
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, December 12, 2006

Pursuant to the adjournment, the House of Assembly met at 10.10 a.m. on Tuesday, December 12, 2006.

PRESENT

His Honour I.A. ROETT, G.C.M., B.A., Dip.Ed. (Speaker)

His Honour J. M. EDGHILL, J.P. (Deputy Speaker)

Rt. Hon. O.S. ARTHUR, M.Sc.(Econ.) (Prime Minister, Minister of Finance)

Mr. D.J.H. THOMPSON, LL.B.(Hons.) (Leader of the Opposition)

Mr. L.R. TULL, Q.C., M.A. (Oxon.)

Hon. Dame B.A. MILLER, D.A., B.C.H., (Senior Minister and

Minister of Foreign Affairs and Foreign Trade)

Hon. R.C. EASTMOND, B.A.(Hons.), Dip. Ed., LL.B.(Hons.), L.E.C., J.P. (Minister of Labour and the Civil Service)

Hon. G. A. CLARKE, B.Sc., Dip.Ed., J.P. (Minister of Public Works and Transport)

Hon. R.D. MARSHALL (Chairman of Committees)

Mr. H. F. LASHLEY

Mr. R. St.C. TOPPIN, LL.B.(Hons.)

Mr. D. St.E. KELLMAN

Hon. Miss H.E. THOMPSON, LL.B. (Minister of Energy and the Environment)

Hon. Miss M.A. MOTTLEY, Q.C., LL.B. (Deputy Prime Minister) (Minister of Economic Affairs and Development) (Leader of the House)

Mr. T.A. PRESCOD, B.A. (Minister of Social Transformation)

Rev. J.J.S. ATHERLEY, B.A., B.Sc., J.P. (Minister of State, Prime Minister's Office)

Hon. N.A. LYNCH, B.Sc., M.B.A. (Minister of Tourism and International Transport)

Hon. R.R. FARLEY, B.Sc., J.P. (Minister of Housing and Lands)

Hon. Miss C.Y. FORDE, L.C.P., J.P. (Minister of State,

Ministry of Education, Youth Affairs and Sports)

Hon. J.X. WALCOTT, M.B., B.S., FRCS (Edin.), J.P.

(Minister of Health)

Mr. R.D. JONES, B.A.(Hons.), M.A.(Ed.), J.P.

Dr. D.C. ESTWICK, B.Sc., M.B., B.S.

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

Finance) (Minister of State, Ministry of Finance)

Hon. D.D. MARSHALL, Q.C., LL.B. (Hons.) L.E.C., (Attorney- General and Minister of Home Affairs)

Hon. K.D. SYMMONDS, B.A., LL.B. (Minister of State, Ministry of Foreign Affairs and Foreign Trade)

Dr. W.F. DUGUID, B.D.S. (Comm.), F.D.S., FDRCS, J.P.

Mr. R.L. SEALY, B.Sc., M.B.A.

Prayers were led by Rev. Cannon Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Mr. SPEAKER: Minutes of Tuesday, December 06, 2006.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that the Minutes so cited be confirmed, subject to any omissions, observations and/or corrections.

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

Mr. SPEAKER: If there are no corrections, observations and/or omissions, then let those Minutes stand confirmed.

REPORTS FROM SELECT COMMITTEES

Hon. D.D. MARSHALL: Mr. Speaker, Members of this Chamber would recall that on the 11th August this year, the House resolved itself to construe a Joint Select Committee on the Road Traffic Amendment Bill.

Mr. Speaker, the report was to come back to Parliament, I believe, at the start of November. On that occasion I indicated that we needed a little more time to complete our work. While we completed the work of receiving the various representations, papers and statements, we asked that you be gracious enough to give us until 28th November. We have now completed our work, and will table two copies of the report.

Mr. Speaker, I therefore beg to lay the Report of the Joint Select Committee on the Road Traffic Amendment Bill.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. R.C. EASTMOND: Mr. Speaker, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of today's Sitting.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is now the order of the day. Order no 16.

ORDER NO. 16 – TO MOVE THAT THE HOUSE RESOLVE ITSELF INTO COMMITTEE OF SUPPLY TO CONSIDER THE GRANT OF SUMS OF MONEY FOR THE SERVICE OF THIS ISLAND

Hon. R.C. EASTMOND: I beg to move that Your Honour do now vacate the Chair and the House resolve itself into Committee of Supply.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This House is in Committee of Supply.

ORDER NO. 16. (a) - RESOLUTION TO GRANT THE SUM OF \$10 532 433 FROM THE CONSOLIDATED FUND AND TO PLACE IT AT THE DISPOSAL OF THE GOVERNMENT TO SUPPLEMENT THE ESTIMATES 2006-2007 AS SHOWN IN THE SUPPLEMENTARY ESTIMATES NO. 6 2006-2007 WHICH FORM

THE SCHEDULE TO THE RESOLUTION

HEAD 13

THE PRIME MINISTER'S OFFICE - \$10 532 433

Mr. CHAIRMAN: The Honourable Member for St. James North.

Hon. R.C. EASTMOND: Mr. Chairman, in moving that this particular Head stand part of the Schedule, I want to inform this House that between 2002 and 2003, amicable talks transpired between representatives of the public sector workers, especially the National Union of Public Workers and the Government.

During the course of those talks, a number of pertinent issues have been raised and, significantly, Sir, Government and the other side were able, for the first time in 20 years, to settle on the matter of the period for which the settlement would be relevant.

I say this because after the 1980s, Public Sector Unions and Government would normally agree to a two-year wage settlement. In 2003, it was agreed between Unions and Government that the settlement would be for three years. That settlement and that three-year period have now very much come to an end.

Sir, also of significance during those talks, was the fact that the Unions insisted that if they were going to be so nationalistic and magnanimous as to agree a wage settlement over a period of three years, rather than two years, they should get something in return. What did they ask in return?

They said that bearing in mind the stand they took, and considering how economic forces function, if inflation for the period of the settlement rose to more than 4 or 5 per cent, then public workers ought to be compensated through something, what the Trinidadians and Jamaicans call, a COLA - cost of living allowance.

The purpose of what I am proposing before this Honourable Committee is to allow Parliament to approve the payment of that COLA. Sir, just let me refer to the inflation rate, over a period of some five years.

I vividly recall in the history and annals of politics in this country, Mr. Chairman, that inflation was very much an issue between 1971 and 1976, and may have contributed to certain results that occurred in 1976.

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Hon. R. C. EASTMOND: Mr. Chairman, I also recall that between 1981 and 1991, inflation did not feature as significantly as it had done before then, notwithstanding some restlessness among certain people in the working force. Mr. Chairman, wherever inflation is of relevance, it has to be addressed. Very often the manner of treating to it, is to be multifaceted rather than one-sided. Mr. Chairman, one way of our addressing this matter of inflation between 1998 and 2003, was to sit with the unions and look at the real rates. Sir, as the rates impacted on the economy and the workers, then the cost of living allowance would be factored in. Mr. Chairman, between 1998 and 1999, the inflation rate was -0.5 per cent; between 1999 and the year 2000, it was 1.9 per cent; between 2000 and 2001, it was 2.6 per cent; between 2001 and 2002, it was 2.4 per cent; and between 2002 and 2003, it was 0.03 per cent.

Mr. Chairman, it is against this background that what I am requesting of this Honourable Committee has come before this Honourable House.

Sir, before I proceed any further, I want to say that for a country with the type of economy that Barbados has, where very often because of imports, the cost borne ultimately is often initially triggered by the cost of the goods as they were imported, then clearly a lot of our inflation is inflation over which we have absolutely no control. Sir, the question of imported inflation has exercised the minds of scholars like the late great W. A. McClean, Professor Frank Alleyne and others.

Mr. Chairman, Barbados is very fortunate to have a system of efficient Government because similar economies to Barbados, not just in the Caribbean region but abroad as well, often record spectacularly higher inflation rates than Barbados. Mr. Chairman, I am not going to trespass on ground which bears on the years 2005/2006. However, what I would say is that Government accepted the proposal of the National Union of Public Workers, that if the cost of living increased by five per cent, as it would have between 1998 and 2003, and more in respect of 2003 to 2004, Government would make particular adjustments.

Mr. Chairman, the price of oil moved from US\$30 a barrel to US\$80, an increase that was set by OPEC, of which Barbados is no member and of which not even Trinidad and Tobago is a member. Sir, a barrel of oil is US 42 gallons, and I remember when oil was less than \$20 a barrel. Sir, we are not a major producer of petroleum, and much of the inflation that we have is as a result of that oil increase.

Mr. Chairman, I am respectfully asking this Honourable Committee to be agreeable to approving Head 13. Except for if I could assist you further, Sir, I respectfully request that Head 13 stand part.

I thank you.

Mr. D. J. H. THOMPSON: Mr. Chairman, I do not have much to say on this. I believe that if the Minister is arguing to this Chamber that in light of developments in the Barbados economy and in light of the cost of living being the biggest challenge that Barbadians are facing today, that \$10 million spread across the Civil Service which represents, according to the Addendum, a two per cent cost of living adjustment...

Sir, I have no reason to doubt the Honourable Member for St. James North because in most matters his integrity precedes him. However, if the Minister is saying - and I assume he is assuring us - that there has been full agreement by all of the civil servants in Barbados, particularly those at the bottom levels, that this represents a sum that would satisfy them for the hardship they have been facing, and if the Minister is saying that this is all that the Government can do at this time to deal with the challenges of the cost of living in Barbados, I will take him at his word until I hear otherwise. However, I am not going to be guided only by that, I will be guided up to the end of this debate by what the Minister says. Mr. Chairman, I believe that the public officers in Barbados would have a lot more to say about the fact that this Government really does not have a policy to deal with the question of the cost of living in Barbados.

Mr. Chairman, the Government's statements in relation to the impact of the Cess have been all over the place. The Government's statements in relation to the impact of rising oil prices in Barbados have been inconsistent and all over the place. In relation to how to control prices in the supermarkets, one Minister of Finance said that you could get it done voluntarily, the other Minister said it cannot be done that way. In relation to the Cess, one Minister said when we remove it, we expect the cost of living to come down and the other Minister said that when you remove the Cess, it would not have an impact. Sir, we are all over the place.

Mr. Chairman, I am saying that the Government has no policy, and if palliatives such as those outlined by the Minister of Labour... I know that he has a tough job. I notice that all of the most senior persons in matter such as this fled and left a matter of such grave import like this to him. I suppose he could be the bearer of bad news today but at the end of the day when we leave this Chamber, I am certain that the average public officer in Barbados can come to two conclusions:

1. that the Government feels that this cost of living adjustment of two per cent is adequate in helping them cope with the challenges they face in the supermarket and in relation to the purchase of services in this country, and
2. they can be confident that the Government has no policy in relation to dealing with the cost of living in Barbados.

Mr. Chairman, as I said, I am going to wait and see how the fish gather in this particular matter.

Mr. D. St.E. KELLMAN: Mr. Chairman, it is obvious that when one looks at the statistics for inflation, it is clear that a two per cent cost of living allowance cannot be adequate to compensate the workers of Barbados for the galloping inflation that has been inflicted on them and on the consumers of Barbados.

Mr. Chairman, there is no doubt that no matter what survey one looks at, one would recognise that the most pointing point is the point as it relates to the cost of living in Barbados. I am saying today that there is no way that the consumers of Barbados will be complaining about a high cost of living if it is only at two per cent, because if one looks at the statistics as far back as 1994 to now, the workers and the consumers of Barbados have been able to put up with a cost of living or inflation which was much higher than two per cent and they did not quarrel.

House 120 Sequence 4

10.40 a.m.

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Mr. D. St.E. KELLMAN: Mr. Chairman, it is clear that inflation in this country now has to be in the double digits, that is why whenever workers and consumers go shopping, they would recognise that their disposable income is decreasing, while the cost of living is increasing.

Mr. Chairman, I am saying that whether or not it is the unions or the Government, who has now proposed to compensate the workers with 2 per cent, the workers of Barbados have been shortchanged by every party that has agreed to a 2 per cent cost of living increase, at this time, in

this country. Sir, never mind what statistics one would look at, one would recognise that the Government has been able to increase its revenue, since 1994, by over 100 per cent. Furthermore, if one looks at the taxes paid and profits in these statistics, one would recognise that the private sector has been able to do likewise.

Sir, if you were to look at the Barbados Economic and Social Report or any report as it relates to wages in this country, you would recognise that between 2006 and 1994, the workers have not been able to get as much as a 50 per cent increase in 12 years. Sir, if one wants to doubt this statistics, I know we cannot quote from the newspapers, but one only has to look at what appeared in a document published last Sunday by a company, which showed the increases over the years.

Mr. Chairman, I am saying that sooner, rather than later, the unions would have to account to the workers as it is not Government that has to account to the consumers and workers of Barbados. This Government, along with the private sector, have been able to get their fair share of revenue.

Sir, I am challenging the unions today, to come and tell us whether they think it is fair for the workers' owner, who is Government, and the private sector, to get their fair share, yet the workers are given a piece of 'scratch-grain', called a 2 per cent allowance. Sir, workers are asked to be satisfied with that, even though the Prime Minister and every Minister have admitted that we have galloping inflation in this country and that we need to do something about it.

Mr. Chairman, can we do something about it with a 2 per cent increase, when we have also seen a situation where, even the Front Bench of this country, has acknowledged that they cannot operate on the disposable income they are receiving, because of the high cost of living in this country?

Mr. Chairman, I am saying that if, as Parliamentarians, we could appreciate that we cannot operate with our disposable income, then it is only fair, as the people's representatives, that we put a case for them. I am saying that if the unions do not understand their mandate, then the Democratic Labour Party Representatives would have to understand that is the reason this Party was formed in the 1950s. We were formed to represent the underprivileged in this country, especially the workers, along with others.

Mr. Chairman, I am saying that the Democratic Labour Party will stand up and fight for that mandate that has been left to us by those great souls, who recognised that they could not achieve what they wanted within the Barbados Labour Party, who made a break over to an

enlightened Party, this Democratic Labour Party. Sir, that is why I am saying that every Honourable Member of the Democratic Labour Party must now take the mandate given to the unions of Barbados and either enhance the unions... Furthermore, if the unions do not want to associate with this enlightened Party, we will have to continue to fight for the workers of Barbados, even if the unions do not want to fight for them.

Mr. Chairman, I want to say that the real problem in Barbados is not only the high cost of living, but also lack of increase of disposable income. Sir, let me explain; the mere fact that inflation has been high and prices have been skewed in a particular direction, the prices cannot and will not come down overnight because Government has no control. Sir, history will show that even when Government reduces taxation in this country, prices remain the same or sometimes get higher. Sir, the problem in this country has to do with disposable income. Therefore, what is needed is a serious discussion on increased disposable income for this country.

Mr. Chairman, there is a reason this country, since 1994, especially after 1996, when VAT was introduced, has seen a situation where the cost of producing goods in this country has increased, while the cost of importation of goods has fallen. Sir, if you remove the Cess and the Bound Rates, what you are actually doing is creating more unemployment and destroying more local manufacturers. Therefore, the way to deal with that is to increase disposable income and allow workers an investment climate, where, instead of them having to use this money to buy foreign goods, they could use it to buy local goods or could create investment for themselves.

Mr. Chairman, this is where normally the Honourable Member for St. Michael North West and I do not see eye-to-eye on this matter, but on this particular matter, I was glad to have taken the lead, while the Honourable Member followed, and he is right. Sir, I have always said that once the Honourable Member for St. Michael North West behaves like a technocrat, that it is going to be difficult to fault him with his arguments.

Sir, it is clear that the Honourable Member is not behaving like a politician but that he understands his training and is correct on this matter. This country cannot afford, at this time, when there is a \$1 billion increase on the Current Account, to talk about passing back the Cess and the Bound Rates. We have to find a direct way of giving this money to workers. If we give it to them in an indirect way, the workers would not see it. It would be like a promise not delivered.

Mr. Chairman, I am saying that, at this time, the country cannot afford to make foreign goods any cheaper. Sir, what help would that be to the country, if we make

foreign goods cheaper, in a situation where we do not have workers with money in their pockets? Sir, neither would we have workers?

Mr. Chairman, we have to protect our local workers, our local manufacturers, and our investors, because over the years, we have removed the interest from the local investors and have taken everything that is foreign, as if this country is now operating for foreign workers and foreign investors. The mandate of this country cannot be for foreign workers and foreign investors, it has to be for local workers local investors. Sir, that is the simplicity of "Kellmanomics". That is something I have been preaching for a while.

Asides.

Mr. D. St.E. KELLMAN: Mr. Chairman, it is very interesting that some people pretend they do not understand "Kellmanomics", but speak it daily. Sir, that has been the history, which is, once you come from the north, people would always find an excuse to ignore you, but then time catches up with them and they have to acknowledge it.

Asides.

Mr. D. St.E. KELLMAN: Mr. Chairman, I am saying that the unions must understand their mandate. It is clear that the unions seem not to understand their mandate and are now 'in bed' with the Government, the union seem to have forgotten they have been placed there and are paid on a weekly and monthly basis to represent the interest of the workers. Sir, I am challenging the unions of Barbados to return to their mandate once more. If they do not do that, they would not become relevant because what would occur, would be that Government would continue to make these direct payments to the workers, without any reference to the unions, then the workers of Barbados would say there is no need to have unions.

Asides.

Mr. D. St.E. KELLMAN: Mr. Chairman, I know you would not like that, neither would I, that is why the two of us will continue to enlighten the unions to understand their mandate in this country.

10.50 a.m.

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(EDITED)

Mr. D. St.E. KELLMAN: The cess and bound rates, if taken off, would reduce the cost of foreign goods. It would provide employment for foreign workers but it would also replace local workers and local investors. Sir,

my proposal to the Government is to keep on the bound rates and divide the revenue collected from that to the workers of Barbados. It would be direct payment in their hands and nobody would be able to play with the refund.

Mr. Chairman, we have seen the Sales Tax and, Sir, when the Sales Tax was removed in the 1970s, the cost of living went up in this country. We saw a situation where many taxes were reduced in the 90s but yet still if you bought a washing machine or a deep freeze within three years after the removal of the sales tax, they were still higher than before.

Sir, one interesting thing, as soon as the small man recognised that there was a market for him and started to bring in these items, all of a sudden, some people recognised that the price of these items could be dropped by as much as \$1 000. I am not saying that they were not protecting the foreign exchange of the country because, by keeping the price high, it was protecting the foreign exchange of the country. Sir, let me say that the biggest beneficiary of gouging in this country, is Government.

Mr. Chairman, we have to understand one thing. Sir, in any serious analysis, one would recognise that, as I have been saying, that revenue is not the problem, that foreign exchange is the problem. Sir, sometimes, people see inflation as a negative but due to the condition of the economy at this present time, inflation cannot be seen as a negative because, if we were to reduce inflation in this country, then we would have no foreign reserves. What is needed is for Government to come up with a programme - I thought Government would have done so already considering that we have World Cup 2007, on our doorstep - to deal with the farmers, manufacturers and all the local service providers to improve their businesses, so that persons would have been more inclined to buy local than to buy foreign.

Mr. Chairman, we have to punish imports but, at the same time, we have to compensate our local manufacturers and workers but in this country, instead of compensating our local manufacturers and workers, we have been compensating the foreign one. Sir, the best example of this, is what we saw in the sugar industry. At one stage, we bragged about the number of jobs provided in the sugar industry but now all these jobs have been exported due to mechanisation.

Mr. Chairman, there was a time in this country when you, Sir, would have been telling your constituents that the sugar crop is about to start and that they would feel some effect from the starting of the sugar crop but these days, the sugar crop starts, the sugar crop ends and people in the rural parishes do not feel that effect. If they do not feel that effect, it means that the people in the urban parishes do not

feel the effect either so, this needs a discussion on the economy

Mr. Chairman, I have said before this before and Justice Pollard a few months ago also said that the changes that would occur within the economy in the Caribbean and in the world, would not occur because of the brilliant thoughts of the economists but it would occur because of the common players. If one looks at what is occurring within the Caribbean, it is clear that the economist within the Caribbean is now becoming an endangered species. Sir, a warning to the wise is enough.

Mr. Chairman, I have written an article, which said that when this economy was growing, it was growing off common players but now it is in trouble because of the high flyers and the No. 2 "negrocrats". Sir, in order for us to get where we need to go, it is time that they call you back to the Cabinet.

Mr. CHAIRMAN: The Honourable Member for St. James North, he is making an intervention, he is not winding up the debate.

Hon. R.C. EASTMOND: Mr. Chairman, I am not winding the debate. Just to respond to the distinguished Honourable Member for St. John, who is very gracious today and the Honourable Member for St. Lucy, whom I taught. Sir, he was my student but it was obvious that I might not have succeeded. Also, as my former student, I would rather you practise some humility and stop saying that you took this lead, and somebody followed you. Remember that humility is the way forward. I am castigating my former student for exceeding his bounds. I do not want those students, some of whom entertained me for Independence to write down on their books, "do not care..."

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member said that I have not taken in his training and that is true. If I had taken in the training on what the Honourable Member said about cadets in this Parliament, I would have misled the whole country, as he did.

Hon. R.C. EASTMOND: I do recall saying that cadets are persons given an opportunity to practise discipline. The Honourable Member for St. John wondered what is going on. The National Union of Public Workers was agreeable to the 2 per cent. Obviously, the Honourable Member for St. Lucy understands because he is castigating the unions and told them that they have not been performing their mandate but, generally speaking, the unions in Barbados have been very patriotic, mature and responsible. When you take it that all of us at an individual level would want mark increases in disposable income then, at a personal level, you could understand each person

wanting more income if you take it that the wants of men and women are insatiable. However, in an economy structured like ours, economists, whom the Honourable Member for St. Lucy described as a dying species, would tell us that there must be a balance between...

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House again. I said that if they do not watch themselves that it would occur. I never said that they are a dying species.

Mr. CHAIRMAN: The Honourable Member for St. Lucy, do you not remember what you said? The Honourable Member for St. James North, please continue.

Hon. R.C. EASTMOND: Sir, I know him so long as to know that he is more often playful than serious. He was not a bad child at 12. I taught him Spanish and he succeeded in accounting. I want to thank the good students of the Grantley Adams School for having invited me to address them on Independence Day and I trust that you took the advice. If anything, take advice from me and not from the Honourable Member for St. Lucy, who has never taught, but I have.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House. The Honourable Member should ask me because I was once a teacher, I taught Accounts.

Hon. R.C. EASTMOND: Sir, he playful because nobody can document or verify that he has ever taught anybody anything and I rather apprehend that if he taught them, they would have failed.

Mr. CHAIRMAN: Honourable Members, please, let me hear the Honourable Member for St. Lucy, he is on a point of order.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House again. I can call persons that the Honourable Member knows, who actually passed accounts. The Honourable Member, in his own admission, said that his teaching of Spanish was so bad that people had to run to other professions instead of his Spanish.

H120/11:00

Sequence 6

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Mr. CHAIRMAN: Honourable Member for St. James North, please continue.

Hon. R.C. EASTMOND: Sir, the rules of this Honourable House do not permit me to call the Honourable Member for St. Lucy a dunce, but Jefferson Phillips has a Master's degree in Spanish, and he sat beside him in school, but he would not want to hear the name Jefferson Phillips now, because his brother is running against him.

Mr. CHAIRMAN: On what do you rise?

Mr. D. St.E. KELLMAN: On a point of order. Mr. Chairman, the Honourable Member is again misleading this House. The Honourable Member did not teach Jefferson Phillips in fourth or fifth form, neither did he tutor him for his Master's.

Mr. CHAIRMAN: The Honourable Member for St. James North, please continue.

Hon. R.C. EASTMOND: Sir, I want to recognise the teachers who taught him first, and also recognise Hindsbury Primary School. The Honourable Member for St. Lucy is in the habit of taking himself too seriously. Sir, a man called Hutson Linton told me that in the world of short people, some short people have to find ways of asserting themselves, and they often do so at the risk of being perceived to be public clowns.

Asides.

Mr. CHAIRMAN: Please, please. I want the Honourable Member for St. James North to get back to the debate, and stop the personalities. Please get on with the debate. Honourable Member for St. Lucy, please, have a seat. Let me hear the Honourable Member for St. James North. Please, continue with the debate that is before the House and, please, stop the toing and froing.

Hon. R.C. EASTMOND: The Honourable Member for St. John asked what has Government done to address the question of inflation. If you define inflation as a persistent rise in the general level of prices, impacting on everybody in the country, and if you define stagflation as uncontrollable inflation, Barbados has not known any stagflation since 1973, when Mr. Branford Taitt was Minister of Trade. Sir, Harold Hoyte, at the Nation, can verify that.

Sir, what has Government done? We have introduced a reversed tax credit for those at the bottom of the incomes scale, the first Party in the history of Barbados to introduce a reversed tax credit, and I call on the Inland Revenue Department to start paying it, now. What else has Government done to address the question of inflation? The Government has set up poverty alleviation programmes, as can be testified to, by this Honourable Member and his good friend. I cannot name him, the Honourable Member for St. Michael East.

Asides.

Mr. CHAIRMAN: Please, please. Honourable Member for St. James North, you cannot refer to an Honourable Member by his name.

Hon. R.C. EASTMOND: Sir, I apologise to you. Only a presiding officer can name a Member, as happened, I believe, in a Caribbean country recently.

Sir, we were confronted in 1994, in this Honourable House, by twelve taxes that worked hardship, those taxes were removed and replaced by one VAT. We have systematically reduced land taxes in this country, so much so, that if your house and land value is less than \$125 000, you pay no land tax. What else have we done?

Asides.

Hon. R.C. EASTMOND: Kenny Anthony never achieved an unemployment rate of less than 10 per cent. Kenny Anthony achieved the dubious distinction of going to bed with Hartley Henry.

Asides.

Hon. R.C. EASTMOND: There is this unfortunate triumvirate in St. Lucian politics called Thompson/Henry/Cadet, he has St. Lucian connections and investments as well, and a lovely St. Lucian wife to boot.

Asides.

Hon. R.C. EASTMOND: Sir, last week at the Democratic Labour Party, one of their principal advisors, Mr. Tennyson Beckles, made bold to say, that we should never complain about high taxes, in a Party that has never introduced tax reform. Mr. Tennyson Beckles, a gracious man, from the north of Barbados, whom I understand is tutored in a distinctive form of economics called 'Kellmanomics', created by an Honourable Member in here, said within the halls of ... I almost said hallow halls, but I cannot say hallow halls of the Democratic Labour Party Headquarters.

Asides.

Hon. R.C. EASTMOND: I trust that the students are getting a feel for parliamentary life, and for those people listening, Parliament must never be artificial. It must be natural, allowing you children to aspire to come in here.

Sir, Tennyson Beckles said, that in a place where you need social services, health care and education, you should not complain about high taxes. My position and the position of the Right Honourable Prime Minister, is that where you can reduce taxes, reduce them, but you have to

balance the private person interest with the national interest.

The Honourable Member for St. Lucy spoke about disposable income, economists, accountants and financial thinkers feel, that where a country imports in excess of 70 per cent of its goods and services, the critical thing is to watch the foreign reserves and the balance of payments. If you increase disposable incomes to too high a level, you will increase the demand for imports, you will also increase the demand for the person overseas who supply and sell to us, to pay them more money, then your foreign reserves could be impacted. We are not saying that inflation is not something we should not deal with, but at the same time we have to be prudent and careful.

Sir, I have never been a Governor of a Central Bank, but successive Central Bank Governors have always urged wage restraint.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House on the theory of increased disposable income and with higher inflation. The Honourable Member does not understand that with higher inflation, created locally, the taxation element is much higher than the cost of goods, and what appears to be a high-cost item, is really a high-tax item. The Honourable Member should come to a class on 'Kellmanomics', and he would understand why it is better to keep high inflation, and increase the disposable income, as opposed to reducing the cost of goods and keeping wages down.

Hon. R.C. EASTMOND: Sir, permit me to make two final points. Mr. Chairman, life is full of ironies. We complain of inflation and low disposable income, but we also recognise that empirical evidence, always shows that where a country enjoys a high standard of living, it is almost like a corollary, that the cost is always high too. That is the empirical observation but it needs to be checked. Check Bermuda, Bahamas, California, New York, Tokyo and London. This is not Kenny Anthony speaking. Even if I know him, and I have been good to him and he to me, I am certainly not his best friend in here. Sir, let us go on.

Sir, I am saying that where there is evidence of a very high standard of living, almost always costs are high. I am saying so. Mr. Chairman, listen for this, as the Clerk brings some water for me. Sir, people are complaining about inflation, and low disposable income, and credit unions, which have in excess of 140 000 Barbadian depositors,

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House 120, Sequence 08, 11.10 a.m.

Hon. R.C. EASTMOND: The total aggregate savings in Barbados, actually have gone up, as we complain about declining disposable income. Mr. Chairman, is that not ironic?

Mr. CHAIRMAN: The Honourable Member for Christ Church East.

Hon. R.R. FARLEY: Thank you very much. Mr. Chairman, I rise to make a brief intervention in this debate, first of all to support this Resolution to grant some \$10 million, by way of a cost of living allowance to the public workers of Barbados and, secondly, to defend the unions of Barbados against the onslaught of the Honourable Member for St. Lucy.

Sir, it has been the assertion of the Honourable Member for St. Lucy that the unions have failed the workers of Barbados. In fact, this is not only his position today, but this has been his consistent position. I want to remind this House that we must see this cost of living allowance for exactly what it is. Indeed, the Honourable Members on the other side, have sought to suggest that the 2 per cent increase, represented by this \$10 million represents the Government's total position and total view of what should be the increases for public officers.

I just want to remind Honourable Members that this is part of the last wage settlement. Indeed, Sir, it was one of the caveats attached to that wage settlement, where public workers got their increases for the three-year period, with the caveat that should there be a cost of living increases beyond a trigger point of 4 per cent or 5 per cent, the Parties would sit and agree on a cost of living adjustment.

Sir, that is without prejudice to the fact that negotiations for wage increases are going on, even as we speak, for the period of the new wages. This is not a wage increase for the next bargaining period. This is part of the third year adjustment, based on the Wages and Salaries accord, signed by the Unions and the Government, going back some two to three years.

Sir, everyone would expect, we cannot prejudge or prejudice the outcome of negotiations, but certainly it has been this Government's stance, and this Government's very clear record, of paying wage increases throughout every period of wage negotiations of this administration. The public workers of Barbados and their unions have received a good deal.

Sir, I want to say to the Honourable Member for St. Lucy that the unions have not rolled over and played dead

with the Government. It has been no catwalk. It has been no free ride. I really cannot stand here to let the Honourable Member for St. Lucy cast the view that the leadership of the trade unions in Barbados, has been less than vigorous and rigorous in the prosecution of their duty and responsibility, on behalf of the thousands of workers that they represent.

It is a fact. Even the Honourable Member for St. John knows it, Sir.

Asides.

Hon. R.R. FARLEY: Sir, the Honourable Member for St. Lucy must be reminded that this administration has enhanced the security of tenure of workers of Barbados. A constitutional amendment is in place to protect their salaries from being cut at any time in the future. This administration, in terms of non-wage benefits to public workers, also increased the numbers of persons appointed, 4 000 casual workers, some of whom had as many as 30 years in the service, who could have been dismissed with a day's notice, have had their state of casual contingency altered to a state of permanence and security, by way of appointment to the public service.

Sir, this is a benefit that is worth more than money. It is worth its weight in gold, to know that you could finally - like your other colleagues in the public service, who are appointed - go to a bank or credit union to borrow some money, to get a mortgage, or get a visa to go the US because they do not fear that because you are in a temporary job, you would run away.

Sir, across the board, in a range of wage and non-wage areas, the Government has been very accommodating. This is not because of any deal with the unions, not because the unions have failed to pursue their responsibility. I really would hope that the Honourable Member for St. Lucy would discontinue this attack on the unions.

Mr. Chairman, I want to remind as well that the inflation, which we face has been agreed and accepted by all. Indeed, it has been the Minister of Finance himself, who indicated that, consistent with our policy over these years of having low inflation, a low fiscal deficit and a high foreign exchange economy, we would take measures to mitigate the impact of inflation, all of which are important.

This country has not been immune from the impact of the high oil prices that affected the world, and high oil prices have fed into every stratum of economic activity, such as the cost of airline travel, the cost of running your vehicle on the roads, the cost of manufacturing, the cost of electricity. Sir, when you trace the impact of high oil prices throughout the economic system, I believe the Government

would have to be commended for what it has been able to do. It could not prevent the increased, but it has been able to prevent the even further and more rapid increase in prices, as a result to this imported inflation.

I must remind that it has been this Government's consistent policy to continue to reduce taxes on energy, specifically petroleum products. Indeed, Sir, going back to five years ago, when in the United Kingdom, farmers were blocking highways with their tractors, people were protesting about the failure of the British Government to institute policies to mitigate what had already started - as a steady rise in oil prices... Sir, the Government has slashed its Excise Tax, substantially. This Government had reduced its take, on the price of energy.

Furthermore, Sir, one of the very reasons the Government had refused to renew the contract with Mobil was the fact that the high profit level, 15 per cent after-tax profit, which Mobil was insisting on receiving, would have fed its way into the price at the pump.

Therefore, all of the policies of this administration have really been geared towards that price reduction, with the exception, of course, of where at specific moments in time, there was a need to attempt to dampen import activity, and specific tax measures would have been introduced for this purpose. The inflation rate over time, would have indicated what we have been able to do, Sir.

In 1997, there would have been a temporary spike in the inflation rate with the introduction of the VAT, 7.7 per cent. Sir, by the next year, through Government policy, it was negative, minus 0.2 per cent. We had then 1.4 per cent, 2.2 per cent, 2.6 per cent, 0.2 per cent, 1.8 per cent, and 1.4 per cent.

Indeed, Sir, inflation moved from 1.4 per cent at the end of 2004 to 6.1 per cent at the end of 2005. It has been during that period in which there has been this persistent oil crisis, fueled by international events far outside of our control.

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Hon. R. R. FARLEY: Sir, we had the war in the Gulf and people are obviously being nervous about whether the Middle East, as one of the world's principal markets or sources for oil would continue to be safe. Persons are concerned about whether the supply from Iraq would ever come back to what it was before; about whether Iran would use oil as a weapon and withhold its supply; and about whether terrorism would reduce and impact the supply of oil. The market has been nervous about Venezuela and its ambitions. Indeed, Hurricane Katrina hitting the Gulf Coast

and affecting refining capacity in the United States of America has had its impact.

Sir, all of these factors have come together to cause us to face a persistent hike in oil prices, even though they have lower somewhat, at \$66 a barrel, which is twice as high as they would have been over the decade of the 1980s and the early 1990s. Sir, that is the reality of the world in which we live.

Mr. Chairman, to come to this point where we have been able with the unions of Barbados to agree that a wage accord would include a component of a cost of living adjustment was a recognition that there would have been factors in relation, especially to oil, outside of the control of the Government. Sir, we needed not to lock public workers into a situation in which having agreed in 2003 on a salary increase that there is nothing they could do but wait out the period and hope to recoup any losses in 2006-2007, on the basis of a new accord.

Mr. Chairman, the unions, and indeed the Government must be congratulated. Sir, you can rest assure that there has not been any free ride for the Government of this country. Sir, it is true that the unions have been fortunate that it has been this Barbados Labour Party Administration that they have had to deal with because this is not an anti-worker or anti-union Administration. Therefore, in making their push for benefits for the workers, they would have found a receptive ear, so that if anybody might have given a free ride, it might have been the Government, not the unions giving the Government a free ride. Therefore, this cost of living adjustment must be seen for what it is.

Mr. Chairman, as part of what was agreed in the last wages accord, well-negotiated, well-thought-out, a formula was agreed before hand and the formula was applied. Right now the Government is negotiating in good faith with the unions of Barbados to come to a wages agreement. Sir, whatever that figure of a wage increase is, whether it includes a cost of living adjustment in the future, that is between the unions' and the Government's negotiators.

Sir, in my judgement, the bottom line is that the workers can expect that the Government and the union will agree on a further wage increase for the new period which would go on top of this cost of living adjustment. Therefore, I do not want the Honourable Member for St. Lucy, by way of his one-sided argument, to hint or suggest inadvertently, he would not do it deliberately, that this two per cent represents the only adjustment that the workers could expect to get and that the Government is saying that they should be happy with it; not at all.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House because you

would not find any way in my speech where I said that this two per cent has anything to do with the current negotiations that are going on, neither at any time did I say, like the Honourable Member has said, that the workers of Barbados should be grateful to the Government for offering the unions the two per cent.

Hon. R. R. FARLEY: Mr. Chairman, I did not in any way in my remarks used the word grateful. The Honourable Member is now trying to extricate himself from the vice-grips that he has obviously put himself into, having viciously attacked the unions. Sir, I am defending the unions, but I am sure they will take their turn on him when they are ready.

Sir, I continue to be a proud member of the Barbados Union of Teachers. I have never resigned from or given up my union membership. My group health insurance is still very much there with them and I continue in solidarity with the workers of Barbados. If the Honourable Member for St. Lucy wants to break ranks with them, that is his business, he is in the business class.

Sir, I hope that all of the precepts that he prances up around here and preaches that he would practice them when he is wearing his other hat in another place. Sir, as a customer, I could only say how good his establishment is, he serves good food. I do not know about any other aspect of his administration, but I would hope that his anti-union stance on the Floor of this Parliament does not translate itself into any practice elsewhere.

With that, Mr. Chairman, as a pro-union, pro-worker Member of Parliament I strongly support this cost of living adjustment. I look forward to the swift conclusion of the negotiations currently en train between Government and the workers of Barbados, and I look forward to their continuous advancement under the leadership and guidance of this Barbados Labour Party.

I thank you, Mr. Chairman.

Mr. R. L. SEALY: Mr. Chairman, I rise very briefly to have something put very clearly on the record because I recognise this idea of a cost of living adjustment is a new area that we are now embarking upon. Traditionally, we have had our wage negotiations where we agree upon an increase over a two or three-year period. Sir, I need to understand this because I have public servants in my constituency, as in fact all of us do.

The Honourable Member for St. James North referred to his days in a previous incarnation as a teacher but we also know that he was also a very skilled barrister, a very clever attorney-at-law.

Asides.

Mr. R. L. SEALY: I am speaking of his skills as a barrister here because he was able to cleverly put that there has been an agreement from the unions on the concept of a cost of living adjustment. Sir, am I to understand that the unions are in agreement with the two per cent. That is what he is saying very clearly. Sir, as I said, he was very skilled in how he put the argument about the agreement on the idea of a cost of living adjustment - the COLA, as we called it.

Hon. R. C. EASTMOND: On a point of elucidation. The National Union of Public Workers agreed that if the agreement should span three years, then they should get back something. They said that if after a given period inflation went beyond five per cent they would accept a two per cent for their membership.

Mr. R. L. SEALY: Mr. Chairman, I thank the Honourable Member for that clarification. Sir, are we to understand as the inflation gallops way out of control that it is two per cent that the Government of Barbados feels that the public workers should have to combat the galloping increase cost in order to exist and to live in this country.

Mr. Chairman, the Honourable Member for St. James North spoke about the wonderful work that the teachers are doing, some of whom are here with us today, but do you know that those same teachers do not benefit from the reverse tax credit he was speaking about because they are outside of that income range. Sir, unemployed persons and pensioners are impacted by the increasing cost of living. Therefore, I think that the Government of Barbados should come clear with exactly how it plans to deal with this issue.

The Honourable Member for Christ Church East was very lyrical in saying that in 1997 there was negative inflation in Barbados through Government policy. That is what the Honourable Member for Christ Church East said in here. Sir, they took the credit when the inflation was going in a negative direction, but now that inflation is galloping out of control, it is Hurricane Katrina or the price of oil, and every excuse can be found now.

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Mr. R. L. SEALY: Mr. Chairman, Government needs to come clear with the correct matrix of policies and a clear idea of where we are going, with respect to combating the high cost of living. We all hear about it from our constituents. The public servants are just one component but if we are looking at this cost of living adjustment, in its wider context, as both the Honourable

Members for Christ Church East and St. James North did, I think it is only fair that we should look at what is happening in the larger picture.

Mr. Chairman, the Honourable Member for Christ Church East spoke to the Social Partnership. The Honourable Member represents the Government on the Social Partnership, if I am not mistaken.

Asides.

Mr. R. L. SEALY: The Honourable Member does not anymore? He used to at one stage, certainly that is a fact, as a Senator in the first administration. The point, Mr. Chairman, is that, if, in fact, the unions and Government have come to the conclusion that a 2 per cent cost of living adjustment is the answer for the civil servants, in dealing with the high cost of living, what about the public sector? Sir, my understanding of a partnership is that you work together. Therefore, what is Government doing to get the private sector to try to control cost to some extent, to try to lessen the impact of what is happening?

Mr. Chairman, if we are really serious about dealing with the cost of living, it cannot be simply a matter of what adjustments are made within the context of an agreement between the Government and the unions, we have to look at the private sector element. Sir, unfortunately, that is where the Social Partnership seems to be quite weak. The Government is ready to ask the workers to 'hold strain' and to be understanding, but what are they doing by way of suasion or pressure, to get the private sector to make life somewhat more bearable?

Mr. Chairman, what is Government doing on its own? My understanding of the Social Partnership and when it was originally conceived, was that the costs that workers would experience, not only would have been matched but that Government would have done all in its power to try to control those costs as well. Therefore, for example, in health services and the high cost of healthcare in Barbados, Government would ensure that by providing a proper health sector, that workers would not be saddled with the extra cost of having those services done privately. Another example is that the roads would not have been allowed to get in the conditions in which they are today.

Mr. Chairman, the Honourable Member for St. George North is taking notes. But that is all part of an effective Social Partnership, where not only the workers are asked to 'hold strain', but where the Government must be prepared to do its part, to ensure that various issues that would see added costs going to the workers are dealt with and that the private sector would do their part.

Mr. Chairman, I do not think the Social Partnership is working as effectively as it should, and certainly this is

something which the original formulators of the Social Partnership have never understood. Furthermore, it is these caveats that the Social Partnership has taken, as it has gone through its various incarnations, that have seen workers, to some extent, being disadvantaged from that Social Partnership.

Those, Mr. Chairman, are the remarks I have to make within the context of what we are doing here today. Sir, the Honourable Member for Christ Church East has spoken about how patriotic and how understanding the unions are.

Asides.

Mr. R. L. SEALY: Mr. Chairman, if the unions and workers are being asked to be so patriotic and understanding, I think it is only fair that the other major element in the Social Partnership, the private sector, could be patriotic and understanding, and that Government must give leadership to that aspect and should see that indeed transpires.

Mr. Chairman, I thank you.

Hon. C. A. MASCOLL: Mr. Chairman, I rise to speak in this debate because I heard a number of comments being made that are erroneous. The greatest threat to inflation in Barbados and the Caribbean happens to be George Bush. It is not about the policy of Government in the Caribbean. Sir, when George Bush ventured into Iraq, he would have caused the price of oil to increase substantially, now to be in excess of US\$60 per barrel. The greatest evidence of this threat to inflation is to look within the region to see it happening.

Mr. Chairman, if there was a phenomenon that was unique to Barbados, with respect to inflation, then St. Lucia, Grenada, Jamaica, St. Vincent or Dominica, would not have inflation. Therefore, the greatest threat to inflation, within Barbados and the Caribbean, is energy cost. Sir, that is known. In fact, if you go back to every point in history in Barbados, when there was high inflation, you would see that, for example, in 1974, it was almost 36 per cent, as a result of the quadrupling of fuel prices. In 1981, when there was the Gulf crisis, there was inflation. Therefore, there is a strong correlation between inflation in Barbados and the Caribbean, and the cost of energy, such that, in fact, if Government does nothing about inflation, it would come down. If Government does nothing now, it would come down, as is currently happening. Inflation is about rate of growth, it is not about the level of growth. Barbados has and has always had high prices and there is nothing wrong with it. The United States of America and Bermuda have high prices. In fact, it was said by the Honourable Member for St. James North that there is a

strong correlation between the development of a country and its level of prices. Mr. Chairman, that is a fact.

Mr. Chairman, I do not know what the real discussion is about here, where persons are trying to apportion blame, with respect to the rate of growth of inflation, on Government policy. Sir, it cannot be a question of Government policy. Mr. Chairman, what could be a question of Government policy, over the years, is high prices, but it would not be just one Government.

There is a difference between a high price and inflation. Inflation is the rate of growth of prices, and high prices are high prices. There can be high prices and low inflation. There can be low prices and high inflation. Therefore, to come to this Honourable Chamber and to try to suggest that, as a result of some Government policy, there has been rampant growth in the rate of inflation, is really not to understand the difference between a price level and an inflation rate.

Mr. Chairman, you can go back to any of my speeches and pull them up, because I can speak with the same degree of clarity now, that I spoke with before. Sir, nobody in this Honourable Chamber could question what I said before because they will tumble, as has happened recently.

Sir, I tried to warn the Honourable Member for St. Philip West about not getting involved, but to understand what I was saying. I said that when one is trained in an area, one can speak to it as clearly as one likes. For example, a lawyer prepares both the prosecution's position and the defendant's; an economist, therefore, understands the different sides of the equation. I had warned him that he was being used but it took someone else to come along and direct him correctly along the right path, now, all of a sudden, that individual is being cursed.

Asides.

MR. CHAIRMAN: Honourable Member, you said that the Honourable Member for St. Philip West is an economist?

Hon. C. A. MASCOLL: Mr. Chairman, I never said that, and he knows he is not. Therefore, is it not a question of debating that.

Mr. Chairman, what one needs to do is simply to respect a person's profession. One might disagree with a policy initiative, but that is based on argumentation. If you could create an argument that goes contrary to the belief of a person implementing a policy, that is okay but you must respect a person's profession.

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EDITED

Mr. C.A. MASCOLL: Sir, it is disrespectful to a man's profession that you can spend your entire life trying to become a good professional irrespective of whether are a lawyer or an economist and you are told to read a few more books and that you would be okay. Sir, you cannot do it that way. Mr. Chairman, let me get back to the issue of the cost of living. Sir, it is called the cost of living, therefore, cost is the adjective. The question is, has your living style changed? Your living style can change and increase your cost of living, it has nothing to do with prices. A person's lifestyle can change because he has been elevated to a new different level of living because they have been elevated economically, socially or otherwise and, therefore, his lifestyle can change. Therefore, the notion that there is a cost of living means that how you live influences your cost of living.

Mr. Chairman, if people do not understand that, then they do not understand my comment when I said that because of lifestyle change in Barbados and eating away from home, that eating away from home has now become the single largest component of the increased cost of food. Sir, that is a fact that cannot be disputed. If, therefore, you want to argue about the factors that influence that, you have to look at lifestyle, has it changed.

Mr. Chairman, I feel compelled to speak in this spirit. Sir, when I make these comments, they are not maliciously made....

Asides.

Mr. C.A. MASCOLL: When I asked to speak, you said that the Honourable Member for St. John wanted to speak but when he recognised that I was going to speak after him, he left the Chamber. I understand that because he does not want to be exposed, that is the problem in this Chamber. Sir, rather than become the senior spokesman on finance, he has now given that responsibility to the Honourable Member for St. Philip West, whom I really hope has now learnt his lesson.

Mr. Chairman, let me get to the issue. Once you speak in these terms, some people on the outside have reasons. On the one hand, they say that politics mean issues but when you become issue oriented, they say that it is your capacity to wake up a crowd on the platform and they try to shift the goal bar.

It is a fact of life that if evaluated on performance, in spite of being in a third term, with respect to unemployment; with respect to tax policy; with respect to growth; with respect to tourism; that in actual fact, there

would be no ground on which to stand for the other side. Sir, most important, if assessed on capacity to lead this country into the future, there is no chance at all on the other side.

Asides.

Mr. C.A. MASCOLL: You are going to see that all of those who are wishing and hoping would then try to shift the parameters and indicators because they have now been confined to a belief even after you have an empirical set of data. You then go into a rum shop and conduct a poll because the poll that reflects the reality, according to you, is not now what you want to hear.

Mr. Chairman, even yesterday's results... I want to say to this Government that it should not worry about what happened in St. Lucia because, in all fairness, what happened in St. Lucia is that you need to lead a country when you get a chance to lead the country. Therefore, you cannot lead a country without putting necessary reforms in place to get the revenue you need to be able to run a country. When you dodge policy decisions, when you refuse to reform your tax system and want to reform it in your third term, you are going to lose.

If you have a country like Barbados with a big middle class and a country, which is 15 or 20 years behind it because St. Lucia is not 10 years behind Barbados, St. Lucia is about 15 to 20 years behind Barbados economically. Let nobody fool you about it, the unemployment rate in St. Lucia at this stage is in excess of 20 per cent. We were at that stage when we were in crisis in the early 1990s, so, let nobody confuse you that you need to be fearful and that you have to worry about the fact that the Government has fallen in St. Lucia. You fall when you are incapable of making correct policy decisions and when you confine yourself to believing that you can only make decisions that are popular.

Sir, reform was necessary in St. Lucia after the banana disaster and reform of the tax system was necessary, so do not get worked up. Look at the players behind the politics in St. Lucia, they are common names. Sir, errors have been made by pollsters. I would not speak to it because I do not want to personalise my presentation.

Asides.

Mr. C.A. MASCOLL: I do not even care about him. I have no regard for him whatsoever. I do not care whether or not it is in tatters. I will not speak to the matter, I will speak simply to the fact that on the basis of governance and performance of a Government in terms of policy direction, that you cannot compare St. Lucia to Barbados at all, that there is no comparison between the two countries, one is way ahead of the other and that is a reality of life.

Mr. Chairman, this question of the cost of living is unlike what has happened in Trinidad and I will try to explain it. Sir, Trinidad's cost of living is based on the fact that Trinidad is an oil-based economy. It derives substantial revenue from oil and does not know what to do with it. The people are now up to their necks in finance. They spend on an economy that basically has not grown, therefore, the more money you have, the higher prices will go. Students, it is like going to the fish market and when there are few fish, the price rises, when there is a glut of fish, the price falls. In Trinidad, it is being driven by the fact that there is so much money in the economy without the necessary production. It differs from Barbados and, therefore, Barbados is not about restricting any credit to bring down any inflation because our inflation is inspired by cost-push inflation; energy cost affecting electricity, transportation, interest rates, therefore, affecting the cost of business. Mr. Chairman, do I have to go on?

Mr. CHAIRMAN: Please go on. You have five minutes more.

Mr. C.A. MASCOLL: Mr. Chairman, when Trinidad decides it is going to cut credit or increase the amount of bonds or securities in the economy, it can issue a piece of paper, it absorbs monies from the private sector and put it in the Central Bank, thereby reducing the demand, Barbados is not in that position. Barbados' inflation is cost-pushed, not demand driven so, Trinidad is not the place to look to solve any inflation problem.

Mr. Chairman, the inflation rate in Barbados without doing anything by June next year will be about 4 per cent or 5 per cent. I have said before that I am not only in a position where I critique but in a position where I can offer suggestions and discuss with my colleague a possible solution. Sir, in essence, I can now be critical and also forward-looking.

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Mr. C.A. MASCOLL: Sir, that is what I intend to do, because we can solve the simple problems that affect the Barbados economy, they are not major.

Sir, Barbados does not have major problems to deal with. The restructuring in the Barbados economy has started. I can say that because I was talking it for twelve years. The restructuring has started within the sugar industry. The reason you can now move to restructuring is because of the cost of fuel. Sir, because the cost of fuel has now increased so substantially, alternative energy is now viable. If oil prices did not go from US\$30 a barrel to

US\$60, and sometimes US\$70, alternative energy would not become viable.

Asides.

Mr. C.A. MASCOLL: Therefore, the restructuring within the sugar is a result of the high cost of fuel and the alternative energy which we can now pursue, so, you pursue it.

Sir, I was critical of the building of condominiums in the tourism sector because I do not like the building of condominiums by themselves, but if you are building a condominium hotel, which is, you are taking your condominium and putting back into a pool to become a hotel for nine months of the year, that is sweetness incorporated for an investor, because here it is, you are building a home away from home, but a home is not an investment.

Sir, when you build a home as an individual, you are incurring costs but there are no returns. If you could build a home away from home, and then turn and invest that home in a pool for nine months, you have had the best of both worlds. You have built a home away from home and now you have taken it and put it into a pool that can earn you income. Therefore, you have had the best of both worlds. That should have been explained to me when I was critical. It was not done effectively, in my view. There is a complete difference between a condominium and a condominium hotel, so the reform in tourism is also occurring.

Sir, there is one constraint to managing a Caribbean-type economy, and that is the earning of foreign exchange. I have said it for the last twelve years. If you can earn foreign exchange, you have so much flexibility.

Mr. CHAIRMAN: Please, let us hear the Honourable Member.

Mr. C.A. MASCOLL: Mr. Chairman, let me say it now, because you have to understand this point too. I could not both be critical and then tell people how to counter my criticism. Sir, any Government in the Caribbean that institutes a policy of borrowing from foreign sources, what it spends on the repayment of amortisation or principal has adopted a brilliant strategy for long-term management.

Sir, simply put, if you pay back \$60 million a year on a foreign loan, you borrow \$60 million back. Do you know what that does? That puts a government in a position, where it has to bother only about managing its domestic debt. We can have dispute and discussion on it, but the reality is, if you do that as a cushion and then pursue effectively your restructuring of the economy, you are on course to sustaining an economy.

Sir, when they go for their speeches, return, and then cannot defend the speeches, I will determine what I will do with them in debates. I know exactly what I have said over the years, because nobody can accuse me of having said anything that I did not say, as was tried two weeks ago, about devaluation. I would have been a madman to be part of a process whose principal aim was to stop devaluation, in the early 1990s, and it was done successfully -the principal plank upon which economic policy was based was to prevent devaluation, and I was supposed to be the man at the center of it; I was not, but that was said - then come ten years later preaching devaluation. I would have to be a madman and so far, I do not know that I am.

Asides.

Mr. C.A. MASCOLL: Sir, on the one hand I am out there defending the Government for not devaluing its currency but ten years later I promote the devaluation of the Barbados dollar. That was attempted in this Chamber two weeks ago.

Sir, mind you, I said to a Member, a man that I worked with, who said that he worked for me, but not with me. He is still now part of the Opposition apparatus. I said to him, and he knows it well, that I would have focused my Budget reply this year on the cost of living, because it was the clever thing to do as an Opposition. Sir, what you would have done, you would have brought the issue of cost of living to the public fore before someone else brought it, then you would have tied the cost of living increase to the wage negotiations. Therefore, as is being attempted now, appeal to the public sector workers. When you appeal to the public sector worker, on the basis of the cost of living hike, you would then have brought them over into your corner.

Mr. CHAIRMAN: Please, let us hear the Honourable Member.

Mr. C.A. MASCOLL: Sir, my focus would have been on the cost of living, but it is too late. It is too late to make it an issue with respect to inflation. There are high prices in Barbados, and they have to be addressed, but an inflation rate is different from a high price. I repeat, an inflation rate is different from a high price. If you do not understand it, please take some time out to read. That would have been the ideal political strategy. Sir, to come now and try to make it seem that a 2 per cent cost of living is inappropriate or inadequate, is really too late, because on top of the 2 per cent, there will be a further increase to be granted quite soon.

Mr. Chairman, that is what I mean about doing research. That is what I mean about making issues the focus of your politics. If you do not believe in that, and you believe that the Government is going to fall on its heavy

weight, then you would not prepare for these kinds of discussions and debates. If you do not believe that you have a duty to bring these kinds of issues to the public of Barbados, then you would fall on your heavy weight. Sir, therefore, to understand the real issues that impact, I did not need any poll. Sir, you did not need any pollster to tell you that the cost of living was a problem in Barbados, coming onto to last year and early this year. Sir, it was fuelled by oil prices and the increase from US\$30 per barrel to US\$80. It has now retreated to about US\$60, but it has created other opportunities.

Mr. Chairman, I therefore felt the need to enter this debate because it is okay to try to score political points, but you need to go beyond political points and understand issues, because when you are countered, and when other professional economists make remarks, based on their professionalism, you question the individual, and an individual, who would have written several Manifestoes for the Democratic Labour Party, and you question his integrity because he is speaking as a professional.

Sir, You do not do it to people. You do not demean people and their professions. In spite of your ambition, you do not do it to people. When you feel, therefore, that you can then reduce the individual to a decimal point, on a political platform, and his relevance is based on where you placed him - that is what a decimal point is, its relevance is based on where it is placed, then you have taken that man's profession, that man has retired, and you have tried to humiliate him on a platform, after he has contributed immensely to your Party.

Mr. Chairman, I thank you.

12.00 p.m.

Sequence 12

Tuesday, December 12, 2006

House 120, Sequence 13, 12.00 p.m.

Mr. CHAIRMAN: The Honourable Member for St. James South.

Hon. Ms. H.E. THOMPSON: Mr. Chairman, thank you very much.

This debate is interesting and of tremendous relevance nationally, because one of the main conversation points for people in Barbados today is the cost of living in Barbados. We cannot fool ourselves as a Government about it. The reality is that the cost of living is a concern. I go to the supermarkets. I hear people complain. I watch people compare prices. I myself watch the rise in the prices of goods, the rise in the cost of services, and the extent to

which it is impacting on the economy, on the society and on individuals.

I believe that we do have to formulate a specific strategy for addressing the issue. It is also important that we talk about the issue and talk the country through it, because where there is an issue of stress to the public, people are apt to believe, if they do not hear the Government speaking with confidence and giving information, which is unassailable and which is supported by empirical data, people are apt to believe that the Government is uncaring and is not in control of the situation, and is doing little to effect beneficial change to the public which it serves.

Therefore, I want to cast my comments today, in the context of what is happening with inflation nationally, what is happening with inflation regionally, and what is happening with inflation internationally. I want too, Sir, to look at the totality of some of the other statistics that people have not today, been bringing to the fore.

In order to get some accurate information, I went back to the Central Bank Reports, as far back as 1991, to see how inflation and the economy have changed, over the course of the last fourteen years.

First, there is a view that inflation is spiraling out of control. The reality is that though inflation has increased, inflation is still not as high as in other Caribbean countries. It is not as high as international developed economies, and it is only now marginally higher than it was in 1991.

In 1991, the rate of inflation, according to the Central Bank, was 7 per cent. In 2001, it fell to as low as 4 per cent. Today, it is at just more than 7 per cent, possibly about 7.5 per cent, but certainly, less than 8 per cent. Therefore, inflation today is 1 per cent over what it was in 1991.

Sir, let us look at the comparative positions of 1991 and now. Today, the foreign reserves are solid. In 1991, we were in crisis. Today, unemployment is at 8.5 per cent. In 1991, it was 25 per cent. When the Democratic Labour Party and the members of the Opposition cause us to believe that now we are in deep crisis, things are really bad and all of the figures are against us, let us as a country pull back and refer to independent analyses, not to political data.

Sir, we should not look at statistics put out by a Leader of the Opposition, desperate, or an Opposition that is desperate to form the Government, not by a Government interested in holding on to office, but by an independent organisation charged with the responsibility of charting our financial development and giving statistics, based on the assessment of professionals.

Sir, they tell us that in 1991, inflation was 7 per cent, with unemployment at 25 per cent, and that in 2001, inflation was 4 per cent - I apologise for not having pulled the unemployment statistics - and at the end of 2005, inflation was just about 8 per cent, with unemployment at 8.5 per cent.

I would wish, Sir, to revisit what others have raised today, as some of the drivers of inflation. What are the drivers of inflation in the Barbadian economy? What are the issues contributing to rises in the local economy and what are the issues contributing to the inflationary impacts on the economy?

Sir, let us understand that Caribbean economies and societies are price takers, we ourselves grow very little of our own food, and we produce very little of what we consume. Sir, we import from clothing to refrigerators, and from bananas to watermelons. This is not unique to Barbados. There are some Caribbean economies that might grow more fruit than we do. There are some, which may grow and use more ground provisions than we do.

Sir, the reality is that Barbadians have a higher standard of living than all of the other brothers and sisters throughout the Caribbean, irrespective of their natural resources, and irrespective of what their foreign exchange earners are, Sir.

We are in a position, Sir, where a maid in the Government service in Barbados works for BDS\$1 600 a month, as compared with less than EC\$1 000 a month, in the eastern Caribbean. Hotel workers in Barbados earn twice as much as their counterpart in the eastern Caribbean. This is the reality, so when we start comparing and talking about how hard things are in Barbados, let us also understand that in Barbados, the level of salaries, both in the private sector and the public sector are significantly larger, than those in the eastern Caribbean.

The buying power of the dollar in Barbados, is much higher than those in the eastern Caribbean. If you go to an international airport, or to England and carry a Barbados dollar, your dollar is accepted, when other currencies from the Caribbean are rejected.

Asides.

Hon. Ms. H.E. THOMPSON: No, that is the reality, that the strength of the Barbados dollar allows people to accept it with confidence all over the world.

Sir, what are the drivers of inflation? One of the drivers of inflation in Barbados has to do with the fact that we all want high salaries. There is nothing wrong with that, but if the cost of production and labour is the chief component in production, if the cost of production is high,

then the cost of goods and services have to be similarly high.

Therefore, there is a cost to the whole society for paying the maid \$1 600 a month in the public sector, and between \$35 and \$50 a day, in the private sector. Sir, if we want high salaries and the base of production is labour, and labour costs are high, then the cost of goods and services produced by labour will, of necessity, be high. Sir, we can talk about the exogenous or external reasons for inflation, but there are also local or internal reasons driving inflation.

I do not want to deny anybody their quality and standard of living. Let us give salary increases where every time we can, as we have done since 1994. We have never cut back on people's salaries, we have given them back the 8 per cent, and we have ensured that there have been price increases for civil servants across the board, but there is a cost to that. Sir, that is one driver.

House 120, sequence 13, 12:10:14

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Hon. Miss. H. E. THOMPSON: Mr. Chairman, I would not have enough time in the 15 minutes allotted to me to elaborate on the second driver, but I would make the point, suffice it is, I think, to do so. Sir, the second driver of prices in the local economy, particularly in relation to food, has to do with the consolidations in the distributive sector by local businesses in Barbados.

Sir, the distribution of food is controlled by a few powerhouses in Barbados and they determine food cost in Barbados by the way in which they buy, by the way in which they hold in warehousing and by the way in which they sell, often to their own subsidiaries, marking a level of profit at each movement of the goods and the food that they are selling.

The third cost driver - and I will turn to some of the external ones - has to do with the price of oil. Sir, six years ago or there about, it was costing Barbados \$79 million a year to pay for our oil, today, it is now costing us \$452 million a year. Sir, that is an increase over a six-year period, to some extent, which the Government has no control.

Mr. Chairman, I will explain it now. We have attempted to control it by putting an end to the inequitable relationship which the last Administration had with Mobil guaranteeing them a return of profit of 15 per cent after taxes, and have put in place a regime where Government controls the movement of oil on land in Barbados and gets a rate of return of one per cent. Sir, if we were still in a relationship with Mobil, the price of oil and fuel today and the cost of goods and services would be higher.

Sir, oil is at the base of everything. When you turn on the electricity, when you get into your car and when you turn on the tap in your house. The Barbados Water Authority is the biggest customer of the Barbados Light and Power Company Limited. Sir, when food comes to your table, it gets to your table because a ship brings it to Barbados, a vehicle takes it to the supermarket and either a bus or a car takes it to your house.

Sir, we have attempted to control prices by reducing the taxes on oil and related products. We have attempted to control the price of oil by ensuring that the high increases internationally are not passed on to the consumers. Sir, oil and the increases in oil prices are a significant consideration affecting the price of goods and services in the economy. Mr. Chairman, as long as international prices continue to rise, we are going to be affected.

Mr. Chairman, three years ago, oil was US\$30 per barrel. By August of 2006, the price of oil rose to US\$75 per barrel, the highest ever in the history of the world. It is now at about US\$60 per barrel. Sir, OPEC, in its greed, has determined that it would cut back on production to ensure that oil does not fall below US\$50 and US\$60 per barrel. Therefore, the whole notion that we would get cheap oil prices again and therefore prices internationally will return to what they were; it would not be so.

In addition to that, catastrophic events, whether war or natural disasters, have resulted in massive damage across the world. Therefore, a fourth driver - I will discuss some of them - of prices and inflation would then be geopolitical considerations. What are geopolitical considerations? The massive growth of the Chinese economy and the economies of India and other economies in Asia are putting a tremendous pressure on the international world for goods from steel to wood.

The Chinese are making arrangements to buy every drop of oil they can get access to. They are arranging to buy every rod of steel, every tonne of steel to which they can get access. They are developing strategic alliances to make sure the Chinese economy continues to grow by buying goods and services across the world. Sir, that is putting pressure on the sources of production, because as goods are produced and they are grabbed up by the Chinese, there is a shortage internationally of a lot of various types of goods and therefore the price of the goods continues to go up and we in Barbados, like the rest of the world, would have to pay higher prices for them.

Mr. Chairman, quality of life is a driver of prices in Barbados. We have a population of 270 000 people - and I believe that perhaps 100 000 of our people are age 60 and over, so they are coming out of the workforce, that figure is subject to challenge, but my guess would be that - and we

have 200 000 cell phones and 112 000 cars for a small economy.

Asides.

Hon. Miss. H. E. THOMPSON: I am not suggesting that anybody should not have, but I am saying that there is a price for the quality of life that we enjoy. If we move from 40 000 cars as we did in 1995 to 112 000 cars today, they all need gas, so the demand for that good is increasing. Sir, we have too the advent of natural disasters and these would fall under geopolitical considerations.

Asides.

Hon. Miss. H. E. THOMPSON: I will wind up and I may come back.

Asides.

Mr. CHAIRMAN: You can come back after lunch.

Hon. Miss. H. E. THOMPSON: Sir, I cannot come back because I have to speak at the Queen's College graduation this evening and I also have a funeral. Sir, if I may, with the latitude of the Chair, I will go back to the Central Bank reports.

Asides.

Hon. Miss. H. E. THOMPSON: I will move forward, Sir, to the Central Bank of Barbados reports just to give some idea to show what is happening internationally. Unemployment in France, a developed country, is 9.9 per cent, which is higher than in Barbados. Unemployment in Germany is 9.2 per cent. Inflation in Argentina is 12 per cent; in oil rich Venezuela, it is 16.1 per cent and in Nigeria, it is 16.8 per cent. Sir, on any analysis of the empirical data, Barbados is doing exceptionally well for a small economy without resources.

Sir, Government has put a number of initiatives in place some of which have been mentioned today. Sir, if I am able to be here today after lunch, I will come back to speak about some of those initiatives.

I am obliged to you, Sir.

Mr. CHAIRMAN: If we are not going to take the break now, we will have the Honourable Member for St. Lucy.

Hon. R. C. EASTMOND: If he is going to be brief we can take the break at...

Mr. CHAIRMAN: The Honourable Member for St. James North, I am hearing the Honourable Member for St. Lucy, please.

Mr. D. St.E. KELLMAN: Mr. Chairman, it is clear that all economic books would have be rewritten.

Asides.

Mr. D. St.E. KELLMAN: Mr. Chairman, it is known that what most economists in the world speak are not their own thoughts, but the thoughts of others. Sir, if the Honourable Member were at the Hilton Hotel earlier this month to listen to Justice Pollard, the Honourable Member being an attorney-at-law, would have been able to appreciate the finer point.

House 120 Sequence 14

12.20 p.m.

Tuesday, December 12, 2006

(EDITED)

Mr. D. St.E. KELLMAN: Sir, I stand by my point that the Honourable Member said that....

They never said they were matching inflation with the cost of living, that is what the Honourable Member should have said. If the Honourable Member for Christ Church East wants to say that the unions ask the Government to match the increase in cost of living with the increase in inflation, I would support the Honourable Member and give him time to get up and make that point.

Hon. R. R. FARLEY: Mr. Speaker, on a point of order. I wish the Honourable Member would respect the rules of House with respect to relevant and accuracy. Sir, let him make his own point. All I am saying for the record is that I do not want children of the future, who expect parliamentarians to speak with sense, to read in the records of this Parliament that the Honourable Member for Christ Church East was associated by inference with anything, which runs counter to that high standard of expectation concerning the intellectual standards that members of this Parliament are expected to have. This Honourable Member has not said, implied or hinted that there is anything other than there was a formula agreed and that the parties had agreed on 2 per cent.

The Honourable Member for St. Lucy wants to suggest that I have said that no matter what the inflation was that we were stuck at 2 per cent. Sir, that is not what was said or intended to be said. I do not want the Honourable Member for St. Lucy to attend to influence the

record of this Parliament. Let my speech stand on its own merit, Sir. Leave me out of what you are trying to say.

Mr. D. St.E. KELLMAN: Mr. Chairman, I am 100 per cent in agreement with the Honourable Member for Christ Church East. The Honourable Member is saying that those who negotiated for the workers did not do what they should have done. The Honourable Member is saying that he would never support something like that and I agree with him. The Honourable Member is known for supporting his workers.

Hon. R. R. FARLEY: Mr. Speaker, on a point of order. The Honourable Member for St. Lucy has gone from the sublime to the ridiculous. If one was asked to say what the theme of my speech was, I was making a speech in defence of the unions. I could not have, in one and the same breathe, have got to my feet to speak in defence of the unions and then make the assertion that the Honourable Member for St. Lucy is making.

I have asserted that the unions did their job, that the unions have worked hard in defense of workers right, that it was not a cakewalk for the Government and that having fought for the workers' interest, we have agreed on 2 per cent. It has been the Honourable Member for St. Lucy that has accused the unions of not working in the interest of the workers.

I have reminded him that I hope that the high precepts that he is prancing up in here and standing on that he applies them in all aspects of his other life because I may have to check him out carefully if he continues to trouble me. Leave me out of it.

Mr. D. St.E. KELLMAN: I want the Honourable Member to know that I do not support minimum wages. The most vital point that was made a few seconds ago is that the Honourable Member for Christ Church East said that we agree, which says that the Honourable Member agrees with the 2 per cent and that the unions agree with the 2 per cent. Sir, if the unions and the Honourable Member for Christ Church East support the 2 per cent cost of living from 1994 up to 2006, I do not agree with it and this is where we break ranks.

Hon. R. R. FARLEY: Mr. Speaker, on a point of order. Sir, no where in the presentation of the Honourable Member for St. James North, the lead speaker in this matter, and no where in any other presentation, no where rooted in the facts of the matter, does this 2 per cent relates to anything to do with 1994 to present. This 2 per cent relates to the existing collective bargaining agreement. I wish the Honourable Member for Christ Church East Central would send a note two places down because, as a unionist, the Honourable Member for Christ Church East Central knows these things and the Honourable Member

for St. John knows these things too. What is before us, is a 2 per cent extension of the increase granted on the last wages accord, which on my memory, was a three-year wages accord, signed in 2003, so the matter relates to 2003 to 2006 and, we are in the last year of that accord. Sir, even as we speak, negotiations are going on for a further increase to be granted to public workers.

Mr. D. St.E. KELLMAN: Mr. Chairman, I am going to wind up. I want to thank the Honourable Member for saying that the increases received by the workers since 1994 up to now, have always exceeded inflation and this is the first year that it has been less, that is what the Honourable Member is saying. Sir, the records would show that the workers have never received increases greater than inflation. I want the Honourable Member for Christ Church East to produce the statistics to prove that the increases the workers got were greater than the inflation. Sir, if you use Government revenue as an example, which would be matched by Government expenditure and you look at these Estimates of 1994, one would recognise that Government expenditure increased by 100 per cent so that means that inflation would have been 100 per cent.

Hon. R. R. FARLEY: Mr. Speaker, on a point of order. The Honourable Member cannot in this immediate post-lunch period read such an inaccuracy into the records of this Parliament. The records will show that every wage settlement since 1994, has been higher than the rate of inflation. Sir, in my presentation I even quoted the levels of inflation measured as year-end position. The Honourable Member cannot run counter to the facts. It is simple not true.

Mr. D. St.E. KELLMAN: Mr. Chairman, if that statement is correct, the Honourable Member is saying that when the Government prepares its expenditure Estimates that the inflation used in it is incorrect. Sir, I was only quoting from a document accepted by this House, which would have demonstrated that the expenditure for Government since 1994 had increased by 100 per cent, which would have been inflation for the Government expenditure. The Honourable Member is saying to this House that workers in Government were able to match the increase in their wages by the same inflation that Government got for itself, that is what the Honourable Member for Christ Church East wants this House to believe.

Sir, I thank you.

Hon. R.C. EASTMOND: Sir, before I ask you to report progress to His Honour the Speaker, I want to commend the students for exemplary behaviour. I trust that there would want to become parliamentarians. I wish them all the best in their studies. The seniors from Grantley Adams School go to a school that has inherited the perfect

name, Grantley Adams, and I wish them all success. I am also want to say that I suspect that the principal of the Hindsbury School went to Sunday School with me and that children who go to Sunday School rarely go to jail.

On the motion of Hon. R.C. EASTMOND, seconded by Hon. Miss M.A. MOTTLEY, Mr. Chairman reported progress to Mr. SPEAKER and Mr. SPEAKER resumed the Chair and reported accordingly

H120/12:40

Sequence 16

Tuesday, December 12, 2006

SUSPENSION

Hon. R.C. EASTMOND: I beg to move that this House be suspended until 1.45 .m.

Hon. R.R. FARLEY: I beg to second that, Sir.

Mr. SPEAKER: Honourable Members, before I move the suspension, I am asking those Honourable Members of the Management Commission, who did not attend the meeting this morning, to note that we are continuing our meeting after lunch. Those of you who can, we really would like you to attend the meeting. Our meeting is continuing in the Committee Room.

The question that the House be suspended until 1.45 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.

12.40 p.m.

Sequence 17

Tuesday, December 12, 2006

House 120, Sequence 18, 1.45 p.m.

RESUMPTION

On resumption, Mr. Deputy Speaker assumed the Chair.

Mr. DEPUTY SPEAKER: This Sitting is resumed.

The Honourable Member for St. Michael North East.

PAPERS (Recommitted)

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, I am commanded to lay the follow:

1. Supreme Court (Master) (Salary) Order, 2006.
2. Report of the Accountant General for the financial year, 2005-2006.
3. National Insurance and Social Security (Self-Employed Persons) (Amendment) Regulations, 2006.
4. National Insurance and Social Security (Non-Contributory Old Age Pensions (Amendment) Regulations, 2006.
5. National Insurance and Social Security (Employment Injury) (Prescribed Diseases) (Amendment) Regulations, 2006.
6. National Insurance and Social Security (Employment Injury Insurable and Accepted Employments) (Amendment) Regulations, 2006.
7. National Insurance and Social Security (Employment Injury Claims and Payments) (Amendment) Regulations, 2006.
8. National Insurance and Social Security (Employment Injury Benefit) (Amendment) Regulations, 2006.
9. National Insurance and Social Security (Determination of Claims and Questions) (Amendment) Regulations, 2006.
10. National Insurance and Social Security (Contributions) (Amendment) Regulations, 2006.
11. National Insurance and Social Security (Collections of Contributions) (Amendment) Regulations 2006.
12. National Insurance and Social Security (Claims and Payments) (Amendment) Regulations, 2006.
13. National Insurance and Social Security (Benefit) (Amendment) Regulations, 2006.
14. Annual Report of the Barbados National Productivity Council for the period April 1, 2005 to March 31, 2006.
15. Annual Report of the Barbados Investment and Development Corporation for the period April 1, 2005 to March 31, 2006.

GOVERNMENT BUSINESS (Resumed)

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, when the House took its lunch suspension, we were in Committee of Supply, I ask, Sir, that we revert to Committee of Supply.

Mr. DEPUTY SPEAKER: If this is the will of the House, so be it.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This House is in Committee of Supply.

The Honourable Member for St. Philip West.

Dr. D.C. ESTWICK: Mr. Chairman, I believe that the Government and the trade unions have a fundamental responsibility to ensure that the citizens of any country that are under their charge, get the best possible deal whenever there is a decision to be taken, which can enhance their well-being.

In this particular debate I have to say, Sir, I am somewhat saddened that this has not been the case in this particular arrangement. If I am to accept what is being said that if we had a situation in Barbados, where we had an increase in the annual inflation rate of 5 per cent, or that inflation will be running above 5 per cent within a particular year, there would have been a revisiting of the type of salary structures being given to workers in Barbados...

House 120, sequence 18, 13:50:14

Tuesday, December 12, 2006

Dr. D. C. ESTWICK: Sir, it bothers me to hear, if it is so, that the unions would accept a two per cent increase, when you have a situation where when one looks at the trend - and I am now speaking specifically of the trend with respect to the growth of inflation in Barbados - one can see that not only has there been a rapid increase in the inflation rate in Barbados over the last three years, but that there is no clear evidence, given the recent actions of the members of OPEC, that there is going to be any real significant reduction in oil prices any time in the near future.

Sir, if that holds to be true, I have a problem because it calls for one to prognosticate and to assume what the inflation rate may very well be next year and the year after.

Sir, because Barbados is at the stage where it is so vulnerable to external shocks, of which oil prices is only one, and to other international shocks with respect to the economic downturns that are being projected in the very near future, then I have a real problem how it is that an agreement could be made accepting this two per cent as a one-off payment.

Mr. Chairman, when I look at this whole business of increases of prices in Barbados, I have recognised that there are two components to this. I do not accept the argument that it is simply a price-push inflation in Barbados. I accept the argument that it had played a part and the evidence of that has to do with whether or not

Government has passed through the oil prices to the domestic market.

Mr. Chairman, what is also of fundamental importance in Barbados has been the significant increase in consumption that has been fuelling demand. Sir, those are not my words, those are the words of several eminent economists that have been writing the Broad Street Journal and others from the University of the West Indies, when they were recently looking at the inflation problem in this country and whether we could get it under control.

Sir, if what I am saying is incorrect, then I will quote from the experts of Standard and Poors and the International Monetary Fund, who indicated that in 2004 we had what is called non-core inflation. Sir, I will explain the point because Barbadians need to understand this. Sir, if the Government is going to refute what international experts are saying, they can go ahead and do it, but I will reiterate this because I have some understanding of what is going on. Sir, I will explain the difference between core inflation and non-core inflation.

Sir, when one speaks to core inflation, one speaks to those elements that are influenced by oil prices. When one speaks to non-core inflation, one speaks to those elements that are not influenced by oil prices. Sir, if the International Monetary Fund is wrong in saying that in 2004 non-core inflation in Barbados was almost zero, then the Government needs to tell the economists that work for the International Monetary Fund that they are wrong. Sir, they said that in 2004 non-core inflation in Barbados was almost zero and that by 2006, it had moved from zero per cent to well over 4.5 per cent. Sir, that is not inflation driven by oil prices.

Mr. Chairman, when one looks at the fact that between 2004 and 2005, we have had a \$4 billion credit spree in Barbados and after that we had a 25 per cent increase above that for 2005-2006, and for 2006-2007 it is projected to be higher, how could some people come to argue that the level of consumption in Barbados has had no impact on the inflation rate. Sir, that does not make sense because in many of the components that we produce in Barbados there is a massive element of import pass through in those particular components.

Mr. Chairman, I will speak now specifically to the impact of the domestic debt as it affects inflation rates in Barbados. Sir, they are some who seem to think that they are repositories of knowledge in Barbados, but I will tell all of them today that I read with some profound clarity and I understand how to utilise that intellect, and no one, nowhere, will be able to discredit that. Sir, I am standing by my prognostications and pronouncements based upon my intellectual argumentation and my inferences. Sir, I do not care where I went to school or what university I went to.

Asides.

Dr. D. C. ESTWICK: Mr. Chairman, because of the significant increase in domestic borrowing in Barbados, we had a drive to increase inflation as a result of domestic debt. Sir, let me explain that as it has had not only an impact on the fiscal deficit, but has impacted directly on the cost of production in Barbados, because those two elements are the crux of the matter. Sir, this debate today is about how inflation affects your fiscal deficit and your debt.

Sir, the increase in the domestic borrowing in Barbados has created a situation where you can see reflected by the increase in credit, significant construction boom, mortgages, the growth in the housing market and so on, which has put a significant increase on the cost of labour and on the cost of material that go into construction.

Sir, in addition to having the impact in that way in terms of wages and material supply, the demand has become so significant that those same Honourable Members on the other side are telling us about having to import labour from the other territories to deal with the demand, and now they would want to come to argue that it has no domestic impact; that is rubbish.

Mr. Chairman, what is also important is that when you have that level of domestic borrowing and it starts to impact on the domestic interest rates, the impact of that is, it drives a domestically-driven inflationary spiral. What we have had in Barbados as a result of that is an increase in the cost of doing business in Barbados. Sir, I am saying that it is directly linked to that domestic demand and its impact on the domestic inflation rate and the domestic debt.

Mr. Chairman, by having that type of problem developing, there are two things that occurred, and this is where the divide came between myself and others. Sir, when you have a situation where the domestic interest rates go up in a country, and in Barbados where that is driven by your domestic debt demand, the long and short of that story is that there are three possible effects: a crowding-out effect; a crowding-in effect or both.

House 120 Sequence 19

2.20 p.m.

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Dr. D. C. ESTWICK: Mr. Chairman, in Barbados, irrespective of what was said by other people, we have not had any crowding-out phenomenon in Barbados. What we have had, because of Government's expenditure and increase in Government consumption to Gross Domestic Product (GDP) ratio, has been a crowding-in effect. The

BOLT operations are examples of crowding-in effect. The investments that come from the private sector in Barbados have not been crowded-out.

Mr. Chairman, the long and short of this is that we have had an inflational effect in Barbados and the Government has a responsibility to ensure that once you have an inflation that is increasing or galloping along at 7.5 per cent, you cannot give your workers a 2 per cent increase in the face of that. What they are saying, is that, in fact, they are prognosticating that inflation rate would come down significantly in the next three years. Sir, I say no, not based on international market or oil prices projections. What they did to the workers in Barbados is unfair, it needs to be revisited. They need to go back and honour the original set of agreements that were made.

Mr. Chairman, let me put inflation in its proper perspective.

Asides.

Dr. D. C. ESTWICK: Never mind what the rate it, it is whether you could go into the supermarket and buy biscuits or bread, milk or cheese, pay your telephone bill, the VAT on the cost of material, the VAT on...

Asides.

MR. CHAIRMAN: Let us hear the Honourable Member. The Honourable Member has another four minutes, let him speak. You all will then have a chance to speak. Please continue, Honourable Member.

Dr. D. C. ESTWICK: Mr. Chairman, it is also the impact of the Cess in Barbados. It is about how the VAT has caused an increase in the cost of building homes in Barbados and how it is affecting the construction of hotels or of roads. Therefore, if Government were serious about dealing with these matters, then Government would understand the causes and would attempt to deal with them in an effective way.

Mr. Chairman, do you know a 'sparrow bird' chicken in the supermarket costs \$25? Sir, one of those very chickens would have cost \$17, four years ago. Sir, there are pensioners in Barbados, who get \$310 per month. I can tell you of a man, who lives in the Pine, who gets \$310 per month. This man has to pay light bill, water bill, and still have to buy a 'sparrow bird' chicken, along with some butter, cheese, milk, eggs. He further has buy an underwear out of the \$310. But we can have Ministers who can give themselves a 22 per cent increase in salary. We can have a Prime Minister, who can get a 33 per cent increase in salary, while there are other people in Barbados, who are suffering and who can only be given 2 per cent. Sir, I will not accept that.

Mr. Chairman, the fact is that inflation in Barbados is demand driven, more so than price driven, at this time. I will also stand by the fact that if the consumption elements were wrong, then we would not have had a reduction in the national savings rate from 18.6 per cent, in 1995, down to 7.6 per cent, in 2006. If what I am saying is wrong, then we would not have had a rising savings rate dropping from 11.6 per cent, in 1995, to 4.3 per cent, in 2006. These are factors that corroborate each other, therefore, I know the analysis is wrong. Mr. Chairman, let them get up, therefore, and refute it.

I thank you, Mr. Chairman.

Hon. T. A. PRESCOD: Mr. Chairman, I am very grateful for the opportunity to speak on this subject. We have had expressions coming from a number of pseudo theorists. The reality is that there is an effort here to give support to a 2 per cent cost of living allowance, and if it is perceived as being adequate, in terms of the rise in the cost of living index in the society.

Sir, the reality is that there has never been any attempt to have an equilibrium between the cost of living index and the allowance, but to have some contribution of amelioration that will help to dampen the economic impact, as a consequence of what is described by political scientists and modern economists as the exogenous and endogenous factors that influence the cost of living.

Mr. Chairman, the reality is that every student, however limited that student is, knows that when energy cost increases, the chances are that it will have a multiplying effect on the cost of production of goods across the society. Sir, the reality is that we depend a lot on the importation of oil. We have also witnessed - and it is very glaring to every simple-minded person in this society - an increase in oil prices and that we do not have an alternative energy source that is proportionate to oil, with which we could replace that source.

Mr. Chairman, this might not be always so, as we are looking at the different forms of energy that would put us in a position, where we could address the escalating prices in the market. Mr. Chairman, that is not the only factor that contributes to it.

Mr. Chairman, if we are honest with each other, we also know that despite all of this, the private sector in the society is not so altruistic. The reality is that we, as a people in the society, find ourselves in an environment, where the cooperative sector has a rapacious demand for the accumulation of wealth. This is the reality, people do not adjust their profit margins because they believe that they have an adverse impact on the poor people in society.

Mr. Chairman, although persons might come here and try to give an impression that there is a fundamental difference in their thinking on how they would address concerns of this type in the society, the evidence of the political historiography of Barbados says something completely different to us. How could an Opposition, which was in power in the last quarter of the 20th Century, that had an opportunity to demonstrate its leadership capabilities, could have failed so miserably? Every Barbadian, who has lived through the era, knows that when the opportunity was provided for them to demonstrate their capabilities in dealing with complex matters, that they have failed. How is it that, all of a sudden, they would want me to believe - or probably they want to think that they might have a little influence or that there are a few unsuspecting minds in this society, who believe that they now have the required qualities overnight - that they could now manage a modern economy more effectively than that of the leadership, which they had in the early 1990s?

Asides.

Hon. T. A. PRESCOD: Twelve years inexperience, with neophytes in comparison to whom you had leading at the time.

Asides.

Hon. T. A. PRESCOD: Mr. Chairman, this is not about attempting to mislead people based on passion. This is not about trying to make people believe that because you speak passionately on a subject matter, that we are not capable enough of using scientific methods to know if your values demonstrate to us that the things you are saying, are the things to which you are committed.

2.10 p.m.

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Mr. T.A. PRESCOD: I can only judge you by the empirical evidence that I have had of your performance and that empirical evidence clearly demonstrates to me that you could not handle the challenge when you had it. All of a sudden, you want to rescue the poor, you want to rescue the workers but you are condemning the workers' institution, the union.

Mr. D. St.E. KELLMAN: Mr. Chairman, on a point of order. The Honourable Member is misleading the House.

The Honourable Member is giving the House the impression that this Opposition had the opportunity of running the Government and that is not correct.

Mr. T.A. PRESCOD: Sir, I did not know that it was a different dispensation. I know that the people in this

country understand that if a Government is to be run effectively then it relates to the quality of leadership. I am sure they have a credible record of competent leadership before but the fact that the society is still asking who is the best person suitable to lead at this juncture in the history, tells you that they have not seen an adequate replacement for what they had. Sir, based on the pronouncements, we are saying THERE IS a major clash with sincerity. There is a collision with sincerity. There is a collision with truth.

Mr. Chairman, they have had an outstanding record of failure. The workers in this country, whom you now purport to represent, the ones at the lowest level of the social economic ladder of this country suffered when this so-called innovation, which you had to manage, 8 per cent of the salaries of those of the lowest end of the socioeconomic ladder was cut. They then turned around and cut the contribution of the major agencies that were supposed to cushion the shock of the economy. Sir, the welfare programmes were truncated. They not only slashed salaries but they made a major adjustment on the heels of all these negatives to adjust the statute related to severance payment. Sir, even you got laid off, as a consequence of redundancy, the severance payment, which would have cushioned the poor, was adjusted and reduced significantly during that period of time.

Mr. Chairman, it is a little surprising to me that all of a sudden, these people, who are not as capable of the leadership, the group which now remains, want to make us believe that they possess the kind of political acumen and the compassion for changing the course of the political and economic history of Barbados and making it favourable to the poor.

Mr. Chairman, every now and then, the truth reveals itself because the head institution that has placed us where we are, the workers' movement, the leadership of it, now is facing the terrorist attacks from the voice of the Honourable Member for St. Lucy.

Mr. Chairman, I have witnessed in recent times outstanding records in this political dispensation. I do not always agree with some of the things because I wish we could do it even better than we are doing it but we can certainly do it much better than the Opposition and that is the reality. I wish we were not in a position, where we had to depend on the traditional business class in this country, who continues to demonstrate greed. I am not going to change from that because it is a reality and unless we could fully transform the economy or partially transform it, in people, who have a more profound commitment to the development of this country and feel a sense of empathy with the poor in the society, we would always suffer at that infinite greed that these people continue to demonstrate.

If you look and see that all the difficulties that the economy face over the years, that this political party, through the quality of leadership which we have, that we have been able - with the economic challenge that is being imposed on us, as a consequence of globalisation - to persevere and sustain the social services and, Sir, that is fundamental.

Mr. Chairman, even with an additional 2 per cent it is complimented by the provisions in the Ministry of Social Transformation. During that interim period, we are also trying to reposition ourselves and build the social capital of the society. This is why you are now witnessing a significant number of programmes to assist people at all different social levels and expansion at the level of the university to ensure we build the kind of human capital to confront the impact and the external influences that affect the economy.

Sir, it is not about the failure or the incompetence of leadership. It is not about the capabilities of the political dispensation, it is that we in small economies, with limited natural resources will, from time to time, have to face this challenge. Sir, it is the same challenge that we faced in the early 1990s, when you wrestled the economy to the ground with \$11 million foreign reserves in the society. You found yourselves in great economic difficulties and did not know how to get out. This is why the lessons you made mention of that occurred in the Caribbean for the last 24 hours, those lessons are very much like the lessons that you have experienced in the 1990s. When the unemployment level began to move astronomically, like it did in your time, unlike in this time, when those levels are now below double digit, that is why the electorate made a fundamental decision to get rid of you because you were not managing the economy in the way that you ought to. Mr. Chairman, we have been able to keep the social programme in place, we have been able to boast about a significant number of Barbadians, living over the age of 100 years, never before in this history of Barbados and, there is no greater evidence of quality of life. There is no scientific methodology that is better than when you witness people, especially from the lower social level in the society, surviving way beyond 100 years. Sir, test any country, judge its quality of life, and you would be able to see it manifested in the length of time people are living and still remaining, not sick, but able-bodied during that time.

Mr. Chairman, we have a number of programmes and I think there are no better indicators than those programmes.

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Hon. T.A. PRESCOD: Although we point at the empirical evidence out of the statistics, there are social indicators that are equally as fundamental in understanding the kind of contribution that this political Party has made to the lives of Barbadians. Sir, over 7 000 people receive grants from the Welfare Department. Sir, people who are experiencing difficulties with utility bills can still go to the Welfare Department and they will pay their water and electricity bills and give them assistance in kind. If you are saying that we have failed in our efforts to ensure a high quality of life for Barbadians, I have to ask you questions about the intelligence of the Barbadian society. If we are failing, why is there such a massive increase in the ownership of motor cars.

Sir, are people so unwise that they will refuse to deal with the basics, and continue to build large houses, continue to purchase motor cars? Would we see an expansion of the intellectuals in the society? All of these things you have been witnessing.

In addition to that, the other agencies, like the Poverty Alleviation Bureau, still continues to sustain the record, the same average as before, in continuing to repair houses, provide wells and septic tanks for people, give grants to different NGOs. Sir, a grant of \$400 000 to the Salvation Army to help them expand its physical structure and to assist and work in a complimentary manner, with the Ministry of Social Transformation.

Sir, in addition to the economic indicators, there are enough healthy social indicators, to put to rest the empty mouthings, which might appear to be courage, but the reality is that they do not listen to the passion and loudness of the voices on these matters. Sir, check the track record, and you will determine if that body of persons of the Opposition, has the capacity to do any better than we are doing.

Asides.

Mr. CHAIRMAN: Honourable Member, address the Chair.

Hon. T.A. PRESCOD: I want to thank you very much for allowing me to make that brief intervention.

Mr. CHAIRMAN: The Honourable Member for St. Michael North West. We do not have much time in this debate. I will give you ten minutes, and I will ask the Honourable Member for Christ Church East to wind up.

Hon. C.A. MASCOLL: Mr. Chairman, this is more than adequate. I just want to again explain to my friend, that the distinction between non-core and core inflation is similar to the distinction between tradable and non-tradable sectors. You cannot, as the International Monetary Fund

has suggested, so clearly demarcate non-core inflation from core inflation, and I will explain why.

Sir, there is no doubt that inflation in Barbados is cost-push inflation, which is caused by increases predominantly in fuel, and the history shows that. I will quote from the Central Bank Annual Report 2005.

“The upward movement in retail prices was driven primarily by higher prices for food, transportation, housing, fuel and light. Following the persistent expansion in fuel import prices and the resultant increase in domestic petroleum prices, the average price for transportation advanced by 8.1 per cent, while the fuel index grew by 7.5 per cent, and the average price for housing grew by 10.5 per cent.”

Sir, students are free to interpret theoretical constructs, the way they want to. The reality is, over the years, economists in the region have identified that inflation in our part of the world, our type of economies is predominantly cost-push. I want to explain, by using an example, because the Honourable Member for St. Philip West was able to cite the cost of doing business in Barbados as a contributory factor to inflation.

Mr. Chairman, interest rates in Barbados are raised by the Central Bank, because the Central Bank now only has control over the deposit rate. It is a direct result of higher prices in the United States of America, caused by Mr. Bush going to Iraq that resulted in higher interest rates in the United States of America. Therefore, Barbados follows the example of the United States of America in the fixing of the deposit rate, because it is believed that if we do not increase our savings rate commensurate with that of the United States of America, that individuals may be tempted to carry their savings to the U.S.A. Therefore, there is a

very strong correlation between our local domestic rate and the United States deposit rate.

In fact, the recent interest rate hike released would have demonstrated that. Therefore, suffice it to say that hikes in interest rates here in Barbados are triggered as much by changes in the United States deposit rates, as increases in our domestic petroleum prices caused by imported fuel oil.

Sir, you cannot say that core inflation is a direct consequence of energy and then say that there are areas of non-core inflation which are not influence by energy, since in actual fact, it is clear to see that the interest rate hikes, which would increase the cost of business, would be directly related to international happenings, that would have given rise to the increased interest rates in the United States. Therefore, the same way in which you cannot say

definitively that you have a non-tradable sector and a tradeable sector and they are not interrelated, you cannot separate the relationship of core and non-core inflation.

Sir, by way of example, the distributive sector in Barbados, of which the Duty-Free sector happens to be part of, is earning foreign exchange, but that is not treated as a tradeable sector, that is a sector that earns foreign exchange. In actual fact, the distributive sector is classified under the non-tradable sector as we know it, and the non-tradable sector is supposed to be a sector that does not earn foreign exchange, yet, the distribution sector is part of the non-tradable sector.

Mr. Chairman, you cannot make those kinds of fundamental clear distinctions, and argue that there is no relationship at all, between these two contending sources of inflation. That is all that I wish to say in response. I understand what is happening now on the other side of the border.

Sir, there is now an attempt to castigate the profession. There is now an attempt to reduce the economic profession, because it is perceived by some that there should not be any real focus in this area any longer, because the other side does not stand to win.

I have heard that there are five economists on the Government side.

14.30 p.m.

Sequence 22

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House 120, Sequence 23, 2.30 p.m.

Mr. C.A. MASCOLL: I heard this morning that the economists will soon find themselves extinct. I have heard all kinds of comments about a profession that, in all fairness, in every country of the world, is required. This is a profession that triggers almost every activity because, if you are talking about health, there is a need for an economist, if you are talking about education, there is a need for an economist, if you are talking about tourism, there is a need for an economist because they are all influenced by demand and supply conditions.

Therefore, we cannot now seek to reduce this Honourable profession because it is believed by some that to focus on it, would be to deny the other side a genuine opportunity at competing at that level. I do not know what else to say because I am surprised by the kinds of attacks I am hearing, but such is life.

Sir, whatever you say, even the most critical of commentators in Barbados recognise that any future planning and development of this country will require inputs from social sciences. Therefore, you cannot in an attempt now to remove yourself from that kind of contest, begin to reduce and belittle a profession that is so much needed in the planning and the development of this country and by extension, the region.

Sir, I have to reiterate that, it is not that the 2 per cent COLA is representative of the 5 per cent inflation that triggered it. The Unions said that in the event inflation went beyond 5 per cent, triggered by 5 per cent that they will come back and negotiate a COLA. Sir, the 2 per cent is determined because there would have already been an agreed amount in the third year of the negotiation. Therefore, you cannot expect to come and pay the workers now, a 5 per cent on top of what was negotiated.

Mr. Chairman, what has been negotiated, is what was required to bring the third year to almost a 5 per cent increase, therefore, the COLA that is being debated here today. In addition, Sir, if you impose a 2 per cent on top of an increase that was predetermined, you have actually compounded the increase, so that the increase is not 2 per cent. It is a two percentage point increase but it is going to more than that, because it is going to be imposed on top of what would have been given for the final third year agreement.

Again, I heard the discussion. It is very clever politics and, in all fairness, the Honourable Member for St. Lucy is underestimated, but he is a very clever man. He said that the 2 per cent is not representative of the inflation that triggered it, which is 5 per cent or more. Therefore, it represented an inadequate compensation for the inflation rate that was arrived at last year. In actual fact, it is the difference between that trigger of 5 per cent and what was already given.

Sir, if you are not clever enough to listen to the Honourable Member for St. Lucy, you can come away with all kinds of conclusions. He is extremely clever and should never be underrated in this Chamber or outside of this Chamber.

Mr. Chairman, the current negotiations, which I do not have the right to speak to, will now be imposed on top of the two, plus what was given before. It cannot be now said that workers in Barbados would not be compensated for the changes in inflation that occurred over the last couple of year, Sir, whether or not OPEC in unstable and the future oil prices will be up or down. I cannot see into the future, neither can the Honourable Member for St. Philip West.

Therefore, there is a belie - and it has already been triggered by changes in the political structure in the United States of America, with the Democrats getting in control of the Senate and Congress that - in fact, we will see the end of the Bush kind of politics. If that is so, I am suggesting that stability in the Middle East, not that it would be guaranteed, but it certainly would be more likely to occur, than under a Republic form of Government in the United States.

In that context, therefore, there is some degree of merit in suggesting that the future level of oil, will not be as unstable as we have seen over the last year and a half. This is what is being used. We cannot know the future. We can only go on trends, presumptions and assumptions about what it is, Sir.

Suffice it to say, Mr. Chairman, that the public servants of Barbados will be adequately represented in the negotiations that are currently ongoing. They have been adequately represented and they will be very proud of what the Unions and Government have been able to arrive at, in compensating them for the overall increases for inflation, over the last two years.

In that context, therefore, you need to look beyond inflation and also look at the fact that there has been tax reform, sufficiently well-engineered to give those at the higher end more relief, resulting from the increased threshold from \$15 000 to \$17 500 to \$20 000. It is now \$22 500 and on January 1, 2007, it will go to \$25 000 in tax relief for all Barbadian workers who go above that.

Sir, I can guarantee the public that there will be an even greater coverage of recognition of the need to provide for those who earn in the lower income categories that currently do not benefit from tax relief, because they do not pay taxes, but they are impacted on by higher prices.

It is the view of this Government that you have to seek to compensate those persons, who, though they do not now pay taxes, will be provided with some degree of relief. Sir, that would come also in the first month of 2007.

Mr. D. St.E. KELLMAN: Mr. Chairman, on a point of order. The Honourable Member is misleading the House by giving the impression that the workers who are earning less than \$25 000 and the pensioners will now enjoy a reverse tax credit, along with the unemployed workers of Barbados.

Mr. C.A. MASCOLL: Sir, if the Honourable Member for St. Lucy is inferring that there is consideration being given to giving persons who happen to be below that threshold some kind of benefit, then again, he is wiser than we think.

I cannot make the statement that he just made. All I can say is that we all know, again, from our understanding of the Value Added Tax, that persons who are in the lower income categories, need to be given some degree of protection by way of a reverse tax credit. I therefore can think of no better thing to do, than to provide them with that as well.

I thank you, Mr. Chairman.

Mr. CHAIRMAN: Thank you very much. Will the Honourable Member for Christ Church East, please wind up the debate.

Hon. R.R. FARLEY: Thank you very much, Mr. Chairman. I think we had a very full debate. I was surprised at the direction of which the debate went sometimes. In wrapping up, I really just would want to take Honourable Members back to the commencement of the debate, where the Honourable Member for St. James North, who is also the Minister responsible for the Civil Service, the Minister of Labour, would have indicated the origin of this arrangement, in that it was a part of a three-year wages and salaries agreement, between the Government of Barbados and the workers' representatives.

Indeed, that three-year agreement was the first of its kind because those agreements were typically for two years. Sir, to ensure that because of the longer period of the agreement that workers will not be disadvantaged, the cost of living allowance was agreed at the beginning, and as part and parcel of the Wages and Salaries Agreement.

House 120, sequence 23, 14:40:14

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Hon. R. R. FARLEY: Sir, the workers are already enjoying their wage increase from the start of that agreement of 2003, being faced, as per agreement, with a trigger point inflation rate - inflation last year was out of trend, it has been less than 2.5 per cent over the last several years since 1998 - it triggered the mechanisms and this increase of two per cent is additional to the increase that would have been included in the wages and salaries negotiations and settlement. This therefore puts workers in a position where the inflation rate which would have disadvantaged them, no longer has that effect, so obviously it was not set at the rate of inflation because, as the Honourable Member for St. Michael North West pointed out, it is a top up such as would bring workers in a situation where inflation does not erode their standard of living.

The other essential point to make is that this two per cent increase which requires \$10 million for the rest of the financial year in order to be paid, does not stand in the way, and indeed it has to be taken in terms of its impact

alongside the fact that salaries and wages negotiations are going on all like now, and that one can expect...

Asides.

Hon. R. R. FARLEY: The Honourable Member for St. Lucy wants to behave like a Spanish station, he is always cutting in.

Asides.

Hon. R. R. FARLEY: Sir, negotiations are going on and we can expect that there will be an increase of salaries such as would ensure that public workers are able to continue to enjoy a high standard of living in this country.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House by giving the House the impression that even though the negotiations are going on, that the Honourable Member knows what they would be settled at, and the Honourable Member cannot do that.

Asides.

Hon. R. R. FARLEY: Mr. Chairman, he is just as I said, he is like a Spanish station.

Sir, it is my judgement that based on all of the objective circumstances that the two parties will come together and agree on a settlement by way of an increase in wages and salaries for public workers, which would make sure that the public workers of this country, who over the past 40 years of our independence have been of great credit to this nation...

Indeed, the public sector of Barbados contains workers representing a vast pool of talent, whether you measure it by way of their qualifications, the PhDs they have, the people with Master's and Bachelor's degrees, persons with specialist technical training or whether you measure them by their skill, which may not be captured by certification, but over the years in terms of performing peculiar and special tasks in the Public Service, such as the tractor operators, those who work in coastal conservation, those who work in drainage and sanitation, the artisans who maintain a range of public buildings some of which are historic, for example, the workers from the Ministry of Public Works and Transport who are working on these Parliament Building. Sir, you cannot put any and everybody to work on buildings like these. Sir, whether the skill is captured by way of certification or captured by way of successful performance of duties, the public workers have done great credit to this country and no amount of money spent on them is too much.

Indeed, as an employer, Government would prefer if it did not have the constraint from time to time relating to its ability to pay because at the end of the day Government, just like any other private sector employer, has only a certain pool of funds from which to draw.

Sir, the Honourable Member for St. Lucy, as a businessman, has to pay his workers out of the gross earnings and profits. He does not go into his personal bank account, he goes into his business proceeds. Sir, the bottom line is that the Government in this and in all matters relating to the public servants of Barbados will hold the faith. We have brought them safely thus far and with their grace we will take them safely home.

Sir, I want to commend this Resolution to all Honourable Members and beg to move that Head 13 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 13 stand part was put and resolved in the affirmative without division.

HEAD 14

MINISTRY OF FINANCE

\$530 580

Hon. R. R. FARLEY: I beg to move that Head 14 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 14 stand part was put and resolved in the affirmative without division.

HEAD 15

CABINET OFFICE

\$22 809

Hon. R. R. FARLEY: I beg to move that Head 15 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 15 stand part was put and resolved in the affirmative without division.

HEAD 18

AUDIT

\$37 100

Hon. R. R. FARLEY: I beg to move that Head 18 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 18 stand part was put and resolved in the affirmative without division.

HEAD 20

MINISTRY OF COMMERCE, CONSUMER AFFAIRS AND BUSINESS DEVELOPMENT

\$86 725

Hon. R. R. FARLEY: I beg to move that Head 20 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 20 stand part was put and resolved in the affirmative without division.

HEAD 23

MINISTRY OF HEALTH

\$1 350 315

Dr. the Hon. J. X. WALCOTT: I beg to move that Head 23 stand part.

Hon. R. R. FARLEY: I beg to second that.

The question that Head 23 stand part was put and resolved in the affirmative without division.

HEAD 24

MINISTRY OF SOCIAL TRANSFORMATION

\$445 523

Hon. R. R. FARLEY: I beg to move that Head 24 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 24 stand part was put and resolved in the affirmative without division.

HEAD 25

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT

\$518 848

Hon. R. R. FARLEY: I beg to move that Head 25 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 25 stand part was put and resolved in the affirmative without division.

HEAD 27

MINISTRY OF TOURISM AND INTERNATIONAL TRANSPORT

\$145 883

Hon. N. A. LYNCH: I beg to move that Head 27 stand part.

Hon. R. R. FARLEY: I beg to second that.

The question that Head 27 stand part was put and resolved in the affirmative without division.

HEAD 28

MINISTRY OF HOME AFFAIRS

\$49 492

Hon. D. D. MARSHALL: I beg to move that Head 28 stand part.

Hon. R. R. FARLEY: I beg to second that.

The question that Head 28 stand part was put and resolved in the affirmative without division.

HEAD 30

ATTORNEY GENERAL

\$1 489 773

Hon. D. D. MARSHALL: I beg to move that Head 30 stand part.

Hon. R. R. FARLEY: I beg to second that.

The question that Head 30 stand part was put and resolved in the affirmative without division.

HEAD 32

MINISTRY OF FOREIGN AFFAIRS AND FOREIGN TRADE

\$37 730

Hon. Dame Billie MILLER: I beg to move that Head 32 stand part.

Hon. R. R. FARLEY: I beg to second that.

The question that Head 32 stand part was put and resolved in the affirmative without division.

HEAD 38

MINISTRY OF HOUSING AND LANDS

\$3 654

Hon. R. R. FARLEY: I beg to move that Head 38 stand part.

Hon. G. A. CLARKE: I beg to second that.

The question that Head 38 stand part was put and resolved in the affirmative without division.

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HEAD 43

MINISTRY OF EDUCATION, YOUTH AFFAIRS AND SPORTS

\$4 523 905

Hon. R. R. FARLEY: Mr. Chairman, I beg to move that Head 43 stand part.

Hon. G. A. CLARKE: Mr. Chairman, I beg to second that, Sir.

The question was put and agreed to in the affirmative.

HEAD 47

MINISTRY OF ECONOMIC AFFAIRS AND
DEVELOPMENT

\$87 971

Hon. R. R. FARLEY: Mr. Chairman, I beg to move that Head 47 stand part.

Hon. G. A. CLARKE: I beg to second that, Sir.

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

HEAD 49

MINISTRY OF ENERGY AND THE ENVIRONMENT

\$5 783

Hon. R. R. FARLEY: Mr. Chairman, I beg to move that Head 49 stand part.

Hon. G. A. CLARKE: I beg to second that, Sir.

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

HEAD 51

MINISTRY OF LABOUR AND CIVIL SERVICE

\$161 962

Hon. R. R. FARLEY: I beg to move that Head 51 stand part.

Hon. G. A. CLARKE: I beg to second that, Sir.

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

HEAD 20

MINISTRY OF COMMERCE, CONSUMER AFFAIRS
AND
BUSINESS DEVELOPMENT

\$86 725

Hon. R. R. FARLEY: Mr. Chairman, I beg to move that Head 20 stand part.

Hon. G. A. CLARKE: I beg to second that, Sir.

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

Hon. J. X. WALCOTT: Mr. Chairman, I beg to move that Head 23 stand part.

Hon. R. R. FARLEY: I beg to second that, Sir.

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

On the motion of Hon. R. R. FARLEY, seconded by Hon. G. A. CLARKE, Mr. CHAIRMAN reported to His Honour the DEPUTY SPEAKER, the passing of two Money Resolutions in Committee of Supply, and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of the Hon. R. R. FARLEY, seconded by Hon. G. A. CLARKE, the Resolutions were read a first time and second time and passed.

ORDER NO. 10 – THE POLICE COMPLAINTS AUTHORITY
(AMENDMENT) BILL, 2006.

MR. DEPUTY SPEAKER: The Honourable Member for St. Joseph.

Hon. D. D. MARSHALL: Mr. Deputy Speaker, the matter before this Honourable Chamber is the Police Complaints Authority Act, Cap. 167(A) of the Laws of Barbados.

Mr. Deputy Speaker, the Police Complaints Authority, in this form, is a relatively new creature that has reached these shores. In fact, the Bill was passed into law in June 2001, but it was not until 2004 that it was proclaimed and came into effect.

Mr. Deputy Speaker, at that time, five Members, as is required under the law, were appointed to the Authority, the Chairman of which was the then Mr. John Connell, Q.C., now a Member of the Barbados Court of Appeal.

Mr. Deputy Speaker, it is that precise event that has brought to the fore the need for this slight amendment because Mr. Connell, as he then was, was elevated to the Court of Appeal in July 2005, and his resignation was received not long thereafter. Upon receipt of the resignation of the Chairman, about October, 2005, the Authority convened one meeting under the chairmanship of the Very Reverend William Dixon, but it was realised immediately that the meeting could not stand, because there was no provision in the Act for a Deputy Chairman. In fact, the Regulations, as they then were, required that the Chairman be an Attorney-at-law of 10 years' standing. It became apparent, therefore, that not only did we have to appoint a new chairman, but that we needed to amend the

legislation, so as to allow for greater facility in achieving a quorum.

Mr. Deputy Speaker, in fact, even while Mr. Justice Connell was serving as Chairman of this Police Complaints Authority, there were significant challenges in achieving a quorum because of the small number of individuals making up the Complaints Authority. This Complaints Authority was doing valuable work. I believe it is well-known that it has always been concerned about the ability to deal with complaints made against police officers, and this body was vested with the full authority to deal with such complaints and by its very make-up, made it quite clear to the public that it was a serious body, with very well-regarded and very independent leading citizens of this country.

Mr. Deputy Speaker, the proposed amendment, therefore, is to increase the size of the Commission as set out. There is also provision for the appointment of a Deputy Chairman.

3.00 p.m.

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(Edited)

Hon. D.D. MARSHALL: Sir, these slight amendments would, therefore, allow for a more effective mechanism of achieving a quorum. Sir, as soon as this Bill is passed, we would be in a position to make the relevant appointment of Chairman, Deputy Chairman and so on so that the Police Complaints Authority could once again carry on with its work.

Mr. Speaker, it is a source of concern, not just to me as Attorney-General, but to the whole Government that this important authority has not been available to members of the public. In fact, Sir, we have received some correspondence in relation to this matter from Commissioners and also from member of the public.

Mr. Speaker, it is a slight amendment but we feel that it is an amendment that would bring tremendous value and worth and would allow for the more efficient working of the Commission, allowing us to more easily achieve a quorum and get rid of the backlog that is before it.

Sir, with those few words, I beg to move that this Barbados be read a second time.

Mr. SPEAKER: the Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Mr. Speaker, I rise to speak on this amendment and to say that from the outset, in 2001, when this was first brought to this Parliament, there

was a lot of fanfare and the importance of his Commission was outlined. It was said that it was important to the Police and to the public. This is why the Opposition finds it rather strange that we could have a situation where the Chairman could resign for a year and the Minister now say that we have a slight amendment and that slight amendment has taken one year to come before this Parliament when every day on the call-in programmes, we are hearing people complaining that they have cases before the Commission, which cannot be heard because the members of Parliament are not doing their job by debating it or bringing it before Parliament and, today, we are now being told it is a slight amendment but yet it has taken one year.

Mr. Speaker, what is interesting is that the public has been calling for this amendment. I believe that if the public has been calling for this amendment, considering it is only a slight amendment that it should have been before the House already.

Sir, I thank you.

Mr. SPEAKER: The Honourable Member can now wind up.

Hon. D.D. MARSHALL: I wish, in winding up to assure the Honourable Member for St. Lucy that as soon as the Bill is passed that we should be in a position to make the relevant appointments. I am quite sure that he would be satisfied with the measure of work that the Commission would be able to get on with.

Sir, with those few words, I beg to move that this Bill be read a third time.

Hon. R. R. FARLEY: I beg to second that, Sir.

On the separate motion of Hon. D.D. MARSHALL, seconded by Hon. J.X. WALCOTT the House resolved itself into Committee, Mr. R. D. Marshall in the Chair.

COMMITTEE

Mr. R.D. MARSHALL: This House is in Committee.

Clause 1 was called and passed.

Clause 2 was called and passed.

On the motion of Hon. D.D. MARSHALL, seconded by Hon. R. R. FARLEY, Mr. Chairman reported to His Honour, the SPEAKER, the passing of one Bill in Committee without amendment and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D.D. MARSHALL, seconded by Hon. J.X. WALCOTT, the Bill was read a third time, passed and cited as the Police Complaints Authority (Amendment) Act, 2006.

ORDER NO. 12 – RESOLUTION TO APPROVE THE
VESTING IN THE NATIONAL HOUSING CORPORATION
OF PARCELS OF LAND – THE PROPERTY OF THE
CROWN AT CAVE HILL, ST. MICHAEL – FOR
RESIDENTIAL PURPOSES

Hon. R. R. FARLEY: Mr. Speaker, this is a small technical matter. This is the vesting of some 16 890 square feet of land. This is the site of the former Skills Training Centre and prior to that the Edghill Memorial School. Sir, that building was destroyed by fire in 1995, the site was cleared in 1996 and has been unoccupied since then.

Mr. Speaker, as I have said before, it is 16 890 square feet of land, however, just a stone's throw away from that location, the Methodist Church at Whitehall has, over the past several years, been rebuilding its church and has a new stately edifice most suitable for the worship of God, given that we should give back to the Lord of the best that he has given us and that no place of worship is ever too magnificent for that service. However, there are on that spot two houses, which were tenants of the land owned by the church and the construction of the church has not put those two houses in a position, where there is no space between the back paling of the church and the side wall of the church.

Mr. Speaker, the Honourable Member for St. Michael North East, as member of Parliament for the area, has been very persistent in her efforts to have the matter resolved to the mutual benefit of the church, which needs full access to its property and the residents, who need certainty, with respect to their accommodation. They own their houses but were in long-term rental arrangements with the land. A diligent search caused this land to be identified and this land, in essence, has been made available, they have already received letters concerning tenancy.

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Hon. R.R. FARLEY: The vesting of land in National Housing Corporation will not only facilitate the relocation of the houses, but will also ensure that they will be able to give those two householders the option of purchasing the land, therefore, placing their tenure in a state of permanence. It is also good that this land, 16 000 square feet is, perhaps, no more than 200 yards way from where

they live, so, they will, in fact, not have to leave the existing community in order to enjoy this enhanced status.

Sir, I, therefore, ask that in accordance with Section 5.1 (c) of the Crown Lands (Vesting and Disposal) Act, Chapter 225, that the vesting of this Crown land be approved to be vested in the National Housing Corporation for residential purposes.

Mr. Speaker, I beg to move that this Resolution do now pass.

Mr. SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I rise to express my deep gratitude and appreciation to the Honourable Member for Christ Church East, the Minister of Housing, for ensuring that a matter, which threatened to affect the domestic peace of the church and the residences of Whitehall, has been brought to a satisfactory conclusion.

It is with some regret, that I speak, that the matter has taken as long as it has. I want to thank the Minister of Housing, because upon taking up office he saw to it that this was immediately fast tracked, and that, indeed, the difficult situation under which the residents of the two households lived, while having the church constructed, literally in their backyards, that could have been brought to a satisfactory closure by giving them the option of two parcels of land that are really, literally, around the corner.

Sir, in one instance, one of the residents is a pensioner. I think all Honourable Members of this Honourable House will appreciate that wherever possible, we do not like to move pensioners from the community within which they have lived the majority of their lives. All of their support systems are there, and, therefore, I am grateful that we have been able to satisfy that criteria, in relation to of the resident of one of the households.

Sir, in relation to the second household, she has also been the victim of work-related injury and was off from work for some time. Therefore, she too depends on the community within which she lives, in relation to a lot of her support systems.

Sir, the church cannot utilise its car park as long these two houses are there. Even though they have an area at the back of Whitehall Methodist Church, looking back to the Harbour, they cannot use that area until these two houses are removed.

I also want to thank the Members of the church for their patience with the Government. As I said, it has taken longer than I would have hoped for. I apologise publicly to them, but I believe that today's Resolution, once it passes

here and the Other Place, would put closure to these matters.

Sir, the church has done a magnificent job, in relation to what they have built there, and I think that those of us who know the efforts which they have put in, would want to commend the entire congregation and all who have supported them, the architects and the members of the congregation, who saw to it that they could work without stopping from start to finish.

Sir, I had the pleasure of being at the groundbreaking ceremony, 6 o'clock a morning, Crop Over weekend two years ago. Unfortunately, I could not attend the official opening of the church, when it took place last month, but I have promised them that over the Season I will find the opportunity to be with them. I think that it is the kind of example that shows us what a community is capable of when they work together in pursuit of a single objective.

Mr. Speaker, I simply really just like to thank the Honourable Member for Christ Church East, because really and truly he is the one who ensured that this matter has been brought to a satisfactory closure and I really am grateful for that, after two years of pain and difficulty in managing the situation.

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

Mr. D. St.E. KELLMAN: There is no doubt the members of the church must be congratulated for their patience. To be honest with you, I believe if this particular land was in the city, the Honourable Member for the City of Bridgetown, would have been complaining and making the point that the car park should have been at the front of the church, and that worshipers would have been given a golden opportunity to have lovely view of the port. Sir, one can easily appreciate what the church suffered as a result of this inaction by the Government.

Sir, this Government has come a long way as it relates to the church, because I now see that the Honourable Minister is now agreeing to swapping land for land. Mr. Speaker, previously when I advocated this in this Honourable House, it was not acceptable. I now hear that the Honourable Minister is quite keen on the swapping of land. Sir, any further land acquisitions in this House, will not only speak money, but I can now expect the Honourable Minister to speak about options, where people are free to receive money or land, or a combination of both. I want to congratulate the Minister. Sir, after many years of trying hard to convince the Government, the Minister is now only applying this policy to his constituents, but also applied it to other Honourable Members of the Party, and I believe to wider Barbados.

Sir, I hope that the Minister would not only remain in urban Barbados, but he would remember the tour that occurred at North Stars and he would swap the land as requested, so that North Stars could get on with the work to be done there. I also hope the farmer who has a pond bottom would be relieved of the particular problem there and would be given proper agricultural land to work.

Mr. Speaker, with these few words, I want to thank the Honourable Minister for acknowledging, that the policy is workable. I hope he would not stop in urban Barbados, and he is prepared to come next week to North Stars to assure them that the file is no longer with the Cabinet but on his desk for action.

I thank you.

Hon. R.R. FARLEY: Mr. Speaker, I beg to move that the Resolution do now pass.

Hon. G.A. CLARKE: I beg to second that, Sir.

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

ORDER NO. 14 – RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 THE VESTING IN THE NATIONAL HOUSING CORPORATION OF THE PARCEL OF LAND, THE PROPERTY OF THE CROWN, SITUATE AT TOURVILLE ROAD, NR. HORSE HILL, IN THE PARISH OF ST. JOSEPH IN THIS ISLAND FOR THE PURPOSE OF HOUSING DEVELOPMENT AND FOR THE SALE OF THE DEVELOPED LAND TO THE TENANTS.

Mr. SPEAKER: The Honourable Member for Christ Church East.

Hon. R.R. FARLEY: Mr. Speaker, this land in question, 48 252 square feet, just over an acre, the problem with the Crown is, Tourville Road, Near Horse Hill, St. Joseph, is land that had been identified for the relocation of a number of residents affected by the expansion work on the road in Horse Hill. Indeed, a number of houses have relocated onto this land, and the portion which remains unoccupied, was intended to be used for the construction of a post office and civic facilities. However, it was decided that the Civic Centre, post office and other amenities, would be constructed at Tamarind Hall, not too far away from this location. Sir, we have the situation in which an acre of Crown land has been used, in part, for relocation of residents, so they would be in a rental arrangement with the Crown with respect to their occupancy of the lands. Sir, part of that land is vacant.

15.20 p.m.

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Hon. R.R. FARLEY: This Resolution is seeking to pass the entire parcel, occupied and unoccupied, over to the National Housing Corporation, so that two things can happen. The unoccupied portions can be occupied, and those persons who have been made residents, by way of relocation from areas affected by the works in Horse Hill, would be in a position to purchase the land or otherwise regularise their long-term occupancy of the land. I believe, Sir, this is a matter that Honourable Members should want to fully and happily endorse.

Sir, with that, I beg to move that this Resolution do now pass.

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

Hon. D.D. MARSHALL: Mr. Speaker, you might forgive me for thinking that this is a bit of Christmas gift for the constituency of St. Joseph. The Honourable Member is well-aware that I had my eye on this particular parcel of land for some time.

I want, first of all to express the sincere appreciation of the individuals at Tourville, who are in occupation of this land, and have been for many years. They are quite anxious to proceed to purchase this land, at what, I am sure, would be a very reasonable price. They have been living there for many years and they need to have this particular area rectified and transferred. Mr. Speaker, of equal importance, is the component of this land that remains unoccupied. There is a shortage of house spots, perhaps all across Barbados, but it is more acutely felt in the constituency of St. Joseph, simply because much of our land, being in the Scotland District, is not conducive to development for housing purposes.

We have a lot of land, much of it is, in fact, rab land, but given the nature of the landscape and so on, it is impossible using current technology, to put those particular areas into housing. In fact, Sir, that might be a blessing because, I think, we all like the beautiful vistas that we see, as we drive over Horse Hill, Parks Road or Chimborazo.

I want to make it clear that I am not calling for large scale housing projects in St. Joseph. I am especially interested, Sir, in situations where we do have small parcels that are available, and can be used to accommodate two or three houses. This particular unoccupied portion, sits

directly opposite the police station in Horse Hill. The only use for it in recent years, is by the Seventh-Day Adventists, who put a tent on it.

I firmly believe and I canvassed to the Minister that this parcel could accommodate about three lots. I look forward to the National Housing Corporation proceeding, with some dispatch, to do the necessary surveying work, so that we can bring three or more housing solutions to the people of my constituency.

The Honourable Member mentioned Tamarind Hall and I hope to be able to give the residents of St. Joseph a New Year's gift, by making an announcement, in relation to the soon construction of Tamarind Hill very early in the new year, if not before the end of this year.

Mr. Speaker, I wish to thank the Minister and, I wholeheartedly support this Resolution.

Hon. R.R. FARLEY: I beg to move, Sir, that this Resolution do now pass.

Hon. D.D. MARSHALL: I beg to second that, Sir.

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

ORDER NO. 15 - RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 THE VESTING IN THE NATIONAL HOUSING CORPORATION OF A PARCEL OF LAND, THE PROPERTY

OF THE CROWN, SITUATE AT MOUNT POYER, IN THE

PARISH OF ST. LUCY IN THIS ISLAND FOR THE

PURPOSE OF HOUSING DEVELOPMENT

Mr. SPEAKER: The Honourable Member for Christ Church East.

Hon. R.R. FARLEY: Thank you very much, Mr. Speaker. Sir, this land in question, some 5 579 square meters, approximately 56 000 square feet, probably 1¼ acres at Mount Poyer, is a community near Harris in St. Lucy. It is proposed, subject to the approval of Parliament, to vest this area of Crown Lands in the National Housing Corporation for housing development. This is land that stands immediately opposite a development of some 18 lots and houses at Mount Poyer in St. Lucy.

Essentially, it seeks to fully leverage the benefits of the investment, which has been made in the road works

there. As it stands now, just off the long existing Harrises main road, a road has been cut in this area at Mount Poyer, to give access to nine of the 18 houses. Sir, with houses only on one side of that road, it does not reduce the cost of the road, what it reduces is the benefit from the investment in the road.

Therefore, a decision was made, to acquire the land on the other side of the road, opposite the houses that are under construction, in order to leverage the full benefit from the investment in the road works there, so this is an extension to the Mount Poyer development. I am not sure how many houses would be there but, certainly, 56 000 square feet would be able to yield, perhaps 10 lots, depending upon what size, ultimately, they would use.

Essentially, the Mount Poyer development, the part which is currently under work, of the 18 houses, six of them have been completed and are occupied. The other two sixes are being developed by two other contractors. There were three contractors in all. One has completed six houses, and they are occupied. One of the contractors had his contract terminated for slow or no progress, and the National Housing Corporation's own "A" Team, is working on the completion of those houses.

Sir, since a most recent visit there, my concern about slow progress on the other six houses by the third contractor, I had advised the National Housing Corporation that they institute such formal procedures, as may be necessary, to end that contract as well, because I am not satisfied with the pace at which that particular contractor is moving.

The reality is that of 18 houses, the fact that six could be finished and occupied, based on the work of one contractor, and that two others who are working on the same size houses on the same piece of land, facing the same foundation conditions, facing the same weather conditions, facing the same general cost, the fact that they are unable to complete, means that no amount of additional time given, would allow them to complete what they should have completed some time ago. Therefore, I expect that once the formalities are gone through, the National Housing Corporation itself may very well be completing those additional works.

Sir, the land is opposite that development, which is ongoing. I anticipate that early in the new year, with all of the legal formalities having been completed, we would be able to place that land into the hands of the good people of St. Lucy. It is a most wonderful area. Indeed, this area of land is really typical of where opportunities exist in rural Barbados.

Sir, this area of land has two things going for it. It is mainly an agricultural area. However, like most

agricultural areas, you have substantial areas of outcropping of rock, so there is no challenge in relation to foundation conditions and the like.

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Hon. R. R. FARLEY: It also allows you to utilise lands without compromising agriculture.

Additionally, because this land is adjacent to the existing Harrises community, it means that you are doing two things. You are consolidating and expanding and making more viable the existing community, so that the church, the shop and other institutions in the community can benefit from a larger population base, and you are also leveraging the fact that already in existence there is considerable distance of road stretching both from the side by the Northern Lumber Company on Spring Hall Main Road on the way down to River Bay, or from the Bright Hall Plantation side, where Super Poultry Farm has its abattoir, and you are able to access the road from St. Lucy Secondary School or from St. Swithun Church and there are others in that general area. In fact, just as you continue past Mount Poyer going towards Spring Hall there are significant areas there, although it is nestled in a larger agricultural context, which would never be able to perform any agricultural function. Mr. Chairman, right across the country where we are able to identify those outcropping of rocks of considerable acreage, we could, in fact, we should and we would, be undertaking to do some building to strengthen these rural communities by way of additional numbers but doing it in a tasteful way that blends with the communities such as there are and not doing it in a way which will change the essential character of the communities.

Sir, you would find that in terms of residing in those areas, interest would tend to be generated by persons who are of similar disposition. You would not find a person who is deeply steeped in urban tradition wanting to go out in the very quintessence of rural living in Mount Poyer, St. Lucy, or in Horse Hill, St. Joseph, you would find them going to the suburbs, like Christ Church and St. Philip.

Sir, there is a breeze that blows across that hill in Mount Poyer. I was there on Sunday afternoon at 5.00 p.m. enjoying the ambience of the area and checking on progress, and I am very pleased to be able to leverage the benefit of the investment in a road that we have already done to service the existing development to give these additional lots so that we would be able to do even further housing development by making use of this area in Mount Poyer, St. Lucy.

Sir, I urge all Honourable Members to support this Resolution. I beg to move that this Resolution do now pass.

Hon. G. A. CLARKE: I beg to second that.

Mr. D. St.E. KELLMAN: Mr. Speaker, I rise to speak on this Resolution and to make the point that I find it regrettable that we now have to discuss this Resolution that has been approved by Cabinet since 1993. I know the Minister would not have allowed you to have this privilege of knowing that this Resolution was brought before Cabinet in 1993 but could not be completed because of what happened in 1994.

Asides.

Mr. D. St.E. KELLMAN: Sir, that Resolution has taken 13 years to come before this Parliament.

Sir, there is no doubt that these additional lots are needed in Harrises. Mr. Speaker, it is one thing to speak about urban Barbados but it is another thing to speak about rural Barbados. Sir, what I am observing in Barbados today is that a lot of the habits that occurred within urban Barbados are now being applied within rural Barbados and we are interfering with the social interaction that will occur within rural Barbados.

Hon. R. R. FARLEY: On a point of order. I hate to interrupt the Honourable Member when he is in his moment of glee, obviously very happy that a caring Government has sought to increase the opportunity for persons in St. Lucy to own a piece of the rock.

Sir, the Honourable Member has misread the Addendum to the Resolution. The area of land in question is not that which was approved by the Cabinet in 1993. The area of 1993 is that land on which the 18 houses are under construction now.

Sir, the Resolution says, on 11th day of February 1993, the Cabinet approved, et cetera. It goes on to say: On the 27th day of July 2006, the Cabinet, recognising the increase demand for low income housing in the north of the island, agreed to vest in the National Housing Corporation, an additional 5 597 square metres of land, et cetera.

Sir, I am saying to you that the area on which construction is going on now is the area in the first paragraph of the 5 964 square metres, so let us not try to suggest that this Government that is doing so much for St. Lucy is being wicked by waiting 12 years to do this when, in fact, we could have been the one to do the building on the 5 964 square metres, but we have decided to put an additional amount of Crown lands, and this is based on a Cabinet decision of July of this year to help the Honourable Member.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member knows that a Cabinet decision to vest is quite different from a Cabinet decision to acquire. This land was acquired since 1993, we are not speaking about the vesting.

Hon. R. R. FARLEY: On a point of order. The land was Crown land, there is nothing to acquire. It says here that on the 11th day of February 1993, the Cabinet approved the vesting of 5 964 square metres of land in the National Housing Corporation. Sir, the land was Crown land already, so you can only vest what you got. Sir, you could only vest from the Crown to a statutory board. Sir, even for a statutory board, you would acquire through the Crown and vest out to an entity, so that the Crown had owned the entire parcel.

Sir, in 1993, his Administration decided to only develop 5 964 square metres of land, and it took this Administration to decide that amount was too measly, 'too little bit', as they say down in St. Lucy, for the good people of St. Lucy.

Asides.

Hon. R. R. FARLEY: That is 'spar bird' plot, to use the language of the Honourable Member for St. Philip West, and we decided to give them double what they asked for.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Speaker, I am surprise that the Minister did not read his files. I was trying to save the Minister from embarrassing himself. This land was previously owned by the BADC and then by the BAMC which are all private and separate from Government. The Government had to get permission from these organisations to give the land to the National Housing Corporation.

Sir, the Minister is aware that this land abutting and bounding to the same land is now owned by the BAMC. Sir, when the Democratic Labour Party Government of the time recognised that it did not make sense to have the parcel of land as the Minister spoke about with the 18 houses, they took this issue to the Cabinet to get permission from the private company so that the National Housing Corporation could get the land. That is exactly what happened. The Government of the day in 1993, sought permission to get the land from the BAMC and on the 27th day of July permission was granted to vest the land in the National Housing Corporation.

Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, I am on top of this issue, this is in St. Lucy, not in the constituency of Christ Church East.

Asides.

Mr. D. St.E. KELLMAN: Sir, it has taken a long time, but we are glad for it. However, Mr. Speaker, this is not the problem. The biggest problem is the number of persons living in Harrises. Sir, as the Minister admitted, Harrises is a densely populated area and there is no room in Harrises for expansion. Harrises is surrounded by cane land.

House 120 Sequence 29

3.40 p.m.

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EDITORIAL NOTES — NOT PART OF THE REPORT

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

EDITORIAL QUERIES

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

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

Q2. Dates in the text. The source gives ‘Tuesday, December 06, 2006’ (6 December 2006 was a Wednesday). The weekday and date do not agree; printed as in the source.

Q3. End of record. The source ends during Mr. D. St. E. Kellman’s speech on Order No. 15 (Mount Poyer, St. Lucy), after the take-slip ‘House 120 Sequence 29, 3.40 p.m.’. The rest of the debate, the question on the Resolution and the adjournment are not in the source. Please supply or confirm.

Q4. Committee of Supply, Order No. 16. Only the title of Order No. 16 (a), the grant of \$10 532 433 for Head 13, is given, but the Chairman reports ‘the passing of two Money Resolutions’; the second Resolution, under which Heads 14 to 51 appear to fall, has no title in the source. Printed as in the source.

Q5. Committee of Supply, Heads 20 and 23. Head 20 (Ministry of Commerce, Consumer Affairs and Business Development, \$86 725) and Head 23 (Ministry of Health) are each called and passed twice. Printed as in the source.

Q6. Order No. 10, Hon. D. D. Marshall. The Attorney-General moves ‘that this Barbados be read a second time’ and, in winding up before the Committee stage, ‘that this Bill be read a third time’. Printed as in the source.

Q7. Order No. 15, heading and land area. The Order No. 15 title is set partly as a paragraph and partly as heading lines. Hon. R. R. Farley gives the area as ‘5 579 square meters’ in moving the Resolution and as ‘5 597 square metres’ when quoting it on a point of order. Printed as in the source.

Q8. Headings ‘(EDITED)’. Reporters’ marks ‘(EDITED)’, ‘EDITED’ and ‘(Edited)’ appear several times in the text. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 12th December, 2006 at 10.10 a.m., with Mr. Speaker in the Chair; prayers were led by Rev. Canon Ivan Harewood. The Minutes of 6th December were confirmed on the motion of Hon. Miss M. A. Mottley, and Hon. D. D. Marshall laid the Report of the Joint Select Committee on the Road Traffic Amendment Bill, set up on 11th August. Standing Orders were suspended on the motion of Hon. R. C. Eastmond.

The House went into Committee of Supply on Order No. 16. Under Order No. 16 (a), the grant of \$10 532 433 to Head 13, the Prime Minister’s Office, Mr. Eastmond explained that the three-year wage settlement agreed with the public sector unions in 2003 had come to an end and that the sum would pay a two per cent cost of living adjustment. Mr. D. J. H. Thompson and Mr. D. St. E. Kellman argued that two per cent could not compensate workers for inflation, Mr. Kellman criticising the unions for accepting it. Mr. Eastmond’s reply to Mr. Kellman led to a long series of points of order and to the Chairman asking him to stop the personalities and not to refer to a Member by name. Hon. R. R. Farley defended the unions; Mr. R. L. Sealy asked for a clear matrix of policies, and Mr. Eastmond explained that the National Union of Public Workers had agreed to the three-year span.

Hon. C. A. Mascoll said the greatest threat to inflation in the region was the war in Iraq and the price of oil, then above US\$60 a barrel. Hon. Miss H. E. Thompson set out the drivers of the cost of living: labour costs, with a Government maid earning BDS\$1 600 a month against less than EC\$1 000 in the eastern Caribbean; food prices; and oil, whose cost to Barbados had risen from \$79 million a year to \$452 million. Mr. Kellman spoke again amid points of order from Mr. Farley, and the Committee reported progress before the suspension until 1.45 p.m.

On resumption, with Mr. Deputy Speaker in the Chair, Miss Mottley laid fifteen papers, among them the Supreme Court (Master) (Salary) Order, 2006, the Report of the Accountant General for 2005–2006, twelve sets of National Insurance and Social Security amendment regulations and the annual reports of the Barbados National Productivity Council and the Barbados Investment and Development Corporation. In Committee again, Dr. D. C. Estwick questioned why the unions would accept two per cent and spoke of domestic borrowing, the Cess and VAT; Hon. T. A. Prescod and Mr. Mascoll replied, Mr. Mascoll distinguishing core from non-core inflation. Mr. Farley wound up, saying negotiations for a further increase were going on, and Head 13 was passed, followed by Heads 14 to 51; both Money Resolutions were reported and passed.

Hon. D. D. Marshall, as Attorney-General, moved the second reading of the Police Complaints Authority (Amendment) Bill, 2006, explaining that the Authority had had difficulty forming a quorum and had not sat since its Chairman, Mr. John Connell, Q.C., was elevated to the Court of Appeal in July 2005; the Bill increased its membership and provided for a Deputy Chairman. Mr. Kellman supported it, and the Bill passed all stages without amendment as the Police Complaints Authority (Amendment) Act, 2006.

Mr. Farley then moved three Resolutions vesting Crown land in the National Housing Corporation: 16 890

square feet at Cave Hill, St. Michael, the site of the former Skills Training Centre, welcomed by Miss Mottley for the church and residents of Whitehall; 48 252 square feet at Tourville Road, near Horse Hill, St. Joseph, for residents relocated by road works, welcomed by Mr. Marshall; and land at Mount Poyer, St. Lucy, to extend the 18-house development near Harrises. The first two were agreed to. On the third, Mr. Kellman said the matter had been before Cabinet since 1993 and exchanged points of order with Mr. Farley over the earlier vesting; the source ends during his speech.