conditions under which international movie studios can come to Barbados and shoot, we are also creating the conditions under which Barbadians with talents and creative visions can produce Barbadians films in Barbados for ourselves or for international audiences. Sir, I am pleased that the boys on the block will have a chance to be a part of it.

In the few minutes I have left, I want to speak on some other points. This Economic Policy Statement also sought to put us in condition where we can lay out a future that will enhance the competitiveness of Barbados and part of this involves a key role for the state. The Honourable Member for St. Philip West was accusing the Government of being involved in heavy spending even in recessionary times but this is not the time for the state to be in retreat. There is a need for the state to play an entrepreneurial role.

There are many investments crucial to the development of productive capacity and if they are not undertaken by the state, they will not be undertaken by anyone else. We are not prepared to sacrifice the future process of this country merely based on ideology. Sir, simply because an ideology says that the private sector must invest, this Government will not sit back and wait. We needed a 300 room hotel to replace the Hilton Hotel and Government is building one. We needed an abattoir, the private sector started it and failed and the Government invested in one.

This Government will use creative investment strategies to build productive capacity to make sure we can earn our way in future. The investment by the Barbados Tourism Investment Inc. made directly to hotels, the marina and other infrastructure is part of having an entrepreneurial state. This Government is not a laissez-faire passive state that waits and hopes for a lotto type arrangement in which the private sector would invest.

Mr. Speaker, there is also a need to support the development of an information economy because we need to recognise that communication and information technology, have for the first time, allow us to contemplate a future where we are not constrained by our size. There are dentists who sit in Barbados at their computer screen and look at images sent in from other countries to consult

on them because the expertise is resident in Barbados and without the infrastructure it could not happen.

Mr. Speaker, the Honourable Member for St. Philip West is bothered because no one consults him but we need to leverage our creative talents on this information super highway and, therefore, I am shocked that the Leader of the Opposition should want to take us backwards.

Sir, the Leader of the Opposition is into backwardness these days so he wants to take us back to the dark days of the telecommunications monopoly. Sir, the telecommunications environment has been the greatest disincentive to the development of an information economy in Barbados and now that we have corrected it, the Honourable Member wants to dismantle it.

MR. SPEAKER: Could you conclude now, Honourable Member?

Hon. R. R. FARLEY: Sir, as I wrap up, this Economic Policy Statement spoke to productivity and entrepreneurship. The great United States of America and West Germany which have higher cost profiles than Barbados have been able to improve the quality of the lives of their people and have their products sold internationally by increases in productivity. We are not prepared to lower our standard of living and, therefore, we need to work on improving our productivity. We need to empower our people to see being in business as a viable option as opposed to being in the civil service, a doctor, lawyer or a professional but to be true entrepreneurs. Of course, we need to continue to go global.

Sir, I want, on behalf of the good people of Church East to commend the Honourable Member for St. Peter, the Right Honourable Prime Minister and Minister of Finance for an Economic Policy Statement which deals with realities of the day and the happy possibilities of the future as we chart this bright future for Barbados.

We, Sir, look forward to walking with him hand in hand, step by step, as we chart this bright future for Barbados.

Mr. Speaker, I thank you.

MR. SPEAKER: The Honourable Member for St. James North.

Hon. R.C. EASTMOND: Mr. Speaker, I owe this privilege on account of the confidence which the good people of St. James North repose in me once again. In that this is the first such occasion that I am addressing these Chambers in matters like these since the last election, I want to extend thanks to the good people of St. James North.

Mr. Speaker, a useful starting point, when considering the Financial Statement would be to look at the background which informed the presentation. We know that Barbados is a tiny economy which over time has been faced by balance of payment challenges. It has also been faced by challenges to find suitable employment for people and developing an economy that can cater to our people. On this occasion we have to take into account the background of growing foreign reserves, the fact that there has been growth in the economy, that inflation is being kept down and that challenging times confront us as Barbados takes part in a number of multilateral agreement. Sir, we must look at the Financial Statement against such a background.

Sir, Barbadians can be assured that the Barbados Labour Party Government is constantly evaluating where the economy is with a view to building and developing it and also to locate new sectors. I start by looking at that portion of the presentation yesterday which can be found between page 81 and page 89 of the presentation and I deal with the question of culture.

22.10 p.m.

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Continuation of: Hon. R.C. EASTMOND:

Mr. Speaker, for years a number of our talented people, whether musician, artist or crafts people have been demonstrating that they have considerable talent. Over the years and in recent times it is belief that such person can use their talents to establish industries.

Sir, we will recall that a previous Barbados Labour Party Government established the National Cultural Foundation with the aim towards promoting our national culture. Subsequent to that, we have cautiously decided to encourage cultural industries to create the type of environment where persons, with such talents can see themselves not only as earning the odd stipend or contract from time to time but where a Government wants to truly empower and enable them to become major business people.

Yesterday, during the presentation by the Honourable Prime Minister, we heard about a link between culture, tourism and manufacturing. When we consider these things, we must look at the elements that inform the cultural policy as enunciated yesterday. Sir, for example, there are the elements of infrastructure, building, institutional strengthening, focus expenditure, tax incentives and Institutions are mentioned at page 84.

Sir, there is reference to a National Performing Arts School which is estimated to cost approximately \$650 000 and which this Government is committed to seeing come into existence. The establishment of a National Art Gallery will also be favoured by this administration.

In addition, the Festival and Events Bureau will be a reality. There will also establish a creative centre, catering to those involved in making souvenirs and designs, and a film and media commission will also be established. These are five institutions which this Government has identified as bearing relevance to the new thrust to ensure that another sector or subsector is added to our diversified economy.

Mr. Speaker, there can be no question that one of the challenges facing Barbados since the 1950s has been not only to build and develop our economy or to produce incrementally increases in our nation but how to diversify and establish further economic planks that will inure to the benefit of Barbadians. I welcome the policies referred to yesterday as they affect culture.

Mr. Speaker, permit me to make reference to a number of matter for which I bear responsibility. Implied in the presentation made yesterday by the Honourable Member for St. Peter was the need for all Barbadians, especially young people, to make use of available training. Before I come to Project Oasis I want to look at some training which started twenty years ago which was introduced by the Barbados Labour Party administration of 1976 to 1986.

Sir, The Occupational Training Act, Cap. 42 was passed and the Barbados Vocational Training Board was established. Most of the courses which are offered by these institutions are three-month courses and at the end of each year approximately 900 persons graduate as having attended courses run by the Barbados Vocational Training Board in a wide range of disciplines. Perhaps, that young boy or girl who might feel that he or she needs to acquire another skill, can avail himself or herself to the training opportunities made available by the Barbados Vocational Training Board.

Mr. Speaker, let me refer to the fact that the term apprentice has been used more than once in this debate to a very special programme which has been enabled by Chapter 42 of the Occupational Training Act. Sir, a Director of Apprenticeship is established in the Occupational Training Act, Cap 42, Section 13 which has a provision, programme and policy for apprenticeship.

Over time, we have done our best not only to see this apprenticeship programme grown but refined it and ensured that it became a programme where Barbadians could acquire on-the-job-training.

Mr. Speaker, permit me to divert slightly from what I am saying. All Caribbean countries are now being encouraged to look closely at practical on-the-job training where for many years, in our cultures, we have seen people go to work, learn things on the job and very often, notwithstanding the great skills that they have developed, they found difficulty in receiving the type of recognition that they ought to receive. In time, I will inform this Honourable House as to the specific corrective measures my Ministry is undertaking in relation to this matter. However, suffice is to say that at this point we are contemplating the concept of vocational qualifications beyond what we now have.

Sir, the Scottish Training Board has been to Barbados to show us how to set up systems of assessment specifically for vocational training and in time, young boys and girls, who can demonstrate experience at work, are going to be certified to the same degree as persons who wrote an examinations.

Mr. Speaker, getting back to the system of apprenticeship for which I bear responsibility, I said earlier that approximately 900 persons graduated from the Barbados Vocational Training Board on an annual basis. However, I want to say that one of the characteristic features of the apprenticeship programme is when an apprentice is put to work, he or she is given three years on-the-job training and that particular programme is outlined in a contract where the employer and employee sign the contract before a witness who observes the agreement. The signing of the contract launches the employer/employee's relationship.

Sir, body work, carpentry, masonry, plumbing, electrical wiring, air-conditioning and refrigeration, welding and refrigeration, welding and metal work, mechanical engineering, machinist operations, joinery as well as the art of being chefs are some of the programmes being offered under this system.

Sir, I welcome this programme of joinery. They would have been Barbadians growing up in the 1930s to 1960s who would have been accustomed to the village joiner. In recent times an insufficient number of people have been showing interest in joinery and the consequence is that an indigenous core of joiners that existed in large numbers during the 1960s have declined. We are trying to revive it and in doing so, we encourage young people to see this as a desirable skill. We know that there is a market for fine joinery people who can make cupboards and build other pieces of furniture can often command a considerable income.

Mr. Speaker, we propose to do our utmost to lend encouragement to those youngsters who will be involved in this . . .

13.22 p.m.

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Hon. R.C. EASTMOND: Mr. Speaker, we propose to do our utmost to lend encouragement to those youngsters who will be involved in this ancient and noble trade.

Mr. Speaker, when I mentioned this, I am talking about an apprenticeship programme that is established by statute and a programme in which many employers are involved in the interest of training people on the job. I mentioned particular programmes and their effects, in that most of the youngsters who graduate from these programmes have no difficulty whatsoever finding gainful employment.

It often transpires, Mr. Speaker, that when these persons are in training they are given opportunities to do special projects. They are Honourable Members in here who would recall that the Barbados Vocational Training Board established a house built by trainees in Eden Lodge.

You would also recall, Mr. Speaker, that the old dilapidated All Saints Girls' School in St. Peter was completely remodeled by persons involved in the Barbados Vocational programme. Currently, in that culturally rich place called, St. Patricks in Christ Church, an abandoned school is being completely remodeled, not by professional masons and carpenters, but by trainees whose work, when it is completed, is never below the standard that Barbadians would expect. I thought it prudent, Mr. Speaker, in a debate like this, to mention these matters.

Mr. Speaker, I also want to make reference to another area for which I bear ministerial responsibility. I want to say that again, by statute, and at the urging of the CARICOM leaders, the Technical Vocational and Educational Training Council was established about ten years ago. The idea was that every CARICOM country should have a programme of technical, vocational and educational training. The final objective of this training was to facilitate not only training and approval of the training courses, but in an era of the free movement of Caribbean nationals, a person trained in Jamaica, under a TVET type programme could come to Barbados, a person trained in Barbados under a TVET type programme can go to Guyana, a Kittitian trained under a TVET programme could migrate and work in St. Vincent et cetera. This was a CARICOM proposal that was put some years ago.

To date, Mr. Speaker, in this Barbados the TEVT Council has trained 8 567 persons. Sir, between April and October this year, \$635 126 were expended to train 1 282 persons. Let me explain this training. The TVET Council

does not train directly, it funds trainers. Suppose there was an employer called Jones, Lashley, Smith, or Doc had some employees who manifested training deficits, they could call on TVET for funding and then get money to finance education and training for those trainees, in an approved institution. There are approved institutions which the TVET Council recognises and it is prepared to subsidise employers who send people for training. Mr. Speaker, in the last few months, some 1 282 people were trained.

One disappointment, Mr. Speaker, and I take that this is the opportune time to mention it, is that even though there are many areas which attract funding for training, whereas a lot of employers in the service industries have seized the opportunity to receive funding, in manufacturing, in the last few years, there has not been that interest demonstrated by manufacturers to have training from TVET. We are looking to see what is the reason. Could it be that manufacturers do not know of the existence of TVET? Could it be that they are aware of the existence but have been so cynical about their prospects as manufacturers that they have not decided to get on board? Could it be that the persons working for them are so fully trained that they see no need to approach TVET?

The point about it, Mr. Speaker, is that as this Government has increased the incentives for manufacturers, I want to join as I support the incentives with Government in alerting manufacturers that there is help beyond the incentives and if they have any needs for the training of their workers, feel free to contact the TVET Council with the aim to receiving funding.

Mr. Speaker, part of the contribution of the Honourable Member for St. Michael North West, was the tracing of the fortunes that befell manufacturing over the years. I noticed that he was particularly silent, Sir, on the fortunes that struck manufacturing in the period between 1989 and 1994. There can be no question, Mr. Speaker, that taxation imposed to excess, sometimes taxation imposed in any degree can be a powerful disincentive to producers, including manufacturers. Realising this, Mr. Speaker, this Government has gone further than the concessions offered before by this Barbados Labour Party, and increased the incentives to manufacturers.

It is now for manufacturers to become more cost conscious, and to be aware of the fact that they operate in competitive environments. Some of our manufacturers can compete, but their difficulty is that they have experienced very severe challenges with marketing. It is for our manufacturers to learn both how to get on board and complete and to be cost conscious, while at the same time being able to market and to ensure that the very high quality and standards for which their sector is known, are allowed to actualise, in a form of more purchases by persons outside of Barbados.

Mr. Speaker, earlier I said that it was my desire to make reference to Project OASIS. I conclude this small contribution by offering words of encouragement to young people. I find that many youngsters on the 'block' are highly intelligent and have analytical skills. I do not know if any scientific assessments have been undertaken to find out precisely why people retreat to the block, rather than allow themselves to be embraced within the mainstream of social and economic activity.

My words to young people, their teachers, their parents and their mentors, is that we all in Barbados have a duty to encourage each other. If, Mr. Speaker, a person becomes cynical by saying that I have six CXCs and three CAPEs and I cannot find employment, my words to that person would be to never give up. My words also to that person would be to explore all the opportunities, see where they come up short and to enrich themselves by more education and training, and develop the type of optimistic faith in his or her country which has carried generations of Barbadians throughout the years.

There were Barbadians from all over this country especially from rural areas who in the 1930s, 1940s and 1950s had little. They did not have formal education or did not have resources, but through their natural desire to improvise and to be thrifty, found their way in this rural Barbados. I would like very youngster to improvise.

House 13, sequence 58, 22:30:14

Wednesday, November 26, 2003

Hon. R. C. EASTMOND: This Government has established a number of programmes for those with initiative. We have the Youth Entrepreneur Scheme (YES) which is willing to embrace and encourage persons who have an idea and an enterprising spirit and who need to be facilitated. There are institutions like the Rural Enterprise Fund, the Urban Enterprise Fund and Fund Access which can be approached for assistance by these youngsters.

There are also educational institutions like the Barbados O'Level Institute, the Urban Adult College and a whole host of tertiary institutions which young people can attend to further their education.

In the meantime, if they are not yet ready to study, they can look at the examples of many of the people in Barbados who unfortunately are categorised as being in the informal sector. I mean those self-employed, small business people that internationally are described as being members of the informal sector. Many a bright boy was educated by funds out of a tray in which his mother used to sell comfort, nuts and sweets. Many a person who went on to excel was educated out of funds generated by farms attached to the homes of their parents.

In such an era when there is such a thing as the spirit of enterprise gripping our people in a greater way than ever before, areas like fishing, horticulture and agriculture - and there have been incentives granted yesterday - can be looked at by our young people. They should not lose faith. So I urge all young people, indeed all Barbadians, to get on board and join with all of us in Government - as my colleague and friend from Christ Church East said - to walk hand in hand and step by step in the interest of advancing the prosperity of this our motherland.

Mr. Speaker, I am deeply obliged to you.

I Thank you.

SUSPENSION OF SITTING

Hon. Miss M. A. MOTTLEY: Mr. Speaker, at this stage, I respectfully ask that this Honourable House be suspended until Thursday, November 27, 2003 at 9.28 a.m. We anticipate that we would be going right through until about 10.30 p.m. tomorrow night with short breaks for lunch and dinner.

Hon. Miss C. Y. FORDE: I beg to second that.

Mr. SPEAKER: Before I move the suspension, I am just pleading with Honourable Members to be on time. The bell will go at 9.28 a.m. so that we could be on time. We have lots of speeches tomorrow and we do not intend to give even an extra minute so that we can get through our business on time.

The question that the House be now suspended until 9.28 a.m. on Thursday, November 27, 2003 was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

House 13 Sequence 59

10.34 p.m.

CONTENTS

RESUMPTION

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RESUMPTION

Hon. A.P. Wood, 31, 32, 33, 34, 37; Dr. D.C. Estwick, 35, 36, 37, 38; Hon. R. R. Farley, 37, 39, 40, 41, 42, 43; Hon. R.C. Eastmond, 43, 45, 46.

SPEAKERS IN THIS ISSUE

ARTHUR, Rt. Hon. O.S.

EASTMOND, Hon. R.C.

ESTWICK, Dr. D.C.

FARLEY, Hon. R. R.

FORDE, Hon. Miss C. Y.

MASCOLL, Mr. C.A.

MILLER, Hon. Miss B.A.

MOTTLEY, Hon. Miss M.A.

WOOD, Hon. A.P.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Opening. The source opens without the convening sentence (Pursuant to the adjournment ... met at ...). The date is taken from the heading of the source.

Q3. Resumption, 4.00 p.m.. The source does not state the title of the motion or Order under debate; the sitting opens with 'RESUMPTION' and goes straight into the reply to the Economic and Financial Statement. Printed as in the source.

Q4. Take-slip, about 10.20 p.m.. One take-slip reads 'Sequence 75', between Sequences 56 and 58, presumably Sequence 57. Printed as in the source.

Q5. Take-slips, passim. Several take-slips combine the 24-hour clock with 'p.m.' (for example 'H13: 19.20 p.m' and 'H:No.13(55)22.00 p.m.'). Printed as in the source.

Q6. Speeches of Mr. C. A. Mascoll, Dr. D. C. Estwick and Hon. R. C. Eastmond. Reporters' notes such as 'Continuation of: Mr. C.A. MASCOLL:' appear at the start of paragraphs in six places (four in Mr. Mascoll's speech, one each in Dr. Estwick's and Hon. R. C. Eastmond's; the last stands alone). Printed as in the source.

Q7. Hon. R. C. Eastmond's speech, training figures. The same paragraph names the 'TEVT Council' and the 'TVET Council'. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly resumed its sitting on Wednesday, 26th November, 2003 at 4.00 p.m., with Mr. Speaker in the Chair, to continue the debate on the Economic and Financial Statement delivered the previous day by the Prime Minister and Minister of Finance and Economic Affairs.

Mr. C. A. Mascoll presented the Opposition's response, his first reply to a Budget. He protested at the Leader of the House informing the Opposition of the day's business only on the day, noted that the Democratic Labour Party had won nearly 45 per cent of the vote, and argued that after eight years of growth since 1994 most Barbadians were no better off. He said the international business sector, meant to provide 2 000 jobs a year, had shrunk from just over 3 000 jobs in 1994 to fewer than 1 200 in 2002, and criticised the handling of tourism, manufacturing, sugar, credit unions, small business lending and EduTech.

When Mr. Mascoll said an IMF report showed the Government had agreed in principle to reduce public sector employment, the Prime Minister, Rt. Hon. O. S. Arthur, rose on points of order to deny any such agreement, and at Mr. Speaker's request Mr. Mascoll withdrew the remark. He closed with a quotation from President Clinton and a poem he had performed at NIFCA.

Hon. Miss M. A. Mottley replied that Barbados had held its own in tourism after 11th September 2001, that the previous Democratic Labour Party administration had sent home 4 000 people and cut wages by eight per cent, and that the Leader of the Opposition was the only Member ever paid by the Treasury to advise on a value added tax; she linked the Budget to the Caribbean Single Market and Economy in 2004. On her motion the House was suspended until 8.30 p.m.

On resumption, Hon. A. P. Wood said the Member for St. Michael North West had spoken for over three hours without engaging the medium-term strategy. Dr. D. C. Estwick argued that the economy had gone into recession in the last quarter of 1999 and that a surplus of \$40 million in 1994 had become a deficit of \$268 million by 2002; Hon. A. P. Wood and Hon. R. R. Farley rose on points of order. Hon. R. R. Farley said growth was 2 per cent, reserves had passed \$2 billion and there had been no foreign borrowing since 2001, defending deficit spending as counter-cyclical. Hon. R. C. Eastmond, Member for St. James North, described cultural measures, including a National Performing Arts School estimated at about \$650 000, and said the TVET Council had trained 8 567 persons.

On the motion of Hon. Miss M. A. Mottley, seconded by Hon. Miss C. Y. Forde, the House was suspended until 9.28 a.m. on Thursday, 27th November, 2003.