

THE House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1999 - 2004

Wednesday, December 08, 2004

RESUMPTION

Mr. SPEAKER:

This sitting is resumed. Honourable Members I draw your attention to a photographer among us. The photograph to be taken is for historical purposes and it will be taken now before we begin, please.

Thank you, Sir.

The Honourable Member for St. Michael North West will now make his reply. As is customary, the Honourable Member has equal television time as the Right Honourable Prime Minister, that is two hours and 26 minutes.

Mr. C. A. MASCOLL:

Mr. Speaker, I am indeed honoured to once again have the opportunity to deliver the Opposition's response to the Financial and Economic Policy Statement delivered yesterday by the Honourable Member for St. Peter, the Right Honourable Prime Minister and Minister of Finance.

Mr. Speaker, I must first give thanks to the Almighty for the strength and wisdom which he has given me. Special thanks to my colleagues on this side and the good people of St. Michael North West for affording me this privilege. Sir, any time and every time I have the opportunity to speak to and on behalf of the people of Barbados and to contribute in some small way to the betterment of their lives, I deem it a privilege and an honour.

Mr. Speaker, we are all here in this Honourable Chamber with one general purpose: to make life better for those who elect us and to prepare a way for the generations of Barbadians yet unborn. Being a part of this Parliament, the first elected in the twenty-first century is an honour I shall cherish for as long as I live.

The works of the many great parliamentarians who have gone before us, Sir Conrad Reeves, our National Heroes, Samuel Jackman Prescod; Charles Duncan O'Neale; Sir Grantley Adams; Sir Frank Walcott; Errol Barrow; others like Sir James Tudor; Lloyd "Boy Child" Smith; Wynter Crawford; Branford Taitt and Sir Lloyd Sandiford, and I can go on all day, have given us a rich history and a great heritage to emulate.

It has been said by some that all of the great social battles have been fought and won: the right to vote; adult suffrage; the right to association and to form trade unions; the right to picket; Independence; social

security and free education to mention but a few, and so it is felt there is little left for us to do.

Mr. Speaker, I beg to differ. It is incumbent on those of us who now sit in this August Chamber to continue to fight for social and economic justice: the right to a decent living and to eradicate poverty so that every citizen lives above the poverty line. What about the right to adequate housing, rights for persons with disabilities and the elderly, the right to work for a decent wage and the right to fight for the economic empowerment of the masses?

Mr. Speaker, the Democratic Labour Party, under my leadership, intends to pursue these rights on behalf of all Barbadians. It is our task to fulfill the legacy of the great social engineers of the twentieth century. Our task is no less onerous as we confront just as many obstacles and threats. Today, we face an HIV/AIDS pandemic that can rob the country of its productive workforce, global terrorism and an upsurge in neo-conservatism and neo-colonialism under the guise of globalisation and trade liberalisation.

Mr. Speaker, my colleagues and I intend to rise to the occasion and I implore other Honourable Members to do the same. Let us leave this Chamber and our Barbados better than we came and found it. It is with this depth of feeling that I have come here this evening to respond to what I deem a distorted picture of the state of our nation. Yesterday, as I listened, it was almost surreal. The picture the Prime Minister painted was out of sync with reality and with the everyday life experience of the average Barbadian. One man said to me this morning it was tough, he was living on another planet. Yes, there are some that are living well, and those are living very well, but the majority is catching hell. Mr. Speaker, it is for the majority that we on this side must speak.

The role of the Opposition party is central to our democracy and the furtherance of good governance, and we take our role and responsibility seriously.

Mr. Speaker, Opposition politics is not sweet. You bear the brunt of criticism not only in here, but you are abused on the outside and for little reward. However, unlike the Honourable Member for St. Peter who in 1992 cried that Opposition politics was too heavy a burden for him to carry, I see my role as Opposition Leader as a learning experience as we prepare for the time when we sit on that side with the help of the people of Barbados and the good graces of God.

Mr. Speaker, this is not a time for playing to the Gallery or grinning for the cameras to see who can pull letters and files from here, there and everywhere for the political games of one up on you and back-raise, it is time for us as leaders to grapple with the serious problems that confront us. As leader of Her Majesty's Opposition and political leader of the Democratic Labour Party, I will continue to hold this Government accountable to the people of Barbados. I see my role not as a rabble-rouser, but as a messenger with a serious message. Like the great leaders of the Democratic Labour Party before me whose policies have had a profound effect or impact, for the better, on the lives of Barbadians of all walks of life, I intend to leave my mark on this Party for the better.

Mr. Speaker, on nine occasions prior to yesterday, the Honourable Member for St. Peter came to this Chamber for this annual exercise and has managed to camouflage the true state of the economy through the use of the latest catch phrases, building productive capacity, a new creative economy and so on in a very contrite tone. He has managed to excite and raise expectations among Barbadians. With the help

of a fearful private sector, a compliant media and timid academia, he has been able to perpetuate the image as an astute manager and economic genius. Mr. Speaker, it is my intention this evening to challenge that image and to pick to pieces not only his statement of yesterday but to tear apart, piece by piece, his record of ten years of economic management or to be more accurate, economic mismanagement.

House 049 Sequence 18

4:10 p.m.

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Continuation of Mr. C. A. MASCOLL:

Mr. Speaker, through you, I am having a conversation with the Barbadian people this evening wherever they may be, in their living rooms, bedrooms, family rooms, dens, cars, offices, workplaces, just 'liming on the block', or under a tree, I have something to say on their behalf this evening.

Mr. Speaker, I also want to make this promise to the people of Barbados that, in the coming years, my colleagues and I will dismantle, block by block, the fairytale house that Owen has built. We will explode the Arthur myth and will regain the people's confidence, to rescue Barbados from the social and moral morass in which it now finds itself. Sir, I am starting now on this occasion.

Mr. Speaker, as I sat yesterday listening to the Right Honourable Member for St. Peter, once again I became convinced that the Right Honourable Prime Minister does not have any clue as to where he wants to take this country Barbados. The Right Honourable Prime Minister has no clear vision of the kind of Barbados that he wants to leave when he exits the political stage. He has admitted that the shadows are lengthening but his vision for Barbados and his legacy are becoming more obscured.

The Right Honourable Member for St. Peter does not speak from a deeply-held philosophical position. His positions and policies reek of political opportunism and pragmatism. His blunderings and meanderings have been masked by excellent public relations machinery. We saw it at work again this morning, the fly-overs flash across the centre pages. It does not matter how or when.

It has been about inclusion, symbolism and gimmickry, but these things can only last for a while. Sir, one only has to ask Mr. David Commissiong or the Honourable Member for St. Michael East.

Mr. Speaker, I must give the Right Honourable Member for St. Peter some credit. He is an excellent and affable politician but as a manager, he is a monumental failure. He is reckless with spending the public's purse and as a Leader, he is a disappointment.

Sir, with two of the biggest electoral mandates in our history, he has not moved us forward as a country. He has failed to inspire us as a people. He has been afraid to take the tough decisions, which is the hallmark of great leaders. The move to a Republican status is a good example. He is afraid to offend his benefactors.

Mr. Speaker, we need up front to separate the politician from the manager. Sir, as I prepared for this

presentation and as I researched the Prime Minister's statements and actions over the years, that sweet old Barbadian refrain: "The higher the monkey climb, the more it shows its tail" came to my mind. Sir, the longer the Prime Minister has been in office, the more he has shown his true colours.

Mr. Speaker, my question to the Barbadian people is, what do we have to show after ten years? Sir, some would show me that they have built mansions on the hill; some would show me two BMWs in some carport; some would show me plantation houses; some Honourable Members on that side, can show me theirs. The Honourable Members for St. Michael South and Christ Church East may want to put up their hands but may be a little ashamed or too modest to do so.

Mr. Speaker, what about the masses? What about the workers who yearn for fairness and minimum wage legislation? What about the pensioners? What about the child who must leave home at 5:00 a.m., to get a bus to get to school for 9:00 a.m, in a country 21 by 14 miles? What about the mother who must wait in the bus terminal from 4:00 p.m. until 7:00 p.m. for a bus to get home to feed her children? What about the nurse who leaves home at 5:00 a.m., gets to work for 7:00 a.m., and cannot get back home until 7:00 p.m. or 9:00 p.m.? What about the 45,000 persons who are still waiting on Government for a house? What about the hundreds who trek to the National Housing Corporation daily to get a house or land?

Mr. Speaker, what has the leadership of this economic guru provided for them? I am speaking for those persons this evening. Sir, I will demonstrate to you and to the people of Barbados the wastage and reckless spending that are beyond their imagination. Sir, before doing that, let me say that I have made a serious charge, that is, the Honourable Member has been a failure as a manager of the public's purse.

Mr. Speaker, I submit that given the level of financial resources which was at the disposal of this Honourable Member and this Cabinet, that this country and its people should have been better off. The Queen Elizabeth Hospital should have been better staffed, and with machinery working. No patient should have had to buy toilet paper and carry to the hospital. Patients should not have to wait for beds. Our roads should have been better. Sir, if you were to drive through St. Lucy, St. John or some parts of St. Philip, you may believe that you are driving on an obstacle course.

Mr. Speaker, we should have been able to get our garbage collected in a timely manner. Sometimes only two trucks are available for the entire northern zone. Sir, given the level of dollars and cents that was in the hands of Government, which is \$3.5 billion more than was in the hands of the last Minister of Finance in the last administration of 1994, then we should have been better served.

Mr. Speaker, if that amount of money were to be put in the hands of anybody else, they, too, would appear to be a success. If that money were put the hands of "Ninga Man", who has now taken up residence at the Treasury Building, which may be a fitting place, he, too, would appear to be a success and maybe would have done a better job.

Mr. Speaker, behind all the glitz and glamour, behind all the bright lights and shows in Heroes Square, when one starts to dig, one sees a troubling picture emerging. The deception reveals itself and the lack of management stares one full in the face. We had it again yesterday. We saw the Prime Minister spinning another thread in the web of deception.

Mr. Speaker, over the last ten years since the Right Honourable Member for St. Peter became Minister

of Finance, he has raised the national debt from \$2.5 billion to \$4.2 billion, an increase of \$1.7 billion, which is approximately \$1.1 billion in domestic borrowing and \$600 million in foreign loans.

Mr. Speaker, in addition to that magnitude of borrowed funds, this Minister, the Right Honourable Prime Minister, had an additional \$900 million more in taxes in one fiscal year, than the last Democratic Labour Party Finance Minister.

Mr. Speaker, that would have given this Minister, the Right Honourable Prime Minister, \$3.5 billion more at his disposal, than the Democratic Labour Party would have had in 1994. Sir, the national debt is not just an amorphous figure that we conjure up. It is money that our children and grandchildren would have to repay. We are mortgaging our children's future. It is debt that could be a noose around our necks. It is a debt that if allowed to go unchecked, may signal a return of the International Monetary Fund.

Mr. Speaker, I need to paint a very clear picture for you, for Honourable Members of this House, and for the public of Barbados. Sir, the Value Added Tax was introduced in 1997 and Government would have taken in approximately \$3.4 billion in VAT since then. Government rakes in approximately \$600 million per year in VAT. The Prime Minister likes to trivialise everything but this VAT is nothing at which to laugh or at which to sneeze.

Mr. Speaker, through you, I want to invite all in the reaches of my voice, to join me in a little VAT experiment for the rest of December.

4.20 p.m.

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Continuation of Mr. C. A. MASCOLL:

I want you to write down the VAT you pay on everything you buy and every bill you pay. When you go to the supermarket, convenience store, mini mart, gas station and restaurant, pay the light bill, telephone bill or buy a ticket for a show, when you go home, jot down the VAT paid. At the end of the month, add it up and you would get a clear picture of your contribution to the economy of this country in VAT alone. Sir, this has nothing to do with the other taxes and fees paid. Mr. Speaker, the average worker contributes 40 cents out of every dollar to the coffers of Government and this has nothing to do with the other living expenses.

I am asking the people of Barbados to join me in this experiment by adding up all the VAT and you will begin to feel a little anger at how your money is being wasted by this administration. If you are a pensioner or on welfare, you pay VAT and if you die, somebody pays the VAT for you but this Barbados Labour Party Government is wasting it by spending it as if there is no tomorrow.

Mr. Speaker, on occasions such as these, we hear a lot said about national debt, GDP, fiscal deficit, balance of payments and foreign reserves. Members of the public often ask what this has to do with them because it cannot help them to get home on evenings but, Sir, there is a connection. It connects to

transportation, the cost of water, building schools, the pay to public servants, medicines and supplies at the Queen Elizabeth Hospital.

Mr. Speaker, I now turn to the issue of the Transport Board. The national debt and Government's capacity to borrow has quite a lot to do with whether you can get a bus to get home. Over the past few days, after we on this side pointed out the state of affairs at the board, the Chairman of the Transport Board has admitted that the board's finances are in a perilous state and that it is affecting the ability to offer an efficient service. Sir, it is true that things are bad at the Transport board but there is a history to it. We did not wake up one morning and things went bad because there is plenty in the mortar other than the pestle and the Chairman tried his best not to push the panic button.

I gathered this information from the Annual Reports of the Transport Board. Sir, between 1997 and 2000, the Transport Board borrowed \$2 million and this has nothing to do with subsidies from the Government which totaled more than \$100 million. Surely, with that type of money, we should be getting buses on time and every commuter should be getting home at a decent hour. Mr. Speaker, between 1997 and 2000 the Government purchased 210 buses and by the time the second fleet was purchased in 2000, sixty-seven of the original buses purchased in 1997 were not available for use. Mr. Speaker, I am suggesting that this caused the Government and the taxpayers of Barbados a whopping \$16 million. Sir, \$16 million went down the drain while people at bus stops were rightfully complaining because it was their money. In approximately three years, we lost \$16 million in new buses. Is that the Prime Minister's good management and was it responsible for the departure of the Minister?

Sir, in 1999/2000, only 120 were available and in 2000 the Transport Board had purchased 110 new buses and the available fleet did not increase to over 200. The available fleet went up by only 26 buses after purchasing 110 in the same year. Mr. Speaker, this means that there was a net loss of 84 buses in one year. Even if we want to forgive the first 67, we cannot forgive the wastage of 84 buses. Sir, 137 buses were available by 2003 but this has declined since then.

Mr. Speaker, mismanagement has become an art for this Government. Is it any wonder that our children are under-performing? By the time they get to school, they are tired and stressed out and unable to absorb the lesson and the returned journey is just as stressful and homework becomes a chore. Mr. Speaker, like me, I know you need answers and listeners also want answers.

Sir, I want to give a few examples of runaway cost at the Transport Board. Although fuel prices remained constant, fuel cost at the Transport Board went up by a whopping 57 per cent between 2000 and 1999. Sir, fuel cost increased from 4.6 million to 7.2 million with only an additional 26 buses added to the fleet and an increase of travel by buses of only 11 per cent yet we had an increase of 57 per cent in the cost of fuel. I would like it to be explained to me how a fleet of new buses could gobble up so much diesel when, in fact, we were told that part of the reason for the purchase would have been to ease the overall cost and increase the efficiency at the Transport Board.

We also had a situation in which maintenance cost is still averaging around \$9 million per year despite the fact that UCAL was established and separated from the board in order to increase the efficiency by reducing the maintenance cost at the Transport Board.

Sir, there is more because insurance cost between 1994 and 2003 went up by 300 per cent to the extent where it now costs the board \$3.5 million in insurance per year although half the fleet is off the road. Sir, imagine that the Transport is insuring a fleet of approximately 240 buses but when you look at the available buses there are less than half of that amount. In actual fact, any insurance company that is receiving the premium is not realising the liability for over 50 per cent of the buses insured by that particular company. Sir, no wonder some insurance companies can build very large complexes in a very short space of time in Barbados because if you are to get \$3.5 million per year in premium without having to carry the liability on the entire fleet because most of the fleet is off the road, then you can understand the implication of profit for the insurance company.

Mr. Speaker, I know that the former Minister of Transport was spreading it around and that he accepted a bid that was \$500 000 above a competitor's bid but 300 per cent increase in insurance is mind boggling. I have always wondered why it is that Ministers of Transport end up driving Mercedes Benz and I will continue to wonder why Ministers of Transport drive Mercedes Benz.

Mr. Speaker, we, fellow Barbadians, my colleagues and I have a few questions which we need answered. The annual report cannot tell me,

H49/

4:30 p.m.

Sequence 20

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Continuation of Mr. C. A. MASCOLL:

so I want our Prime Minister to tell me and the rest of Barbados whether the bus units were purchased as new or reconditioned? Or as some people put it, were they brand new second-hand buses? What is the average life span of a bus at the Transport Board? What is the fuel efficiency of these buses versus the Hino? By the way, the Hino is produced in Barbados except for the engine and it is known that it is, in fact, the best performing bus available to the Transport Board and this bus is produced by Acme. The Hino is able to get over Horse Hill in second gear but the Marcopolo and the other buses cannot. In fact, they had to be retooled, according to the evidence available in the annual reports.

Mr. Speaker, who recommended the purchase of these units? The Honourable Member for Christ Church South was Chairman at the time and he went on the buying trip. Maybe he was buying X-ray equipment instead of buses. Were any studies done on these units to find out the suitability for our environment and climate, road worthiness et cetera? What is maintenance costs for these new buses to date and how much money was spent on spare parts since 1997?

Sir, I cannot understand how the Transport Board could have individuals going on trips to Brazil and delivering the kind of buses that have been delivered to the Transport Board where in actual fact we cannot see any benefit from the spending. In fact, there is substantial wastage at the Transport Board.

Sir, I understand that the inventory of spare parts is approximately \$4 million. This represents a

substantial percentage of the working capital being tied up in spare parts. Again, the question must be asked, given the high turnover of buses, are these parts going to be obsolete?

How much money in parts has already been written off by auditors due to obsolescence? Are the local agents for buses carrying any spare parts and what is the dollar value? Sir, while it may be prudent and necessary to carry stock of essential and high turnover spares, would these stores be as high as \$4 million? Is the Transport Board carrying the full brunt of stocking spares? These are predominantly Mercedes Benz spare parts.

Sir, what is the position with units purchased for the disabled that are now lying idle at Simpson Motors since May or June 2004? Will these buses ever be used by the disabled?

Mr. Speaker, you should not buy a bus for the disabled. You should buy buses that can accommodate the disabled because if you buy buses for the disabled, then you have to drive all over Barbados searching for where the disabled would reside. They are not in one location. You have to accommodate the disabled on the regular buses. To buy buses for the disabled would be inappropriate and it does not make sense.

Asides.

Mr. SPEAKER:

Honourable Member, address the Chair, please.

Mr. C. A. MASCOLL:

Mr. Speaker, the people of Barbados deserve some answers. People are suffering daily. Children cannot get to school or home on evenings at proper times. The commuters in St. Lucy, St. Joseph, St. John, St. Philip and St. Andrew are smelling hell. There is a serious loss of productivity in the economy but more importantly is the cost to the health and wealth of the traveling public. Stress is causing greater rage and anger in the society. Sir, if you pay a visit to the bus stand in the evening and you could cut the tension with a knife.

Mr. Speaker, the first thing that this Government does to quell public outrage is to promise a Commission of Inquiry or some study. We do not need any more studies. I understand that there are several studies catching dust at Roebuck Street along with the buses parked at Weymouth. What we need is a Transport Authority, a comprehensive transport system involving PSVs, a dedicated school service, which could be tendered out to the private sector, some relief for the PSVs operators in fees and taxes so that they can increase their fleet and undertake more long haul routes which will be a condition of their licences.

Sir, I have given you a detailed but hopefully a clear picture of the financial mess at the Transport Board under the watch of the Honourable Member for St. Peter. I wish the situation at the Transport Board was as clear. There is so much confusion as was witnessed two weeks ago. The question was, to raise or not to raise bus fare. The long answer was that bus fares should be raised. The short reply was, no. It is a rumour. Sir, the long and short of it is, we are happy that bus fares will not go up at this time.

Asides.

Mr. C. A. MASCOLL:

Mr. Speaker, this is not a laughing matter. Things at the Transport Board are bad. Do you know that the Transport Board was and still is operating, based on its strategic business plan approved by Cabinet? I quote from page 11 of the 1996/1997 Annual Report

“During the short and medium-term the Transport Board will continue to implement the Cabinet approved Shorey Strategic Plan.”

I also quote from page 3 of the same report:

“The Transport Board in August 1996 was notified that Cabinet had given approval to the Strategic Plan 1997 to 2002, prepared by Consultants David Shorey and Company.”

Mr. Speaker, this is the same David Shorey of the GEMS fame, Chairman of Hotels and Resorts Limited. This is the same Shorey who was a consultant to Cable and Wireless at their failed rate hearing and who made famous several things. This is the same Shorey that Government paid \$250,000 for a cricket study at the Barbados Cricket Association. The results are, GEMS in a mess, Cable and Wireless failed to get a rate increase.

Mr. SPEAKER:

Honourable Member, you must be aware of the rules. According to Rule 28.10 which states that if you want to mention a name, you should seek permission and give some sort of idea as to how this name is to be referred to. I suggest that you desist from going down that line. If you want to make a general comment then go on but do not go down that line.

I do not think that citizens should be subjected to any kind of imputation because we are in Parliament. There are rules, if you want to mention but you have not observed the rule.

Mr. C. A. MASCOLL:

Sir, citizens who write consultancies and are authors of such reports cannot escape criticism.

Mr. SPEAKER:

Honourable Member, I am not referring to criticism. I am saying to you that you have not sought permission according to the rules. I have suggested to you to make your general reference and move on. Please.

Mr. C. A. MASCOLL:

Mr. Speaker, the problems that confront the Transport Board are systematic of the wider wastage and mismanagement endemic throughout Government enterprises.

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H49, Sequence 22,

4:40 p.m.

Continuation of Mr. C. A. MASCOLL:

As a CEO of Government the manager of Cabinet the Rt. Honourable Member for St. Peter must be held accountable but, there is more to come.

Mr. Speaker, I now move to the Barbados Water Authority (BWA). This is another state corporation of confusion and the common thread is the Honourable Member for St. Philip South, who is the Minister responsible public utilities, and recently announced increased rates for water. He has not been over ruled yet by the boss and there has not been a word about it, so we must assume that the rates will stay.

Firstly, water is listed under the Utilities Regulations Act and therefore should be regulated by the Fair Trading Commission (FTC). The legislation was passed more than two years ago by this Government. However, under the water authority Act, the Minister still has authority to adjust rates because the authority is not yet FTC ready. Mr. Speaker, who is at fault, that after two years the Barbados Water Authority is not yet FTC ready? I want to show the problems at the BWA as well, and I go back in my research to 1991.

Mr. Speaker, the rate hike of 1991 contemplated the building of the South Coast Sewerage Plant. Therefore, the \$22 million to be given to the South Coast Sewerage Project as a contribution to the BWA was included in the rate hike. Between 1991 and 1995, the BWA raised as much as \$21.3 million in surplus, so in actual fact, the rate hike of 1991 would have succeeded in raising the required money, but the BWA was only able to pass on \$2 million and the Government had to look for a loan from the European Investment Fund of US\$10.2 million. I wish to proffer, Sir that the BWA is the first real casualty of the South Coast Sewerage Project and all that went wrong with that project.

Mr. Speaker, time is a very strange thing and time does not live for ever. In actual fact, when you feel that you can hide certain things by making certain decisions, over time, as people do research and reflect on the past, many things can be revealed. We are now paying and will continue to pay, from next year, for the wastage and mismanagement of the South Coast Sewerage Project and that has in fact been the negative fallout of the mismanagement at the South Coast Sewerage Project.

Sir, mismanagement always has a price. The Barbados Water Authority was responsible for all cost overruns on that project, according to the contract, but was unable to pay. The project was extended by 15 months and the financial decay at the Barbados Water Authority set in, in 1995/1996 and for the first time, the Barbados Water Authority in 1997 started to borrow.

Between 1997 and 2002, total loans amounted to \$100.1 million and for the last four years, the Barbados

Water Authority has net losses of \$10.9 million, \$15.9 million, \$19.5 million and \$21.5 million. The Barbados Water Authority was to assume all the debt servicing obligations of the debt incurred by Government but it never happened.

Mr. Speaker, when the Democratic Labour Party was up and down this country highlighting the wastage and mismanagement at the South Coast Sewerage Project, I can recall heated exchanges between Johnny Tudor who has since been included and the Minister of Health in this Chamber. I was in the Chamber at the time and I can also recall that former Senator John Boyce was also a strong voice in putting the case for the Party and the people, who now have to pay for all of this mismanagement and wastage.

The plant was designed to handle waste and this Government made sure it had all that it could handle, the taxpayer's money and now sewerage as well. The proposed rate hike of 38 per cent for our metered water and an increase as high as 79 per cent for high volume domestic users, will not solve the inefficiencies at the Barbados Water Authority.

In fact, in a study of 1996, Stanley Associates from Canada found that daily loss in the distribution system was around 60 per cent and these figures were in fact supported by a subsequent study by Kolm and Crippen. This major problem was identified as far back as 1973 and the then Democratic Labour Party administration, in the development plan of 1973 to 1977 identified a 20 year programme to correct the problem, starting with a \$2 million project to relay 51 miles of pipe in 1973. In fact, the project was supposed to finish in 1997 but no attention was paid to this very critical matter, in spite of the abundance of resources available to the Government. Instead, this Government invested in GEMS, the South Coast Sewerage Project, wasted money at Warrens and Greenland and because of this massive loss, they had to build the Desalination Plant.

Sir, the Barbados Water Authority is now paying \$9.4 million a year for \$27 000 cubic meters of water from Ionics Freshwater Ltd. I wonder what it cost Ionics Freshwater Ltd. to establish that plant, because if you are going to receive \$9.4 million in revenue per year for a resource that you only had to drill below the earth to receive, which technically belong to the people of Barbados, can you imagine the level of profit that Ionics Freshwater Ltd. would make as a result of selling water to the Barbados Water Authority?

Sir, one of the proposed solutions to enhancing efficiency is the buy out of the Desalination Plant, thereby saving cost of desalination water. This is supposed to be one of the measures to increase the efficiency at the Barbados Water Authority, but if we are losing 60 per cent of our water in the system, what is the point of buying from Ionics Freshwater Ltd.?

We are now buying water and losing it in the ground. In other words, we are flushing water down the drain. This cannot solve the problem and the problem has to be solved. The distribution system, which is 60 per cent loss and identified in many studies and the problem of burst mains, brown water and low pressure are widespread across the island.

Sir, for the unfortunate consumers at Bagatelle and surrounding areas, brown water is a daily irritant. Those in Britons Hill, no water is available daily and that is the reality. The Barbados Water Authority has a few questions to answer about service, water supply and zoning on the West Coast.

Sir, I want to know why the well at Molyneux in Sandy Lane on the West Coast was closed. Was it because of leakage from the dump at Mangrove? Or was it closed for some other reason and this is where research is extremely important as a politician. Was it closed to facilitate the change over of land at Holders Hill, from zone 1 to zone 2? Sir, that land use was changed.

**House 049, sequence 22,
4:50pm**

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Continuation of Mr. C. A. MASCOLL:

Sir, few Barbadians know that in 1998 the Barbados Water Authority had to borrow a private well from Royal Westmoreland. Could you imagine that when the outrage was at its peak about the impact of golf courses on our water supply, there was no response from Government. At the time we were closing the well at Molyneux, we were borrowing a private well from Royal Westmoreland and therefore we could say nothing about the golf courses. When you borrow, you have to pay back? What is the pay back? This is after the closure of the well at Molyneux. I ask again, was the well at Molyneux closed so that land at Holders Hill could be sold to some private individuals and resold to Sandy Lane for a profit of \$9 million? Well, we want to know.

Mr. Speaker, we need to revisit the entire episode. I believe it has a direct bearing on what is happening on the West Coast as it relates to water supply and maybe, just maybe, the increased flooding in the area of Sandy Lane. Mr. Speaker, why would they, during a time of drought and during increased water usage on golf courses, close a well at Molyneux and borrow a well from Royal Westmoreland just to the north?

Mr. Speaker, you may recall that the land at Holders Hill adjacent to Sandy Lane was classified as zone 1. Research shows that the zoning of land in Barbados is determined by the Barbados Water Authority. In a study done in 1963 issues of a biological nature with respect to the contamination of water arose. It was considered that viruses and pathogens can get into the water supply.

Mr. Speaker, zoning depends on the time traveled by the viruses and the pathogens. If they take 300 days or less to reach the water table, then that area is classified as a zone 1. If they take between 300 and 600 days to reach the water supply, that area is classified as zone 2. Now that we have chemical, pesticides and insecticides, to be concerned with which would get to the water table and the water supply in any case, the question is: What could have inspired the Barbados Water Authority to change that area from zone 1 to zone 2 in such a short space of time?

Mr. Speaker, do not forget that this land was owned by a Barbadian who was refused permission to develop it because it was classified as zone 1. An application dated May 18, 1994 was refused by the Chief Town Planner. An appeal to the Chief Town Planner tribunal in December of 1996 was turned down. All of this was confirmed by the Minister responsible for Health on May 15, 2003. That Barbadian then received an option to buy land for \$4 million subject to certain conditions, and he entered into an agreement on January 14, 1997. Why would anybody take an option to purchase in these

circumstances unless they had knowledge that the Barbados Water Authority was favourably considering the removal of land from zone 1 to zone 2? Therefore, why would you have a situation in which during a period of drought, they closed the Molyneux well and borrowed a well from Royal Westmoreland.

Mr. Speaker, if there is one thing you cannot do in politics, it is to discount the importance of doing research. All of this has been done. Sir, now you can begin to understand relationships, you can begin to understand why decisions might have been made and why it is that one individual could not secure permission but the other could. You could begin to understand why an individual would feel so secure in the knowledge that he could get land change from zone 1 to zone 2.

Mr. Speaker, I was told that I cannot call a name or the name because I did to seek any permission, but the name is the same.

We also learn from Minister Thompson or the Minister at the time that the Cabinet in October of 1997 dealt with the recommendation which came from the Barbados Water Authority. Who or what prompted the Barbados Water Authority to act in 1997 after its rejection of the other Barbadian application in 1996? On August 7, 1998, the Barbadian who previously owned the land completed the sale and those individuals then applied for planning permission to divide the land on March 3, 1999. Believe it or not, in nine days time permission was granted.

Mr. Speaker, one may ask why is all of this relevant now and why it is necessary to rehash this story at this time. Sir, decisions taken six years ago can have tremendous impact on our lives now. A country does not function in a vacuum. The past has a bearing on the present and the future. The people of Barbados therefore demand to know why the land was changed from zone 1 to zone 2 and why was the Molyneux well closed. Was it closed to facilitate the change or was it as result of the change? What impact, if any, has the closure of the well had on the water supply on the West Coast? How is this affecting the Barbados Water Authority's ability to service the West Coast of Barbados? Mr. Speaker, there must be a relationship between all that I have revealed.

Those individuals made \$9.5 million in profit from the sale of the land. What has it cost the Barbadian and the Barbadian taxpayers? That is why it is important and relevant. How are we paying for these decisions today? How are these decisions impacting on the indebtedness of Barbados? How would they ultimately impact on the backs of Barbadians? Remember 'The higher the monkey climb, the more he show he tail.'

Mr. Speaker, there is more waste, reckless spending and mismanagement. It gets worse. I spoke of a gentleman earlier, but do you know, Sir, that with all that has been said about the GEMS of Barbados prior to the last election and since, that information has never gone into the records of this Honourable House? Do you know, Sir, that the GEMS Project represents the single largest investment on the part of Government in the last decade? Do you know, Sir, that the cost to the taxpayers of Barbados to date is some \$211.2 million, with no end in sight? Do you know, Sir, that of that total, \$145 million may be unrecoverable if the project were sold today?

Mr. Speaker, for the benefit of Honourable Members and the people of Barbados, I need to restate the story of the GEMS Project in order to put the economic picture of Barbados in its true perspective and

bring further clarity to the slipshod spending of our taxpayers money by the Barbados Labour Party Government. The GEMS Project started with equity of \$8.2 million, that is debt converted into equity which was owned by the Barbados Development Bank. Those hotels were then Seaview, Silver Rock and Worthing.

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5:00 p.m.

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Continuation of Mr. C. A. MASCOLL:

Mr. Speaker, Government then threw \$10 million in cash into the project, while the owners of Silver Rock Apartments and Worthing View Hotel swapped the remaining equity in hotel for shares in HRL Limited. I well recall the Honourable Member for Christ Church East coming on a programme and, not being prepared for the onslaught, said that Government had never put any cash into GEMS. The Honourable Member had not done his research but he was forced to go on the burning deck. He did not want to go but he was forced.

Mr. Speaker, these properties were supposed to cost \$36.1 million. Instead they ended up costing \$68.3 million. That was the beginning of the wastage at GEMS, with some \$33 million being wasted. Then in the pursuit of the magical number of 500 rooms, the Government purchased Andrea-on-Sea for \$6.7 million and Blue Horizon Hotel for \$15 million. A further \$6.2 million and \$5.2 million respectively were spent on Andrea-on-Sea and Blue Horizon for refurbishing. Sir, in short, the business plan had projected that these two properties would have cost \$19.5 million, instead ended up costing \$37.3 million, a further overspending of \$17.8 million. Therefore, the wastage went to \$49.8 million.

Mr. Speaker, do you think it was easy? GEMS was the cash cow that milked the Government. It did not happen the other way around. Sir, Eastry House was purchased for \$3.1 million, an additional spending of \$3 million. Sir, the only thing which was constructed at Eastry House was a "No Trespassing" sign, instead of work being carried out, and it cost taxpayers an additional \$3 million.

Mr. Speaker, a project that was originally supposed to have cost \$65.4 million, was later revised to \$145.5 million. Sir, when GEMS could not pay off any debts, the Government turned around and borrowed \$155 million. When GEMS could not pay back the interest on the loans, the Government took up \$28.5 million out of the Public Investment Fund and paid off the interest for GEMS. Mr. Speaker, in short, when you sum, you see the picture of GEMS, a whopping \$201.2 million for a project that was originally supposed to cost \$65.4 million.

Mr. Speaker, of course, the Honourable Member for St. Michael South would jump up, would push his chest in the air and would try to contradict me. Therefore, let me spell out the \$201.2 million. Sir, \$8.2 was in initial equity, \$10 million was in cash, \$37.7 million was in interest payments, and loans from the Consolidated Fund not yet repaid, will hardly be repaid, of \$145.3 million. Sir, that is wastage of \$201.2 million. Sir, no wonder why the International Monetary Fund and Standards and Poors have been warning us about off-budget spending.

Mr. Speaker, I want to remind the people of Barbados again that it is only after the Democratic Labour Party spoke to the issue of off-budget spending in last year's budget that Standards and Poors came out. Therefore, we understand that the defence of this Government would be that it needs to keep workers in the hotels being employed and, therefore, we, the Democratic Labour Party, would divest these hotels. Sir, I can see no good reason why they should not be divested because there is no way that the GEMS property could reveal any profit in the future.

Mr. Speaker, up to now I have painted a disturbing picture, one that reeks of wastage, mismanagement and inept planning. Sir, there is one name, which I cannot call, that runs from Bennetts Plantation, to GEMS, to Transport Board, et cetera, but it is the same name.

Sir, we believe that the picture reveals a web of deception that has been woven over the past ten years. The rot has been presided over by the Right Honourable Member for St. Peter. If one separates the politician or the man from the manager, one could only conclude that he has failed.

Mr. Speaker, I have already said that as a politician, the Right Honourable Prime Minister cannot be faulted. He is affable and everything else but in relation to managing the economy, we have to be concerned. Sir, I know that in a private sector environment, any CEO who has performed with excess revenue, any who has borrowed substantially, any who has been unable to get the social sectors corrected, would have been evaluated on the basis of merit and would have been found wanting.

Mr. Speaker, we, on this side, have to blame ourselves and not the people of Barbados. We were too caught up in our internal battles to have focussed on the people's business. We have failed to communicate well enough to the people. The people are angry and are hurting but despite all the pretty long talk coming from Right Honourable Prime Minister, Government is under severe pressure.

Mr. Speaker, I wish to say one thing to the people of Barbados this evening: "With Clyde Mascoll, what you see, is what you get. "I am honest, straight-forward, and very transparent. Maybe I am too much so for my own political good but that is who I am. Anyone can meet me by the hard courts at Deacons and we can play one or two games. Anyone can meet me by 8-Ball in St. Stephens and I will sing Karaoke or dance but in politics, I am a serious competitor. I am also about educating the public and keeping them constantly informed. In fact, when it comes to informing the people, let us not forget the picture that was in the Farm Housing Area that was in the Nation Newspaper after election day. That picture showed an individual holding an entire handful of identification cards. I am saying that you know, as well as I do, who that individual in the Farm Housing Area was, who had a handful of identification cards. And there is, indeed, a connection.

Sir, I was not born with the proverbial 'gold spoon' or 'silver spoon' and, therefore, I can leave this world without one. My mission, though, is to make sure that Barbadians from all walks of life, especially the poor, can have the means and opportunities to acquire the 'gold spoon', or, at the very least, that they can live a good and comfortable life.

Sir, that is why I have entered into politics. It is not to become Prime Minister but to provide a better life for the masses, to provide a brighter future for all, to provide a fair share for all, and I intend to fight for that. Sir, I will not be sidetracked in my mission.

Mr. Speaker, Barbadians are not fools.

H:No.049(24)

5:10 p.m.

Wednesday, December 8, 2004

Continuation of Mr. C. A. MASCOLL:

Barbadians are intelligent, fair-minded and understanding. They will not trust us with the reins of Government again if we cannot trust each other. It is up to the people of Barbados to choose who they want to lead them. It will be up to my colleagues to choose who they want to lead them when the time comes. If it is my due and the wish of God, I shall lead but until then I will focus on the task before me which is removing the Barbados Labour Party from office. Sir, I now return to Government, the Barbados Labour Party and devote my attention where it should be.

Mr. Speaker, I now turn to Greenland, an issue that appears to be dated but when you see the facts here you will begin to understand that these projects all have a familiar ring to them and some would say that they have heard it all before. Sir, this the reason why the average pensioner could get only \$4 yesterday because the wastage and the excess spending would all in fact contribute to the inability of the economy to generate more for the most vulnerable in this society.

Mr. Speaker, do you know the true cost of Greenland? In all these years we have heard \$20 million, \$35 million, \$40 million. We could never get an accurate figure of cost but here it is what it cost. Sir, it is costing the Sanitation Department \$1 750 a week in wages to keep the site from being overrun by bush and vermin. It has been lying idle for seven years, has been catching water in the ponds, breeding mosquitoes and has not received one pound of garbage.

Mr. Speaker, we often hear of a rush to judgement but from our research there seems to have been a rush to build Greenland before the project could be properly assessed and processed by the lending agency of IADB. In a document from IADB, prepared in October 1998, it puts the cost of Greenland at US\$5.9 million but Greenland was completed in the third quarter of 1997. Sir, Government is on record saying it costs US\$10.2 million or BDS\$20.4 million which is twice as much as the cost of the IADB. Why would the IADB, writing a document on solid waste management an entire year later, cost Greenland at BDS\$11.8 million when the Government of Barbados had already said it cost BDS\$20.4 million. The document from IADB also states that the bank would only retroactively finance \$2.8 million for engineering supervision incurred 12 months earlier.

Mr. Speaker, are we to assume that the Government would not recover any of the \$20 million injected into Greenland because it happened not to be completed within the specified time but outside of the time agreed to by IADB. Is this another case of inept planning and reckless spending? Mr. Speaker, we need some answers because Government is saying one thing about Greenland but the document of IADB says something completely different.

Sir, Government is on record as saying that special waste, hazardous, medical, toxic materials would be located at Vacluse but the IADB says that the facility would be located at Greenland in the document prepared a year after the completion of Greenland. Government is also on record saying that it was acquiring land at Vacluse for the transfer station for \$1.2 million but IADB is saying one year later that it will cost \$1.8 million. Mr. Speaker, why is there a discrepancy? I would hope that the Minister of Health, in his presentation has answers to some of these questions because we are dealing with the health of a nation. Sir, this is no laughing matter. Why is the cost of Greenland given by the Government twice the amount given by IADB and where has the money gone?

Mr. SPEAKER:

Honourable Member, is that already a document of the House?

Mr. C. A. MASCOLL:

Mr. Speaker, the truth is, I really do not know but I want to make it a document of this House because we on this side, have been very critical of Greenland but never were in possession of such information but there was supposed to be a solid waste management programme study by IADB and Greenland is part of that solid waste management programme. Mr. Speaker, with that kind of wastage and mismanagement there is no wonder that the Queen Elizabeth Hospital, Sanitation Services Authority and other divisions of health have been neglected.

Sir, districts all over the island cannot get their garbage collected for the lack of trucks and equipment but money of this magnitude can be thrown away.

Mr. Speaker, I now turn to the question of health. It pains me and I am sure I speak for this side when I say there is no pleasure in coming here year after year to recite the problems that average Barbadians, especially the poor, face at the Queen Elizabeth Hospital. The Minister of Health is going to get up and recite a whole host of accomplishments and the editorials will deal with him kindly by saying that we are better off than our neighbours. Sir, that is not comforting nor sufficient. It is little comfort for a mother who has to spend hours at the Accident and Emergency Department with her child who has suffered an asthmatic attack. It is little comfort for the patient who goes into the operating theatre only to be told that equipment is not working and that he should come back two months from now. It is little comfort for us and that is why we on this side have to talk about it because this Minister has not been doing a good job even though he was welcomed and only tend to react when pressure is placed on him.

Mr. Speaker, the Minister of Health has done little to right the wrongs in health. Like his predecessor, he promised much and has delivered little so much so that he is affectionately called Dr. Doolittle. As President of BAMP, the Minister has a lot to say.

H49/

5:20 p.m.

Sequence 25

Wednesday, December 8, 2004

Continuation of Mr. C. A. MASCOLL:

The Minister had a lot to say when he was President of BAMP. In fact, we had a press release identifying a myriad of problems that the Minister identified when he was President of BAMP. He said

“BAMP holds great concerns about the ongoing state of affairs at the Queen Elizabeth Hospital. We are particularly disheartened by the dire conditions under which health care professionals have been required to function and provide proper medical care for the people of Barbados.”

These are the words of the now Minister of Health.

“BAMP, therefore urges the Ministry of Health and the Ministry of the Civil Service to address the following with haste:

- 1.Universal shortage within the Queen Elizabeth Hospital.
- 2.Outstanding grievances of the nurses which are affecting staff morale and consequently, their performance.
- 3.Overcrowding, especially the medical and surgical wards.
- 4.The unavailability of several important investigations like mammograms, ultrasonography and cytoplasmy.
- 5.Problems in nuclear medicine regarding cobalt therapy unit and the inability to treat cancer patients who require such therapy.
- 6.Problems at the Dialysis Unit.
- 7.Recurrent malfunctioning of the air condition system.”

Sir, some of these problems still exist at the Queen Elizabeth Hospital. This press release goes on to talk about several other problems at the Queen Elizabeth Hospital.

Mr. Speaker, I wish to ask the Minister of Health through you how many of these conditions still exist? I know that he would provide the answers. What has the Minister done to alleviate the pain and suffering of the people of Barbados? What is the state of negotiations with the National Union of Public Workers?

Sir, the outstanding grievances of nurses are still very much a reality. What is being done to alleviate the long hours of work? When will we see an upgrade in the kitchen equipment, laundry, cold storage and sterilisers? When will more beds be available in the Intensive Care Unit? When will a CAT Scan and other diagnostic machines start to work? What about the conditions at the Geriatric and the St. Lucy District Hospitals? Sir, these problems not only add to the patients' stress but to the entire staff.

Sir, the people of this country have suffered too long and the time for talk is over Mr. Minister of

Health. There are concerns and they have to be addressed.

Mr. Speaker, a few Sundays ago we read in the newspaper that a stem cell research lab was operating in Barbados. I am no expert in this field but I do know that this area of research is generating an awful lot of debate and apprehension in many developed countries all over the world. The science is very much at the experimental stage and raises many moral and ethical questions.

We in the Democratic Labour Party have not taken a position on the issue but on behalf of all Barbadians we need to be reassured whether the Minister is aware of the setting up of the lab? When did he become aware and did he not think it appropriate to inform the people of the country? Can he assure Barbadians that this experimentation would not tarnish the good name of Barbados? Are the operators of this laboratory a reputable company and/or individuals? Can the Minister provide this Honourable House with a resume of the company and/or individuals involved?

Mr. Speaker, as I said before, I am no expert in this matter and would be guided by the Minister. I am concerned that the good name that we have built over generations may be sullied and be altered for financial greed or expediency.

Sir, we also read recently about the opening of a second hospital. We in the Democratic Labour Party have long called for the reopening of the hospital in St. Peter, as we do see a need for a second hospital to serve the people of the north. Is the Minister aware of this proposed hospital and will the people of Barbados benefit from this new venture? Can we expect an ease of the pressure on the Queen Elizabeth Hospital? Sir, from my information, this venture will be for the rich and famous but I need to hear from the Minister.

Mr. Speaker, before I am finish dealing with the Ministry of Health, I would like to take this opportunity to commend the workers of the Sanitation Department for working under some very trying circumstances. Sir, without the necessary trucks they have been doing a very good job. Do you know how many garbage trucks that could have been bought with the millions of dollars being wasted at Greenland? Approximately 200 hundred modern garbage trucks could have been purchased with that money. New equipment could also have been purchased to protect the workers from hazardous waste. This did not happen because this Government is not a caring Government.

Sir, keeping Barbados clean and healthy and giving the residents of St. Thomas, St. Joseph, Free Hill and throughout St. Michael North West a regular collection service is not one of their priorities. This Government stands condemned for the shabby way in which it is handling the health issues of this nation. I think that they owe it, given the amount of resources that they had over the last 10 years, to ensure that the health care service is improved.

Mr. Speaker, I now turn to the National Housing Corporation. Housing remains one of the most pressing social problems facing this country. There is one unique feature that characterises this Government, that is, it only reacts in a crisis. This Government waited 10 years and until the Minister had to admit that there is a crisis in low-income housing for us to get a plan and now there is a daily public relations exercise, but no amount of press photos will wipe away the problem.

Sir, a day does not go by that I do not get a request for help with a house. I believe that all of us on this

side can say the same and maybe many on the other side. Solving the housing crisis for low-income earners must be the priority of any Government. Housing is not only a low-income problem. There is a crisis in middle-income housing. Rents and the price of land in this country have gone out of sync with reality. I will come back to deal with that.

Sir, the National Housing Corporation, between 1997 and 2001, borrowed \$157.5 million. Sir, when the Honourable Member for St. Andrew was Minister of Housing we raised \$50 million in bonds between September 1997 and December 1998.

H49/

5:30 p.m.

Sequence 26

Wednesday, December 08, 2004

House 049, sequence 27,

5:30 p.m.

Continuation of Mr. C. A. MASCOLL:

Those funds were supposed to build low income houses. Instead, the money was invested in Warrens and seven years later, Warrens is still not yet completed.

Mr. Speaker, I recall that we had a situation in which two tranches of Bonds were raised, a \$30 million tranche and a \$30 million tranche that were supposed to go towards building low income houses. Instead, the Government said that it will invest in offices at Warrens and it will receive a \$1 million per year in rent, but it would have taken 20 years to get the necessary money to start a low income housing project. Sir, our money went into the Warrens offices, which is located beside the Barbados Shipping and Trading supermarket and there was no difficulty in building the supermarket but there is all kinds of difficulty in getting the Warrens office off the ground.

Mr. Speaker, the NHC embarked on selling a number of units and I think it is an unfair policy. Sir, those houses in the Farm were built in 1967 which are now 37 years old, should not cost the kind of money that the Government is requesting of the tenants. This is also true of housing units at Eden Lodge, Gall Hill, the Pine and all across the country.

Therefore, I am concerned that instead of empowering and enfranchising low income earners in Barbados, this Government is imposing unnecessary burdens on them, by the amounts charged for houses that are almost 40 years old. There can be no justification for the difficulties that the Government seems to find putting together a policy that will address the concerns of the most vulnerable in the society.

A housing policy therefore is not about how many houses a Government builds when in office. It is more to do with creating an enabling environment that encourages the building of houses both by the private sector and by individuals. But, what do we have in Barbados? The cost of building materials going up such as cement, lumber and steel. The cost of insurance, transportation, legal and architectural fees are also going up. What impact will this have on people who have secured mortgages and now find increased costs to build or finish their homes? This will result also in increases in rents across the board.

Asides.

Mr. C. A. MASCOLL:

Mr. Speaker, the Honourable Member for St. George North asked, could you imagine how many houses we could have built with the funds from GEMS? Sir, now that the Honourable Member for St. James South is able to provide a house for \$50 000, I can tell the Honourable Member for St. George North that the GEMS money could, in fact, purchase approximately 2 000 houses.

Mr. Speaker, how could it be that we could have a new house costing \$50 000 in Barbados and the Government is requesting the same \$50 000 for a house built in the Farm in 1967, 40 years ago, according to the Honourable Member for St. James South? Perhaps, the difference is that we are now going back to wooden structures of the size of the 1940s whereas, the houses in the Farm were built to enfranchise and empower average Barbadians.

Mr. Speaker, I have dealt with the economic and social costs. I have shown how bad management and reckless spending have impacted the lives of Barbadians rich and poor, low income, middle income and upper income. Sir, bad decisions are bad decisions for all. It is just that the vulnerable and the working class feel the effects more severely.

Mr. Speaker, over the last year, we have seen significant increases in all areas of the cost of living. Life is becoming harder for the average Barbadian man and woman. We like to boast around the world about how developed we are and quote per capita income but, the disparity in income between those at the top and wage earners at the bottom of the economic ladder is gathering pace. There are still parents and young women in the Farm earning \$120 per week and \$150 for 30 hours of work. Mr. Speaker, we know of recent studies which showed Barbados having in excess of 38 000 below the poverty line. We know of the concerns and therefore the wastage that we are having at the Barbados Water Authority, the Barbados Transport Board, GEMS, Greenland, Warrens and the South Coast Sewerage Project could have all gone towards alleviating poverty in this country. Sir, poverty was identified in Danesbury during the 1995 bye election but Danesbury residents have not enjoyed any benefit as a result.

Mr. Speaker, I would like to quote from our last Manifesto on Poverty eradication.

“We believe that poverty is relative and eradication is possible, but for it to have meaning, Barbadians must believe that it is possible. It is common to hear “the poor will always be among us”... This attitude is indicative of a feeling by the general public that the Barbadian public reflects structural imbalances that the politicians are reluctant to address.”

“We believe that every human being deserves a decent standard of living - shelter, food and care. Some may have more than others, but the basic human rights of every individual must be met.”

“Poverty eradication is long term and requires political will and foresight. It can only be achieved by changing social and economic relations. It requires social engineering that will seek to distribute the wealth and resources of our country more along the lines of A FAIR SHARE FOR ALL.”

Mr. Speaker, while I said that, I now need to assess the overall impact of the economic circumstances on living human beings in Barbados. For example, a single parent with two children earning \$1 000 per month or \$250 per week, pays roughly \$80 per week in rent, that is \$320 per month.

House 049, sequence 27,
5:40pm

Wednesday, December 08, 2004

Continuation of Mr. C. A. MASCOLL:

Mr. Speaker, come next year, rents will increase as a result of insurance costs going up. Food is already on the rise. Water may remain the same according to the new proposal because this family may pay the minimum rate. Electricity will go up and bus fares may remain. Therefore, over the next six months this individual who earns \$1 000 would have to look for a further \$70 per month to spend to acquire these particular items. Therefore, it is unreasonable to give a pensioner \$4 per week when it is clear that come next year inflation will rise significantly in Barbados. All the indicators are there.

Sir, this water matter needs to be looked at because while there is an attempt, and rightly so, to maintain the minimum cost, persons using in excess of 13 cubic metres per month will have to pay a lot more. Therefore, you have to be careful that you are not passing the entire burden on to the middle income group in Barbados. In addition, Mr. Speaker, on top of all of this spending, we are not aware, but national insurance contributions will go up from the 1st of January next year.

Mr. Speaker, before I leave this topic, I want to deal briefly with Cable and Wireless and the issue of charging for directory enquiries. The charges for making 411 directory calls have been put on hold, but it was unconscionable in the first place to impose those charges. We now need to know if it is the Minister who determines or if it is the Fair Trading Commission that would determine.

I am concerned because even though we have been able or we have removed the monopoly status of Cable and Wireless, it is a fact that an environment is still being created for Cable and Wireless to provide for opportunities to make monopoly profit. We have to be very careful not to permit that.

Mr. Speaker, a few weeks ago in a debate on telecommunications, the Honourable Member for St. Michael North asked the Minister to explain what was holding up the liberalisation of the international calls market. He further asked the Minister to explain whether the move to cost oriented pricing...

Mr. SPEAKER:

That is not really allowed. If the House so permits... Really, you know, Order 28(4) of our rules...

Mr. C. A. MASCOLL:

Mr. Speaker, I therefore will move on, but the questions were asked nevertheless of the Minister at the time.

I want, Mr. Speaker, to go to the Economic and Financial Policy Statement made yesterday. Given the nature of the Budget yesterday there was no good reason for me to follow it because it was devoid of issues that would immediately impact the lives of Barbadians. We will now see that at work as I speak to the issues. However, before I get totally into it, let me say that the Honourable Prime Minister, while reading a resolution, did not really address the contents of the resolution in his Budget because we know that several circumstances have emerged over the last year in which concerns were raised about our current account, our foreign reserves and the decline in manufacturing, international business and agriculture, yet the Honourable Member brought a Budget that failed to connect with the outstanding concerns in the economy.

Sir, at one stage in the not too distant past we were told that the emphasis would be on enhancing capacity. We were told that we would have a new creative economy, now we are being told that we need to reposition the economy. What really is the vision of the Honourable Prime Minister for the future of this country? How could the Prime Minister on the one hand embrace the concept of trade liberalisation, the introduction of VAT and the removal of quotas and yet, at page 21 of his Budget, he talks about import substitution.

Sir, the question of import substitution goes against the grain because from as far back of 1997 when we introduced the Value-added Tax we in essence made imported goods cheaper relative to domestically produced goods. It is not for the first time that our imports grew by 13 per cent. In the first nine months of 1997, imports grew by 15.3 per cent, yet still there was no hue and cry about the foreign reserves. Imports continue with a little blip here and there to grow. The question is not import growth because import growth is essential for the growth of any open economy. Import growth is essential if the tourism sector is growing. Import growth is essential once an economy like Barbados is growing. What is troubling Barbados is the failure to earn foreign exchange.

Therefore, when we were criticising the Government about not restructuring the Barbados economy over the last ten years, we were really talking about the need to earn foreign exchange. What has happened is that this Prime Minister, rather than engaging in restructuring the Barbados economy, engaged in excessive foreign borrowing as a means of curing the problems in our balance of payments. What has now come to pass is that you cannot continue to borrow indefinitely. This is what has brought us to this juncture at this stage in our economic history. We need now to be in a position where we concentrate on earning foreign exchange, and we have not done so over the last several years.

In fact, recently we were told that agriculture, an area that has obviously failed, will be the hope for the future. As the Prime Minister has admitted, sugar is now not what it was years ago. In 1968 we produced 208 000 tonnes of sugar, 36 years later we are producing less than 35 000 tonnes.

House 049 Sequence 28

5:50 p.m.

Wednesday, December 08, 2004

Continuation of Mr. C. A. MASCOLL:

Therefore, you cannot now pin your hopes on the agriculture sector. You cannot be saying that agriculture is going to get you out of the current misery.

Mr. Speaker, we also put increasing emphasis on the International Business Sector. We were told that sector was capable of employing 5,000 Barbadians per year, over a five-year period. That has never happened. In fact, the International Business Sector is now in a worse position under the Prime Minister, than it was ten years ago. That is a fact of life.

Mr. Speaker, we were told that greater emphasis would have to be put on tourism. Sir, while tourism growth has been occurring in numbers, the sector is troubled by an inability to generate the foreign reserves which it was generating in previous years, so much so that the Right Honourable Prime Minister knows only too well that this year, between March and September, we have lost several foreign reserves in excess of \$300 million. We have lost those reserves because while increasing in numbers, the tourism sector has not increased in yield because of the performance of the Best of Barbados Programme.

Sir, the Best of Barbados programme has ended but it takes an entire year for a marketing programme to impact. Therefore, even though the Best of Barbados programme has ended last year, we should still be feeling the effects of it from that year. Therefore, the Right Honourable Member for St. Peter should know that when one markets Barbados the previous year, one expects to see results following that year.

Mr. Speaker, we have not been in a position where we can boast because discounting has occurred in airfares, in room rates and throughout the entire tourism sector. Therefore, what we saw in the banking system, where commercial banks were struggling to send foreign reserves to the Central Bank, was only corrected as a result of manipulation here and there. In fact, the Right Honourable Member for St. Peter has the responsibility to tell the people of Barbados what has gone wrong with respect to our foreign reserves. It is not of having \$1.4 billion. It is that we are losing reserves steadily. Sir, I want to say that if Barbados does not have a good winter season, we can anticipate even greater difficulty with respect to our reserves.

Mr. Speaker, the Right Honourable Member for St. Peter said yesterday that he would provide relief for the agricultural sector. Sir, one cannot provide relief by offering agriculturists 'soft' loans. In fact, farmers are leasing land from their owners and, therefore, lease land cannot be used to acquire 'soft' loans. Instead, those farmers should have been offered grants or given assistance.

Mr. Speaker, one cannot ask a farmer who has recently lost his entire crop to take up a 'soft' loan. It does not matter at what rate the interest would be repaid. The truth is, that farmer would not be in a position to repay the loan in the first place. Therefore, because of the uncertainty of the weather, that farmer should have been given a grant to get him over the rough times and difficulties that he is experiencing. That farmer should not have been told about a 'soft' loan because it cannot work for the farmers of Barbados.

Mr. Speaker, with regards to the question of inviting me to sit as a co-chairman on the National Initiative

for Service Excellence (NISE). When NISE was being conceptualised, as part of the conceptualisation of that project, the Opposition Leader should have been invited to sit on the Committee. Therefore, to wait until the project is conceptualised, then to invite the Leader of the Opposition to sit as a co-chairman...

Mr. Speaker, I encourage all Barbadians to get involved in any such projects but I am saying that the Opposition should have been invited before hand to participate in the process and should not have been called upon in a public relations exercise, to be engaged now in a project on service excellence.

Sir, in any case, if the Prime Minister has to wait ten years to be engaged in service excellence, what has this country been pursuing over the past decade in Barbados? Sir, one cannot expect that suddenly one has discovered the need to improve or to increase efficiency and productivity in the Barbadian economy. In fact, at the heart of the current circumstances confronting Barbados is the question of enhancing productivity.

Mr. Speaker, it is well known that the Government's attempt at Public Sector Reform, has not redounded to the benefit of the economy. Again we had a situation in which Public Sector Reform was identified as the saviour of the Barbados economy over the last seven years. Sir, since that has not delivered, we are now being told that there should be a Service Excellence Committee for Barbados. What were we doing? What was the strategy or vision of the Right Honourable Prime Minister in delivering to the people of Barbados? Therefore, we have failed in that regard as well.

Mr. Speaker, we have a situation where the question of World Cup Barbados 2007 is now being put to the people of Barbados but who is going to finance World Cup Barbados? Would it be the Government? What has been raised? Have we recently increased the limit of the debentures in order to raise greater levels of finance, to finance the World Cup? Who will, in fact, be responsible for its effective management?

Mr. Speaker, as was cited in this Honourable Chamber before, the Barbados Tourism Investment Incorporation is a company that has been set up by Government. In fact, I am concerned that the Barbados Tourism Investment Incorporation is getting the opportunity to become involved in several projects across Barbados, without the Members of Parliament being directly involved in the delivery of those projects.

Mr. Speaker, it is, in fact, part of the off-budget spending, of which we have been concerned for the last number of years. One cannot allow for a company, owned by Government, to be responsible for \$150 million, without there being any recourse or consideration of the spending of those resources by the Honourable Members of Parliament. Therefore, there has to be a problem in allowing private companies which are Government-owned, to execute projects on the behalf of Barbadians, without the Parliament of Barbados being in a position to analyse or to investigate the spending of those resources.

Mr. Speaker, we were told yesterday about how Public Sector Reform would have been enhanced by the Smart-Stream System but Smartstream was in place for the last ten years and has not yet enhanced Public Sector Reform. We were told about the Acecuda System, which was also in place for several years. Therefore, what are we to expect as a result of giving greater contributions to SmartStream or to any other programme, to encourage Public Sector Reform?

Mr. Speaker, yesterday we got old soup warmed over. The major proposal was, in fact, the relief of taxes starting January 01, 2005, but those same policies were announced in the last Budget.

H:No.049(29)600 p.m.

Wednesday, December 8, 2004

Continuation of Mr. C. A. MASCOLL:

Mr. Speaker, why was it necessary to come to Parliament and regurgitate measures to reduce taxes when they were put in place as far back as last year?

Mr. Speaker, we need to know the kinds of policies that would be put in place to allow average Barbadians to benefit more and not to be put under the kinds of pressure which they were put under the last five years. Therefore, I have tremendous difficulties in understanding what those measures were designed to do which we listened to yesterday. Sir, they were not designed to correct the problem of the current account. They were not designed to reduce the national debt or reposition the manufacturing sector. They were not designed to encourage greater tourism output so what were they designed to do? Therefore, we cannot feel comfortable after having the Government for so many years that this administration can now see it fit to come here ten years later and believe it can make cosmetic changes to our economic policies and programmes.

Mr. Speaker, I want to speak to the issue of unemployment because I have grave difficulty with the numbers in unemployment. We have had problems with this economy in 2004, yet we are being told that the unemployment rate has come down in an environment where manufacturing has declined, the international business sector has declined, agriculture has declined and where tourism, even though there are numbers, has not performed better. Sir, where is the job creation in the economy.

Mr. Speaker, I wish to identify some numbers because this is important. Between the ages 20 and 24 in Barbados, the unemployment rate is as much as 20 per cent among males and 17 per cent among females. You do not have to take my word as true because if you check the information published by the Central Bank of Barbados, you would see the amount of unemployed persons between the ages of 20 and 24 in Barbados. Then you only need to go to the census data to see how many Barbadians there are between the ages of 20 and 24. When you do the mathematics, you would recognise that the unemployment rate between 20 and 24 is almost 20 per cent in Barbados as a result of the numbers published in the document of the Central Bank of Barbados.

Mr. Speaker, the Oasis Project is just the Skills Training. What is the difference between Skills Training and the Oasis Project? What is the difference between giving \$2 million to the Oasis Project when in actual fact the Skills Training programme could be increased to deliver just as much or even better resources to the average Barbadian.

Mr. Speaker, we are happy that a few young men off 'the block' have, in fact, been engaged in the Oasis Project but there are major problems confronting Barbadians in that respect. I have already gone

on record as saying that enrollment in primary school level is 100 boys to 98 girls, at secondary school level enrollment is 100 boys to 98 girls but when you go to tertiary level institutions like universities and the Samuel Jackman Prescod Polytechnic, the enrollment is 245 females to 100 males. Therefore, it means that there is a problem with our males in Barbados. We are losing our males between secondary education and tertiary education.

How can this not be true when the university has identified that enrollment at the university is 70 per cent in favour of female and 30 per cent males. Therefore, we have a major problem confronting Barbados because more than 50 per cent of our productive resource is not being adequately trained yet still we are talking about improving productivity and enhancing competitiveness when we are losing in excess of 50 per cent of our young people. Mr. Speaker, therefore, I have concerns about how we are going to rebuild and reposition Barbados in the light of the Caribbean Single Market and Economy and the global realities which confront us.

I now want to speak to the issue of the Caribbean Single Market and Economy. While the Democratic Labour Party supports the single market since last year in the Budget Reply, I have said that there would be no single economy. Sir, this is not my word because the former Governor of the Central Bank, Professor Havlot Brewster and even the Honourable Member for St. Peter knows how difficult it is to achieve a single economy.

Sir, when it comes to the Caribbean Single Market and Economy, while we can agree in principle to coming together as a region, we have to be concerned as a country. Here are statistics from a survey by the Caribbean Development Research Services (CADRS). In a poll conducted on specific aspects of the free movement of labour, when asked, do you support initiatives to facilitate freedom of movement through the Caribbean, 74 per cent of Barbadians supported the concept but when the question was asked among low-income workers, the support dropped from 74 per cent to 50 per cent.

Mr. Speaker, there is a reason for this but we must come to terms with reality in Barbados. The potential is there for migrant labour to impact on wages in Barbados. In fact, recently a young man told me that he charges \$4.00 per square foot to lay tiles but Colombians came and offered to put down the same tiles at \$2.50 per square foot and, of course, the Barbadian lost the contract.

Mr. Speaker, we have to be concerned that the migrant labour would not contribute to reducing and undermining wages in Barbados. Mr. Speaker, I want you to understand that not the individual migrant worker would go to the contractor or house owner but the contractor would calculate his wages based on the market rate and then get Guyanese or other workers to work for less than market wages in Barbados.

H49/

6:10 p.m.

Sequence 30

Wednesday, December 8, 2004

Continuation of Mr. C. A. MASCOLL:

... Sir, when you hear Barbadian workers complaining about the potential impact of migrant labour and

minimum wages, you have to be concerned about it because if a contractor is able to enter into a contract with a homeowner and then hire migrant workers whom he could get at a lower cost, it is a potential damage to Barbadian workers. Therefore, we have concerns about the impact of migrant labour and minimum wages.

Sir, we also have concerns of the impact of migrant labour on housing. Migrant labour will, in fact, rent a house with ten individuals renting a room. An average Barbadian family of 4 may not be able to pay \$700 a month for an average house but 10 or 12 migrant labourers may be able to offer as much as \$1000 a month, because it works out cheaper for those individuals. Therefore, it can have impact on the rents being charged by Barbadians across this country.

Sir, this is already happening. Therefore, do not take it for granted that the average Barbadian has not started to understand the impact or implications of migrant labour regarding construction, agriculture, security and rents.

Mr. Speaker, access to health care is a basic human right and should be a priority of any government. Today in Barbados the capacity of Government to provide adequate health care to an ageing population is severely challenged. An increase in population, be it temporary or permanent, will place this critical sector under pressure.

Sir, we must understand that when persons migrate to Barbados they would put pressure on our health care delivery. Therefore, we have to be concerned that an already vulnerable health care delivery will undergo greater pressure as a result of an increase in a number of persons coming to live in Barbados.

The Barbados Drug Service which provides medication for chronic and life threatening diseases is already stretched and it is possible that migrant labour can put even greater pressure on such services being delivered by us.

Sir, in the area of education we have to understand that over time we have to be prepared for the impact of migrant labour on our education services delivery. Therefore, Caribbean Single Market and Economy must be seen within its full context. You cannot expect that Barbadians are going to sit idly by and see opportunities being lost by persons who come to offer low wages, higher rents and persons who challenge for their educational services or health care delivery. Therefore, it is a reasonable concern that Barbadians all across this land have over the potential threats of Caribbean Single Market and Economy on their space, economy, health care delivery and education services. Therefore, while the Democratic Labour Party supports Caribbean Single Market and Economy in principle, it has been at the forefront of Caribbean Single Market and Economy and understands the need to get involved in Caribbean Single Market and Economy to counter globalisation, we have to engage in discussion across Barbados that gets the people involved at a level where they can feel a certain sense of security and not believe that all that will come with Caribbean Single Market and Economy will be good.

Sir, I am saying that as a result, it is incumbent upon the Government to get more involved in educating the public of Barbados on the impact of Caribbean Single Market and Economy rather than wishing away the difficulties that will be experienced.

I and the Democratic Labour Party support Caribbean Single Market and Economy wholeheartedly but

we understand the implications of coming together. Therefore, we cannot do what the Government wants us to do and wish away the difficulties that will be experienced.

Sir, therefore, I am saying that there is no choice for us in the region but to come together, but let us understand that once you come together as a region, that the most privileged countries in the region will have to carry the less privileged and that the most able countries in the region will have to carry the less able countries in the region.

Sir, if you add sums together and get a whole and then you decide to divide that whole, it would only mean that persons who had more before will have to forego some of what they had, and that is simply what Caribbean Single Market and Economy will mean.

Mr. Speaker, in the absence of growth in the economy and developing the region, there is no way in which Caribbean people can expect to benefit more as a result of coming together. Sir, coming together simply means adding what we now have without talking about the distribution of the pie. That is simply what it is. Therefore, I cannot be caught saying that I do not support the Caribbean Single Market and Economy. We support the Caribbean Single Market and Economy and we all agree but we all must understand that it is the distribution of the pie that would be of significance to the people of the region.

Mr. Speaker, I understand some of the issues of the future of Barbados. I understand the need to get the private sector more involved in investment but we have a situation in Barbados where there is excess liquidity in the banking system, where the First Caribbean Bank has tremendous liquidity, but why are Barbadians not engaging in investment? It is simply because there are no opportunities outside of housing for Barbadians to be engaged in as business people. Those are the issues that we know about. Those are the issues that we understand.

Sir, if it were the case that we have all of this money in the banking system, then it should not be a problem for business people in Barbados to find the resources to invest. You also have to be able to invest in ventures that will yield investment and we are not seeing that in Barbados in spite of all the liquidity.

Mr. Speaker, I wish to engage Barbados National Bank because this is a case study in itself. If you check the loans given to the Barbados Water Authority, the National Housing Corporation and the Barbados Transport Board, you would discover that the majority of them came from the Barbados National Bank. The loans to GEMS, originally, several of them came from the Barbados National Bank.

It is important to note that when Barbados National Bank was truly a Government institution, it had an institution that could be used to assist entities such as the Barbados Water Authority, Barbados Transport Board, GEMS and the National Housing Corporation but now that Barbados National Bank is no longer Government owned, the Government does not have the luxury of asking the Barbados National Bank to lend money to these entities.

Sir, I know that Barbados National Bank is not in a very good liquid position. Therefore, Barbados National Bank is going to find it hard to rollover debentures that were undertaken several years ago, like the Barbados Marketing Corporation's (BMC) sugar bond.

H49

6:20 p.m.

Sequence 31

Wednesday, December 08, 2004

House 049, sequence 32,

6:20 p.m.

Continuation of Senator C. A. MASCOLL:

I also know that BNB will not be in a position to roll over debentures which it had from the past, because the Government is no longer in charge of BNB.

Therefore, Mr. Speaker, you must now understand that BNB, now that it is no longer Government cannot be used politically to assist in executing our plans among public entities, such as transport, water works, GEMS, National Housing Corporation and that is a fact of life.

Sir, BNB's profit in the last year, is directly correlated with the excess amount of demands that the Government placed on that bank to lend money to those inefficient institutions, and at the time of borrowing would have yielded substantial interest rates and that is back in the early 1990s.

Therefore, the sale of BNB can be questioned. BNB was sold for \$3.45 per share, up from \$1.80. The Government owes it to the people of Barbados to tell them why the Government was able to get as much as \$3.45 per share that on the Stock Exchange was only valued at \$1.80. While that might be a good deal financially whereas the Government was able to get BNB to give loans to the Barbados Water Authority, the Barbados Transport Board, even to GEMS and the National Housing Corporation, the Government is no longer in a position to raise funds via the BNB.

This explains why in actual fact the Government recently took \$5 million out of its coffers and gave the Barbados Transport Board. It would have otherwise been able to go to the BNB, but let me go even further. Those shares which we sold in BNB were spent in the Hilton Hotel, when that Hilton Hotel was supposed to be a joint venture between Government and the private sector.

There is a lot of liquidity in the banking system.

Mr. SPEAKER:

The Honourable Member has five minutes television time left.

Mr. C. A. MASCOLL:

Mr. Speaker, if there is so much liquidity in the banking system, why is it that our private sector was not able to borrow funds from the commercial banks and put into a venture like the Hilton Hotel? Why is it that it is costing the Government almost \$190 million in the rebuilding of the Hilton Hotel?

Sir, no one can deny it. We were supposed to raise \$78 million in equity from the private sector but we have not been able to do so and I am saying, Mr. Speaker, that this Government has continued to waste money. This Government has continued to spend recklessly. This Government owes the people of Barbados explanations for a lot of that wastage. This Government needs to tell Barbadians why they are no better off ten years later, in spite of increased national debt, in spite of increased taxes, in spite of more than \$3.5 billion in debt.

Mr. Speaker, I must sum up my presentation by using the Prime Minister's words and I quote from him yesterday.

"Mr. Speaker, managing fundamental change across such a wide spectrum of economic social and cultural spheres is unprecedented for us. The hallmarks of managing a small economy are that the scope for adjustment is small, the range of options is limited but the potential for catastrophic failure is vast."

Mr. Speaker, the thing about it is that this Prime Minister is a catastrophic failure, when you look at the fact that he had more resources than any other Prime Minister in the history of Barbados. The Prime Minister has, in fact, not made good use of the resources available to him and when you look at the social state in Barbados, the decline in the ability to get housing, the decline in the health care delivery, the educational system, the transportation system, you have only to conclude that this Government has wasted the resources of this administration.

I therefore am very concerned that we have not had a situation in which a trained economist would have made better use of the resources of our country. I am also very concerned that the Barbados Labour Party simply feels that the days of mendicancy and servitude are to be with us for ever.

The Democratic Labour Party saw to it, under two able Prime Ministers, late Rt. Excellent Errol Walton Barrow and Sir Erskine Sandiford that the future was about sharing. The future was about empowerment through education. The future was about increasing social mobility. It was not about mendicancy and servitude.

Mr. Speaker, I started by saying that I was conversing with the people of Barbados. Fellow Barbadians let us all support the call for excellence. I call upon you this evening to rise up and meet the challenges that we face, do so proud to know who you are, proud to be Barbadian and sure in the knowledge that the Democratic Labour Party is here to support you and offer a hand to those who are in need, protect those who are strong and give hope to all Barbadians.

I therefore would hope that when we decide to join hands, even in service excellence, that there will be a better tomorrow for Barbadians. I hope that this Prime Minister would see it fit to take the resources he has and make a better Barbados for all, a fairer Barbados for all.

May God bless Barbados.

Thank you, Mr. Speaker.

Hon. K. D. SYMMONDS:

Mr. Speaker, you will, no doubt, forgive me if I do not begin by making the usual and I suspect and I

would have to say almost inevitable reflections on the equality of the Rt. Honourable Member for St. Peter's contribution yesterday evening. Sir, it is certainly not because of any lack of regard for the Rt. Honourable Gentleman but rather, Sir, I would want to be able to focus all of my attention on the exercise of absurdity, waffling and incoherence that were just inflicted on this Honourable House.

Mr. Speaker, it may have been better for that speech which we just heard, to have been delivered in the corridors of the Democratic Labour Party at George Street, born as it was out of a clash between two views and two aspirants to leadership on the basis, Sir, of whether or not politics should be intellectualised which we heard from the Honourable Member for St. John in another setting, and the question of whether or not there is much value in intellectualism and research as we heard this evening for approximately one and-a-half hours before contact was made with the Resolution before this House.

Mr. Speaker, despite the waffle and the absurdity, we have to respond and I would want to say,

House 049, sequence 32,

6:30pm

Wednesday, December 08, 2004

Continuation of Hon. K. D. SYMMONDS:

Sir, the Honourable Member for St. Michael North West would do well to try his best to come to terms with the fact that it is time to stop serving up warmed over soup from yesteryear and remember that we, the people of Barbados, did not crawl out from under some sort of a rock in Baghdad to come down here on a pilgrimage to hear him describe, in a very misplaced way, the Barbados which we know and in which we live.

Mr. Speaker, we are very familiar with the problems in this country. We are not ever going to be in a position to say that Barbados is perfect, that will never happen. Equally, it is sophistry to engage in criticisms to the point of absolute absurdity.

Mr. Speaker, Sir, I am not going to mix matters on the point. I regret that the Honourable Leader of the Opposition so swiftly left his seat because he has made a number of charges before this House today which would better have been placed in another capacity and in another environment.

Sir, it is salacious to engage in the innuendo about the Transport Board. It is titillating for those who may have a juvenile outlook on life and may think that this is something exciting, but the innuendo has to be dealt with in a different type of way. To talk about former Ministers of the Crown who would have been able to get a Mercedes Benz, and the innuendoes certainly suggests that he got it out of the Government. The innuendo that the new fleets of buses are consuming more gasoline and that there is some corruption involved in that, and that is what lay bear this is about, that is what he is suggesting to this House and the innuendo about insurance policy coverage, again a very thinly-veiled assertion or allegation about corruption coming from the lips as it does of an officer of the Constitution who is

singularly seized with the responsibility, under the Constitution of Barbados, for calling meetings of the Public Accounts Committee, is improper and ought not to be uttered in this House.

He has an opportunity, Sir. Those of us who sit on the Public Accounts Committee would be willing and ready to come at a moment's notice if he would hurry up and get past the preliminaries he has been dealing with since this term of office of this Government begun. This is a matter of public record, Mr. Speaker. The very first act of business of the Barbados Labour Party having been re-elected to Government in May of 2003, which your Honour presided over, was to reconstitute that Public Accounts Committee. How dare the Honourable Member for St. Michael North West now to be coming in here to use backdoor and backstreet tactics to smear Honourable Members of this Chamber and persons who are working in the employ of the Crown of Barbados, when he has the constitutional capacity to do better, it is improper.

Sir, I also want to speak to the sophistry and the waffle because he just suggested again... The institutions of the Crown mean nothing, I am convinced now, to the Democratic Labour Party and its members. The Central Bank of Barbados and the National Insurance Board, all worthy institutions, are charged with very serious responsibilities to this Government. Whether or not the Barbados Labour Party is in power, those institutions must persevere. What we had in here just now is the Leader of the Opposition getting up and blandly stating that he, without evidence, disputes the validity of what is asserted by way of a matter of record and fact as being the level of unemployment in this country.

Sir, there is only one way of gauging it. I cannot gauge it on the basis of that which drops from the lips of the Leader of the Opposition. As a responsible person in public life, if I have to gauge what unemployment levels are, then I am going to be compelled to say to you, Mr. Speaker, with the utmost respect that I am going to pick up the Central Bank's statistics as I have in my hand now, I will look for the unemployment benefit and the severance payments fund section and would seek then to look at the unemployment claims received by the National Insurance Board.

Sir, we all represent the people of Barbados and we all know that the first order of business upon becoming unemployed is to go and make your claim at the National Insurance Board. If you, Sir, were to seek to disabuse your mind of that which fell from the lips of the Leader of the Opposition and be guided by the Economic and Financial Statement statistics October 2004, you would see that in January of 2003 unemployment claims received in Barbados were 1 588, and this year January, 1 076 were received. The Leader of the Opposition tells you that is not true.

In February of 2003, 1 241 unemployment claims were received. In February of this year, 1 158 were received. The Leader of the Opposition refuses to speak to the statistics. In March of 2003, 1 331 unemployment claims were received. In March of this year, 776 claims were received. The Leader of the Opposition is whimsical. I go on. In April of last year, 1 337 unemployment claims were received by the National Insurance Board and in April of this year 916 were received. The following month it was 1 388 and then in May of 2004 it was 817. Sir, I could go on ad nauseam. These are statistics from a reputable institution.

Sir, this is not the first time that the Central Bank has been disparaged and smeared for narrow partisan political purposes by the Democratic Labour Party. We all well remember a former leader when he sought to allege without evidence, even though he was invited repeatedly in the public domain to

produce the evidence, that people in the banks, the professionals, were being hounded by virtue of political affiliation.

Sir, these things are not good and it has to come to an end. They have to put up or shut up. Sir, I do not just intend to speak to these issues without putting some of the sophistry in a context, but I would not trespass too far into your Honour's memory to establish that context.

Within the last three months this country has been treated to a lot of unsolicited advice from the Leader of the Opposition in spite of the challenging times that this country faces. There is no doubt in anybody's mind that we are facing challenging times. A snapshot of what we have had to go through between the last time we were here discussing a financial statement, what we are going through and what we have gone through up to today would reveal that during the last year Barbados had to struggle with the United States of America Government who sought to vitiate and revoke our Double Taxation Treaty because it facilitated corporate inversion. A snapshot of the last year would reflect that we have an almighty struggle with the European Union who would seek to insist that the prices at which they purchase our sugar should be slashed by 37 per cent within the space of two years. In the space of one year, between last year and now this time, we have had to fight vigorously because international transport which fuel our tourism industry has been recording unprecedented levels of bankruptcy. Sir, this House is very much aware of the struggle we have had to keep BWIA and LIAT afloat.

Sir, the Leader of the Opposition spent two hours of a debate and did not contact with any of these issues. He did not even speak to the international prices of oil which escalated to \$55 per barrel during the course of the last year, between when last we were here and now. The consequences of that, for a net energy importing country like Barbados, would be that you would be squeezing corporate profits, you would virtually be applying a direct tax to the consumer and the cost of business would rise. These are the things that the Government of Barbados had to soak up.

Sir, I want to put it in context when I speak of sophistry. The Leader of the Opposition is never frugal with his opinions, you heard him this evening, Sir. He is never frugal with his unsolicited advice. The Leader of the Opposition, in the context of that international scenario I just depicted to you, Sir, came to the public within the last three months and recommended that we respond to those challenges by increasing the rate of VAT which obviously would compress demand and reverse our taxation policy of alleviating taxes on the people of Barbados. He did not care about that, so he recommended we should increase the VAT.

House 049 Sequence 33

6:40 p.m.

Wednesday, December 08, 2004

Continuation of Hon. K. D. SYMMONDS:

Mr. Speaker, the Honourable Leader of the Opposition then went further and recommended that we should increase bus fares and the cost of petrol, thereby only serving to escalate the application of cost payable by persons in commerce and transport. Mr. Speaker, we have to ask ourselves, is there now not a clear philosophical distinction between that which the Honourable Leader of the Opposition represents

and what we see here in this Honourable House, as the Parliament of Barbados?

Yesterday the Right Honourable Member for St. Peter came here with a very judicious blend of selected stimuli, to be applied across sectors of this economy, with a view to diversifying our export base, with a view of ensuring the continuity of economic growth, and with a view of ensuring, not just import substitutions but that Barbadians have a home-grown alternative that can be fed directly into some of the central institutions of Government, such as agriculture being linked to the food demands of the hospital and at Glendairy Prisons; and with industry and manufacturing being linked to the building of hotels. Sir, that was the policy enunciated by the Government and not the compression of demand and the escalation of taxes. Therefore, Mr. Speaker, the country has a very clear picture before it of the disparity between that side and this one.

Mr. Speaker, I am sorry that the Honourable Leader of the Opposition did not see fit to collide with the Economic and Financial Policies because I had hoped, for his sake, that he was not so paralyzed by fear of the Honourable Member for St. John taking office, that he would now be reduced to mindless mutterings and babbles in the Honourable House. Sir, that was not to come to pass.

Asides.

Hon. K. D. SYMMONDS:

Mr. Speaker, this tells us another tale, that is, there is a difference between the two sides of this Honourable House, on what we conceive as being the means of ensuring economic growth. That is a fact with which we have to deal. Sir, on one side we have a very simple rudimentary approach by the Democratic Labour Party, which is almost like a pre-pubescent school boy pointing to the things that the Right Honourable Errol Barrow and the Right Excellent Erskine Sandiford have done. Sir, on the other hand, there is an approach of this Government which is based on constantly engaging the private sector in every step of the way.

Mr. Speaker, one thing came through to me in the speech to which we were just treated, that is, that at no stage was it recognised that the role the private sector has to play was critical. Sir, the Honourable Member for the City of Bridgetown, any other Honourable Members of this Front Bench or I, can travel abroad to meetings. At those meetings we could negotiate until we are blue in the face, it is the private sector that trades. Governments do not trade.

Mr. Speaker, therefore, we have to ensure that not only the private sector is on board but that they understand that which we see as being a national developmental goal and that their own economic planning is going to be able to fit comfortably and compatibly into a blend with that.

Mr. Speaker, perhaps that explains the story appearing in the newspaper a few days ago, which, again, the Honourable Leader of the Opposition and his acolytes were speaking to in the call-in programmes. Sir, this Government saw fit to turn down an investment proposal of about US\$20 million, which was going to see broad-base self-serve gas stations across Barbados. Sir, perhaps we should also say that the showpiece technology was exciting but the principle of economic growth was that it has to be done in the context of social justice. Therefore, the national developmental agenda of this Government is that there will be a blend of the growth, with the commitment to social justice.

Mr. Speaker, with regards to that investment proposal, the unemployment fall-out of that project was absolutely and utterly unacceptable. Therefore, it is again demonstrated by the Right Honourable Prime Minister in his presentation, that we continue to commit ourselves to the development of the human capital.

Mr. Speaker, I want to speak to the human capital issue. Sir, when we speak about groups such as the Coalition of Service Industries, which are now going to be placed in a position where they can benefit from an enhanced fund to promote development and competitiveness and to build capacity for market research, this country has to have the record laid bare before it.

Sir, the commitment of the Government to help the Coalition of Service Industries to build their research capacity and to access markets, has to be seen in the context of the fact that these people are competing against firms internationally, some of which have separate departments that are geared to doing such things as market research.

Sir, therefore, when a Government comes to the rescue of the services industry, it is a worthwhile thing but it is even more instructive than worthwhile when one looks at what has happened under the other regime.

Mr. Speaker, when the Honourable Leader of the Opposition comes here this evening and cries a few crocodile tears about the International Business Sector not performing, the question is why did it not perform? Sir, I hold in my hand the schedule of specific commitments made by the Government of Barbados on April 15, 1994, to the General Agreement on Trade and Services, under the jurisdiction of the World Trade Organisation.

Mr. Speaker, these were the commitments that the Government made to liberalise the services industry of Barbados:

1. Legal services. The only reservation being, interestingly enough, that only a natural person can practise law, which would be obvious.

2. Medical services. The only condition being that a natural person would practise medicine.

Mr. Speaker, there is nothing done to help the lawyers and doctors to get a cushion to build capacity. Sir, nothing has been done about limited liability companies, so that if, in the enterprise, somebody gets into trouble, the whole thing does not collapse.

3. Computer-related services, with full liberalisation with no restrictions.

4. Software implementation services, with full liberalisation and no restriction.

5. Courier services, with full liberalisation and no restriction.

6. Cultural services, with full liberalisation and no restriction.

Mr. Speaker, when those charged at April, 1994, with maintaining guard over the stable gates, to ensure

that the trusting horse would not flee but they, instead, turned their backs on their charge and allowed the horse to bolt, how dare they now come and complain that it has taken too long to catch the horse? It does not make sense.

Mr. Speaker, that is the difficulty that we face with the kind of crocodile tears that come from the Honourable Members of the Opposition when they speak to the question of services in Barbados.

Asides.

Mr. SPEAKER:

Order, please.

Hon. K. D. SYMMONDS:

I am grateful, Sir. Mr. Speaker, this Government will not countenance any policy of submission to the international trade-induced hardships. Even in the area of tourism we continue to have an uphill battle, in an unequal environment, to carve a niche out for ourselves. Now we would hear the Honourable Leader of the Opposition and some of his minions glibly talking about tourism as though Barbados has full and complete control over all that happened in the tourism industry.

Mr. Speaker, perhaps it is useful to explain it in the context of international trade. Sir, there is a General Agreement on Trade and Services which touches entertainment, public utilities, banking, hotel accommodation, guest house accommodation, air transport, ground transport, et cetera. Sir, for some countries like us, all of those areas collate to form the backbone of an economy. Therefore, countries such as the Dominican Republic have long argued - of course it was not entertained by the Government of Barbados at that time - that there should be a special annex called to tourism services, so that countries which are particularly dependent on tourism would have an opportunity to better defend their interest.

Mr. Speaker, because of the fact that many of us decided to remain mute, either out of malice or out of callousness, it, therefore, allowed a whole wide range of anti-competitive businesses to spring up in international tourism.

H:No.049(34)650 p.m.

Wednesday, December 8, 2004

Continuation of Hon. K. D. SYMMONDS:

Sir, it not just the frontier formalities like duty-free and travel taxes but there are heavy subsidies being applied. The people who own the cruise industry, the planes and the chartered countries come from the powerful economies of the north and are not interested in the fact that someone in the United Kingdom owns the travel agency. The charter company and the airline would send people to the island to pick one company to control the ground transportation or a chain of hotels and in the process squeeze out the small. Sir, they are not concerned about that but we have to defend the interest of the small man in that context but the Opposition does not speak to these things.

Sir, my constituency office in Paynes Bay used to be a bed and breakfast hotel like what the Prime Minister spoke about yesterday and there are also a number of them in Laynes Gap. I know a gentleman in Laynes Gap who is presently restructuring his house in anticipation that he would be able to use a part of it as accommodation for cricketers who do not want to stay at Royal Westmoreland, Sandy Lane or the Hilton Hotel. They will stay at Hoyte's Village near the playing field and this makes the policy and proposal worthwhile to put \$5 million in this sector so that people of the west coast and the south coast can be major players in tourism. Sir, this is a vital part of building community participation. Sir, the Leader of the Opposition does not connect with any of this. He wants to take us back to 1963 to tell us what happened in a well because that is the sort of politics to which we have come.

Mr. Speaker, the Honourable Member for St. Michael North touched on the area of the Caribbean Single Market and Economy. I want to say that the rights of establishment provided for under the Caribbean Single Market and Economy provides a boom to our service providers. We have spent a lot of energy in this financial statement to create an environment to stimulate the ability of Barbados to promote and export its services.

Mr. Speaker, the opportunity now is there for our service providers. The same way that Trinidad makes billions of dollars out of manufacturing because they have oil, our country, economy and people can make that same kind of money out of the exportation of services. Sir, how many restaurants of a Barbadian brand can be found in Castries, St. Lucia, Grenada or St. Vincent? In this Chamber one-third of us are Attorneys-at-Law but how many of us are part of a firm that can better exploit the opportunities by establishing its presence in St. Vincent or St. Lucia. Sir, only two members are part of the same firm. The same thing happens with doctors, dentists and professional across the board in this country.

Mr. Speaker, we have to wake up and realise that this is a boom opportunity. I have grown tired of hearing that there would be difficulties with immigrant but Barbadians go elsewhere and people feel the same way about us too.

Mr. SPEAKER:

the Honourable Member has four minutes to conclude.

Hon. K. D. SYMMONDS:

I am grateful to you, Sir. I am suggesting to you that it is time for us to do or die because some parts of this region are washed with liquidity and other parts are pockmarked by failing or failed societies and we have a choice to decide where we want to go.

Mr. Speaker, I have only four minutes and it is best for me to reflect on what caused such a paltry performance by the Leader of the Opposition. I wish the Leader of the Opposition were present but I want to say that it calls for a certain degree of maturity on his part now to save himself from the brink of self-imposed political destruction because with the best conscience in the world, you cannot become paralysed by fear because somebody goes on a political platform and says that he had a cell phone in a supermarket, people stopped him and told him they were looking for him and that they wanted him. Sir, why were they looking for the Leader of the Opposition and for what? The only reason they could be looking for him is to ask him if he were the Digicell Fugitive? The Leader of the Opposition should know better because he has been around and understand athletics because I saw him compete and he

knows that you do not pass a baton backwards in a relay. Sir, he knows that the baton is passed forward and continues to be passed forward.

Therefore, to allow himself to be placed in a position where he unwittingly contributes to devaluing what should be an excellent opportunity to discuss the future of Barbados' economic growth by spending all sorts of times posturing that he is an intellectual leader while his competitor is not so intellectual, is to reduce the whole thing to absurdity. Sir, I once predicted that the dirty laundry in George Street would come out and even defile the Parliament of Barbados and today, I have seen that sorry day.

Mr. Speaker, I wish to say that while the Opposition fight their internal fight and sort themselves out that this Government remains committed to this Financial Statement and to promoting the export potential of the people in the service sector of Barbados, especially committed to revitalising agriculture and industry so that it has a future in this country. We will press on with the business of the people while the Opposition continues to fight to the bitter end.

Mr. Speaker, I thank you.

SUSPENSION

Hon. Miss M. A. MOTTLEY:

Mr. Speaker, Sir, I beg to move that this Sitting be suspended until 740 p.m.

Hon. Dame Billie MILLER:

I beg to second that.

The question that the Sitting be suspended until 7:40 p.m. was put and resolved in the affirmative without division and Mr. Speaker suspended the Sitting accordingly

H49/

6:58 p.m.

Sequence 35

Wednesday, December 8, 2004

RESUMPTION

Mr. SPEAKER:

This Sitting is resumed. The Honourable Member for Christ Church East.

Hon. R. R. FARLEY:

Mr. Speaker, I rise to give full support to this Resolution which is the substantive which is before us.

This Resolution is one which urges this Honourable House to congratulate the Honourable Minister of Finance and Prime Minister for sound management of this economy. This Resolution calls on us to support these economic and financial policies. Sir, policies which in my estimation are designed in such a manner that they embrace every sector of this society.

H49/

7:40 p.m.

Sequence 36

Wednesday, December 08, 2004

House 049, sequence 37,

7:40 p.m.

Continuation of Hon. R. R. FARLEY:

They seek, Sir, to further reposition our Barbados economy to one which is more service oriented. They seek to establish Barbados as a mecca for services in this Caribbean region and, indeed, the wider hemisphere. Of course, they also seek to further accelerate the rate of growth and development, both of which are already very impressive.

One would have thought, Sir, that against such a background the lead spokesman for the Opposition would have used the opportunity to discuss these serious matters. We can well understand, given his present situation that these were way above and beyond what he could comprehend.

The proposals as put forward by the Prime Minister were comprehensive and very strategic. They dealt with all aspects of our economy and some of our social circumstances. Indeed, Sir, they dug deep into the fabric of our society and economy. They were also cast very far into the future, recognising that we have a responsibility as the leaders of today to chart a path for this economy and society that future generations would look on with pride and admiration. They would have seen us as men of vision in our time.

Sir, what we were treated to instead, Sir was something of the old paradigm. The Honourable Member for St. Michael North West, would rather have gone back to Budgets of old, in the Democratic Labour Party days, when the debate was about the price of sardines or the taxation on blocks, nit picking at prices here and there, raising taxes, and not about these strategic economic discussions which are designed to prepare our economy and society for the future, and this is what we are about today.

Instead, Sir, the Honourable Member took us on a series of ad hominem attacks on who has what kind of house. I do not want to spend any time on that but just to say that I am proud that whatever kind of house I have, I worked for it, I did not inherit it by birth or by marriage.

Asides.

Hon. R. R. FARLEY:

I am happy to make the trek every month to the financial institution and make my mortgage payment.

Sir, the comprehensive nature of these proposals before us should be something of which we can all be proud. The Rt. Honourable Member for St. Peter and Prime Minister spoke not just to the review of the economy but he gave us a very good perspective and put forward very sound proposals, which are aimed at major institutional and economic initiatives to make adjustments in our macro economy to reposition Barbados as it sails through this tide of uncertainty in changing economic times.

The Rt. Honourable Member for St. Peter and Prime Minister also took the opportunity to introduce a number of major productive sector proposals which are aimed at stimulating the economy, not through Government activity as was the case in the recent recession of 2001 after September 11, 2001, but to push the private sector along to ensure that there was private sector led growth to move the economy forward.

I notice, Sir, that the Leader of the Opposition did not speak to the economy and you know, Sir, that when the Opposition does not speak to the economy, it could only mean one thing, that things are going well. Sir, how has the economy done? Given that glaring omission by the Leader of the Opposition let me take the opportunity to remind you that this Barbados economy, returned to growth by the second half of 2002, after the recession of September 11, 2001 and we were able to maintain that growth in 2003 grown by some 2 per cent.

Sir, we continued for the first nine months of this year with growth in the order of 2.9 per cent. The projection by the Central Bank and others is that we will grow by a full 3 per cent in 2004. This is economic growth. What other country in the world has been able to so order its affairs, as to be able to go into a recession and come back out in 18 months. This is astute management of the economy. Careful articulated proposals brought before this House, each and every year, have been the reason why we were able to weather that storm of September 11, 2001, when there was great uncertainty in the world and to come out of it with our economy intact.

Sir, I want to remind you that unemployment tells the tale. Once again in Barbados for the second and third quarters of this year, unemployment is down to single digits and we take that for granted.

Mr. Speaker, there are developed countries in this world that are not able to experience single digit unemployment. What is interesting in this unemployment, Sir, is that the situation which usually presents itself, that is, that unemployment tends to be higher among women than among men, we are beginning to see a little adjustment.

Unemployment among women is falling at an even faster rate than unemployment among men. This is important, given the nature of our family structures where there are many households which tend to be supported by women. Women head households, Sir, and therefore the fact that they are employed provides for greater stability within that family framework.

Sir, we had low inflation, and I want to also draw attention to this fact because we had much discussion during the course of the year on the matter of the fiscal deficit. This Government by deliberate policy

had to incur a larger than normal fiscal deficit of some 5.4 per cent of GDP in the period of recession, so for 2002, 2003 we had a large deficit. We have always indicated that our policy is to have no more than a 2.5 per cent deficit. We were able to slash that deficit in half and to return to our normal trend, which resulted in the deficit for 2003, 2004 being some 2.5 per cent of GDP. This is less than the 9.2 per cent which we had projected at the Estimates. Sir, for the current financial year, we projected a deficit of some 2.6 per cent so this economy is on track.

Sir, what is the major objective of these economic and financial policies? In my estimation, our major goal is one of competitiveness. The Minister of Finance has set out a very clear strategy for helping us to realise the objective of moving our society and economy towards one where we are able to earn our way in the world primarily through services exports but also, Sir, one where he recognises that we need to protect our social capital, and the need to protect our national identity. Therefore he has resolved a 100 per cent Bajan strategy of economic and social management which will have us to be able to be global and modern, while protecting Barbadian traditions and culture and that is important. I want to salute him and applaud him for being able to have a judicious blend between economic development and social development.

There are many countries in the world, such as Latin America and Eastern Europe where they have sacrificed the goal of economic growth on the altar of social development.

House 049, sequence 37,

19:50pm

Wednesday, December 08, 2004

Continuation of Hon. R. R. FARLEY:

They have economies where the figures look very fancy as far as the Gross Domestic Product and the growth is concerned, but all the social indicators indicate that there is no balance. That is not so in Barbados. That is not so with this Barbados Labour Party administration. That is not so with these Economic and Financial Policies as presented to this country.

Sir, even as we pursue this goal of competitiveness, making sure that we are able to export more to earn our way in the world and to pay our bills, we are striving for balance. So in matters relating to competitiveness, the Minister of Finance has recognised that it requires a multi-dimensional approach dealing with the macro economy of which I spoke a few minutes ago, having fair and open markets which we have addressed with the creation of the Fair Trading Commission, the introduction of numerous pieces of legislation to promote entry into the market as well as fair and open competition.

The area of education and training have been a principal focus of this administration, I will speak more to that a bit later and the matter of providing financing for business is covered in this presentation, and I will speak more to that during this presentation as well, recognising that these are important contributors to the attainment of competitiveness in the economy dealing with our communication and our infrastructure however important. Sir, against that background, I want to speak therefore of what I

identify as being the key components of what is required to get us to that point where we want to get to in terms of being a competitive economy. I want to speak a bit more about some of the measures which the Honourable Prime Minister has introduced.

Sir, I want to salute him for the bold steps he has taken in developing the business sector, particularly the small business sector. Indeed, Sir, one of the hallmarks of this economy under the Barbados Labour Party has been that we have created opportunities not for a few large businesses but we have been able to bring along all sectors and all sizes, especially our small businesses.

I need not remind this House, Sir, that it was this administration that, for the first time in history in Barbados, created a Small Business Development Act and an institution to provide technical assistance to small businesses and in each and every productive sector identified a small business component which receives support above and beyond other larger members of the sector. Therefore, the finance which has been provided to support the small hotels, \$30 million, the additional support for the Small Business Venture Capital Fund and the other business support is important. Why is that important, Sir?

There are those, particularly those outside of Barbados and in the international financial institutions, who would argue that the Government should not be involved in financing business, but what is the reality, Sir. Conventional thinking and conventional theory is that once you allow businesses to pool their resources through the Stock Exchange and other mechanisms, the private sector will generate enough money to finance its own activity, but that has not proven to be the reality in Barbados. Let us face it, Sir. In the absence of Government injected funding for the development of the tourism sector, the agricultural sector and the manufacturing sector, we would not be in the position in which we are today. The sectors which have been able to evolve large firms with some financing are in the retail sector, some in the construction sector and a few in the hotel sector especially expatriate firms. However, if we are to have a just, inclusive, equitable society which also provides economic opportunity, then we need to continue as a Government to inject financing into those sectors, and I want to salute the Honourable Member for that.

Sir, I want to speak on behalf of the farmers of Barbados because I felt their pain this year. They had a bad year with flooding. I am speaking of persons like Mr. Maloney from the Gibbons Boggs\Chancery Lane area in which there was substantial flooding. There is no prospect of earning for Christmas which is one of their peak periods of sales. Therefore, for the Minister to be able to identify with their needs and to feel their pain, as I do, and to provide \$2 million in crop disaster relief is a very important step. It shows that he recognises not just the economic significance but the social significance. We in this Party will not allow the farmers or any commercial enterprise such as a small business to go by the wayside without throwing out a lifeline for the simple reason that it is not Government that trades, it is business. We are not into the abstract.

Sir, there are those, like the Leader of the Opposition, who would argue on the level of the industry. What is an industry, Sir? An industry is an aggregation of individual business units. You could have the most spectacular policies for your industries, but if they do not touch at the heart of profitability and viability for the individual business unit, you are wasting your time. So agriculture in Barbados will not be possible by just making policies for the industry. It is in making sure that at the level of the farmer, he is comfortable that when he goes out at 5 o'clock in the morning and sticks his fork into the ground, when at 11 o'clock he wields his hoe to chop down some weeds and then at 4 o'clock he does some

reaping to go to the market to sell on weekends, that he will be able to get out more than he put in. That is what will ultimately preserve our agricultural lands in agriculture. No amount of long talk!

Therefore, the action taken by the Minister of Finance in recognising that we cannot control acts of nature... We are not a very rich country, we cannot just throw money at circumstances, we have to plan for the future. Setting aside this Fund which is accessible in the event of disaster is an important measure because the commercial banks, I know, are not going to do it and the other private sector entities would not.

Sir, I want, in the limited time I have, I am watching the clock, to speak about some social capital issues. The Minister of Finance quite properly recognised that we would not be able to achieve competitiveness unless we build our social capital. Sir, we start based on a good platform. We have over the years as a country devoted substantial sums of money to the development of education and health care in particular, certainly, since this administration has been around. We have also put policies in place to deal with youth matters, to deal with poverty alleviation and to protect our cultural patrimony. These are all important aspects of social capital.

Sir, I want to speak very quickly about one important component of that measure. The Honourable Member for St. Michael North West, in typical fashion, sought to reject all that is good and great including things that would help his own constituents. Sir, I was shocked, I was horrified, I was even scandalised when an Honourable Member could stand on the Floor of this Parliament and reject a project like Project Oasis and pooh-poohed it as being nothing more than skills training and not worth this and worth that, when in his own constituency, in St. Stephen's Hill, in Deacons and in Fernihurst, young boys are off 'the block', not 'on the block' because of their involvement in this programme. Sir, I hope that he can comfortably walk in those areas after his speech tonight because he is seeking to take bread out of their mouths.

Sir, I know that the Honourable Member for St. John, by contrast, being the wise sage that he is of late, will not lambaste this programme because he would be aware that the boys 'on the block' in Sargeants Street, Henley and Massiah Street are involved in this Project Oasis. So he would not follow the line taken by the Honourable Member for St. Michael North West.

House 049 Sequence 38

8:00 p.m.

Wednesday, December 08, 2004

Continuation of Hon. R. R. FARLEY:

Mr. Speaker, I want to say that this project most clearly demonstrates the commitment of this administration, to bring along every citizen of Barbados with us, as we go on a journey to making this country, this economy and this society, the most profitable, the most prosperous, and the most peaceful society in the world.

Mr. Speaker, we do recognise that the youths on the 'blocks' represented a group in our society that represents a sense of detachment from the mainstream. Last year we committed \$1 million to a

programme to assist them. Sir, the results speak for themselves. So far, in just the first phase, over 316 persons, of whom 60 were young ladies, have registered for the programme and have done a range of training programmes.

Mr. Speaker, contrary to what the Honourable Member for St. Michael North West is saying, it is not simply about training. It has, in fact, been a life-changing experience, where grandmothers, mothers, uncles and aunts, have been calling the Ministry, either to thank us for the change that they have seen in the youngsters who have been on the 'blocks' or they have been making inquiries. They are providing financial support to ensure that those youngsters who are registered in this programme, are able to continue.

Mr. Speaker, what is more is that as part of the programme in Project Oasis, these youngsters are exposed to issues such as money management, building self esteem, conflict resolution, a range of social skills, including job interviews and conducting themselves in business, and a range of activities, to make them productive members of the society and of the economy.

Sir, let us understand that these are not persons without talents, as unfortunately some persons may think. In fact, I would invite all Honourable Members of Parliament and all Barbadians, to go on a 'block' near them and see what is really happening. The 'block', in many cases, is really just a place to go. However, if we do not tap the talent that is there, it begins to go to waste.

Sir, what talents are we talking about? The film component of this project provides the clearest example that these are, in fact, young people with talents and who were previously lacking opportunities. Sir, not anymore. In the first component of that film project, some 28 short films, documentaries and advertisements were produced, ranging in titles such as: "Men in Action", "Market Life", "The Block Story", "The Art of Pottery", "Hope for Peace", "Kadooment Climax" "Confuse", "Youth Corner", "Hot and Critical Times", "The Choice", and "Sweet Memories".

Mr. Speaker, I must tell you that "Confuse" has won a Silver Award at this year's NIFCA. This was won by persons who started a training programme this year, while "The Choice" has won the Special Award offered by the National Council for Substance Abuse for putting out a message against the use of drugs.

Mr. Speaker, I have, in my other hand, a DVD with 28 productions and with your permission I want to make this printed copy a document of this Honourable House, as well as this digital copy. Sir, my only regret is that we are not yet digitally-friendly because as part of my presentation to this Honourable House today, I should have been able to show this in lieu of my speech.

Sir, these are eleven examples of what a commitment to building social capital is all about. These are eleven examples of what a commitment to using the resources of the state to bringing everyone along is about. These eleven examples are what it is all about because it is about using the surplus generated by economic activities in tourism, manufacturing and in agriculture and using the resources for relaxation to help along those sectors, such as the poor, the elderly, the children, the unattached youth, and the youths on the 'blocks'.

Sir, these are not people without talent. These are not wild persons who are looking to make trouble or who should be cut off from mainstream society. These are talented persons.

Sir, there are 28 films here and there are 30 Honourable Members. Which one of us could make a film? Mr. Speaker, the Honourable Member for Christ Church East Central said that he could make a film. Sir, this is what the first million dollars is about.

Mr. Speaker, I have not mentioned the computer repairs, or auto mechanics, et cetera. Sir, the Honourable Member for St. Michael North West is in his seat now and I want him to know that the young people from the 'blocks' in his constituency are very much involved. Sir, even if the Honourable Member is against it, they are not, and I think it is best that he steps in line with them or that he faces the consequences. But that is his problem.

Mr. SPEAKER:

The Honourable Member has three minutes more.

Hon. R. R. FARLEY:

Mr. Speaker, on the matter of social capital, with services being the major direction in which we need to go, this Government's commitment for building social capital for economic and social purposes is also more clearly demonstrated directly in education.

Sir, I need not speak to the details of the pre-school programme. When the Honourable Member for St. Thomas speaks, I am sure that she will speak in detail to that, because that is her area of expertise, as she is an expert in early childhood education.

Mr. Speaker, this administration has made a commitment to ensure that the potential of each of our citizen is fully and comprehensively developed, that is, from nursery to tertiary. Sir, let no one fool you, the Democratic Labour Party comes here or whenever they get on a platform, they talk about things not done. Sir, what are the facts? Sir, I have done some checking.

Mr. Speaker, we are committed to expanding tertiary education. As yet we cannot accommodate as many as we would like but what has their record been, compared to ours? Sir, in 1986, that faithful day when the Democratic Labour Party took over the reins of Government in this country, there were some 5,209 persons enrolled in tertiary education. Sir, after 10 years that number had merely crept along, at a snail's pace, to move to 7,200 persons.

Sir, thankfully with the Barbados Labour Party at the helm, having made a commitment to give a greater number of our people the opportunity to reach their full potential, we have rocketed along to the point where today, in this current academic year, we are in the region of 13,000, which is almost double the enrollment at tertiary levels. Sir, that is about making sure that the children of maids, gardeners, and of the unemployed, that as long as they have the talent, that they are able to reach their full potential.

The Honourable Member for St. Lucy is saying, sotto voce, that it is about reducing unemployment. Sir, this was not done by smudging and camouflaging figures, nor by putting them in schools so that they would not be listed as being unemployed. Sir, it is about making sure that throughout their entire lives, they have the skills that will ensure that they will never again become unemployed. H:No.049(39)810 p.m.

Wednesday, December 8, 2004

Continuation of Hon. R. R. FARLEY:

Mr. Speaker, it is not about getting a job early and keeping it for life. It is about ensuring that you learn and are employable for life, that is our social capital experience exercise. We are committed to ensuring that Barbadians are the best educated, the most diversified, that they are multi-skilled and that there is no digital divide. This is essential not only for living and working in Barbados but in order to ensure that as we move into the Caribbean Single Market and Economy and toward the Free Trade Area of the Americas, as we become a more open Caribbean that Barbadians are able not only to hold their own but to excel as persons best prepared to meet this competition head on.

Mr. Speaker, I thank you.

Mr. SPEAKER:

The Honourable Member for St. Philip South.

Hon. A. P. WOOD:

Mr. Speaker, once again, it gives me the greatest pleasure to rise in this Honourable Chamber to make my contribution in this debate. As is customary, I start by thanking those honourable and good constituents of St. Philip South who found it fit in their wisdom to send me to this Honourable House to speak on their behalf and to look after their business in the best way possible.

Mr. Speaker, now that I have the benefit of all Barbadians, I think I need to put to rest a wicked and malicious rumour which has been surfacing the last few weeks. The rumour is related to my future in politics and I want to say for the record that the good constituents of St. Philip South to whom I alluded, reposed great confidence in 1999 when I was a member of the Barbados Labour Party and again in 2003.

Sir, this great Party, the Barbados Labour Party has been good to those people and with the continued guidance of the Almighty and good health, I intend to make myself available at the time of the next elections whenever it is called as a proud member of the Barbados Labour Party in seeking their confidence for a third time. I hope these statements tonight would put these wicked and malicious rumours to rest. Mr. Speaker, the constituency and constituents of St. Philip South have continued to prosper under this Barbados Labour Party regime, under my stewardship and have continued to do so in ways never seen before in the years pre-1999 under the Democratic Labour Party.

Mr. Speaker, I have the benefit of the last two years on the Front Bench and listening to the Honourable Member for St. Michael North West literally waste golden opportunities during these debates. Last year, I lamented the fact that after a three-hour discourse that we could not point to anything futuristic coming from the Leader of the Opposition in respect of how this economy could be moved forward. Instead we got a clear admission that the various meetings which the Opposition held over the last two months were gross failures and so as to capture something they hoped for when they moved around Barbados with a series of meetings which were a decade of deception, the Honourable Member for St. Michael North West comes to this Chamber and spends two hours out of a discourse of two and a half

hours speaking about topics which were the basis of meetings which they had for the last two months. Sir, the public of Barbados is no wiser having listened to him than they were before he started.

Mr. Deputy Speaker, the Leader of the Opposition said that in Clyde Mascoll, what you see is what you get. If the Barbadian public believes this, then there is nothing of substance that could allow the Democratic Labour Party to deal with the challenges this country will have to face as it goes forward. The public should continue to focus on this administration with its enlightened policies and which has at its core, the aim to move Barbados forward.

Mr. Speaker, the Honourable Member for St. Michael North West once again made a slight attack on the academic community in Barbados. I heard him say before the 1999 Elections that the academic community in Barbados was timid and not doing what was expected of them and today, six years later, he is making the same remark about the academic community.

Mr. Speaker, back in 1999, I was a member of the academic community and when we discussed this matter at the university, my colleagues came to the conclusion then that this Barbados economy is well managed under the Barbados Labour Party, notwithstanding the challenges the economy is facing so there is nothing to shout about. Sir, this was said in 1999 and it is still the case in 2004. Sir, to disrespect the academic community by aiming to give Barbadians the impression that the community is not in tune with the social, economic and political development in this country is false.

Mr. Speaker, the Honourable Member for St. Michael North West was very scathing in his attack on the stewardship of the Prime Minister. He ventured to say that the Honourable Member for St. Peter was a monumental failure as a manager. Mr. Speaker, the Barbadian public got an opportunity to assess the worthiness of the Honourable Member for St. Peter on two previous elections and also in 1999. Sir, a monumental failure as a manager could not lead a team to a historic victory of 26 to 2.

When the Honourable Member for St. Michael North West makes such a statement, by extension he is saying something about the intellectual capacity and ability of the public of Barbados to reason.

The Honourable Member for St. Michael North West does not realise what he has done because the Barbadian public is very much in tune with political development, is politically aware and will become more aware over time. This is why in 2003, the Barbadian public whom he claims cannot give a proper assessment of the performance of this economic manager said that the Barbados Labour Party should be retained to power by a majority of 23 to 7. They told the Democratic Labour Party and all Barbadians in an unmistakable fashion that the only monumental failure in the last 13 to 15 years in Barbados were the members of the Democratic Labour Party.

H49/
8:20 p.m.

Sequence 40

Wednesday, December 8, 2004

Continuation of Hon. A. P. WOOD:

The Honourable Member for St. Michael North West, at the height of his exuberance and while staying away from the economic statement which was delivered yesterday, plunged into another gross error when he said that we should not be buying buses for the disabled community and that the disabled community, irrespective of the degree of disability, that they should be integrated into the normal public transport system. Sir, nothing could be more ridiculous.

Mr. Speaker, last Wednesday, December 1, 2004, the Honourable Member for St. Michael South East and I had reason to engage the disabled community about a transport policy. The President of the grouping was very explicit and clear in what she deems to be an appropriate transport policy for the disabled community. While she indicated that there is a case to be put for the integration of the disabled community into the normal public transportation system, there is also a strong case to be put for the purchase of buses specifically to allocate to the disabled community.

Sir, at the moment there is one bus managed by the disabled community which was bought specifically for the disabled community and recognising that this community comprised members of differing and varying degrees of disability, she argued, and we agreed, that they need more of those types of buses specifically for the disabled community. In cases where the nature of the disability is not as acute or severe, there is a case to put for integration into the normal public transportation system. The Honourable Member for St. Michael South East could bear me out on that.

Mr. Speaker, for example, a chap who is very physically challenged, and there are such persons who live in my district who would benefit tremendously from the disabled community being able to operate this one bus. As a matter of fact, the President of the disabled community put a strong case to Minister Lashley and myself for the Government to purchase a bus, which is available from the Cancer Support Services group which can be retrofitted in very short order at little cost, to serve a purpose that is similar to the one which the disabled community is benefitting from at the moment.

The disabled community wants more buses but they also want integration for those members of the community that are not suffering in any acute way.

Sir, the Honourable Member for St. Michael North West revisited the matter of the proposal to increase the water rates. He reminded us of something I said a few weeks ago in this Honourable Chamber and that is dealing with the inefficiencies at the Barbados Water Authority and that it is not all about the Barbados Water Authority gaining access to additional financial resources.

Mr. Speaker, I said in this Honourable House and elsewhere that we need a comprehensive approach to turn around the Barbados Water Authority and the comprehension to deal with it must speak to what is necessary at the level of the technical side of the entity, the organisational functioning of the entity and what is required at the level of the financial aspects of the entity. Sir, this is known.

Sir, I want to repeat that the proposal for the adjustments in the water rate, quite unlike what you might hear coming from the other side and other quarters in this country, will not in anyway impact on over 50 per cent of the households in Barbados. This proposal was very well thought out and those who are consuming between 1 and 12 cubic meters per month will continue to pay the minimum.

The Honourable Member for St. Michael North West also said that he hopes that we would not be

passing the entire burden occasioned by the increase in the water rates onto the middle class.

Mr. Speaker, the philosophy which is driving the proposal is one which is based on some key principles and these principles speak to the need to conserve water and affordability. While we recognise that there are numerous challenges confronting the Barbados Water Authority and that the distribution network leaves a lot to be desired, the fact of the matter is, Barbados is a water scarce country and it will remain a water scarce country for some time to come unless we can solve the majority, if not all of the technical problems that confront the Barbados Water Authority.

Sir, one of the key principles is dealing with the unaccounted for water and that will require a massive injection of capital to upgrade and overhaul, in a significant way, the infrastructure. If the burden of the increase of the water rates is passed on in a disproportionate way to those who can afford to pay and those who use a greater proportion of the water, the fact is, every study that was done on the Barbados Water Authority and the water resource management issues in Barbados, speaks to the need to have philosophy underpinned by the key principle of conservation and affordability.

The Honourable Member for St. Michael North West said that the Prime Minister and Honourable Member for St. Peter is out of touch and that the Budget did not make contact with reality. They continue to surprise by saying one thing today and when it suits them to say another thing, in contradiction of themselves, they say that too. That has been the hallmark of the Democratic Labour Party since I became an elected Member of St. Philip South, when I would have been paying more attention to these matters.

Mr. Speaker, we would have heard inside and outside of this Honourable House that the Barbados trade balance is leaving a lot to be desired and that we need to do some things with some measure of alacrity in order to deal with the external trade position. The Honourable Member for St. Peter, apart from what he has been saying over the last few years in Economic and Financial Statements, and the one yesterday, put as one of the main objectives of this Government and one of the main reasons for the construction of these policies and measures, the need to get our external current account deficit closer to what it was in the previous 5 years of this administration as opposed to what it has been over the last 5 years.

H49/

8:30 p.m.

Sequence 41

Wednesday, December 08, 2004

House 049, sequence 42,

8:30 p.m.

Continuation of Hon. A. P. WOOD:

We said that the current account on the balance of payment average approximately 5.8 per cent of Gross Domestic Product (GDP) over the five years ending 2003, compared to an average of around 1.8 per cent, during the previous five years when there was a less intense process of trade liberalisation.

These economic statements speak to the Government's resolve in doing something about this current account imbalance. Sir, from a focus macro economic position, he said that the Government will pursue a process of selective stimulation of the economy, in order to diversify the export base and to enlarge domestic production of goods.

Mr. Speaker, the Honourable Member of St. Michael North West is correct, but we know that we need to earn our way more and to boost or build the national capacity to import. This is a fashionable term that we use widely in economics and the national capacity to import is simply the ability of a country to import from its current export earnings.

The Rt. Honourable Member for St. Peter following on from previous years, while recognising that tourism has been helping us tremendously in this regard, said that we need, in relative terms, to reduce our dependence on tourism, so we need to follow a more structured growth path. Sir, it is going to be challenging and the country needs to make a concerted effort and a redoubling of our efforts to ensure that our national capacity to import is, indeed, improved.

Sir, it is absolutely important that there is a successful export development drive and a much stronger export culture in Barbados. This is why I can stay on This Side and make contact with the Budget, quite unlike the spokesperson from the Other Side, who would have spent 90 per cent of his time not making any contact with this Budget. I gave the good explanation for it, which is because of the monumental failure of the meetings the Democratic Labour Party had over the last couple of weeks, so they had to come back in here and reproduce a lot of what was said on those occasions.

Mr. Speaker, I wholeheartedly support the establishment of Export Barbados Inc. to refocus our export development efforts. I think that all Honourable Members will agree to the National initiative for service excellence and that it is extremely important for us to complete the liberalisation programme to telecoms in Barbados. It is vital that we get to the end.

Mr. Speaker, any further delays in the liberalisation of the international market which will be Phase 3 of the Three Phase Timetable will have substantial negative impacts on the potential growth of this economy in the next few years. In addition, Barbados' reputation as a jurisdiction for international business can suffer, if the liberalisation lags any further.

Sir, let me give you some figures which were provided to us by the Honourable Minister for international business. In the cost centre industry, we anticipate that it is absolutely important that more competitive rates in the provision of international services are achieved, so as to spur on activity in the call centre industry. We also anticipate that the additional jobs in the seven BIDC assisted call centres, could be in the neighbourhood of 500, if the rates become more competitive - that is, if we can get to Phase 3, sooner rather than later. The Prime Minister was very clear in his position on the matter when

he said that by January 31, 2005, the coast would be clear for us to get on with Phase 3.

The Ministry of International Business has inquiries from three companies willing to establish call centres in Barbados. The employment potential in those three companies is somewhere in the neighbourhood of 600 persons. We are saying that business opportunities abound, awaiting the movement to Phase 3, so that the economy could reap the full benefits from a liberalisation programme in telecom. This is not to say that the economy has not been seeing the benefits from the liberalisation that has taken place so far.

Sir, you know what has happened in Phase 1 and what we are able to do in Phase 2. The tangible employment gains have occurred in the area of customer premises equipment and the increase in the cell phone use from 60 000 before the advent of AT&T and Digicel to 140 000 in a very short space of time, would have brought increased revenue with the licence and spectrum fees.

Mr. Speaker, Barbadians are also gaining significant technological skills and awareness through the use of state-of-the-art equipment, employed across the world. There is a multiplying effect of the improvements in the market which are also being felt across the economy, as both businesses and individuals can conduct their activities within an environment of enhanced technology which is rapid and becoming very efficient.

Mr. Speaker, I am very disappointed with the performance of the Honourable Member for St. Michael North West. I know that he can do better. There is enough in this document on which the Honourable Member could have focused his attention.

Sir, speaking on behalf of the people of St. Philip South, I am heartened that this administration through this statement is going to expand the Project OASIS Programme which has its impact in the constituency of St. Philip South. It also has its impact in St. Philip North, because there is a leather craft project at Eastbourne, so its impact is being felt across the length and breadth of Barbados. I want to thank and congratulate the members of the Block Committee who ventured to three areas in my constituency where blocks are established. We had some very fruitful discussions with the youngsters in Gemswick, St. Martin and Ruby.

Mr. Speaker, some of the members started to access the training at the Samuel Jackman Prescod Polytechnic (SJPP), and only a couple of weeks ago, I was contacted about the readiness of the Block Committee to start a programme in St. Martins, so that they would not have to go to the SJPP at all times. Sir, that programme has already started in my constituency.

Mr. Speaker, there is a lot to it and I know that some Honourable Members on the Other Side do not think so, like during the last election, when they threw cold water on EduTech. I want to encourage those of you who have not already considered seriously the Project OASIS to come on board, because there is much available for those persons, who might appear to be outside of the mainstream of economic activity in Barbados.

House 049, sequence 42,

8:40pm

Wednesday, December 08, 2004

Continuation of Hon. A. P. WOOD:

This Government recognises that just like the others they have a contribution to make and we will go to them on their turf with imaginative programmes and we will encourage them, they having access to training, to seek productive employment with the skills that they have. Mr. SPEAKER: The Honourable Member has one minute to conclude.

Hon. A. P. WOOD:

Mr. Speaker, I want to support another initiative that we are making. It is not the first time the Government has signalled its intention of forging and indeed facilitating enhanced linkages between economic sectors in this country. This Statement speaks to a redoubling of our efforts to bring agriculture and manufacturing closer to tourism. I argued a long time ago when I was at the Ministry of Agriculture that there is absolutely no reason why agriculture, it can lead tourism, could not be brought along with tourism via enhanced economic linkages. As a matter of fact while I was there, we started an economic linkage project from first principles. I am happy to report that before I left, the Inter-American Institute for Cooperation on Agriculture bought into the idea of economic linkages. They went ahead, not very long ago, with the formal establishment of an agro-tourism linkage centre which has been doing some good work to date, but time does not permit me to identify some of the things they have been doing.

The Government, as a way of providing more opportunities for the farming community, stipulated that the feeding programmes of the Government institutions should allow for 60 per cent to be taken up by the farming community. We said so in this Honourable Chamber and it came up in a previous Economic Statement. We also said that we would introduce locally produced milk into the schools and we started the pilot project with about 13 or so primary schools. The Prime Minister said yesterday that we will give the milk producers in Barbados greater scope and more opportunities by expanding that milk feeding programme. This would require some resources to be expended in equipment, but this is a wonderful opportunity for the small farmers. The Barbados Agricultural Society should jump on this measure and put the farming community in a state of readiness to take advantage of this.

Sir, the Honourable Member for St. Lucy is smiling because he knows it is a wonderful thing for this Government to do as a way of boosting agricultural production.

Mr. Speaker, let me close where I started in thanking the good people of St. Philip South for the opportunity they have afforded me. Let me recommit myself to their cause with this Barbados Labour Party whenever the next election is called. Let me also recommit my support to these Economic Statements which are built in a contextual framework that recognises what is required to move this economy forward which is quite unlike what the Honourable Member for St. Michael North West has given us, which is nothing at all and which does not offer any hope at all for the Barbadian people.

Mr. Speaker, I am thankful to you.

Mr. R. D. JONES:

Mr. Speaker, in his concluding remarks the Prime Minister quoted a Mr. William Allen White and I just want to repeat that quotation as my particular departure into what I have to say to the Honourable House and the Honourable Members herein. Mr. William Allen White is saying that everyone expects to go further than his father went. Everyone expects to be better than he was born and every generation has but one big impulse in its heart, to exceed all the other generations of the past in all things that make life worth living.

Mr. Speaker, that is a grandiose commentary and obviously true, but we have to ask ourselves if the spin the Honourable Prime Minister has put on it is true. I do not deny the fact that substantial transformation has taken place in the lives of Barbadians particularly if we reflect on the conditions which led to the disturbances of 1937, some 67 years ago. Therefore, one would by necessity expect that there would have been changes and there would have been some transformation in the economic lives and the social lives of the people, not so in their spiritual lives.

One would have also expected that there would have been some transformation across the general environmental and infrastructural landscape of Barbados. I would advance the view that much of the squalor, social exclusion, racial divisiveness, educational exclusion and inequity, employment biases and poverty have somewhat been ameliorated by the policies of successive governments.

However, I am scared today, Mr. Speaker, that we might have come to the end of development particularly if one considers the decade of governance of the Barbados Labour Party Government. I look for the single idea or policy or issue or for that monument which have so galvanised Barbadians that as we look down the road we can honestly say that Barbados and Barbadians have in the last ten years been called to galvanise themselves around that particular idea, policy, issue or monument to further develop themselves and this country. I believe what we are seeing at this time is a mad scramble by a majority of Barbadians for survival. Some of it, Mr. Speaker, is born out of fear of the future that is uncertain, even as we speak in here, as it relates to the CARICOM Single Market and Economy, the Free Trade Area of the Americas and the various global tendencies across the world under World Trade Organisation et cetera.

There is a fear in the bosom of Barbadians. Some might argue that the fear might be irrational, but it is a fear nevertheless that we as policymakers must make contact with, seek to understand, and if the fear is in fact irrational, to chart a path or a course to divert them from that irrationality to a more focused and rational path. I do not believe that we have been able by our mouthings in this place and in other places to remove, if you consider those ideas or those feelings of those persons to be irrational to a rational path, and therefore the challenge still remains.

If we are to successfully move this country forward from this current spinning in the mud, that has to be our challenge. Regardless of how those on the other side might want to beat on the heads of us on this side or might want to be critical of the presentation of the Honourable Leader of the Opposition, that is their right, I have no quarrel with them. At the end of the day the challenge still remains and if that challenge remains then we have done nothing because we have achieved nothing. That has to be the nexus of what we do, of how we seek to collide or contact with new ideas, new views, new visions and new missions for this country of Barbados, otherwise what is said by William Allen White will not be achieved.

House 049 Sequence 43

8:50 p.m.

Wednesday, December 08, 2004

Continuation of Hon. R. D. JONES:

Mr. Speaker, in fact, there is a feeling that there are segments of this population who have not gone further than previous generations and who will not go any further than the generation before them has gone. That, in itself, is a frightening picture to paint, but it is a picture nevertheless.

The Minister of Social Transformation knows it. His colleagues in that Ministry know of it. Every Honourable Member of this Honourable House knows it, that there seems to be entrenched levels of poverty in every constituency of Barbados. If, in fact, that is the case, and I am stating it that is the case and that the knowledge is in the minds and eyes of everyone of them because they walk and knock at the doors of those persons maybe every five years, then we are obligated by necessity, by our calling and by our commitment, to move beyond the blandishments, to move beyond the pretty phrases and, in fact, to contact right at the heart of the matter.

Mr. Speaker, I am sure that when the Senior Minister, the Honourable Member for the City of Bridgetown moves from this august Chamber and ventures out, north, south, east and west, that the Honourable Member will collide with some element of poverty which seems so deeply embedded in the foundations of this country, that she has to shake her head and be moved to speak to its alleviation. Sir, so it is with other Honourable Members sitting in this Honourable House. That is how we have to deal with issues that contact those people. Sir, if, at the end of the day, we cannot move from this state or from this stage, then regardless of how pretty the words are, or how written they are, we would well have achieved nothing.

Mr. Speaker, I know that Honourable Members on the Other Side would speak to the difficulties of 1991 to 1994. In fact, since my presence in this Honourable House I have heard them repeated them ad nauseum.

Asides.

Hon. R. D. JONES:

Mr. Speaker, that is not a problem because it was a reality of that period. Therefore, no one should run away from the realities of that period. What is important - and I am sure Honourable Members on this side would have preferred that the country and the people would not have undergone such severe challenges - is that as I speak to those who were involved at that time, I still can see tears coming from the corners of their eyes. Sir, that was a particularly challenging time.

Sir, what we should note and what the Other Side should note as well, was that under the leadership of the Democratic Labour Party, we have successfully traversed many of those difficulties. Therefore, I, too, would want to see this Honourable House move beyond that point.

Mr. Speaker, we tend to situate ourselves at certain historical junctures, and many persons in this Honourable House are not historians. There may be persons on the outside. Maybe the Honourable Member for St. Michael East, the Honourable Member for St. James Central, whose first degree was paid for by the people of Barbados at Cave Hill, or I, but if we continue to locate ourselves at a particular juncture in history, more so as a point of criticism rather than as a point of reflection and learning to move forward, then we will achieve nothing.

Mr. Speaker, therefore, the challenge as of now is for those on that side, as well as us, to use particular points in both the economic and political history of this Parliament, this country, or of the political parties of Barbados, as a learning curve and to use whatever emerges from that learning curve to take us positively forward.

Therefore, because of the challenges of the early 1991 to 1994, the Barbados Labour Party Government, rather than spending time wallowing in the difficulties and seeking to castigate the Democratic Labour Party for the remedies brought about because of the difficulties of that period, should use it as a stepping stone to propel this country forward. They had a good foundation on which to build.

Mr. Speaker, what are the things during that time that made me proud? It was not the hardship of the people. No one could have gone to bed at night satisfied. No one could have slept with a good conscience that the people on whom a lot of these problems fell were not eating well, might have lost their homes or might have had difficulties in their matrimonial relationships. No one could have felt happy about that but the spirit of the Barbadian people soared. I saw a blossoming of the Barbadian spirit where innovation and inventiveness blossomed; where social partnerships were developed among those who previously did not sit together; where Government watched trade unions with a narrow eyes. Sir, the private sector would not sit with trade unions because they thought that unions were greedy but at that time, a spirit emerged in the Barbadian that made us work together in true social partnership and in true tripartite arrangements, to plant the seed to take Barbados out of its difficulty.

Mr. Speaker, therefore, those three elements could applaud themselves for the relative success. New institutions were created. We need new institutions now to help take us even further along the path of growth and development.

Mr. Speaker, yesterday we were faced with Economic and Financial Policies that demonstrated a thought process that seemed to be enclosed within a box. Leaders need, at this juncture, to think outside of the box and to inspire a nation to build and to achieve. What we received last Tuesday evening was a dose of fragmented policies or fragmented ideas. It was a veritable hodgepodge of suggestions, lacking in coherence and in a vision to the country. Sir, this must be so because the Government has virtually run out of ideas and solutions to the myriad problems brought on by their misguided policies and by certain external forces and conditions.

Mr. Speaker, I want to create that balance. All was not of their planting. I like to be fair. What is our model of development in the 21st Century? I cannot see a discernable model.

H:No.049(44)

9:00 p.m.

Wednesday, December 8, 2004

Continuation of Mr. R. D. JONES:

The Government speaks to a service-oriented economy. We talked of tourism-led growth and we had industrialisation by invitation and, to some extent, they have all passed across the landscape. Maybe, we are into a more pragmatic approach to development which perhaps is the model. We need to identify a model to adopt and then involve the total Barbadian society in that endeavour. We must be reminded that politicians can plan but if people are not involved and supportive of the policy, it would come to nought.

Mr. Speaker, we have emerging in Barbados what I call the “new poor”. I want to give you the face of the new poor. The “new poor” is an individual, well qualified, who was previously employed for 18 or 20 years either in the private sector, quasi-governmental organisation or whatever but for some reason lost his job through down scaling, restructuring, reorganisation or corporation or merger. The person had a small nest egg put aside in a credit union or bank, had a mortgage which has ten years to go, a motorcar with two years of payments to go, children, lived in a middle class community of Barbados but are now without a source of income or a sufficient base to maintain a livelihood. Sir, no one wants to rehire them with excuses that they are over-qualified. These persons are ages 47 to 55, cannot be absorbed into the job market and are struggling to make ends meet because they do not have the financial base in which to get involved in entrepreneurial activity.

Mr. Speaker, I believe the “new poor” is a burden on the society. Honourable Member for St. James North, some of them have not been able to source their unemployment benefits for some reason or other and some of them may be considered for receiving welfare grants but because of pride, they do not venture near that department.

The Honourable Minister of Education spoke quite eloquently of human capital formation and I agree that we must continue to build on our human capital. Sir, it is essential and is one of the pillars that will take this country forward. We must do everything possible to ensure that all our citizens are equipped with some skill, knowledge and ability to develop themselves and their country. This is why I want to see the much talked about secondary education qualification brought on board. I want to see those who have left school without the requisite qualification that a programme be developed for them to get them back on track along the path of knowledge because we cannot survive without knowledge in the transformed world in which we now live.

I want to see EduTech make sense in our school system. Sir, everybody knows that I am a proponent of educational technology in our schools, colleges and homes. I am an educator and I want to make it quite plain that I support EduTech but I do not support the substantial time lapse in delivery.

I do not support the downtime which many of our Phase I schools now suffer because of obsolescence in technology and of breakdowns which now cost more to repair than what it originally cost. I suggest a lease arrangement to the Ministry of Education because technology changes rapidly and quickly so it is not wise to go into a purchase arrangement but to go into a lease arrangement for technology for the other schools that are to come on board so that when the technology becomes obsolete in three years that

another one can be put in place.

We need to have acceleration of the programme of refurbishing to make it comfortable for students to produce more. I have always said that we have a competent teaching service but that we need to take the harness off their necks and allow them to spread their arms to be innovative and creative to deliver the goods. We need to set standards and a mandate to ask them to deliver and our teachers and students would deliver.

I want to see a situation where the acquisition and adoption of relevant software is put in place and accelerated. We have to provide resources for the development of indigenous software. We have good teachers who could be taken out of the system and pay them for the delivery of that particular product so that we can have indigenous software to be used in our schools. Sir, I do not know how skilled they are but, maybe the Oasis Project utilising the video and movie camera can get involved in such an activity.

Sir, we need to have more books being written to be used in Barbados and exported across the Caribbean. Sir, it should not be left to Trinidadians alone but we have to take our people out of the classroom for a period to produce within a given environment.

Mr. Speaker, old age pension was raised but when I was a former trade unionist I used to wonder if it were sensible to ask for an increase of 2 per cent and by the time it is received, prices have gone up and it is of no use to anyone. Sir, people need to be able to take home more.

Mr. Speaker, old age pensioners do not need \$5 or \$10 increase but a removal of VAT from things like electricity which they have to use every day. We need to remove VAT from people 65 years and over. We need to have a basket of goods for people 65 and over where there is no VAT. We also need to make access to food a fundamental human right so that no one is deprived of food in Barbados.

Mr. Speaker, the Prime Minister spoke about alleviating the problem of congestion on our streets by building flyovers. I sat in consternation and puzzlement as to how this was going to be achieved. Today, I saw pictures and my view was confirmed that it was almost unachievable because we are moving traffic blocks over flyovers right back into a traffic block. Sir, this is not creative but thinking in a box.

Mr. Speaker, this is not original because Barbados is an island surrounded by water.

S49/
9:10 p.m.

Sequence 45

Wednesday, December 8, 2004

Continuation of Mr. R. D. JONES:

Let there be true investment by the private sector, our national transportation authority, into the acquisition of ferries. These ferries can be parked at Oistins and if you are coming from St. Philip or travelling along Highway 7 you can take a ferry and go to Bridgetown. Take the money that you are

going to put into flyovers into the same pockets of difficulties and develop our coastal waterways.

Asides.

Mr. R. D. JONES:

Sir, we need to move into flexible work hours and schedules. We are so pocketed that we must go to school from 9 a.m. to 300 p.m. and go to work from 800 a.m. to 400 p.m. We need to move that around. We need to have a 24-hour working society. We still have Government places that collect people's revenue closing at 1200 p.m. Sir, that does not make sense in this new time. Those are some of the things that we need to do.

Sir, I cannot tell the people of Christ Church East Central, in places like Kingsland, Lodge Road, Church Hill and Vauxhall that there are building fly-overs but some of their roads are in worse condition than when we had donkey carts.

Mr. SPEAKER:

The Honourable Member has three minutes.

Mr. R. D. JONES:

I cannot tell them that because that does not connect to them. They want access to their homes. I cannot go and tell persons living in Newton, Durants Terrace and Lodge Road that we are building flyovers and when we had rain a few weeks ago all around them was flooded because to them that is still a basic need and necessity. I cannot tell them anything about fly-overs. Sir, that does not connect to them and it is not a bread and butter issue to them.

Therefore, it is important that those areas of difficulty, not only in the areas of Christ Church East Central that I spoke about but right across Barbados be addressed. I am hopeful that the Honourable Member for St. James Central would speak in such vein rather than being annoying.

Sir, we spoke to sports and cultural industries as important facets of our development but I do not believe that we truly understand what we are talking about.

Asides.

Mr. R. D. JONES:

Sir, agencies of Government that are set up to help propel these things exist within a vacuum and are part of a failing mechanism. We speak to e-commerce but we cannot put all our eggs in that basket. I am sure that the Honourable Member for St. Joseph will speak to this because we need to link a whole set of things like merchant and transportation services and things of that ilk if we are to become fully integrated with the e-commerce, a burgeoning movement across the world. We need to have more persons sending goods overseas, even if it is a high-value item.

Mr. Speaker, I am not going to talk about the refurbishment of the Empire Theatre. I am going to leave that for the Honourable Member for The City of Bridgetown to speak about.

Sir, the provision of duty free allowances on a set of sports goods imported by the relevant sporting

organisation to a specific amount a year so that the sporting organisations can help develop sports tourism in Barbados. In two months time the Barbados Football Association will be hosting the Caribbean Digicel Cup. Teams from across the Caribbean will be coming here. In addition to that, we have four other teams. One team will be coming from the Republic of Azerbaijan. Mr. Speaker, we cannot do everything alone because the resources are not there.

Asides.

Mr. R. D. JONES:

We would be playing on Wednesday night and all are invited. You only have to pay a small fee at the door and you are welcome. Mr. Speaker you do not have to pay because you will be my guest, Sir.

It is important that voluntary organisations help in the development of the country and should be given help and assistance. I want to say that even though he is an opponent on the other side that thus far, the Minister has been giving help and support, but there are persons who sit in agencies that he controls that do not know anything at all about sports development. I will talk to you about them also and it is nothing private.

Mr. Speaker, as I conclude it is important that rather than be caught up with the cut and thrust, criticism and partisan diatribe, we should truly connect with what the people want.

I am positive that the Democratic Labour Party with these bright young men can deliver much of what I spoke about and much more has been spoken about on the political platform and in the halls at George Street to impact the lives of ordinary Barbadians.

Asides.

Mr. SPEAKER:

Order, please.

Mr. R. D. JONES:

I hope that in the fullness of time the good people of Christ Church East Central would place complete confidence in us.

Mr. SPEAKER:

Honourable Member, you know that you have used your time wisely.

Mr. R. D. JONES:

Thank you very much.

Mr. SPEAKER:

The Honourable Member for St. James North.

Hon. R. C. EASTMOND:

Mr. Speaker, I owe this privilege tonight to speak to the matters engaging the attention of this Honourable House to the good people of St. James North and I want to thank them for providing me

with this opportunity. I concur in the sentiments expressed by my friend, the Honourable Member for St. James Central, who was careful to point out that one of the defining features of the presentation made yesterday was its intent to stimulate economic development, exports and such like.

Sir, if you would, perhaps, permit me to mention something that has not been said since yesterday. That is, with effect in the near future, the total allowances normally made available to persons who pay PAYE would so be adjusted as to impact positively on a significant number of people who pay income tax. Also, we have also seen measures being promoted yesterday to low corporation tax clearly designed to ease the tax burden on business, to further strengthen business activity and to ensure that Barbados continues along its developmental path.

Sir, a question was put to me in consequence of some of the proposals which would have been mentioned no fewer than three or four times yesterday. This question relates to Government's intention to promote the notion of the limited partnership.

Sir, as you are no doubt aware, over the years particular professionals in accounting and law were forbidden for establishing corporate entities and business structures that limited their liability and even when in other parts of the world those structures were being dismantled, we in Barbados faithfully kept to the old-fashioned traditions of forbidding lawyers, accountants and a few other professionals from forming companies and entities where the liability of investors would be restricted to the amount that they have subscribed by way of investment.

Mr. Speaker, the question which was put to me with respect to limited partnership had to do with the query whether a limited partnership will continue having its character a partnership.

Sir, it has existed in the civilised world over the years that the concept of a limited partnership was one where at least one partner would have unlimited liability and the other partners' liability would be restricted.

Mr. Speaker, the way in which it was designed to work originally is that the partner who had unlimited liability would be given greater voting rights and say in decision, while those whose liability was restricted would lose only what they have invested in the partnership but would have to give up having any say and management powers in the context of the partnership.

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Continuation of Hon. R. C. EASTMOND:

...unlimited liability and the other partners' liability would be restricted. The way it was designed to work originally is that the partner who had unlimited liability would be given greater voting right and a greater say in decision making, while those whose liabilities were restricted would lose only what they invested in the partnership but would have to give up pay and management powers in the context of the partnership.

Without at all anticipating how the partnerships that were discussed in the debate yesterday would function, a limited liability firm can work and a question of imagination going into the legislation would permit such a structure to come. It might appear novel to many but in my view it is indeed quite feasible.

Mr. Speaker, I also agree with those Honourable Members, in particular the Honourable Member for Christ Church East, who has seen merit in the introduction of the programme called Project OASIS. If we look at that part of the presentation of the economic and financial policies which address the Project OASIS, issues in addition to the fact that these fellows are being put to gainful employment such as self esteem, entrepreneurship and creativity were raised.

Mr. Speaker, you occupy the position as the primary and principal educator in this Honourable House, your years of experience and your outstanding public contribution have not gone unnoticed. You would, no doubt, Mr. Speaker, submit that in any culture where you have a number of people with ability and you see them drift you have to undertake measures to halt the drift.

Durkheim, that famous sociologist spoke of the concept of anomie. There is no question, Mr. Speaker, that over time a lot of persons who went astray and whom the late Rt. Honourable John M. G. M. Adams quite pejoratively called the 'voluntarily idle' were people of ability who were not taken on by their families.

One of the worse things out, Mr. Speaker, is to confront a young man or young girl on the block whose intelligence level is high, who is a person of hope, commensurate, who is a person of tremendous ability and who is drifting. Project OASIS was designed to take these people off the margin of economy and society and put them back in the system.

Very often, Mr. Speaker, from your experience you would know that there have been people that you would have taught who could make it but who were kept back by feelings of low self worth, and rebellion. Sir, Project OASIS is designed to ensure that each Barbadian matters, irrespective of background and proclivity for idleness, if circumstances are not introduced to arrest the idleness.

Mr. Speaker, I listened carefully to the last Honourable Member who spoke and I am going to refer him to a part of the presentation yesterday that stands contrary to what he was saying. If my ears work well enough and they normally do, Sir, I seem to have heard the Honourable Member for Christ Church East Central suggest that the Ministry of Social Transformation is under enormous pressure because of the veritable outbreak of poverty. Indeed, if I heard the Honourable Member for Christ Church East Central well enough, he said that many people in Barbados are scrambling for survival.

Mr. Speaker, before coming to the appropriate part of the script, permit me to make this one observation. The period, 1997 to 1999, in Barbados' economic history, was correctly described as an era of unprecedented prosperity. A former Honourable Member for St. Michael South Central, now called Sir Richard Christopher Haynes said that with no partisan bias in favour of the Barbados Labour Party that 1997 to 1999 was a period of un-precedented prosperity in the Annals of Barbados Economic History.

Sir, we have to ask ourselves, if in this year, 2004, that prosperity has been reversed. If that prosperity has reversed, Mr. Speaker, then the Honourable Member for Christ Church East Central would succeed in his argument that people are scrambling to eke out a sustenance and they are so marginalised and poor that the whole country is going through a crisis.

Sir, for me to accept the arguments about poverty that were just advanced, I would need to know such things as what is the real size of the underclass of Barbados. If the underclass is that unfortunate segment of society, hardship by poverty, I need to know the size of that underclass. If Barbados has a population of 277 000 people, and we merely have an underclass of 3 000 people then we are not going that badly.

If there is an underclass of 3 000 and a further 17 000 who are poor, then that would make for 20 000 poor people of a population of 276 000 and we need ask ourselves if the poverty referred to by the last Honourable Member exists in reality or exist more as the figment of a political imagination gone wild.

Mr. Speaker, at page 21 of these proposals in a very short paragraph there is a summary and synopsis of where we are and where we can go, and I quote:

"Given the strong and healthy state of our foreign exchange reserves, it is our judgment that there is no need to reduce the growth of our economy or compress demand..."

Mr. Speaker, if that is subjected to the analytical microscope and there is no need to compress demand, then it means that there is no need to impose taxation or interest rate policy to stop people from spending. If people are prevented from spending through taxation or interest rate monetary policy that usually is predicated on the fact that the spending would put pressure on the foreign reserves. If there is no need to compress demand, then there is no real pressure on the foreign reserves. Demand was compressed between 1991 and 1994 to ease the pressure on the foreign reserves.

Mr. Speaker, he also says in this paragraph that there is no need to reduce disposable income. We have had the spectre in our economic history of a reduction of the disposable income, not just merely through inflation but through a direct political event that occurred in this country where people's salaries have been cut by 8 per cent while their partners, minions and spouses were unceremoniously made redundant.

I am saying that when you read this, there is no need to band, impose or reverse the tax reduction programme. This, in a short paragraph at page 21 literally tells you that there is no need for Barbados to undertake defensive economic policies that would normally be undertaken where there is an economic crisis, so we can reach the conclusion that there is no economic crisis. We can dismiss any allegation that there is rampant poverty. In any case where poverty exists through the efforts of the Ministry of Social Transformation, a number of enlightened programmes have been evolving, programmes which my good friend and colleague, the Honourable Member for St. Michael South East and the Honourable

social engineer from St. Michael East will, no doubt, expatiate on with gusto, enthusiasm and truth.

Mr. Speaker, let us say that where there is poverty in Barbados, there are programmes for poverty alleviation and let me just mention a programme that captures the imagination. There is a programme in this country called Welfare to Work. Let us look at it in a real and proper manner. Historically, we granted welfare to persons who were indigent but through creative policies, we are taking people away from the welfare mentality, equipping them with skills and making them available for the world of work.

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Continuation of Hon. R. C. EASTMOND:

Such a policy is well-founded. It is a policy of social engineering, and it is a policy that is already beginning to impact positively in this country. There are also other policies. The question of poverty alleviation is not something that you just tackle on one front or two fronts, it is a multifaceted phenomenon, and therefore it has to be tackled through multifarious methods. Such methods have already started to take root in this country.

Mr. Speaker, the Honourable Member who just spoke made very brief reference to the question of old age pensions to which I will turn shortly. Mr. Speaker, since I have been on good behaviour in this debate, I do not think that I should have any difficulty in my application for your indulgence. If you will allow me, let me preface what I am about to say about National Insurance with a very pointed comment out of the bosom of Hansard. Mr. Speaker, in the House of Assembly debates, of 1994 at page 4 503, Mr. H. deB. Forde when in Opposition, not yet in government, had these words to say:

“Social security is too important a matter for all Barbadians whether they are contributing or not contributing to the Social Security Scheme of this country.”

These are the words of Sir Henry Forde. I could call his name because I am not speaking of him pejoratively and therefore Standing Order 2810 is not of any application.

Mr. Speaker, Henry Forde was talking about the need for a good social security system even when it had not yet crossed his consciousness that he would today be Chairman of the National Insurance and Social Security Scheme of Barbados.

With those remarks by way of preface, let me now look, Mr. Speaker, at the question of National Insurance. I begin, Mr. Speaker, by looking at some extracts from the Ninth Actuarial Report on the National Insurance Scheme which was done some eight years ago. This is one of the things this Report said.

“Old age pensions, including both contributory and non contributory pensions and the contributory old

age grant, accounted for 71 per cent of the Fund's expenditure in 1996 and the estimates in this Report indicates that this is expected to increase steadily in future..."

It then goes on to say that:

In 1996 there were 5.73 persons of working age for each person age 65."

It projected that in the future that figure of 5.73 would decline. I will come to that in the fullness of time.

The Tenth Actuarial Report said that:

"Old age pensions, including both contributory and non contributory pensions and the contributory old age grant, accounted for 73 per cent of the Fund's benefit expenditure in 1999."

It went on to say that:

In 1999 there was 5.75 persons of working age for each person over age 65 but this ratio is projected to drop to 2.11 by 2039 and to 1.82 by 2059."

So the projection of the Tenth Actuarial Review was that some time in the future the National Insurance Fund would be under pressure.

Mr. Speaker, arising out of what the Ninth and Tenth Actuarial Reviews said, it was decided that Barbados should embark on a policy of pension reform. Before I come to the policy of pension reform which I will deal with briefly, let me mention that if you read all of what is contained in the Ninth and Tenth Actuarial Reviews, you would recognise that they were saying that unless reform occurs, in the year 2023 the Fund would be under severe pressure. Indeed, they were saying that in the absence of proper pension reform, contributions would have had to be quadrupled. They were saying that the Barbados Labour Party lacked the fortitude and the heart to introduce a programme of pension reform that National Insurance contributions could be of the order of 56 per cent of people's income. However, discretion and wisdom prevailed, and Government made bold to set about reviewing the Scheme.

The Honourable Member for St. Michael North West said that come January NIS contributions would go up. Mr. Speaker, notwithstanding what was said in the Ninth and Tenth Actuarial Reviews, what we have come to now is a very healthy state of affairs, thanks to the excellent management of the National Assistance Scheme by Sir Henry Forde and a tripartite Board which works with him and which has done an excellent job in restoring our National Insurance Scheme.

Mr. Speaker, having looked at our state of affairs at the National Insurance Scheme, the Government decided to allow for a number of measures which would take place over time to allow for some flexibility and to set about ensuring that any contributions in the future to be increased will be increased painlessly.

Actuarially speaking, Mr. Speaker, this is what they did. The Honourable Member for St. Michael North West said that the contributions will increase in January, but the actuaries have worked it out on

the basis of projections and on a high amount of statistical criteria. In any one year or two years, the way contributions are increased would be at a fraction of the contribution rate. So in January next and between January and April the increased would be of the order of 0.25 per cent. You would get that type of gentle increase where it would take four years or so before you could get an actual two per cent increase in real terms.

In the Meantime, Mr. Speaker, we have come to a situation where a measure of flexibility has been introduced. We are having now in Barbados people not yet 65 who, realising that they can draw their contributory pension before 65, are actually drawing at age 64. However, if you go for your pension at an earlier age you take a smaller contributory pension. If you defer it until you are 67 without taking anything at all, you get a higher contributory pension.

I will turn now to the actual pensions, Mr. Speaker. One Honourable Member called me about these increases and I promised to bring them for him, but for the benefit of the Honourable Members I will announce them before this Honourable House.

Mr. Speaker, I am going to look at a five-year period. I go for what pensions stood at between December 3, 1990 and May 14, 1995. We are saying that between December 3, 1990 and May 14, 1995 those persons entitled to non-contributory pensions got \$63 per week while their counterparts getting contributory pensions earned \$76. So for about five years it was \$63 per week for non contributory old age pensions and \$76 per week for the minimum contributory pensions.

Between May 15, 1995 and January 1997, a relatively short period, non contributory pensions moved to \$67 while the minimum contributory went to \$82.50. Between January 20, 1997 and September 27, 1998, another short period, pensioners received perhaps the biggest increase in the last ten years where non contributory pensions moved to \$74.75 weekly and contributory pensions to \$90.25. From January 9, 2005 non contributory pensions will move to \$86 per week and contributory pensions to \$105.

Sir, in that I want to be, as they say, honest and level with Honourable Members of this Honourable House, although I am not compelled to, and will make this a document of the House for the benefit of Honourable Members.

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Continuation of Hon. R. C. EASTMOND:

Mr. Speaker, you may permit me to look briefly at projections that are based on the 11th Actuarial Review. Sir, this review is saying that Barbados was right to introduce its policy of pension reform in the year 2003. It projects that, all things being equal, the National Insurance Scheme of Barbados will be sound down to the year 2060.

Sir, this raises a few caveats, as some of the matters are rather speculative. For example, it actually projects that migration from Barbados would not increase into Barbados but would decrease, with Bajans leaving. Sir, I find that remarkable. This is one of the assumptions that informed the 11th Actuarial Review, that is that there would be net outward migration, where every Barbadian is very well speculating that there would be net inward migration.

Mr. Speaker, it cautions that unless we are proactive enough to look at the Survivors Pension, that we may regret being deleterious on this matter. It does say that the time has now come where Government must look at the Survivors Pensions. I believe that it was attracted to a policy with survivors where, if a woman called Mrs. Kellman, who was under 50 years old were to die, it meant that Mr. Kellman, who is not yet 50, could have drawn Survivors Pension, even though he was working.

Mr. Speaker, I believe that concerned those actuaries where a working man, now called a survivor, could be entitled to a survivor's pension for a time. Of course, it would not continue until that person reaches 65 or 67. It would be discontinued at some point but they are telling us to watch how we pay survivors. They are also telling us to keep ensuring that we practice a measure of prudence.

Mr. Speaker, this brings me to that aspect of the Budgetary Proposals made yesterday that speaks to the issue. At pages 85 and 86, it is said that National Insurance Scheme pensions would be actuarially determined, following a prescribed formula. Sir, what that means is that in real terms, actuaries will look at the movements of inflation and of wages levels, and would prescribe to suit.

Mr. Speaker, I was somewhat surprised that the Honourable Member for Christ Church East Central did not seek to make more of the policies for the increases in national insurance and more of the increases in non-contributory insurance. Sir, suffice it to say, these days when we look at cost and at the contributions to the National Insurance Scheme fund and as we match them against the disbursements and expenses, we can see that pensions account for more than 73 per cent of all payments.

Mr. Speaker, the average Barbadian would be accustomed to maternity benefits, funeral grants, sickness benefits, et cetera, but the highest amounts of money paid from the National Insurance Scheme, are paid in pensions. Therefore, the Right Honourable Prime Minister was correct when he said that these matters are now actuarially determined.

Mr. Speaker, while on the question of national insurance, I would like to say that I am getting complaints that persons are continuing to work and that their employers are deducting but not submitting the monies to the National Insurance Scheme. Sir, section 27(1) Cap. 47, National Insurance and Social Security Act, says:

“Where an employer has failed or neglected -

(a) to pay any contributions which under this Act he is liable to pay on behalf of an employed person in his employment; or

(b) to comply, in relation to any such person, with the requirement of any regulations relating to the payment and collection of contributions,

and by reason thereof that person has lost, in whole or in part, any sickness benefit or maternity benefit to which he or she would have been entitled, that person shall be entitled to recover summarily from the employer as a civil debt, a sum equal to the amount of the benefit so lost.”

Mr. Speaker, I cited that because it shows a way where a disadvantaged employee might be able to pursue his employer civilly.

Sir, the Honourable Member for St. Michael North West made an issue of the question of migrant labour. I am going to cite a provision from the National Insurance Scheme law which is going to startle this Honourable House.

Sir, mindful of the International Labour Organisation, the Government of Barbados, through the Ministry of Labour, is looking at the condition of migrant workers. Some of these migrant workers are actually disadvantaged, some do not squeal or cry out because they have recognised that, in many instances, they are not legal and would, therefore, endure a lot of discomfort.

Sir, I have had migrant labourers who called me this week to ask how come they have worked for four or five years, deductions were made for national insurance and when a check was made, it was found that no money had been paid in on these migrants’ behalf. Sir, clearly the employer would have deducted national insurance from the migrant employee, who is illegal, is going to argue that he has not submitted payments to the National Insurance Scheme because he has employed an illegal labourer.

Sir, some crafty West Indian employees are saying that if the employer does not pay, they do not mind paying 100 per cent of their contributions. Sir, at section 47(1), this is what the law says, which is an amazing piece of jurisprudence:

“Where a claim for employment injury benefit is made under this Act in respect of any accident or of any prescribed disease or injury or an application is made thereunder for a declaration that any accident was an industrial accident, or for a corresponding declaration as to any prescribed disease or injury, the Minister may direct that, for the purposes of this Act, the relevant employment shall, in relation to that accident, disease or injury, be treated as having been insurable employment, notwithstanding that, by reason of a contravention or of non-compliance with some provision contained in or having effect under any other enactment passed for the protection of persons in employment, or any class of such persons, the contract purporting to govern the employment was void, or the person employed was not lawfully employed therein at the time when or in the place where the accident happened or the disease or injury was contracted or received.”

Mr. Speaker, in effect, this is saying that for the purposes of section 47, even though an illegal worker is employed, that person can still be insurable by the National Insurance Scheme.

Sir, the Right Excellent Sir Grantley Adams used to argue that the only thing that could not be legislated was that a man become a woman. Of course, he was speaking in the 40s and 50s. If he were speaking now, perhaps he might have changed his mind. Sir, this is patent proof of how a piece of legislation could change an illegality into a legality, on the ground of public policy, where a migrant labourer is working illegally in Barbados, where under section 47, he is an insurable employee.

Mr. SPEAKER:

Honourable Member, so far you have had five minutes extra time. It pains me to have to ask you to conclude but I have to do this because it appears as though you have no intention of concluding.

Hon. R. C. EASTMOND:

Mr. Speaker, I shall not trespass on your patience, neither shall I abuse the small and tender mercies that you have extended by permitted me 1/20th of an extra hour.

I shall, therefore, conclude my modest preparation by thanking you for the opportunity and assuring all Barbadians that the measures passed yesterday are measures designed to stimulate growth in the economy, that they are sound and supportable, and that Barbados continues to be in good hands.

I thank you, Mr. Speaker.

Mr. SPEAKER:

With the House's permission, we will now recommit to Announcements.

ANNOUNCEMENT

Mr. SPEAKER:

I wish to report that I am in receipt of the Annual Report from the Ombudsman for the year 2003.

H:No.049(49)

9:50 p.m.

Wednesday, December 8, 2004

PAPERS

Hon. Miss M. A. MOTTLEY:

I am commanded to lay the following

1. Value Added Tax (Amendment)(Order) 2004.
2. Customs Tariff (Amendment)(Order) 2004.

GOVERNMENT NOTICES

Hon. Miss M. A. MOTTLEY:

Mr. Speaker, I beg to give notice of the following.

1. ICC Cricket World Cup West Indies 2007 Guarantee Bill, 2004.

2. Resolution to grant the sum of \$9 477 819 00 from the Consolidated Fund to Supplement the Estimates 2004/2005 as shown in the Supplementary Estimates No. 5, 2003/2004 which forms the Schedule to the Resolution.

FIRST READING OF BILLS

Hon. Miss M. A. MOTTLEY:

Mr. Speaker,

I beg to move that the following Bill be read a first time.

1. ICC Cricket World Cup West Indies 2007 Guarantee Bill, 2004.

Mr. R. D. MARSHALL:

I beg to second that, Sir.

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

SUSPENSION

Hon. Miss M. A. MOTTLEY:

Mr. Speaker, Sir, I beg to move that this Sitting be suspended until 930 a.m. tomorrow. May I remind all Honourable Members once again, that this is a suspension and hence this Honourable House will start promptly at 930 a.m. As it will be a long day, we need to start promptly if all Honourable Members are to be accommodated who wish to speak in the debate and we do not project that we will be able to end before 930 p.m. tomorrow night.

I encourage all Honourable Members to be punctual tomorrow such that the House can start its business.

Mr. R. D. MARSHALL:

I beg to second that.

The question that the House be suspended until 9:30 a.m. was put and resolved in the affirmative without division and Mr. Speaker suspended the House accordingly.

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9:53 p.m.

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