
THE

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RESUMPTION

Mr. SPEAKER: This House is resumed. Let me observe, just before the Honourable Leader of Her Majesty's Opposition begin, in keeping with the Standing Order, the Honourable Member has unlimited time, but in terms of television coverage, the time allotted is 3 hours and 10 minutes, according to my information. I will indicate when you have 10 minutes remaining, if necessary, of course. The Honourable Member for St. Michael North East.

Miss M.A. MOTTLEY: Mr. Speaker, the honeymoon is now well and truly over, not for the Government but for the people of Barbados. Sir, Barbadians were subjected yesterday, to the single biggest tax increase in the history of this country. In the words of Winston Churchill, it is a day that will live in infamy when the economic history of this country is written. These tax hikes will, by themselves, contribute to the highest inflation in this country's history, recorded inflation, in our view. The Prime Minister, it is fair to him, said at the beginning of his term that his three top priorities were cost of living, number one, cost of living, number two, and cost of living, number three.

4.30 p.m.

The Prime Minister, it is fair to him, said at the beginning of his term that his three top priorities were: cost of living - number one, cost of living - number two, and cost of living - number three, but the truth is that Barbadians had no way of knowing that what he really meant was an increase in the cost of living.

Asides.

Hon. Miss M.A. MOTTLEY: In fact, Mr. Speaker, it really represents the quickest and the cruelest betrayal of the Barbadian people in our electoral history and that is really, really unfortunate.

Sir, it is against this background that I rise to give the reply on behalf of the Opposition Barbados Labour Party for this year's Financial Statement And Budgetary Proposals. Mr. Speaker, I am deeply conscious and humbled that this is the first occasion I would be accorded such a grave responsibility and special privilege.

Mr. Speaker, it is immediately for me to recall that 65 years ago, women could not vote in this country. It was due largely to the efforts of the late Rt. Excellent Grantley H. Adams in his crusades that women were given the right to vote in 1943.

Asides.

Hon. Miss M.A. MOTTLEY: It is therefore, Sir, in that context and spirit that I dedicate this reply to all of those women who were prevented from voting before 1944 in this country. I go further, Sir, and dedicate as well to every woman who has since the granting of Universal Adult Suffrage in 1950 had the opportunity to vote, election after election.

Mr. Speaker, above all else and most of all, I dedicate this reply - and I know that everyone, men and women, would agree with me - to the thousands of working women who head families in this country and who are struggling today to be able to make ends meet, largely as a result of the policies of this Government.

I do so, Mr. Speaker, at a difficult time in our history. We do not dispute that and, even though by any measure, we have come a very long way since the 1940s and 1950s where the struggle for political, social and economic rights were at the front line of activity in this country, we are cognizant that in 2008 there is no room for

complacency. Certainly, Mr. Speaker, no room for either indecision, ineptitude or as we witnessed yesterday from the Prime Minister, economic recklessness.

It is against this background, Sir, and with Your Honour's indulgence that I want, first and foremost to thank the many Barbadians who have called both last night, this morning and all during the day. Some have e-mailed, some stopped me as recently as just now to tell me that they wish the Government would recognise that there is too much strain on many of them, and that in the same breath that they know that the times in the world are difficult, but they believe the Government of Barbados is not doing enough to protect their interest across the board.

Equally, many of them have said that they feel the opportunities that present themselves to the country are being squandered by the Government in the interest of party paramourty by the Democratic Labour Party.

But I want, Mr. Speaker, before getting into the details of the Budget, to give thanks to the members of my constituency who have caused me to be here today and have, for the last 14 years expressed their confidence in my representation of them, in St. Michael North East. They have sustained me, Sir, throughout my public career, just as they have said to me that I have been able to make a difference to them, through the work of the Barbados Labour Party, and to make their lives better.

I want also, Sir, to thank the members of the Parliamentary Opposition for their continued support and efforts to ensure that we will be an effective voice for those people in this country, who are not having their views and their voices expressed and recognising that we will do it to the best of our ability.

Sir, let me say from the outset that there is nothing wrong with the Barbados economy, which strong economic leadership cannot fix. That is the truth. Sir, I repeat. There is nothing wrong with the Barbadian economy that strong economic leadership cannot fix.

Sir, it will not be fixed by indecision. It will not be fixed by policy somersaults. It will not be fixed by political gimmickry or by repeated lamentations of global economic crises. Sir, it certainly will not be fixed by economic policy surrender at home, as was witnessed yesterday by the Government.

Barbados' destiny has always been assured when we assert our right to self-determination. Sir, it is a matter of great regret for the Barbados Labour Party that having sent home the International Monetary Fund representatives in 1994, and having determined that we had the ability to chart our own future, this Government would now seek to so embrace that entity, and so in their Budgetary proposals

yesterday reflected an IMF like Budget that does not put the interest of our people, both in the short and medium term, at the front of their decision-making.

Sir, I believe this is particularly difficult for us as people to take, because all through our history, we have known what it is as people to fight elements of foreign domination, when they have not been in the interest of ordinary Barbadians.

Therefore, it is of great regret that the Prime Minister of Barbados chooses to quote IMF statistics as recent as the national consultation, rather than statistics produced by the Statistical Services Department of Barbados or by the Central Bank of Barbados.

It is also of particular regret, Sir, that I speak to this House today without having the benefit of the Central Bank Annual Report for last year, an occurrence that I do not remember, certainly in my almost 20 years of Parliamentary history, between this House and the Other Chamber. Sir, it causes us to wonder what is the reason this has not been made available.

Secondly, Sir, I speak today against the background that we are still awaiting the unemployment figures and the retail price index figures from the Statistical Services Department to be released to the public of Barbados. I happen to know, Sir, that those statistics are made available within six weeks of the end of the quarter.

The end of the First Quarter was the 31st March. Six weeks, Sir, would have brought us to the middle of May, and to this date, on the 8th of July, those figures are not available to the public of Barbados.

Sir, this is a country where these things matter and there may be other countries that have gotten accustomed too not having accounts filed, Auditor General reports filed, or having access to regular data.

I say to you, Mr. Speaker, that the only way we can offer our best advice as either a Government or an Opposition is by reason of access to the most recent available data, and it is a matter of great concern.

I note, Sir, that the Prime Minister yesterday, as is his style, sought to tell the Barbadian public in the words, "we have asked the IDB for assistance in the restructuring of our national accounts, statistics." Mr. Speaker, he did not tell the public that this project has, in fact, been in discussion for some 18 months. He gave the impression that because he had difficulty with unemployment statistics, and that was why this project is now undertaken with the IDB.

I start at this point at the outset dealing with the information and the statistics because in a very real sense, it reflects the change in what the country has become accustomed to. Sir, it is reinforcing their own discomfort with the fact that they inherited an economy with sound healthy indices, but choose now to have those indices placed on the back burner, so as to eradicate them from the memory of Barbadians.

4.40 p.m.

Mr. Speaker, when the Prime Minister complains about the unemployment statistics, he reminds me of a limerick: "There was a faith-healer of Deal

Who said, 'Although pain isn't real,

If I sit on a pin

And it punctures my skin,

I dislike what I fancy I feel.'

The Prime Minister dislikes the fact, Mr. Speaker, that the unemployment statistics show that in the last quarter of last year more Barbadians were working in this country than ever before in its history. He dislikes the fact, Mr. Speaker, that the unemployment rate recorded was 6.7 per cent. The Honourable Member dislikes it even more so, Mr. Speaker, because in the Budget that he presented yesterday, his only statement in relation to unemployment was in relation to the fact that unemployment would increase in the coming months.

Mr. Speaker, his statement in relation to the cost of living, I am quoting from page 19 of the Honourable Member's speech, is that inflation would continue right through to the first half of 2009. Mr. Speaker, before imposing \$104 million minimum taxation, because we would assert that it is going to be a higher take, on the Barbadian economy, his words were reflecting that inflation would reach as high as 7.9 per cent in the next year.

Mr. Speaker, we believe that what transpired yesterday would in fact lead to a situation where inflation will in fact not be at 7.9 per cent but far greater. Sir, when you look at what he has done in relation to the range of taxation measures, there is no doubt in our minds that those costs would be passed on to ordinary Barbadians by every sector of the community on which he placed them.

What was it really that the Honourable Member did, Sir? Mr. Speaker, once you increase gas and diesel prices, VAT as an ad valorem duty means that of necessity you are going to collect more VAT. Sir, 15 per cent of 257 is more

than 15 per cent of 141. You do not have to be a Solomon to know that.

Mr. Speaker, not only has the Honourable Member taken in increase VAT in April of this year, he came yesterday and imposes another \$104 million of taxation on the backs of Barbadians with a punishment that reflects a callous approach, that we say are uncalled for in these difficult times in which we live.

Mr. Speaker, the people who are going to bear the brunt of the taxation efforts are the small persons and the middle class in this country. Mr. Speaker, when you take \$46 million in taxes off the highway, it causes me to think that the only appropriate phrase to describe it is highway robbery.

I go further, Mr. Speaker. When you raise road taxes, the licences, every aspect of highway and transportation cost in this country, the people who have to pay, who are poor and who have a car and need it to get themselves to work or to be able to spend a little money, are going to find themselves in a position where they are going to have to take a larger amount of their salary now to pay these increases.

Sir, those increases - the others on that side know it too - will hit the poorer man worst because if the poorer man has only \$500 or \$300 or \$200 left in his pocket after a month of paying all the bills, he has now to go and find money out of that money to pay increase road tax for the smallest car, which has now gone to \$400. Those increases will take a larger percentage of that poor person's money than it will a person who is a lawyer, a doctor or an engineer.

Asides.

Hon. Miss M. A. MOTTLEY: They got hit too, do not fool yourself, because the middle class in this country also got ravaged yesterday. Mr. Speaker, anybody in this country who is on a fixed income, which most of the middle class are, would have been hit because people plan out their affairs and want to be able to see the future such that they do not put themselves in trouble or difficulties.

Mr. Speaker, when you have a Minister of Finance, who already is accepting that he has a fiscal deficit that is within the acceptable limit of 1.9 per cent, and is still finding it necessary to come and impose what I say is the largest single tax take in the history of this country, then we know that something is amiss.

Mr. Speaker, the Minister of Finance, had to do it because his view and approach to Government and politics is that this Budget was not about developmental activities for Barbadians because it speaks as much to his view as to

the things that do not matter, that did not find themselves in what effectively he tried to make a wide-ranging State of the Union speech.

Mr. Speaker, what it did show was the politics of interest groups. It showed the Democratic Labour Party wanting to pick them off one by one by one by one by one, making the rough calculation that it matters not whether their performance for this country is stellar or even good, but that what matters is the ability to be able to count numbers, one plus one, plus one, plus one, when it comes to the day of reckoning and election.

Mr. Speaker, what is sad is that the Budget speaks as much, as I said, to the fact that we have a Minister of Finance who has clearly left out critical things that would affect this country before their date of reckoning, certainly in relation to a next electoral term.

Mr. Speaker, Barbados has a date with destiny. The year 2011 is going to be the date that the European Partnership Agreement kicks in for this country. I do not want, Sir, to be invidious, but having flip-flopped, the Prime Minister finally confirmed last week in the corridors of the CARICOM Heads of Government Meeting that Barbados would sign on to the European Partnership Agreement shortly.

What is significant, Sir, is that having made that announcement last week, a Budget came yesterday and there was not a single word in it to speak to how you would reposition Barbadian businesses within the 13 months that are available to us to ensure that there is no increase in job losses or to ensure that Barbadian businesses can take advantage of the opportunities which would allow them to be able to access new business markets in Europe as a whole.

You know, Sir, as I do, that you cannot just get up tomorrow and decide that you are going to fight off competition or that you are going to exploit an opportunity, and that businesses take time. They need to find money. They need to be able to do market research. They need to be able to engage staff. They need to be able to train.

Sir, we are not surprised. It causes me almost to want to reflect with great sadness that this is path of the course for the Minister of Finance, because in 1994, he came here and delivered his first Budget Speech and within less than two weeks, he signed on to give Barbados' commitments to the World Trade Organisation for the liberalisation of Barbados' trade by removing non-tariff barriers and reducing rates of duty tariffs so as to put the Barbadian manufacturing and agricultural class on the frontline. Mr. Speaker, in that Budget Speech of 1994, not a single word was expressed to how they would reposition the Barbadian manufacturing and the agricultural sectors.

I say to you, Sir, that this is part and parcel of the Minister of Finance's behaviour.

4.50 p.m.

Mr. Speaker, it was not only in that, we know that the biggest issue facing this country, as well as the world, is the issue of climate change and the environment.

Sir, I do not want to unfair the Honourable Member, this year's Financial Statement and Budgetary Proposals is 125 pages long. Sir, a Financial Statement and Budgetary Proposals last year that spoke extensively to the Green Economy, a Financial Statement and Budgetary Proposals last year that recognised that unless you reposition Barbados to meet the environmental challenges, a Financial Statement and Budgetary Proposals last year that recognises that the majority of economic activity in this country is driven by coastal consideration. Mr. Speaker, the projects the Honourable Member cites as "pie in the sky" projects for the tourism sector, all relate to the coast.

Mr. Speaker, the reality for climate change for us is that we can face a country where, in 20 or 30 years' time, the dynamics and the infrastructure that we have could be so severely compromised that it might cause us not to be able to meet the needs of being able to support our people or causing them not to enjoy the quality of life we would want. It is true that we alone cannot solve the problems of the world, but it is also true that we have an obligation to play our part in ensuring that Barbados' coastal integrity, that Barbados' environment are protected to the fullest.

I believe it is not only about Ministers flying overseas to make grand declarations at international summits, but it causes me to wonder how there was an absence of any meaningful reference to the environment in this country. These are matters that affect both the medium and long-term welfare of Barbadians.

Mr. Speaker, equally, there was no reference in yesterday's Financial Statement and Budgetary Proposals to anything meaningful for the Small Business Sector. There was no reference in yesterday's Financial Statement and Budgetary Proposals to anything meaningful for the manufacturing sector. In fact, it was all of four paragraphs, with no initiative. There was no reference in yesterday's Financial Statement and Budgetary Proposals to anything meaningful to the International Business Sector.

Mr. Speaker, I say to you that this Financial Statement and Budgetary Proposals is as much about what it does not address, as what it does. Sir, I choose at the outset to deal with those issues because I feel that the appropriate context for the strategic challenges facing this country has not been placed before us.

Mr. Speaker, it goes further. Sir, if I come to the aspects of the Budgetary initiatives as expressed by the the Honourable Minister of Finance....Sir, let me say, I have heard and have been following Budgets since I was 12 years old, from 1976, and I have never heard a poorer Financial Statement and Budget Proposal. I really have not. In yesterday's Budge, there was an absence of analysis. There was an absence of meeting even the challenges that the Minister of Finance identified as being his four main challenges.

Sir, I add for the benefit of this Honourable House the things that the Honourable Member has left out. Sir, there was no mention of the Single Market and Single Economy, for which the Honourable Member has lead responsibility. There was no understanding that this country will have difficulty in being able to have its productive sectors grow at a rate to sustain its quality of life, without having access to wider markets in the region, or to wider capital, or to wider skills. Sir, there was none of that.

There was no mention of the fact that the Honourable Member saw it as a matter of priority that Barbados, which has a trade surplus with the Organisation for Eastern Caribbean States and that in order to maintain that trade surplus, Barbados has a vested interest in building out the Single Market and Single Economy, especially in terms of production integration. Sir, I will come back to it when I deal with the issue of agriculture.

Mr. Speaker, by the Minister of Finance's own confession, on page 21 of the Financial Statement and Budgetary Proposals, the four issues identified were:

(a) projected slow rate of growth in the tradable sectors, particularly tourism;

(b) vulnerability in food and energy, with resulting pressure on growth of the economy, and impact of inflation on the poor;

(c) high national debt and an already high fiscal deficit; and

(d) pent-up unsatisfied demand for housing by lower and lower middle income families.

Mr. Speaker, let me deal with them one by one. Sir, the truth is, when taken in its totality, the Financial Statement and Budgetary Proposals constituted a series of policies that were bad policies, absent policies, and Barbados Labour Party policies. Sir, I have already spoken to some of the absent policies and as I go through the evening, I will speak to those which are Barbados Labour Party policies. I will speak to those which are bad because of their structure, where they are incapable of being either

policed or enforced. They are too vague, they are too uncertain, and there are some even where the Honourable Member attempts to be able to impose a tax measure through relief, but it is so vague that the Provisional Collection of Taxes Act cannot kick in, as ought to be the case with a Minister of Finance's Financial Statement and Budgetary Proposal, such that you do not have to bring legislation for four months. Sir, the vagueness and uncertainty of the language used would cause even difficulty in the Honourable Member's being able to rely on that piece of legislation.

Mr. Speaker, as I said, the Honourable Member's first point was slow growth in the tradable sectors. Sir, we have, over the course of the last few years, seen the trading sectors, tourism, manufacturing, agriculture, international business, and the various welfare and outlook has ebbed them on occasions but in this first quarter of this year, we began to see the fruits of concerted efforts on our part as a Government in the last two years, coming on the heels also of three years of double digits expansions and exports.

We saw also the continued increase in the extent to which the International Business Sector contributes to the corporate tax take of this country, where it now provides 66 per cent of the money that goes into the corporate tax take of this country, yet we saw a Financial Statement and Budgetary Proposals that did not even have one page dealing with the International Business Sector.

Sir, what did they tell the country? They told the country that they would continue to have double taxation agreements. That is the sine qua non of the Barbados' sector and so there is nothing new about that. The question is how are you going to achieve it, and how are you going to quicken the pace, in order to give Barbados its competitiveness.

Mr. Speaker, they then talked about the different ranges of departments that were affected, as if they did not realise that a Charter was established late last year, to be able to reduce the times with Immigration, with the licensing of entities, and in almost every respect with which the International Business Sector has to rely on a department of Government for permissions or approvals. Sir, there was nothing like that.

Mr. Speaker, we left money allocated by the European Union, some 500 million Euros, for the establishment of an institution of training, a chartered financial analyst to help us in this sector. Sir, there was no word about this in this Financial Statement and Budgetary Proposals, yet the Honourable Member sees a slow growth rate in the tradable sectors as a challenge.

Mr. Speaker, we left proposals to be able to establish a Financial Services Authority, to be able to help regulate

the non-banking financial sector, in circumstances where that quality of regulation is likely to give us the greatest competitive edge, yet we see nothing in this Financial Statement and Budgetary Proposals.

Mr. Speaker, we also left initiatives for “Invest Barbados” in place. Sir, not only do we now have a Chairman whose first public statement was so say that he knows nothing about investments, but equally we have a situation where there is now a consultant advisor to the Board. This consultant advisor has found herself asking people what is a double taxation agreement. Mr. Speaker, if a consultant advisor to the Board of “Invest Barbados” does not know what is a double taxation agreement, we are in deep trouble in that sector. Sir, if I were the Minister of Finance, I would be worried, because it would mean that the reliability in relation to the 66 per cent of the corporate tax take could be in jeopardy.

Mr. Speaker, I go further. We have the anomaly. Sir, you know it is really because the Prime Minister left Government in 1994, then comes back and almost believes that he is still in a time warp in 1994. The Prime Minister is trying to recreate Government as he had left in 1994. In those days, the Prime Minister had responsibility for International Business.

5.00 p.m.

...and he has tried to recreate Government as he left it in 1994. In those days, he had responsibility for international business; in those days in the Minister of Finance, he had responsibility for the sugar sector; in those days in the Minister of Finance, he had responsibility for the energy sector; in those days, Mr. Speaker, he believed that there was a foreign exchange Committee role to help reposition the traded sectors and what do we see in 2008, 14 years later, do not mind the circumstances have changed. Sir, if I were members on the other side, I would start to worry that he is caught in a time wrap, I really would.

Mr. Speaker, international business - the Attorney-General ought to advise him on it - the law says that the Ministry of International Business is the person to whom Invest Barbados reports but we have the unfortunate situation, where even though in law they are required to report to the Minister of International Business, who technically could only be the Honourable Member for St. Michael West, not the Honourable Member for St. James South because he is only a Minister of State but we have the invidious situation where Invest Barbados is reporting to Senator Boyce and the Prime Minister. Sir, if it is that you want to keep that situation, advise the Attorney-General and Cabinet to bring the amendment to Parliament and change the law and we will agree but you cannot tell us about transparency, accountability and rule of law and

Barbados' primary investment agency is, in fact, operating in a flux because, in law it is to report to one Minister but day-to-day, it is being forced to report to another Ministry but, Sir, that is what we have reduced ourselves to.

Mr. Speaker, when, therefore, I see the Prime Minister states that one of his four challenges facing this economy is slow growth of the productive sector, I expected to hear a series of measures that would have been designed to boost growth in each of these productive sectors.

Sir, in tourism, we have a litany of desires, that is all we could express them as; things that we believe in some instances may be desirable but we know cannot see the light of day in under five years to ten years in many instances so that it was comforting language for those who do not understand how investments work and how Governments function.

Mr. Speaker, the Minister of Finance said he wanted to see a new brand every two years. The Minister of Tourism is a little bit more ambitious, he said he wanted to see a new one every year but it is not a case of snapping your finger or rubbing a magic bottle and a genie comes out and a brand appears. Indeed, Sir, it is significant that in understanding the structure of Barbados' tourism sector that we need to appreciate that one of the difficulties we have with tourism in this country is that our rates of return for the sector are not as high as in some other places and that, therefore, there has invariably had to be a mix of real estate development with tourism development in order to allow our hotels to be competitive in Barbados. This invariably means that there are larger parcels of land that would have to be required but in a smaller land space as a country. This invariably means that environmental impact assessments have to be done because you are changing the character of the use of that land forever. This invariably means that they are realities in relation to the structure of our sector as to who invests and traditionally the Barbados Labour Party in the days of the 70s and 80s and even before because of the high degree of local investment because we felt that it was important that local persons were able to get a return from the tourism sector but equally we recognise, particularly in the small hotel sector, that there was an approach that allowed greater informality and, therefore, some of the expenses that other hotels would otherwise carry would not have been carried by small hotels in Barbados simply because of how they were structured, family involvement and persons who would be prepared to do other things.

Mr. Speaker, it is in that context that even when we hear the Prime Minister in his Budget Speech yesterday referred to Budget brands that would begin to wonder whether he really understands the structure of the Barbadian product and to that extent, part of the difficulty

we have is that once you are at the lower end of the market in terms of value, you do not have volume in Barbados and, therefore, we have not been attractive and would unlikely be attractive to foreign brands but can, in fact, develop a small indigenous hotel sector because the rates of return required by local people invariably are less than those required by the international chains.

Mr. Speaker, it does not stop there. We heard much talk about a number of other initiatives and, Sir, let me be frank. In some of them, some were some that we considered and I would like to believe that Barbados could have a thriving diaspora tourism market but the truth also is that the diaspora is not recession-proof for the most part and that there are some of the ones who immediately stop flying on the first sign of recession. We recognise, however, that we have a responsibility to build out that market, nevertheless, but that even when we build it out, the nature and behaviour of that tourist is different from others because they tend to want to stay in apartments and with families. Their value added to the economy is different because they do not do as many tours, they more benefit the Honourable Member for St. Lucy because, like us, they would want to relax in local environments that are very much Barbadians and, to that extent, they would add value to aspects of community tourism. Sir, it cannot be the lynchpin of your tourism development if you are concerned that the rate of growth in your traded sector is too slow. Sir, it is as simple at that and when that is combined with the fact that you cannot develop tourism in this country without also ensuring adequate and effective airlift, then we have cause for concern.

Mr. Speaker, I say to that there is already enough concern in the marketplace in relation to what is happening with airlift. American Airlines, I am told, have already announced reductions from September. In addition, the reality is that we see that airlines are facing all kinds of financial difficulties obviously because of the energy cost but the truth also is that one of the reasons we had to have directed intervention and marketing support, particularly after 9/11, when planes stopped flying was that the only way we could protect jobs was by ensuring that tourists come to the island. We met at Sherbourne with the private sector and indicated that so long as the tourism sector was prepared to hold on to the people they were employing so long as they were prepared to keep all of the jobs within the tourism sector that we would guarantee them, through price support and the equivalent amount to ensure that they face no worse a situation in 2011 to winter season than they face in the winter season of 2000. Sir, that direct intervention allowed to be able to maintain employment levels in the tourism sector at a time when people did not know how, when and where planes would fly again.

Mr. Speaker, the difference with 9/11 and now is that 9/11 was unanticipated in relation to the energy crisis,

you have seen it coming, it has been building up for two years and when I start to give the figures in relation to how the prices have moved, it has not taken anybody by surprises but you have to position yourself to continue to guarantee your air support in order to be able to have tourists bought on island, there is no magic to it. Sir, it was for that reason that we could not fathom or understand on this side why the Prime Minister would choose to divorce the Ministry of International Transport from the Minister of Tourism. Sir, it made no sense.

5.10 p.m.

why the Prime Minister would choose to divorce the Ministry of International Transport from the Ministry of Tourism. It made no sense. As recent as last week, the Prime Minister of Bahamas, in appointing his new Minister of Tourism, the former Secretary General of the Caribbean Tourism Organisation, saw to it that his portfolio, in fact, was the twin portfolio of Tourism and International Transport.

Sir, the Honourable Member for Christ Church South might not want to admit it, but he had to go to an International Transport CARICOM Regional Meeting, recently, and had to be accompanied by the Chairman of the Barbados Tourism Authority and other tourism officials, because he was not in a position to speak to tourism matters at the International Transport Meeting. That is what I mean about the folly of the decision in relation to the separation of the two. Sir, I do not think it is anything on which a Government will stand or fall, but for your primary foreign exchange earning sector, you cannot be serious about its growth prospects if you cannot get its structure correct, in relation to your Cabinet.

Sir, in relation to the matter of the Tourism Development Act, we will wait and see what changes in incentives are brought. Suffice it to say, there is still a commitment to be able to accord incentives to the sector. Suffice it to say, when those incentives are measured, this Government would not want us to say so to the public, but there are of far greater value than the \$200 000, they gave back in welfare grants, under the National Assistance Act yesterday. They would want people to believe that, yesterday, it was a poor man's Budget, and they would want people to believe that they were out to help poor people, but they took \$104 million out of their pockets and put back \$200 000 in welfare grants to the people under the Welfare Act. We do not know the cost, we do not know the range of incentives, and therefore we will hold our silence on these matters, except to say that we are a little concerned, when the Prime Minister said he wants to remove the nine-month rental condition, from those benefitting from tax incentives under the Tourism Development Act. Sir, there will be nothing to stop those persons, who build those villas, from living in them and not

adding them to the tourism pool. Sir, I do not think that anyone on that side, when they realise its significance, would want to believe that they could support tax free access for luxury accommodation in Barbados for villas for people to live in, but are not prepared to ease the burden of the middle class, people earning \$3 000, \$4 000, \$5 000 or \$6 000 a month in this country, for whom there was no relief in this Budget yesterday, but they had to witness that a Government was prepared to remove a rental condition, from a villa being used in the tourism sector, but still allow the owner of that villa to benefit from tax incentives. Sir, if that is the new policy of the Democratic Labour Party, then the people of Barbados would make the appropriate judgements, but it needs to be clarified. Sir, I say, put it at no higher than that, at this juncture.

Sir, there is one policy here that I would agree with up front. I am a little skeptical about it, but I would agree with it simply because we were considering it, and we recognised it as an essential part of economic enfranchisement. That is the proposal to extend the tax incentives by a further five years, over and above the normal concession, if 25 per cent of the investment is owned by Barbadians, in blocks of not more than \$100 000 per shareholder. Sir, let me tell you why I would agree with it.

Mr. Speaker, when we liberalised telecommunications, the conditions under which we liberalised the telecommunication sector in this country was that 25 per cent of the shareholding had to be Barbadian. Even though we did not get to the point of issuing a new licence for television or radio in that sense, the policy position of the Barbados Labour Party Government, and to the credit of the Honourable Member for St. Peter, was always that no entity should be involved in the media in this country, without 25 per cent minimum of the shares being held by Barbadians. It is consistent with what we believe. Sir, the difficulty we have with it is, it is unlikely that in the current economic climate you are going to find a large number of persons being able to find the money, to make these investments. I believe that if we hold faith with the policy that certainly by the medium term, we can see a diversification of the ownership of enterprises, because in effect what you are really doing, is creating a unit-trust type of existence. To that extent we find no difficulty with it in concept, but we simply say that we do not believe it is likely to offer any major results in the short to medium term, because of the difficult situations within which we find ourselves, combined with the not so high return on investment that traditionally tourism properties have had to face because of our cost structure, infrastructure and scarce land area.

Sir, this brings me to the area the Honourable Member addressed within the concept of tourism, and one not addressed within the concept of tourism. Sir, one, in

relation to the offshore islands, which was addressed later in the Honourable Minister of Finance's speech. Let me say once again, I find it curious because the Barbados Labour Party's Manifesto spoke to this. In fact, I spoke to this when I introduced the National Strategic Plan in October 2006, but we do not believe that it is the kind of project can easily executed; its lifespan is 10 to 15, possibly, even 20 years; we know from our own investigations that there are going to be difficulties on the West Coast in putting in any islands because of the current flow, and we also know that in those circumstances no work clearly has been done yet, because the way in which the Prime Minister articulated it, it is nothing more than a mirage on which to hang his hopes in the future. We say that there are more pressing issues facing the Barbadian tourism sector. There are more pressing issues facing Barbadians in terms of trying to keep their jobs, that time and effort ought not to be devoted to this now as a matter of priority before addressing the fundamental issues that will affect whether they can keep their jobs in tourism or not, or in the other productive sectors in this country.

Sir, when you use the phrase productive sector sometimes people get frighten, but we have a responsibility to explain; unless people can find employment, unless people can support themselves, at the end of the day we are truly not helping them to reach the levels of individual dignity, that is our God given right as individual human beings. Sir, I say so because much has been made in the dichotomy between cost of living versus jobs, et cetera. It is almost as if the Democratic Labour Party, as I said, wants to run as far as possible from and as hard as possible away from the issue of jobs and employment because of the record of the Barbados Labour Party over the last 14 years.

Sir, we made a deliberate judgement that jobs number one is jobs. The Honourable Member for St. Peter did that, as leader of the Party in 1994. He was pilloried across this country for it. We said so because we recognised that whatever else you do in life, an individual has options over what he or she does or feels when they can provide for themselves. That is the definition of human dignity that we want to uphold. It is the way in which people express their ability, not just to provide for themselves, but how they interact with the economy. Sir, over the years almost 30 000 jobs were created, with unemployment moving from 24.5 per cent to 6.7 per cent when we demitted office.

Sir, this Government has chosen to make the cost of living its top three priorities. Its success to date, as I stated, has only been an increase in the cost of living. Sir, if they are so singularly focused on that task to the exclusion of all else, they run the risk of affecting jobs, they run the risk of affecting social stability, they run the risk of affecting economic growth in this country, and that is what we have begun to see. Therefore, while the Prime Minister

continues to say that he is concerned about slow growth in the tradable sectors, his behaviour reflects that...

5.20 p.m.

Therefore, while the Prime Minister continues to say that he is concerned about slow growth in the tradable sectors, his behaviour reflects that his only concern is one: trying the balance the books and two: trying to see how he can score a win on cost of living. Sir, to date, all he has done, as I said, is to score own goals in that respect.

Sir, when we look at the other areas in the tradable sectors - and I will come to agriculture more in the context of food, because there are serious issues of food security - that we have to address as a nation and as a region, we realise that none of the initiatives announced yesterday really admits of immediate relief.

Therefore, you are unlikely to see any of these initiatives bring about growth in the productive sectors in the short to medium term. We trust and hope that what momentum we left there with all of them growing in the first quarter, would at least help the country carry along. Sir, even though we are in Opposition, we only have the best interest of this country at heart.

Asides.

Hon. Miss M.A. MOTTLEY: Sir, the Prime Minister raised the issue of vulnerability in energy and food. I want to address this because challenges are nothing new to the Barbadian society or Barbadian economy. We have confronted challenges before, we have confronted even crises before and we have come out because there has been a resilience among Barbadian people which we have seen work for the benefit of all. Equally, Sir, what has mattered most is the question of leadership.

Sir, we say that leadership and choices are fundamental to Barbados' being able to get out of the circumstances within which it finds itself now. The Rt. Hon. Member for St. Peter would have us believe that the current economic crisis started on January 16 of this year. He really would.

Asides.

Hon. Miss M.A. MOTTLEY: Sorry. The Honourable Member for St. John.

Asides.

Hon. Miss M.A. MOTTLEY: I will tell you why, Sir. The Honourable Member for St. John went through an election campaign and he had the world believe that the cost of living in Barbados was an issue, not because of the

international economy but because he said that the Rt. Hon. Member for St. Peter was in bed with the private sector of this country. He said that the Rt. Hon. Member for St. Peter was upholding monopolies. He said that the Barbados Labour Party did not care about how the cost of living afflicted people and, therefore, it was an act of ours that was causing people to suffer, rather than, Mr. Speaker, the international environment within which he found himself.

Sir, I can only say to the Honourable Member for St. John that he clearly wants us to feel that it is as if the whole world heard, all of a sudden, that he had become Minister of Finance and Prime Minister of Barbados on 16th January and that all of a sudden, the whole world conspired against him to give him this hard hand to play, one that he never anticipated, one that he could not provide for, in spite of telling the whole country, Sir, that he was ready to be able to deal with the issues.

I say, Sir, that it is unfortunate because the Prime Minister's problems are really of his own making. He has now to explain to people how those views which he held prior to January 15, can be reconciled with those views that he is now expressing since January 16, 2008.

This is a small country and people have long memories. All of a sudden, it was good enough for this country to be told that we had to address the issue of the basket of goods, when the Honourable Member for St. Michael North West was the one who was the voice in that occasion in December, and I remember clearly on the Friday evening that he spoke.

We worked out the basket of goods with the merchants of this country to ensure that they reduce their price margins, to ensure that we were able to bring down the prices for those 28 or so items, ranging from food items to personal care items. He said then, that it did not have any fruit. It did not have in any healthy foods. It did not have in any of those things.

Mr. Speaker, we heard him. He did not know that the Cabinet of Barbados had in a separate Cabinet decision in December, taken a decision to establish a basket of healthy food items, such as lentil peas, glucerno, strips to be able to test yourself for diabetes, artificial sweeteners and other products, which reflected your ability to maintain a healthy lifestyle, if you use them.

Sir, for those who are already diabetics or suffer from high blood pressure, they would, in fact, make their life easier, by ensuring that you could live longer; low sugar and low calory snacks, healthy snacks, granola bars, dried fruits, brown rice, peas and beans, glucometers and glucometer strips for blood testing.

We agreed that we would zero rate olive oil, Canola oil, sunflower oil, cereals, oats, brans, unsweetened fruit juices, omega-3 fatty acid supplements, multivitamins, low fat yogurt, milk substitutes, all of those, Sir.

Do you know, Mr. Speaker, that some six and a half months after a Cabinet of Barbados agreed to the removal and reduction of import duties, depending on the product, and the zero rating of the VAT, that this Government led by the Honourable Prime Minister who was so concerned about reducing cost of living, continues to have Barbadians paying the highest possible prices for those items. But they cared, Sir, about the ordinary people in this country.

Mr. Speaker, yesterday, having said at the national consultation in Sherbourne - and I heard the Prime Minister myself on the radio talking - that we needed to widen the basket of goods to include healthy food items, yesterday he brought a budget and not a mention of those healthy food items that he said should be brought down.

Sir, six and a half months later our people are paying high prices for items that they should otherwise be buying them, such as olive oil, healthy snacks, vitamins and supplements, and this Government said it is interested in reducing the cost of living.

Sir, they have to walk the walk and not just talk the talk. That is the reality.

Asides.

Hon. Miss M.A. MOTTLEY: Sir, I received about 10 calls this morning. Why is it that the Prime Minister did not read out the list of items that he exempted now from the Environmental Levy? Why it is that he read out all of the taxes on bicycles, motor cycles, cars, professionals, hotels, and rum shops, but he never chose to read out the list of items that he was now exempting?

Sir, because they, like me, when they heard the Prime Minister at the National Consultation at Sherbourne, thought that the time had finally arrive for those healthy food items to be removed off the duties, and to be made affordable for people to purchase in this country. What are the items?

Sir, the items on the list are: condense milk, tea, oatmeal, canned corn beef, herring, sardines, juices, cereals, baking powder, soups and broths, baby formula, personal deodorants and antiperspirants, medicated soap, tampons, beef, lamb, pig feet, ghee, beans, lentils, coffee, whole cloves, ginger, turmeric, salt, cooking oil, rice, butter and butter substitutes.

5:30:14

...rice; butter and butter substitutes.

Sir, to begin with, we know that the environmental levy was either 1.5 or 2 per cent prior to it being increased yesterday. Mr. Speaker, we know that the VAT is higher, so that the zero rating of the VAT on olive oil would bring a far greater savings, but it is not here. The zero rating, Mr. Speaker, of the VAT on Omega Fatty 3 Acids and vitamins that people have to take to keep healthy are not here. That is 15 per cent as opposed to 1.5 or 2 per cent.

Mr. Speaker, this is the Prime Minister who said that reducing the cost of living is priority number one, priority number two and priority number three. Sir, I feel that if he was really serious about it, he would have brought the measures here in February when this House first met since the Cabinet had taken the decision before.

Mr. Speaker, not only did he not bring it in February, he does not bring it in July when he has the opportunity for his first Budget presentation as Prime Minister of this country. There is nobody constraining his decisions. Sir, I say shame on him because you cannot tell people that you are going to do one set of things and when you have the opportunity to do it, you failed to do it abysmally, and expect them to respect us as politicians.

Mr. Speaker, the other matter that I want to relate to in relation to the energy and food issues relate to the fact that this Government has virtually told people that the country is in crisis. In fact, the Prime Minister said so in his second Press Conference at Illaro Court in May. Sir, when the leader of a country tells you that you are in a crisis, you really have to worry. Sir, there are ways in which you can speak with the public that can inspire them still to meet challenges without causing their spirits to be broken.

Mr. Speaker, the most dangerous thing that has been done in the last six months, in my view, has been to cause this country to believe that there are no options. There is nothing further from the truth, Mr. Speaker. This country has options.

Mr. Speaker, as I said, we do not doubt that there is a difficult international environment, but let me contextualise it for the House and for Barbadians. We had a situation, Sir, where the Prime Minister has said that the price of oil has gone from US\$104. Sir, even if we take the most recent prices at US\$145, which is not yet what we are paying for oil in Barbados, but to be generous we will take it, that is US\$41 on US\$104, which is a 37 to 38 per cent increase in oil prices.

Mr. Speaker, the public of Barbados perhaps needs to be reminded that we faced an almost 800 per cent increase in the price of oil between the year 2000 and January 2008. We found oil in 2000 at US\$12 barrel and

left this country in Government with oil at US\$104 a barrel - you do the mathematics, Sir, - an increase of US\$92 over a factor of US\$12, about 770 per cent roughly.

Mr. Speaker, what is more important to know, and I will be fair, is that there were at least six to seven six-month occasions when we faced the similar fate that this Government faces today where the price of oil increased by more than 35 per cent.

Mr. Speaker, let me remind the House what they were. Between January and June of 1999, Barbados faced a 55 per cent increase in the price of oil, more than this Government has faced in the first six months of this year. Sir, between April and October of 2004, Barbados faced a 45 per cent increase in the price of oil. Sir, we did not tell the country they were in crisis or send home people. Rather than that, Sir, the unemployment figures continue to go down and foreign reserves continue to grow.

Mr. Speaker, we did not tell the country between February and August 2005 that there was a 38 per cent increase in the price of oil, exactly akin to what this Government has had to face in the first six months of this year. Certainly, Sir, we did not predict an increase in joblessness, as the Prime Minister predicted for this country yesterday.

Mr. Speaker, I say to you that challenges are not new. What is new is a Prime Minister who chooses to panic people by telling the country that we are in crisis and that we have no options. This is a country that has a strong history and pride of finding solutions as we confront challenges. Sir, it is therefore unfortunate that we should now have a leader who believes that he is to effect a level of economic policy, surrender to the international community, and that he has no capacity to craft mechanisms and policy initiatives that would help this country through difficult times.

Mr. Speaker, we had to make choices and we chose to govern. The Honourable Member for St. Peter chose to shield people first and the productive sectors by extension. Sir, if you did not shield the tourism sector, or the manufacturing sector or the agricultural sector, you would not be able to protect the jobs in those sectors; it is as simple as that.

Mr. Speaker, we have now a Minister of Finance, who compounds it. Sir, if we thought that Black Monday was bad enough in April and if we thought that there was a basis for black market in May, yesterday, we now know that he is a full convert, along with the Democratic Labour Party as currently exists clearly, free market economics; passed through the increases without any kind of buffering to the public of Barbados.

Sir, I cannot believe that the Honourable Member for St. Michael South and the Honourable Member for St. Michael North West sat in a Cabinet that agreed to those things. I really cannot, because I thought better of both of them, despite the Party differences.

Mr. Speaker, I cannot believe that Honourable Members who were schooled in the tradition of protecting Barbadians against all odds, of ensuring that people come first, could have allowed the Honourable Member for St. John, as Chairman of Cabinet, to preside over a decision where they would now be an automatic flow through on energy prices month by month, which would not be considered by a Cabinet of Barbados, to see whether you even want to or do not want to do it or whether it is merited or not merited or to determine whether it does not merit a reduction in excise tax because you are having an increase VAT take once the prices go up.

Mr. Speaker, I cannot believe, I call them one by one by one, that the Honourable Member for St. Philip West, the Honourable Member for St. Philip South... I know the Honourable Member for St. Michael West Central has been speaking with an independent voice that has caused him to be perhaps the recipient of some harsh language from the Honourable Member for St. John, but he must not fear.

I say to you, Sir, that it is a serious matter, and let me tell you why. Sir, we have always in this country recognise that diesel is at the centre of production in Barbados. It takes diesel to pump water. It takes diesel to bake bread. It takes diesel not just to drive the public service vehicles but all of the construction equipment, the independent freighters, all across the board.

Sir, in the last decade, our manufacturing sector was encouraged to buy generators to operate low diesel capacity so that they could have lower prices upon which to base their competitiveness rather than buying from the Barbados Light and Power Company Limited. The Prime Minister's singular action of raising diesel by 77 per cent caused the manufacturers to shut down their generators and to go back to the Barbados Light and Power Company Limited putting issues of capacity on the Barbados Light and Power Company Limited and issues of competitiveness on the manufacturing sector.

5.40 p.m.

Mr. Speaker, we know that it was not a monkey who shut down the power two weeks ago. I am not sure what caused the capacity issues this time, and I hope it was not the decision of the Minister of Finance on April 16, with the overloading of capacity on the Barbados Light & Power Co. Ltd. Sir, I hope not, because the country would suffer as a whole, because it takes time to build out new capacity for generating electricity.

Mr. Speaker, I go further. We have always had a history across Governments in this country, where there was a recognition that gasoline prices - it was not particularly per se' a subsidy - were always higher than diesel, in recognition that you could moderate how much you drive, but once you moderate how much you produce, you would lose jobs. Sir, it is simple, you could moderate how much you drive but once you moderate how much you produce, you would lose jobs.

Mr. Speaker, if it was good enough for a previous Democratic Labour Party Government, if it was good enough for a previous Barbados Labour Party Government, if it was good enough for us as a Barbados Labour Party Government, what would now motive the Honourable Member for St. John and this current Cabinet, to feel that they should so disturb and disrupt economic activity in this country, so that in one fell swoop they could have increase diesel prices by 77 per cent and thrown their hands in the air and say: "I blame it on the international community and on that wicked Barbados Labour Party Government."

Mr. Speaker, let me tell you in all honesty, we have a situation where there is no doubt that some level of increases have to be passed on to the consumer. We do not dispute that. We also understand that an economy is like other living systems. We also understand there is a rate of growth and a rate of increase that it could only sustain safely and that once you go outside of those safe limits, you disturb the equilibrium of the living organism.

Mr. Speaker, if I were to pour water over the head of the Honourable Member for St. Philip North, if I were to let it drip, the Honourable Member might feel a little discomfort, but nothing much would happen to him. The Honourable Member would simply shake it off, but if I were to take two buckets of water and doused him, the Honourable Member would be a little more uncomfortable but he could still function. Sir, if I were to bring a big tank of water and let it go on him, like a tsunami, he would start to choke, because of the deluge of water. Therefore, a 77 per cent increase in diesel is the equivalent of a deluge of water on the economy.

Asides.

Hon. M. A. MOTTLEY: You have achieved only the result that Barbadians are drowning in your insensitivity.

Mr. Speaker, there has to be a time when you are man or woman enough to say you are wrong and when you tried to do it, with the Prime Minister reversing himself six weeks later, rather than coming with a lower increase across the board, one that is capable of easy enforcement, so that instead of a 77 per cent increase, you bring it back down to perhaps an increase that would stay at about 35 or 40 per cent. Sir, people know they are living in a difficult

environment and they would expect increases periodically, but they need to have time as a business and as individuals to catch themselves.

Mr. Speaker, what did they choose to do instead? They chose to carve out the special concessions only for four groups, leaving taxi operators outside. Sir, all of the hullabaloo in here about giving taxi men duty-free gasoline cars yesterday, we want now to hear when the Prime Minister would raise the fares for them, because with the increase diesel and gas prices, they are facing losses because of the fares they currently face. Mr. Speaker, the Honourable Member for Christ Church South should know that we also would be waiting anxiously to hear when the Prime Minister would increase those fares, at least to allow taxi men not to ply their cars at a lost.

Asides.

Hon. M. A. MOTTLEY: Mr. Speaker, there are many independent freighters across Barbados who make their living from freighting in this country. Those people are now "catching hell". There are people who are depending on the construction industry, some in the middle of building, the subject of contracts, but they are now being told by the subcontractors, who they have to hire with backhoes and other heavy-duty equipment, that they have to pay more, in order to be able to get the services carried out.

Mr. Speaker, the watersports operators and the other tour operators in this country, many of them are locked into contracts with the cruise companies. These contracts are for a year or two and therefore they are not in a position to be able to increase their prices, but now have to face astronomical increase in fuel cost, in circumstances where some of them are even laying off employees because they cannot make ends meet as they were making before.

Mr. Speaker, that is the reality of that tax hike. We would then hear the Prime Minister, almost like a badge of honour saying: "We will not listen to those who want to talk about subsidies." Sir, what did the Prime Minister do for the mini bus men, the manufacturers, the fishermen and the farmers, if that was not a subsidy? What is the Supplementary for \$15 million here for us to debate tomorrow, if that is not a subsidy?

Sir, it sounds pretty because the television cameras would not be on tomorrow night or next Tuesday, when we discuss the \$15 million. Sir, that is the kind of smoke and mirror that I am talking about. Mr. Speaker, I feel that for the Prime Minister to indicate that he is no longer prepared to have a interventionist role in the price of energy products in this country is a retrograde step.

Sir, let me remind this country, as a Government we eliminated totally from all taxation fuel from electricity, including the price of diesel. The taxes on diesel were lower in 2008, when we left office, than when we came to office in 1994. Sir, we were the Government for 14 years and we left the price of diesel cheaper. Sir, even facing an 800 per cent increase in the price of oil is an amazing fact.

Mr. Speaker, how did we achieve it? We reduced the Excise Tax each time, over a period of time, such that the Treasury could still function but at the same time, the people relying on the use of those fuels were able to have a competitive advantage that they did not have in the early 1990s in this country, where the price of energy was one of the major constraints affecting the growth of the productive sectors and affecting the growth of employment and jobs in this country. It was one of the key platforms on which we came to office as a Government.

Sir, it causes me to understand that the Honourable Member for St. John either does not think or that he was truly reading a karaoke budget, where the lyrics were written by someone else, even the tune provided by someone else, but he simply was the voice that expressed it, just as he did for the opening of the Estimates in March 2008, when, for the first time in my life, I saw a Minister of Finance reading a presentation in an Estimates Debate. I have never seen it before in my life.

Sir, that is what we have to contend with and we say that the burden is too much for the country to take. We believe that at the very least, the Government has a moral responsibility to reduce the VAT on gasoline and diesel. They are currently collecting 11 cents more in gasoline - seven cents more in VAT and four cents from the settlement of the Barbados National Oil Company (BNOC) debt per litre than they ought to be. Sir, you can safely see the Government reduce the price of gasoline in this country by 11 cents per litre, without affecting what they have to pay the international suppliers of oil and without affecting the tax take of Government. In other words, they would get the same amount of taxes they got before.

5.50 p.m.

Sir, in other words, they would get the same amount of taxes that they got before. You can reduce it tonight under the Provision of Collection of Taxes Order by 11 cents per litre without any damage to the Government's Treasury; no damage to the international liabilities that you have and with BNOC, we say that you can raise a bond to cover the \$80 million; \$50 million of which accrued under our time, according to the Minister of Finance and, I assume, the rest under his time.

Asides.

Hon. Miss M.A. MOTTLEY: Yesterday he said \$50 million in the Budget. It is \$80 million, we said \$80 million too at first so I am not fighting with you on that. The point is that you need to remove it, that is the point and you need to raise money for it rather than causing the taxpayers of Barbados and the consumers of Barbados to pay that additional four cents when the Government has the elbow room to take on that debt.

Mr. Speaker, diesel is worse. You can immediately reduce the price of diesel tonight by 15 cents per litre; 11 cents extra for the extra VAT that the Government is getting and 4 cents again to the BNOC debt, so 15 cents per litre and there would be no impact on the Treasury of Barbados and there would be no impact on the Government's international liabilities through BNOC and there would be no impact on anyone but there would be relief brought to the people of this country. Mr. Speaker, that is the same point we make with the basket of healthy food items but, Sir, you have to make choices and you have to govern.

We say, Sir, that by failing to make those decisions, you have put Barbadians at the frontline of adjustment in this country. We say that in so doing, it is a repudiation of all that you said in the election runup; it is a repudiation of all that you put in your Manifesto and it is a repudiation of the good nature of Barbadian people, who will behave well even when they are treated badly by their Government. Sir, we feel that you ought to know and do better.

Mr. Speaker, I ask you this. This Government, like other Governments believe that it is fine to create tax incentives for tourism. This Government, like others, including us, feel that it is fine to create tax incentives for manufacturing. This Government, like others, feels that it is fine to create tax incentives for agriculture. This Government, like others, feels that it is fine for the State to subsidize free education because we believe in it as a people. This Government, like others, I am not sure about this one because their position is a little dodgy would have to explain itself on subsidize healthcare.

Mr. Speaker, the point is that a Government makes decision to forego revenue either through the provision of tax incentives or the provision of subsidies to achieve a public good. Therefore, the question must be asked, does the Prime Minister and the Cabinet believe that shielding Barbadians from the onslaught of the food and energy crisis is a public good worth providing for? It is not, Sir, that we are recommending fiscal recklessness because we are not. We set ourselves standards in relation to debt, which we hold to in good times but they are times, as happened in 9/11, when you have to make a conscious decision to increase the level of debt to protect the people of this country. It is easier, as we showed to bring back down debt in two years to three years than it is to deal with

the social dislocation from unemployment that is there for three or four months.

Mr. Speaker, all of us know that any bout of protracted unemployment in Barbados, where a person is out of a job for three months, four months or five months, the house is in jeopardy; whether it is rent or mortgage unless they were lucky enough to be living in a debt-free house. Sir their car payments are in trouble, Sir; their ability to sustain themselves and buy food at they would like is in trouble, Sir; their relationships, invariably, in the household become strained and compromised as families break down. We saw it in 1991, 1992 and 1993; we saw with it, equally, the highest crime rate the country had ever seen; we saw with it level of social dislocation between 1991 and 1994. Sir, they could go back and see because they have now inherited a crime rate in Barbados that was what it was in 1987, although we note that the figures in May show an increase of 9 per cent on crimes against persons and of 12 per cent on major crimes against property but we are not making any judgements about that yet because on occasions, you may have a two-month or three-month spike and, Sir, that is the truth.

Mr. Speaker, we do not want a protracted increase as has happened between 1991 and 1994. I am saying to you that is easier for a Government to make a decision to bring back down debt than to fight the social problems that flow from protracted employment in this country for four months to six months. Sir, that is what we believe to be the public goods that is worth fighting for. Mr. Speaker, if you could, therefore, finance public goods that would lead to the earning of foreign exchange in tourism, manufacturing and agriculture; if you could finance public goods that would lead to the provision of job, through education and through health then I believe we have a moral duty to finance public goods that shield Barbadians from the kind of misery that goes with the risk of losing their jobs and their inability to feed and properly take care of themselves because of the cost of living, and also in relation to dealing with the entrepreneurial spirit because they have to provide for themselves but this Government believes it has no responsibility.

Mr. Speaker, it brings us squarely to the question what is the Government's philosophy about itself. What does the Democratic Labour Party believe today? I trust and hope that the Honourable Member for St. Michael South will not only speak to these issues but recognise that he has a duty to walk the walk in Cabinet and to bring along his colleagues with him. Sir, he really does because I know he is highly articulate on speaking about philosophy but, Mr. Speaker, he has a Cabinet that is either overruling him or he, himself, has changed. Sir, I hope it is not the later.

Mr. Speaker, I say to you that we believe that we have to ask what is that fundamental philosophy and in asking what it is, we ask ourselves what are the competing interests that we must satisfy as a Government and as a State. What are the risks of us trying to be able to meet those interests and what are the consequences of what it is we would face? Sir, most companies in Barbados do not have the depth of capital, do not have the money to be able to withstand a heavy dislocated environment for three months or six most; most businesses live out of the till and, Sir, that is a fact. Mr. Speaker, unless you have large conglomerates a lot of businesses in this country have cash flow issues and that is why access to working capital from banks remain such a major issue for them. Sir, if it is so for companies, you can imagine what is for people because most people in this country do not have that depth of resources to withstand a year or six months of difficulties in that way.

Sir, that is why we talked about what happened to the middle class yesterday because, really and truly, there was nothing for them in there. I am going to come to some of the things that we felt ought to have been there because those people, invariably, are catching difficulties too, they are 'smelling hell'. They have a fixed income; their expenditure is rising; if they have children; they have to deal with the welfare needs of the children; if they have cars, they have to buy the gas or the diesel; they have now to find increase money to licence or pay taxes on the car and if they were hoping that they could live, as many young Barbadians....

...if they have a car you have to buy the gas or the diesel. They now have to find the increase money to licenced or tax the car, and if they were hoping that they could live, as many young Barbadians choose to do, to live on \$150 or \$100 a week in order to make a sacrifice to buy a car, or to make a sacrifice to make a trip or to do other things that they were doing before, they now have to change that. It may not be too bad if they can it and survive, but in some instances they are changing it and having to suffer. I fear for the future of a lot of young Barbadians who cannot see the future with these kinds of policies because of increase prices if they go to insure their car; increase prices if they go to fill up their car and increase prices in relation to banks' fees. All of these things are going to be precipitated out of this Budget. That is the truth.

Sir, the truth is. The pent up demand of which the Minister of Finance spoke about satisfying, he did not tell us that his primary modality for satisfying it is going be, by making sure that people do not have money to buy houses, so there will be no demand anymore, because if you do not have jobs you cannot have the money to pay the mortgage, or you cannot have the money to pay the lease. That is why I saying the fundamental issue is what is your philosophy

as to the role of Government. Sir, we have to ask yourself is there a public good to be achieved here, and do we have the elbow room to allow us to be able to achieve this public good. It is not that we have run up debt nilly willy for the sake of it. Sir, we recognise that if a Government in a country where 95 per cent of the people come from a background without money - that is the truth. We may have a high standard of living but we do not have capital in the way that people understand capital in Europe. We do not have generations of wealth. Almost everybody in this country is within two to three generations of pit toilets and difficult circumstances. That is the truth. Sir, I am saying to you that in a country where the majority of people do not come from that background, the Government has the responsibility of smoothing out the way for people and allowing them to be able to go through these difficult times or turbulent waters. Sir, when you are in turbulent waters, choppy waters, sometimes you have to change from freestyle to breaststroke or back stroke or some other kind of stroke, even the dog paddle, Sir.

Asides.

Miss M.A. MOTTLEY: Sir, what frightens us, is that the Prime Minister in these turbulent waters offered no stroke at all, none, and he has left us to the mercy to the currents. He has left us to the mercy of the undertow. I say that is what we find insidious, because we see it as a repudiation of the traditional philosophy of the Democratic Labour Party, we see it as an assumption of the ideology of the traditional International Monetary Fund approach, the Washington consensus approach, as it is called in public policy, where there is a belief you can liberalise everything, where there is a belief that you can privatise everything. That is why I say that if I thought there were two people who would stand up against in that Cabinet they would be the Honourable Member for St. Michael North West and the Honourable Member for St. Michael South. I cannot believe their voices have been silenced on these matters such that we now have a free market predominating approach in the Party of the late Errol Barrow. I will come back to his words on the issue of debt deficit financing, and the Barbados Development Model.

Sir, when I speak to these issues, it is from a position that Grantley Adams had to make those choices and he chose to put people first. Sir, Errol Barrow had to make those choices and he chose to protect people and put people first. Tom Adams had to make those choices and he chose to protect people and put people first. Sir, Bree St. John had to make them. I think that Sir Lloyd's inclination may have been there but he could not do it because he had no options, but this Government, under the Prime Minister, has options and has still chosen to put people on the front line of adjustment when he could have done otherwise.

Sir, we do not have the say fiscal difficulties as Jamaica. Jamaica has real issues in terms of the elbow room to be able to make judgement calls to protect its people. We have the elbow room. While I am saying that we are not advocating fiscal recklessness, while we know that there are limits to what we can support in terms of debt, the issue is, is it right for us today in the current circumstances to avoid protecting our people out of purely a desire to balance book. It is a form of accounting orthodoxy that I have no doubt comes from the influence of the Junior Minister of Finance in the Ministry of Finance, Senator Boyce. I have no doubt that he believes that it is possible that in balancing books, people's issues will be solved, but I say to the rest of the Democratic Labour Party's backbench and frontbench, if you know what is good for you, throw the accounting orthodoxy out of the window fast and quick, and if you had any doubt about it, you only had to hear him last night on the Voice of Barbados programme. I would have been ashamed if I was a member of Democratic Labour Party, and the extent he was prepared to put people's welfare and interest at the front line. I say to you, if you know what is good for you, understand that the Party which you represent is now in a position where it is has so abandoned its philosophical mores, it causes you to wonder what has really has transpires. What does it profit a man to gain the world and to lose his soul? If I were you I would ask that question one by one, because balancing books does not guarantee economic development. Sir, what is worse, it was compounded by the nonsensical statement in the Throne Speech that you will run a balanced budget while running a deficit, a physical economic impossibility and contradiction in terms, if ever there was one. You cannot both be owing money and running a balanced book at the same time. It is a nonsense.

Sir, the Prime Minister will continue to believe that in the context of what he is doing here, he can beat his chest and tell people they are going to balance the budgets, reduce the debt and balance the budgets. We are not going to run anymore deficits. That is what he is trying to tell you, a contradiction in terms. I am not talking about the separation of the two. I am talking about the overall position.

Mr. Speaker, we have come to hear the Democratic Labour Party use the name of Errol Barrow every day during the last election campaign, every single day they used his name, and yesterday, July 7th, represents 41 years and 7 days from the first Budget that the Right Excellent Errol Barrow delivered in this House, Sir.

Asides.

Miss M.A. MOTTLEY: Sir, do you know why I am looking through the page? I do not intend to misquote the Right Excellent Errol Barrow, because I clearly have more

respect for him than any of them over there have for his legacy or his memory. Sir, on June 30...

6.10 p.m.

I do not intend to misquote the late Rt. Excellent Errol W. Barrow, because I clearly have more respect for him than any of them over there have for his legacy or memory. Sir, on 30th June, 1967, 41 years and seven days ago from when the Minister of Finance gave his Budget speech, the late Rt. Excellent Errol W. Barrow in these remarks stated the position of the Democratic Labour Party on debt and deficit financing.

He said and I quote:

“Any time a Member of this House honestly believes that the country should not incur further debt, he should have the courage to stand up and be counted amongst those opposed to development rather than to take advantage of the financial innocence of uninformed bystanders, when he has slunk away from these legislative buildings.”

Sir, you cannot want stronger language being used, in respect of the whole position as to why for developing countries, deficit financing remains key, Sir, unlike the colonial days where you balance Budgets and you never undertook developmental activities, to be able to provide housing for people, to be able to provide public health for people, to be able to do all of those things.

I say to you, Sir, look at what we, as a Government borrowed money for. We borrowed to build the Hilton Hotel. What was the result of the Hilton Hotel? In the first year, it recorded the best performance of any Hilton, any part of the Americas.

Asides.

Hon. Miss M.A. MOTTLEY: What was the result of the Hilton Hotel? The Guest Satisfaction Survey excelled all others in any part of the Americas.

We borrowed to build an airport, Sir, recognising that the airport we had could no longer accommodate the numbers, and this Government, through the Prime Minister yesterday, acknowledged effectively that there is need for more airstrip capacity. It is just that he was satisfying a deal, clearly, the one that would see an airstrip in St. Lucy, in circumstances where the airstrip at the airport for private jets is not fully satisfied.

We understand the motivation for why you would want to put an airstrip in St. Lucy, having put the Honourable Member for St. Lucy out to sea in maritime affairs.

Asides.

Hon. Miss M.A. MOTTLEY: I say to you, Sir, that the issue of running debt or deficit, depends on the quality of debt that you run. If you are going to run debt just purely for consumption, then that is not good debt.

If two people went to borrow money, one to borrow \$10 000 to buy a van and other to buy \$10 000 to go on a cruise. The one who is borrowing the money to go on a cruise, that is bad debt. The one who is borrowing the money to buy a van to help them to sell food every day to earn back money, that is good debt.

Asides.

Hon. Miss M.A. MOTTLEY: This is the point that the late Rt. Excellent Errol W. Barrow was making. Sir, even as this Government purports to follow the Washington consensus approach, what has happened in the international economy this year, has been of such significance that even the new managing director of the International Monetary Fund, Mr. Strauss-Kahn has said in response to the global crisis of credit and commodities, that if ever there was a time to run fiscal deficits, it is now. Sir, he said that in January of this year.

Sir, you then add to that, the comments of the former U.S. Treasury Secretary Larry Samuels, who said, and I quote:

“This is the first time in 25 years that the IMF Managing Director has called for an increase in fiscal deficits and I regard this as a recognition of the gravity of the situation that we face.”

Sir, all around, but it does not stop there. Thomas Russo, the Vice Chairman of Lehman Brothers, a leader in investment banking, he said and I quote:

“Absent Government intervention, the economic picture is very grey, but with Government intervention, you have a decent chance of stabilising the picture.”

Sir, those are words of people across the world. The only person who feels that the public of Barbados should be exposed to the full vagaries of the market and we should not run a deficit to protect the Bajans, is the Honourable Member for St. John, who believes that the whole world clearly is conspiring against him.

It is unreal. Sir, I do not believe he is doing it out of any malice, but I believe that he is delivering a karaoke Budget. Perhaps, Sir, he should spend a little more time engaging with the substance of the work of the office Prime Minister and the Ministry of Finance, rather than passing off his duties to all of his front bench colleagues. I am not

saying that he is jet setting or jet skiing too much because I believe he has a right to do that if he wants to but I believe that while doing that, he has to attend to the people's business.

I also believe that if he attended to the people's business and if he was reading, he would know that it would be completely unacceptable for the Government of Barbados to now try to justify a 1980s, 1990s, IMF position, in circumstances where the IMF itself has abandoned it and where every major entity across the world is saying that if ever there was a time for Governments to protect their people, it is now.

In the United States of America, Bear Sterns and in the United Kingdom, Northern Rock, in both instances, the Government intervened because they believe that the risk of dislocation was too severe for them to face for their citizens and their financial systems. They bailed them out, at a cost of hundreds of millions of dollars

Sir, a taxi operator cannot even get a little protection from diesel in this country and a freighter cannot even get a little protection to earn money to feed his two children when the week comes. This is what we have been reduced to and what hurts, Mr. Speaker, is that you have a leader who is getting up and telling people that we have no options. There is nothing further from the truth and if we have to go the length and breadth of this country as a Party to show people why they have options, we shall do so. Sir, people must understand that they have options.

Sir, people vote for us. The former Member for St. Michael South once told me a story which I took to heart a couple years ago, when he was canvassing in the Bay Land. All of us who are representatives would do well to listen to it. He said that a gentleman came into a group of fellows lime. He was there, and the gentleman asked him something to do with the whole question of the closing down of some manufacturing entities and the difficulties in Barbados at the time, the late to mid 1990s. The guy was a bright guy and could have answered the question. He looked at him and said, no. I vote for you to represent my interest. I vote for you to explain to me what are the things that should matter to me. I vote for you to articulate and represent for me.

I am saying that it bothers me that in this country there is insufficient discussion, there is not enough discussion, there is a blind acceptance of this view that we have no option. I hope that when the Rt. Hon. Member for St. Peter who, by far, is the person who has the greatest level of experience in this country in the management of public affairs, particularly as it relates to the economy, I hope when he speaks, and I trust that he would be accorded the same courtesy that was accorded to the former Prime

Minister Sir Lloyd, when he spoke in debates, where he was given 45 minutes instead of the 30 minutes.

Asides.

Budget - House A14, Sequence 34, 18:20:14

Tuesday, July 08, 2008

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I trust that when he speaks to this Honourable Chamber that he would speak out of the abundance of his experience and his training to explain to the Barbadian public the strategic issues confronting this country and its economy.

Asides.

Hon. Miss M. A. MOTTLEY: Sir, there is a meanness of spirit that does not become leaders. I will leave it at that.

Mr. Speaker, the country has to have discussions on whether these options...

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, clearly, the Prime Minister has been rattled. I am sorry if I rattled him.

Mr. Speaker, if I also was leading a Party that so distance myself from the legacy of the founder leader, I too would feel rattled and embarrassed to face all my other members because if they did not understand of their own volition before, they certainly now understand...Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, the Prime Minister is rattled, and he really must not show his redness when he is rattled.

Mr. Speaker, again, as I said, if that is how I would have taken a party and so departed from the legacy of Errol Barrow, I would feel shame too, I really would.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I have no problem with speaking beyond the broadcast time because the Prime Minister clearly wants me to speak all night. Sir, the longer he interrupts, the longer I will speak. Sir, if I have to speak five hours or seven hours, I will speak.

Mr. Speaker, I made the point and I continue to make the point that the country therefore has to have a conversation to show itself what the options are because when you have a leader telling you that you have no option,

you have a problem. The truth, Mr. Speaker, is that when we look at the size of our debt and at whether we can service our debt, those are the issues that matter.

Mr. Speaker, we have said that the optimum level of debt is 60 per cent debt to GDP ratio. Mr. Speaker, there is no magic in that because the reality is that a debt to GDP ratio is just one of the indices used to measure the strength and health of the macro-economy.

Asides.

Hon. Miss M. A. MOTTLEY: Perhaps, if the Honourable Member for St. John would listen a little bit, he might learn something that would cause him to not have to speak Karaoke Budgets when he comes to the House. The truth is that he would learn that at the end of 2007, the debt service ratio in Barbados was 6.7 per cent. Do you understand what I am telling you, Mr. Speaker? Therefore, the Government of Barbados should have no problem in servicing its debt, but it goes further.

Mr. Speaker, the structure of our debt is such that our foreign debt is still below the average of the foreign debt component in Latin America and the Caribbean. Last year, because we never went to the international market, as a deliberate decision, the percentage of foreign debt, as an overall percentage as an overall debt, dropped yet again. Mr. Speaker, it is really the foreign debt that would humbug you because if you do not have the foreign exchange to be able to repay that debt, you would then run into the difficulties.

Mr. Speaker, I go further. Even in the context of the domestic debt that we have, because we take into account what is owed to the National Insurance Scheme, which other jurisdictions do not, you do not get a true picture. Mr. Speaker, if only on those measurements and those measurements alone, Barbados has the elbow room, the fiscal space, to be able to help people in this country.

Mr. Speaker, I go further. The Central Bank of Barbados would have advised the new Government I would imagine, in the same way that they did to us 18 months ago, that there is a genuine belief that the Barbadian economy is drastically underestimated. Mr. Speaker, let me explain what I mean.

Mr. Speaker, the framework for measuring this economy was settled in 1974. In 1974, there were manufacturing industries, that no longer exist now. There are industries today that we capture under the heading 'Other' that did not exist in 1974. There are other forms of economic activities that exist today that did not exist in 1974. Therefore, it means that you are not capturing the volume and the range of economic activity going on in the country.

Mr. Speaker, we took a conscious decision that we would seek to re-measure it after the Central Bank of Barbados did a Paper that informally put it at being underestimated by some 30 or so per cent. Sir, instead of having a \$7.4 billion economy, it really means that your economy is more in the vicinity of about \$9.7 billion. Sir, when you take the absolute debt that is recorded in the Central Bank of Barbados statistics, which is \$5.1 billion in terms of the Government debt, it means that instead of you having a debt to GDP ratio that is hovering around 80 per cent, that your debt to GDP ratio in truth and in fact, if they are correct, is in fact in the high 50s. Mr. Speaker, \$5.1 billion over \$97 billion. Sir, in truth and in fact Barbados is really not as stressed in relation to debt as the official '74 framework would cause you to believe.

Mr. Speaker, we recognise, and out of an abundance of responsibility, that for a Government on the eve of an election to seek to re-measure the economy would cast doubt as to the credibility of the figures. Mr. Speaker, even though we were confident that it would cause us to reflect even better, we chose as a Government not to bring the collection of statistics in Barbados into disrepute by seeking to conduct that exercise on the eve of an election.

Mr. Speaker, I salute the Honourable Member for St. Peter for doing that because in so doing he upheld the very highest standards in this country as it relates to the integrity of data. That is why, Mr. Speaker, I was so upset about the unavailability of the first quarter unemployment statistics, the retail price index and the Central Bank of Barbados report.

Mr. Speaker, the point is that whether you accept the Central Bank of Barbados estimate of 30 per cent underestimation or not, the one thing that is clear is that the Barbados economy must be re-measured as a matter of urgency.

Mr. Speaker, while the official unemployment figures were showing 9.2 per cent based on samples done, the Census in 2000, which is the only really accurate measurement that you get done every ten years was showing that the reality of the unemployment statistics in Barbados was 8.2 per cent. Those are the facts, Sir.

6.30 p.m.

I hope, Sir, that we do the re-measurement because it is critical for this Government to have the confidence in itself, to make judgements about the protection of Barbadians and their pockets, without being subjected to the dictates of petty and junior technocrats from outside the Caribbean to tell them what they must do or what they must not do. Sir, I know these are difficult times.

Mr. Speaker, I use the words of the Right Excellent Errol Walton Barrow just to wrap up on the issue of debt. Sir, that same speech in Hansard, on 30th June, he said this, and I quote:

“In the final analysis, or as we would say, when everything boils down, the size of the public debt must be controlled by the country’s ability to service and pay that debt, when the time of reckoning comes. The best judges of the nation’s ability to pay and of the soundness of its financial policies are investors....”

Sir, as an Opposition, it is tempting, I believe, for persons just to play partisan politics, but I am not going to do it. I am not going to follow the role of every other previous Opposition that has chosen to make debt an issue, simply in terms of raw numbers. I believe Barbadians are too educated and they could understand the issue of raising debt for reckless activity and raising debt to build capacity. Sir, I believe that while we would hold this Government accountable, it would not purely be on a simplistic criticism of raising debt when you are building capacity that is worthwhile for the country.

Mr. Speaker, I am not in that kind of politics, that is why I will continue to defend the record of the Barbados Labour Party Government, that while debt increased under us, every Barbadians saw what they were getting for the money that was being spent, in terms of those debts. It ranged from schools, to the polyclinics, to the airport, to the seaport, to roads and to the fight against poverty. Sir, this fight against poverty has caused us to be adjudged by the United Nations as the number one developing country in the world in that fight.

Sir, we did not get there by accident, there were deliberate policies through the Urban Development Commission, the Rural Development Commission, the Poverty Alleviation Bureau, the Community Technology Programme, the expansion of nursery education, among others, that were all designed to be able to fight poverty. These were policies that saw lights being erected on playing fields in communities. These were policies that saw us providing activities through Project Oasis.

Mr. Speaker, while I am on it, I just found it curious and funny that this Government so wants to rename everything in this country. Sir, even if this Government does not want to change the substance of the programme, they want to rename it. Sir, I am going to make these documents of this Honourable House. It is so funny that I had to bring them. I got them from my constituents to try and fill out. Sir, for example, from the Youth Development Programme or Project Oasis, right through a number of projects. Sir, Project Oasis, having been abolished, now renamed Youth Mainstreaming Programme, contains the same training programmes which we offered as a

Government, through the Ministry of Youth Affairs, yet this Government is trying to tell people that Project Oasis was only about weed-wackers.

Mr. Speaker, the point I am making is that when you incur debt to reduce poverty, to build capacity, the people of Barbados saw what we were doing it for, but I want to leave a little measurement. I know there is a little difficulty some times in having the Honourable Member for St. John to focus on matters of economic importance, but we on this side will help.

Mr. Speaker, we believe that by the introduction of a simple measurement of macroeconomic performance, called a “misery index”, which is simply the calculation of unemployment and inflation, which judges how one’s pocket is being affected and how one’s job is being affected. It was a mechanism used in many countries that allowed ordinary people to be able to determine what their relative state of being was, in the circumstances.

Sir, we have taken the luxury of creating a “misery index” for Barbados and we will release one every quarter. We are not expecting the Government to reduce it, as we would have held ourselves to, but we are at least asking this Government not to let it move from the low level at which this Government would have received it in January this year. Mr. Speaker, I make this a document of this Honourable House. In 1992, the rating for the “misery index” would have been 29.1 per cent, a combination of inflation rate of 6.1 per cent and an employment of rate 23.0 per cent. In 1993, it was 25.4 per cent; in 1994, when we inherited the Government, it was 22.5 per cent. If I jump to 2007, the “misery index” is at 11.4 per cent. Sir, I was cutting it by half, reflecting the improvement in people’s circumstances of quality of life, with unemployment at 7.4 per cent as an annualised figure, and inflation at 4 per cent. Sir, we even felt that we could have done better than that 11.4 per cent at which we left it. Sir, we will use this simple measurement, along with the people of Barbados, to track this Government’s performance every quarter. Therefore, whether or not they want to deal with it is a matter for them but we will educate the people of Barbados and allow the public of Barbados to measure.

Sir, we give the assurance that if we do not get the free time at the Caribbean Broadcasting Corporation as a news item, we are prepared to buy it. Sir, we have had the unfortunate experience where, as a political Party, having sold us time a few weeks before, the Caribbean Broadcasting Corporation has refused to sell us time, on the basis of what, we do not know. Sir, suffice it to say, it is better to be a rum shop, a shoe shop or a hairdressing salon, because they could at least buy time on the Caribbean Broadcasting Corporation, than being a political party celebrating its 70th Anniversary. Sir, we have given instructions to the attorneys-at-law, to do the relevant

research, to deal with the Caribbean Broadcasting Corporation.

Asides.

Hon. M. A. MOTTLEY: I told you not to trouble me. If you want to trouble me, the Attorney-General perhaps should advised me why it is that the Caribbean Broadcasting Corporation has changed its insurances from the Insurance Corporation of Barbados to CLICO, and whether it went to tender. Indeed, whether the Health Insurance, which remains with Sagicor, is still subject to being changed to CLICO, given the fact they did not like the fact that Sagicor gave a better proposal than CLICO, and that the Chairman, who is the President of CLICO Holdings, has asked for the opportunity to be able to let CLICO look at the figures again.

Mr. Speaker, that is not the only insurance that has changed, so if they want to trouble me....Sir, I go to page 46 of the Democratic Labour Party's Manifesto.

Asides.

Hon. M. A. MOTTLEY: Mr. Speaker, I simply want to say that we have clearly rattled the Prime Minister again, and I must tell the Prime Minister he must not show himself to be so easily rattled.

Asides.

Hon. M. A. MOTTLEY: Mr. Speaker, yesterday nobody troubled the Honourable Member for St. John, when he was speaking, but clearly the matter of the insurances at the Caribbean Broadcasting Corporation - and I will not deal with the airport, I will leave that for another time - will be the subject of investigation at some point in the future.

Sir, the Prime Minister has shown the Auditor-General Report of the Barbados Labour Party for the time the Party was in Government. In return, I showed him the Democratic Labour Party's Manifesto. Sir, in the language of Red Plastic Bag: "The Government has changed. The people made their judgment already. All eyes are on you."

Asides.

Hon. M. A. MOTTLEY: Mr. Speaker, I will get to that too, I am not going to stop only at the Urban Development Commission.

6.40 p.m.

Tuesday, July 8, 2008

Hon. Miss M.A. MOTTLEY: *Asides.*

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I will get to that too and I will not only stop at the Urban Development Commission this evening, so wait for it. I have one hour more and it will be some sport in here tonight.

Mr. Speaker, their Manifesto on good governance would have you believe that none of these things will ever happen and, Sir, I will read them out later to you but, Sir, I say that the misery index is the index we will use to help people to track how their pockets are being affected and how their jobs are being affected because those are the two things that Bajans care the most about and those are the two things that the Government profess to want to do something about but already the only contribution of the Prime Minister is to predict increased in relation to both of them. Well, the fact that you predicted it, will not absolve you from the responsibility of causing the suffering for ordinary Bajans and, if you predict it yesterday hoping it would absolve you of that responsibility, I say to you yet again, all eyes are on you. It cannot simply be wanting to hold a position of influence and power but not benefiting the people of this country, who have put you there. Sir, all across Barbados people are saying all today "Wuh we do, wuh we do," because they cannot believe it. They cannot believe it is the shops across Barbados, Quimby's shop in Bush Hall Yard Gap, Linton's Shop in St. Philip, Carl's shop in Gagg's Hill, Fred Hall shop in Diamond Corner, John Moore's shop in Weston, Ganby's shop in Orange Hill, Mother Cat's shop in Holder Hill, Morris' shop in Melrose and at Big Yard in Hart's Gap. Sir, I could call you all across Barbados, all the shop owners in Barbados tonight want to know what is it that they did that would cause the Democratic Labour Party Government to impose on them a 200 per cent increase. Sir, to what end but that is what they have reduced it to.

Mr. Speaker, I say to you that we had of that \$104 million, \$46 million as the excuse of being foisted on the public of Barbados because of the ABC Highway. Sir, this Prime Minister has taken to the unseemly behaviour of firing people in public. He did it with the Director of the Urban Development Commission and he did it yesterday with this contract. Sir, Mr. Barrow fired a Senator under the street light and the Prime Minister of Barbados purported to fire a public servant working as a contracted employee at the Urban Development Commission, one is subject to the political jurisdiction of Mr. Barrow, the other is subject to the jurisdiction of the laws of Barbados and under the Urban Development Commission Act, there is no power vested in the Prime Minister of Barbados to fire a flea far less a fly.

Asides.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, the Prime Minister has given this House, *soto voce*, the

assurance that any time he finds a crook, he will fire one. I do not know if whether the definition of the crook also extends to people who parade around the Caribbean as political consultants but taking money from people who want to do business with Governments in Barbados. If that person is a crook, will the Prime Minister give this House the assurance that he will fire them even if he never told the country that he hired them in the first place.

Mr. Speaker, I go further, will the Prime Minister equally give the House the assurance that in good faith, if we bring evidence of improper behaviour and impropriety, will he honour his convictions in his Manifesto; will he honour his conviction as expressed, Mr. Speaker, in the annual conference of the Democratic Labour Party that took place on the same day as the Arch Cot tragedy; that not only would he fire a crook but he would fire anybody for a cost overrun in his Cabinet. Sir, those are his words, that he would fire anybody for a cost overrun in his Cabinet.

Mr. Speaker, the Honourable Member for St. Philip West is not here today and that is unfortunate. Sir, yesterday, the Prime Minister announced that he would build a hospital for \$400 million. He did not tell the public that those figures coming from a June 2006 document was really \$393 million; does not include external work or does not include professional consultants' works. Sir, I can only say to the Honourable Member for St. Philip West for a cost overrun that he could be dismissed because we all know he does not want him there. I can only say to the Honourable Member for St. Philip West, if he were here, that we know, that you know, that they want you less than we do, so you are in trouble.

Mr. Speaker, as I was saying about the unseemly dismissal of the contractor in this House yesterday. Sir, if you were to listen to the Prime Minister you would believe... Sir, I do not want to misquote him so I will quote from page 7.

"Work started and no contract was signed and despite the decision of the Cabinet of Barbados, 3S has still not signed the contract."

Sir, I want to make these documents of the House. I am doing so with utmost seriousness because it is not becoming for a member of Parliament to mislead a Minister far less a Prime Minister. Sir, a contract as defined in law, as he would know as a lawyer is not only something that is written in a particular form but it is anything that expresses, offers, acceptance and consideration and the Attorney-General can advise on it. It can be reflected orally; it can be reflected in writing; it can be reflected in a formal precedent and it can be reflected through (18:47:50)but the reality is this, that the former Attorney-General of Barbados, the Honourable Member for St.

Joseph, presided over the conclusion of Memoranda of Understanding to ensure that the Government of Barbados was not compromised in relation to its right and responsibility for the very contract that the Prime Minister said did not exist. Mr. Speaker, there must be a higher standard of behaviour required of a Prime Minister in this country when it comes to speaking to his Honourable Chamber.

Sir, I am going to leave the substance of it for the Honourable Member for St. Joseph to address in his speech but suffice it to say, as documents for the House, the first Memorandum of Understanding was signed on September 5, 2005 between the members of 3S, represented by one Mr. Ian Fields, an engineer, of 3004 Sobers Drive, West Friendship and on behalf of the Ministry of Public Works by one Mr. Nath Lovell of My Lords Hill, St. Michael, a civil engineer. Sir, last time I checked, he is the Deputy Chief Technical Officer of the Ministry of Public Works on behalf of the Government of Barbados.

Mr. Speaker, there is a supplemental Memorandum of Understanding between the Government of Barbados and 3S dated July 26, 2006 and, Mr. Speaker, this once again, is now signed by Mr. Ian Fields for 3S but instead of Mr. Nash Lovell is signed by the Attorney-at-Law, in the Ministry of Public Works, Mr. Winston S. Coppin of No. 3, Two Mile Hill St. Michael, once again on behalf of the Government of Barbados. Sir, these must be made documents of the House because, forever, anyone reading this today must...

6.50 p.m.

...Once again, on behalf of the Government of Barbados, these must be made documents of the House, because forever anyone reading this debate must be able to see the contradiction between the statement of the Prime Minister saying there is no contract, what he meant to say is that there is no implementation agreement.

Asides.

Miss M.A. MOTTLEY: Sir, in studying law, it is unfortunate that the Prime Minister has not told the country that a contract existed once there was offer, once there was acceptance, once there was work being done, once there was payment being made and once, in addition to that, the terms are represented in the Memorandum of Understanding. Sir, I have enough to say about that.

Mr. Speaker, in relation to the other comments that were made by the Prime Minister against the Barbados Labour Party, once again, political padding to disguise the ineptitude and incompetence in handling the economy. The first time ever a Minister of Finance, within the first five

pages, starts to share political blows instead of dealing with the economy.

Asides.

Miss M.A. MOTTLEY: He did it in the windup. He did not do it in the first four days.

Sir, the Honourable Member called the Greenland landfill a sordid financial mess, but he does not tell you that in the Estimates of this year, brought by his Government and introduced by him, that he has \$9 million in it to complete the Greenland landfill. He does not tell you that further in the same Budget Speech, he recommends the use of Vaucuse as a waste recycling material site, which is part of the Greenland solution. Mr. Speaker, it is part and parcel of the same Solid Waste Management framework, but he cites it as an example of something improper and squandermania. He cites Kensington Oval.

Sir, he perhaps has to stop short in his Cabinet room, and ask Senator Boyce about the circumstances to deal with Kensington Oval. Just as he needs to stop short and ask Senator Boyce about the circumstances to deal with the Prison. May I remind this Honourable Chamber, and I am quoting from the Ministerial Statement of the former Honourable Attorney General, the Honourable Member for St. Joseph, delivered on Tuesday, October 16, 2007. Perhaps the Prime Minister will want to ask him about the Barbados to US Currency Prison, because the Committee comprise as follows, and I quote from Page 2:

“A technical evaluation Committee was established. This was Chaired by the Parliamentary Secretary in the Ministry of Finance, Mr. William Layne, including the Parliamentary Secretary in the Ministry of Home Affairs, Mrs. Lucine Isaac, the Chief Executive Officer of the Barbados Tourism Investment Inc., Mr. Darcy Boyce...”

“This technical Committee...”, not the Honourable Member for St. James North, not the Honourable Member for St. Thomas, not the Honourable Member for St. George North, not the Honourable Member for St. Peter, not the Honourable Member for St. Joseph, not me, or any of the Members who were backbenchers at the time, this technical recommended “that a valuation of the two proposals received, determined that VACO USA had submitted the better proposal, and the Government should enter into negotiations with VACO USA. These proposals were evaluated based on the firm understanding, the concept and the technical competence and management capacity.”

Sir, I trust that when Honourable Attorney General, if he has not been briefed, do not bring him in. I certainly will bring him in...

Asides.

Miss M.A. MOTTLEY: He can say as much as he wants.

Sir, not only was it brought in within budget and within schedule, let the Honourable Attorney General deny that almost \$10 million is due back to the Government of Barbados from the prison contract, of which about \$6 million was used to set off to build a new Summerville Prison when Summerville burnt, and the Government of Barbados, as currently exist now, will get in excess of \$3 million back in hand, from a prison which they said was a cost overrun. Sir, if ever there was a lie told in an election campaign, when that cheque of \$3 million comes, it should burn somebody's hand, because it is representative of all of those things.

Aside

Miss M.A. MOTTLEY: I am going to keep talking because the Honourable Member for St. John clearly knows that there is more to come. He is more than rattled.

Sir, therefore, I want to say that when it comes to these matters about accusing the Barbados Labour Party of cost overruns, it is significant that the Honourable Member for St. John does not want to be advised by Senator Boyce on all of these matters. The person who perhaps was responsible for incurring more debt on behalf of the Government of Barbados than any other public officer over the last ten years, the Urban Development Commission Programme, for the BTII, and the Kensington Oval Programme.

Sir, do you know what is funny? He is now being held up as the paragon of accounting orthodoxy. That is what is so funny. Mr. Speaker, time is longer than twine.

Sir, I want to address quickly the issue of housing. I am sorry the Minister of Housing is no longer in his seat, because one of the things this Government purported to make a great deal of was the issue of housing in this campaign. Mr. Speaker, the Prime Minister is so rattled that I am having difficulty hearing myself. I do not know why he should be so rattled.

Asides.

Miss M.A. MOTTLEY: Sir, I am asking for the privilege to be able to hear myself.

Sir, let me point you to the rest of this Budget. The Prime Minister yesterday spoke to this Government's initiative in housing. He engaged in the reading of a letter, having trumped up his programme for the giving away of houses, the National Housing Corporation units, in the first

one hundred days. Sir, the houses that he spoke about, in the National Housing Corporation's units, we are happy for the people who will get them free. Sufficing to say, however, that we have a serious problem and we will hold this Government accountable for the discrimination it is practicing, by saying that the members of those units who paid deposits last year are not to be refunded their deposits and they will not get their houses free of charge, but those who came after would get them free of charge. Sir, that is fundamentally wrong. I am challenging, and I will give way to the Minister, if he said that the Cabinet of Barbados did not make a decision, that those refunds are not to be given back to those people who paid them in good faith. Mr. Speaker, some even paid in full. It goes further.

Sir, you have situations where people have lived in those units for 20 and 35 years, but their names were not down as tenants. Their aunt's name was down. Their mother's name was down, or their grandmother's name was down. Their name may only have been transferred in the last 5, 8 or 10 years. Those people are not benefitting from it.

Sir, I go further, and I give the Minister of Housing, when he addresses these Budgetary proposals, the opportunity to tell me that the Cabinet of Barbados did not equally make a decision that the offer should run from January 16th to April 13th, that it was a hundred day offer. If you qualify after April 13th you would not benefit from that hundred day offer.

7.00 p.m.

...Barbados did not equally make a decision that the offer Should run from January 16 to April 13, that it was a 100-day offer and if you qualify after April 13, you would not benefit from that 100-day offer. I want him to give this Honourable Chamber the assurance tonight, tomorrow or whenever he speaks, that the Cabinet of Barbados...

Asides.

Hon. Miss M.A. MOTTLEY: Do not worry about me because Plastic Bag who is your cousin told you that all eyes are on you. People want to know now whether you, as the Honourable Member for St. Philip North will preside over a situation, where your constituents in Church Village who will not benefit until 2011, having moved in those units in 1990 and 1991 will be deprived of getting free units, in a way that the Honourable Member for St. Michael North West had people who have been able to benefit. Are you going to deprive your constituents in St. Philip North, as Minister of Housing from benefiting from it?

I go further. Mr. Speaker, the Prime Minister having celebrated this programme in his speech yesterday, about the letters of transfer being given to the people in the units.

I want you to listen to the letter again. Sir, these are not my words. What is the policy? That you give a free unit to everybody who has been living in the unit for 20 or more years. Listen to the letter; I am not surprise; the supposed letter; it is power for the course. At page 42, and I quote:

"On behalf of my family and myself, I wish to take this opportunity to thank you for giving us the opportunity to purchase my home in which I have been living for 43 years."

Now, Mr. Speaker, what a tangle web we weave? Why would a women who would be entitled to a free house after 20 years, write the Prime Minister and thank him for giving her the opportunity to buy what he said he gave her free of charge? Enough of that, Sir, and I wish I had more time to spend on that but I want to deal with other things.

Sir, on the matter of the Value Added Tax and the housing incentives, suffice it to say that I believe the incentive they are trying to give to persons for VAT relief on low income housing is impractical. When a person goes to buy a sink, how does the hardware store know that the sink is for a house worth \$150 000, \$300 000 or \$500 000? When a person goes to buy doors, or windows, how do they know in advance that those persons are buying for a house, which is valued at that level? Worse still, we purport now to attach other conditionalities about first time home ownership and \$42 000 income threshold, when the truth is that the Barbados Labour Party in December, passed a Housing Incentives Act that was structured to pass on the relief, through approved contractors because we recognised that you could police it, without compromising the revenue Mr. Speaker, and without causing corruption to abound in this country.

Sir, we have had a series of measures from this Government that are impractical in their execution.

Free diesel rates in an island 166 square miles. Minibus men have to line up for two hours to get a tank of diesel filled.

Asides.

Hon. Miss M.A. MOTTLEY: How do you mean it is not true? I know it of my own knowledge in Weymouth and they want to know like the gas station providers, Mr. Speaker, why should they be suffering in circumstances why the gas station providers have lost a million litres. The Honourable Member East could tell us about it, a million litres in sales. They are being forced to go to the Transport Board where there is only one provider of gasoline and diesel, Simpson Oil Limited.

The reality is that they do so in circumstances where the Government has not even seen to ensuring and letting

the public know whether the Transport Board now has in fact the appropriate licence to dispense to third parties or whether it is breaking the law in providing diesel to those people.

Sir, this is a Government that says the rule of law is important to them and that transparency and accountability is important. Yet, we continue to see infractions of the law being perpetrated on us.

I go further. Sir, we feel that free price diesel policy is impractical. We feel that the VAT receipts you are trying to give to low income housing that the appropriate way for us to deal with it is through the Housing Incentives Act because you are going to have difficulty policing this. We are not saying this out of any malice. We are saying this out of experience. You are going to have difficulty doing it, just like in the area agriculture, some of the things that you are trying to do are incapable of appropriate execution.

Mr. Speaker, it is all right sometimes to think that you do not need advice and you are powerful and all of this, but the truth is that the only people would suffer are Barbadians at the end of the day. The administrative cost that you have to incur to collect a lot of these taxes that are irritable or irksome will in fact also cause an undue burden on the State and, ultimately, on the individual.

Asides.

Hon. Miss M.A. MOTTLEY: Like bicycle Tax. This is why we are saying that thought has to go in to how you seek to structure out incentives and taxes in order to be able to deal with the public on them.

Mr. Speaker, in relation to the issue now, Sir, of food, agriculture and the cost of living, we felt that some of the immediate issues, which the Government ought to have been facing in the short term, would have been and should have been the protection of Barbadians through some sort of income transfer.

Yesterday, they responded by giving a Reverse Tax Credit but they did not tell the public by carrying the Reverse Tax Credit up to \$1 300 for income year 2008, nobody would get it until next year. Therefore, I would like the Minister of Finance to clarify whether the \$1 300 relates to income year 2007 in which case, people would get it immediately or whether it relates to income year 2008 in which case people have to suffer for another year before getting the \$1 300. Sir, I welcome the fact that he has at least increased the Reverse Tax Credit in that respect.

I go further. Mr. Speaker, we also indicated that we felt there needed to be a Wages Fund that the Government is now awash with revenue, particularly, Value Added Tax and that you have to find a way, especially after they tax

out the living daylight of this economy yesterday, with another \$105 million. Mr. Speaker, it is going to be more than \$105 million because the reality is that the Environmental Levy which has gone up is VATable, so you are going to get increased VAT from the Environmental Levy.

Mr. Speaker, the Excise Tax is VATable so you are going to get increased VAT from the Excise Tax and when you add that with the increased Value Added Tax that you are already getting from energy products, that you propose to take in future by passing through the full cost of the energy products, it is our judgment that we may well face an increase tax yield of almost \$200 million in the stretch of a full financial year. Mr. Speaker, we say that is unconscionable. It constitutes almost 8 per cent to 9 per cent of Government's overall revenue take of \$2.5 billion. The economy cannot take it. It will cause inflation across every sector and it will ultimately cause the loss of jobs.

Mr. Speaker, we feel that income transfers through a Wages Fund is an appropriate way to go. Why? Self-employed people, Sir, do not benefit from the Reverse Tax Credit and we have to find a way of shielding them.

7.10 p.m.

Equally, we feel that the people for whom you only provided \$200 000 in relief yesterday, from the disabled to the children, to the other Welfare recipients under the National Assistance Act, ought also to be the beneficiaries of further buttressing in that.

Mr. Speaker, I go further. Mr. Speaker, I could add the middle income tax cut. I said already in this House today, Sir, that the middle class people in this country who live on fixed incomes are equally vulnerable. Mr. Speaker, just because they may have obtained some assets does not mean that they are not having difficulties making ends meet.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, the Honourable Member for St. John obviously has been more rattled in this speech than I have seen him in a long time because he is incessant in his desire to interrupt, but I have not reached the point where he needs to interrupt yet again. Sir, I will alert him when I get to that point.

Asides.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, in our Manifesto, we proposed a middle class tax cut to be able to deal with people earning \$80 000 or less a year, persons earning \$6 500 a month or so, because these people have fixed income and they have needs. Mr. Speaker, the Prime

Minister, having spoken about them in October, November and December of last year and early in January of this year, forgets that they exist when he came in here today, but remembers the West Coast people with the nine-month conditionality.

Mr. Speaker, those forms of income transfers, the increase Reverse Tax Credit, the establishment of a wages fund and the middle class tax cut, are the kinds of short-term protection that we can offer Barbadians to be able to get through these difficult periods while at the same time ensuring that we continue to spur growth in the productive sectors such that their jobs are not affected.

Mr. Speaker, it is interesting that when you are having a serious debate on the economy there could be no engagement with the Honourable Member for St. John. However, if we were talking political banter, he would be the first one on the block.

Mr. Speaker, that is why my judgment is that yesterday's Budget was a Budget that put the Democratic Labour Party first and not the people of Barbados. If it was putting the people of Barbados first, he would have been telling us about what he would do to restructure businesses with the EPA.

Sir, if he was really serious about dealing with the problems in the bus stands and the mini bus culture, he would have recognised that simply paying bus fare for the students will not resolve the issues. As the Honourable Member for St. George North likes to say, you cannot shut down a culture so. Mr. Speaker, you cannot legislate against a culture. You have to have a series of measures if you are serious about dealing with the negative impact of that culture.

Mr. Speaker, what is more significant is that in taking the decision and making it effective in September, within two months, we are yet to be told - I hope that the Honourable Member for Christ Church South would address it - whether the Transport Board has the capacity to deal with all of the transportation needs of the school children of this country.

Mr. Speaker, given the fact that the Transport Board currently receives \$3 million from the Ministry of Education in subsidies and \$2.5 million in revenue from the school children themselves, the Transport Board receives only \$5.5 million, the Minister of Finance is proposing a subsidy of \$11 million. Mr. Speaker, in recognition that the school children who are now travelling on the ZRs and the mini buses would leave the ZRs and mini buses, they have to be accommodated on the Transport Board, would lead to a loss of \$5 million to the ZRs and mini bus men of this country.

Sir, I am not making any other comment other to say that if the Minister of Finance was serious about wanting to deal with the problem of the school bus service, he would have dealt with the issues - a school bus service proposal is there - that it would cost \$27 million to buy 80 buses and that amortised over the ten years over the life of the bus would mean about \$3.5 million a year. Maybe the Honourable Member for Christ Church South has not briefed him about what was left there.

Mr. Speaker, the operational cost of the school bus service is \$10 million bringing us to a total of \$13.5 million. Mr. Speaker, if you therefore could spend \$11 million in free bus fares, you could spend \$13.5 million to establish a dedicated bus service to carry people from home to school because the problem is not only the bus itself, but the involvement in the bus stand and in Bridgetown and the wandering about. The Honourable Member for St. Michael West spoke about that in here when we spoke on the debate of the HIVAIDS Resolution. Mr. Speaker, I agree with him then, that there are broader cultural and societal issues that come into play.

Mr. Speaker, if they are serious about it, we will join them in helping to fight this issue because we feel that it is a real issue. Mr. Speaker, we do not believe that the giving away of free tickets is the simple answer. We just simply want to remind the Prime Minister, because we had time to do it, that they are now in a position to run with all of the detail plans for a school bus service because all of the work has been completed by this Government and was ready for implementation when we were in Government.

Mr. Speaker, I want to move on very quickly to a few things. Mr. Speaker, I am not going to get into the fact that they have abandoned the Scotland District. The Honourable Member for St. Joseph will speak about that and about the fact that the \$35 million, which was in the Estimates to shore it up, is no longer there, having passed the Scotland District Authority legislation.

Mr. Speaker, I am not also going to deal with the fact that there is a clear private and public dispute going on between Senator Boyce in the Ministry of Finance and the Minister of Agriculture and Rural Development on issues as wide and ranging as the Scotland District, on the sugar industry and on all other matters.

Sir, the Minister of Agriculture and Rural Development is actually trying to be faithful to some of the agricultural projects we left behind, but is meeting resistance from the person who believes that he is the de facto Minister and not the one who is the de jure Minister. I am not going to deal with those this evening.

Mr. Speaker, I am not further going to have the time to deal with health. The Honourable Member for Christ

Church West will deal with health in greater detail because the morale at the Queen Elizabeth Hospital remains low and what happened last week has made it worst. Sir, the days for witch hunting are over.

Sir, I will speak directly to this issue because the most dangerous aspects of this Government relate to some elements of recklessness. Sir, I believe that the Minister of Finance must assure the people of Barbados that...

Mr. Speaker, we want to support the pension increases of the National Insurance Scheme. However, we also need to know - it falls under the Ministry of Health, National Insurance and Social Security, and an actuarial study has been done - if the \$17 million extra a year that it would cost the National Insurance Board to meet the pension bill can in fact be sustained. If it can, we will be the first to support it, but if it cannot, then we have concerns because having just fixed the social securities system at great lengths, we would know that there would either have to be increased rates, an increased threshold or an increase in the age of retirement if we are not to mortgage the future of Barbadians and the social securities system.

Mr. Speaker, the Prime Minister simply cannot be contemptuous of people in this Chamber and describe it as rubbish when in truth and in fact it is not his money, but the money of the people of Barbados who he simply, for a few years, happens to have trust over as Prime Minister of this country. Mr. Speaker, it reflects a contempt and an arrogance to believe that he does not have to answer this Chamber as to whether an actuarial study has been done such that it can be properly sustained.

7.20 p.m.

Mr. Speaker, I want to address the issue of Constituency Councils and the issue of summer camps. Sir, in the Constituency Councils, there are some fundamental issues that will run in relation to this Government's context, as it relates to the governance of Barbados. This Government has had a series of town hall meetings, and in having those series of town hall meetings, have led to people representing that they, for the most part, want councils that are elected and not selected. Sir, even though the consultant has tried to summarise it differently, this Government has been told, in no uncertain terms, that the Minister should not have the final power of appointment.

Sir, I want simply to say one point, because Barbadians, having a keen sense of fairness, will understand this. If members of Friendship Youth Group, members of Notre Dame Football Club, members of BENFICA, members of the Mother's Union and members of the Men's Fellowship, have to be elected to serve on the Executive, how it is good enough for a community and

sporting group to elect its representatives, but a Constituency Council in this country must have members selected and not elected?

I simply issue a strong warning that this runs in contradiction with everything Barbados and Barbadians stand for, and that it is a matter I feel that is vulgar. Sir, I feel that if we were serious about the decentralisation of community participation, we would have a situation where persons could be involved through election. I believe that it should either be parish councils or even community councils, but that once it is named a constituency council, we are playing politics with it. Sir, I feel that political parties should not be involved. Mr. Speaker, the Barbados Labour Party feels strongly enough about it because we feel we are fighting for the soul of this country, when it comes to the essence of this.

Mr. Speaker, we also take note that the Government of Barbados has chosen to hire a consultant who, herself was the subject of a Ministerial No-Confidence Motion, led by none other than Sir John Compton, and in circumstances where her involvement working clearly with the principal political adviser, the Prime Minister - in fact, I believe she was in Grenada only two weeks ago - causes me to wonder why the Government does not tell the public of Barbados how much they are paying her. Is it true she is getting \$200 000 to advise on these matters? Equally, is it true that the cousin of the principal political advisor of the Prime Minister is also getting the same amount to advise on these town hall meetings?

Mr. Speaker, I will go further. Sir, these statements bear relevance because we now have a situation where we are seeing the legacy of the fatted calf syndrome. Sir, the Honourable Member for St. John has made a great deal about the fatted calf. We then have members come here - from the Chaplain in the Senate - to say that not enough people who represented the Democratic Labour Party are living well. Furthermore, the former candidate for St. George North, in the most offensive and vulgar calypso, is calling names of public servants who to date have remained above partisan politician behaviour in this country. The former candidate is saying that those public servants should not have the right to live and to earn in this country. Sir, it is wrong.

Mr. Speaker, I am not business with what happened in the past, I know that under the Barbados Labour Party, the daughter of a former Prime Minister received work. I know, under the Barbados Labour Party, the son of a former Minister received work. I know, under the Barbados Labour Party, the Honourable Member for Christ Church East received work. Sir, I say to you that the days for the witch hunts must stop. I say to you that in a 21st Century Barbados, it is wrong to be sending home people from the Urban Development Commission, the Rural Development

Commission, the National Sports Council, the National Cultural Foundation, the National Conservation Commission, the Queen Elizabeth Hospital, and most calamitously, the Sanitation Service Authority.

Sir, I say to you that the Board of the Sanitation Service Authority ought to do the decent thing and resign. The workers got it right, and the courts took care of that. Mr. Speaker, no amount of saying that you are going to hold a session to be able to deal with the behaviour of Boards is going to resolve this issue,.

Mr. Speaker, this brings me to a matter of grave concern. This matter has been brought to my attention and with a heavy heart, I now share it with the Parliament of Barbados. Sir, the reality is that there are activities going on at the Rural Development Commission that merit immediate action, in my view. Sir, I am going to make them all documents of this Honourable House and I am going to ask the Honourable Member for St. James North to speak to them in full detail tomorrow when he speaks. Sir, this is in relation to:

1. The price of houses at the Rural Development Commission has moved from the range of between \$59 000 and \$63 000, to \$87 000, with a change of Government. Sir, this is an increase of almost 50 per cent.
2. Electrical work at the Rural Development Commission has moved from \$3 900 for rewiring, to over \$9 000.

Asides.

Hon. M. A. MOTTLEY: The documents are here. Sir, let me deal with the first one where the contractor is tendering on April 13. Sir, on April 13th, a tender is submitted but do you know what? Sir, a claim for mobilisation of 10 per cent of the money, \$8 700, was submitted two days prior to the tender being submitted. Sir, let me repeat myself. Two days prior to the tender being submitted. Sir, what is worse is that the same contractors did the same thing with a house in Industry Hall, St. Philip.

Asides.

Hon. M. A. MOTTLEY: The person, I believe, is well-known to the Honourable Member for St. Philip North. On April 11, 2008, another claim was submitted, \$8 700 mobilisation fee. That person did not submit the tender until April 13th. Sir, there is another, Joan Millington, River Land, St. Philip, where her house was repaired. Sir, once again, all three claims dated April 11th, with mobilisation submitted days before the actual tender was submitted.

MR. SPEAKER: Honourable Member, you have ten minutes more.

Hon. M. A. MOTTLEY: Mr. Speaker, as if that were not enough, then another contractor.... Sir, let me just say on these ones, I want to tell Mr. Hilton Vaughn and Mr. Derrick Griffin that they better stop tendering when the Rural Development Commission asks them to tender. Sir, in both instances, Mr. Hilton Vaughan quoted \$56 000 to do the house, Mr. Griffin quoted \$56 000 to do the house, and Mr. Asquith Haynes, who was the one who claimed the mobilisation first, quoted \$87 000 to do the house. Sir, Mr. Asquith Haynes got the tender. Mr. Speaker, this was approved by the Chairman, one M. R. Power.

Mr. Speaker, the same thing happened here. Mr. Derrick Griffin quoted \$64 000 to do the house, Mr. Hilton Vaughan quoted \$61 000 to do the house, and Mr. Asquith Haynes quoted \$87 000 to do the house, and again he got the job the same day.

7.30 p.m.

Mr. Hilton Vaughan quoted \$61 000 to do the house and Ashford Haynes, \$87 000 again, on the same date and he got the job again. Sir, I am coming to the one with Gloria Payne and hers is a classic. Sir, Angela Belgrave, Clifton Hill, St. Philip; Mr. Derrick Griffin, the documents are here, \$64 000...

Hon. D.J.H. THOMPSON: Mr. Speaker, on a point of order. I am most reluctant to interrupt the Honourable Member but in a previous incarnation of this Chamber, which was brought to an abrupt halt by us when we were on the other side, the question of calling names without seeking the permission of Your Honour of the Chair, in accordance with the Standing Orders was cited as a breach of the Standing Orders. I provided 18 names then and the same Honourable Member, who was then Leader of the House objected along with the then Speaker and others conspired to stop people from calling names. I am only enquiring, Sir, since I do not want people's names to be bandied about in this House in the way in which the Honourable Member has been doing it, whether permission has been sought from you, Sir, to call the names of persons in accordance with the Standing Orders of the House. Sir, that is all I am seeking because I will have some to call too but I am just checking to make sure that the Rules have not changed in recent times.

Mr. SPEAKER: It is to be hoped that the usual convention where permission is sought is upheld. Of course, those documents that have been documents of the House are subject to be read. Let me say though that the Rules of the House are all designed against a certain framework. All Honourable Members know why these Rules are so designed in the same way that Honourable

Members know that it is desirable for the kind of environment to exist where members can make their contribution and be heard. I do not think it is necessary each time for us to have to say that you should keep quiet, do A, B, and C, but we will see how it unfolds.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I thank you for your advice. I trust that I will be restored the time that I lost. Suffice it to say, I adhere to your ruling and, in adhering to your ruling, Sir, I will make these a document of the House.

Mr. SPEAKER: I do not understand because you still have unlimited time.

Hon. Miss M.A. MOTTLEY: Sir, I lost time within my broadcast time. With due respect time, I did. Mr. Speaker, I simply want to make one last point without calling any names. Sir, the provision and installing of an entrance lock at a house in Maynard's, St. Peter, a Rural Development Commission house, the contractor well known as Secretary to the Christ Church branch, I believe he is, I am not calling his name, of the Democratic Labour Party, charged \$2,560 to change a lock. Sir, a lock that cost \$30 at Mannings. Sir, I cannot tell you that the Prime Minister is aware of these things because I know Prime Ministers are not aware of everything that goes on and that is the truth but I know that the Prime Minister has given this country a solemn commitment that anybody perpetrating those kinds of infelicities..., and he can try to look back at the Barbados Labour Party administration as much as he wants, the only beautiful thing is that the public will not judge him any more according to what we did, they will judge him whether he endorses and becomes complicit in allowing a Chairman to remain in office presiding over this kind of irregular behavior. If page 46 of the Democratic Labour Party Manifesto means something to you, as you have said, then next week should not find that Chairman in office and we will see whether the Prime Minister is a person that walks the walk or talks the talk.

Mr. Speaker, much has been made about integrity legislation and transparency and accountability in this House. I want to say that this a matter that gives me great concern. I will tell you why, Sir. This is a complex issue; it is not resolved with any ease and the Prime Minister having got into office in his Press conference, all of a sudden, started talking about the difficulty with Chairmen, political consultants and all the things we were saying up until December, he now realises. Sir, we made a judgement that we would have to pass legislation, establish the Integrity Commission and, indeed, Sir, then people it. It is not easy for a small jurisdiction and we know that but we feel that you should be truthful to the words you articulated. Sir, as Leader of the Opposition, the Honourable Member for St. John went up and down this country along with members of the Democratic Labour Party causing people to believe

that corruption was rampant but you have a moral obligations even in the absence of legislation to require of ever member of your Cabinet, a position that allows you, to have submitted to you their declaration of assets for you to hold in trust or have someone else hold in trust until the arrangements are put in place.

Mr. Speaker, failure to do that would mean that members, therefore, are not being honestly accessed because the reality is that there is unlikely to be an Integrity Commission in place in Barbados in under 18 months to two years.

Sir, in the spirit that I believe that is necessary, I am satisfied that as leader of this political Party that Integrity legislation and declaration of assets would be a permanent feature of the Government's arrangements of Barbados. I would have worked on the preparation of this Bill along with the Honourable Member for St. Joseph and on the work of the model CARICOM Bill as Attorney-General, so did the Honourable Member for St. Joseph. We would have appointed the former member for Saint George South, Sir Louis Tull, who represented the entire Caribbean Community in the drafting of the United Nations Convention Against Corruption, so Mr. Speaker, let us not get contentious in these matters.

Mr. Speaker, I say to you today that I am satisfied that members who want to serve in public life in this country will have to face it. I believe that it is more there to protect the innocent than to convict the guilty, that there are more people in Barbados who are innocent but because of the nature of a small society and the viciousness of partisan activity and rumor that invariably, people who are not guilty of anything have their names tarnished. Therefore, if you have a system, which only reflects a mechanism for being able to trigger investigation because the Prevention of Corruption Offences Act is there to deal with substantive corruption. If they wanted to deal with substantive corruption at the Rural Development Commission as I have just reflected, you can deal with them without having to wait for new legislation.

Mr. Speaker, I say to you that in that context I believe that I have a responsibility and, therefore, lead by example today by submitting as a document of this Chamber and will do so as I sit, a full declaration of assets that I own, and liabilities in this country. Sir, I do so, conscious and cognisant that while it may be inconvenient for my business to be made public, it is far more convenient for me to do so as an example of leadership.

I invite the Prime Minister to join me because if he is as sanctimonious and if he is as serious about transparency and accountability as he said that he was...

19.40 p.m.

...to join me, because if he is as sanctimonious and if he is as serious about transparency and accountability as he said that he was, then I believe that as Leaders of the political Parties, both myself and the Leader of the Democratic Labour Party should declare publicly, and my members have agreed that we would want the members of the Democratic Labour Party to join us and agree that as of next week, we submit declarations of assets to the Governor General to hold in Trust until such time as the Integrity Committee is functional. It is the only true way of being able to reflect the commitment that they said...

Asides.

Miss M.A. MOTTLEY: Sir, do you know what is so funny? Clear! I have disturbed the mood of the House. In their Manifesto...

Asides.

Miss M.A. MOTTLEY: The Honourable Member for St. Peter said that he would deal with his matters tomorrow and I have every confidence that he will.

Sir, in their Manifesto, signed by the Honourable Member for St. John, it said that all of his members will sign onto a Ministerial Code of Conduct. Sir, when questioned in the Press Conference, he sought to play all over the place, to what I might add was a very straight and slow delivery. He was in all kinds of trouble and told the journalist that it is not a written code of conduct. It was an unwritten code of conduct. Sir, what is the unwritten code of conduct? Look at what it is. The unwritten code of conduct, the declaration of assets is here for the Clerk. Sir, I would like to hand it to the Clerk. I got this on May 27, 2003, when I was reappointed the last time in the Cabinet. It is the same document that every minister, since the days of Grantley Adams, gets. All of the Members of the frontbench got it. This is what the Prime Minister had the gall to tell the public was an unwritten Ministerial Code of Conduct, nothing but a letter that sets out that what the responsibilities are of a Cabinet system, what are the responsibilities of a minister, what a minister should or should not do. It is a guide. Sir, to tell the public that he had this unwritten Ministerial Code of Conduct was to give the impression that something was specially crafted for his Cabinet.

Sir, I say that the time for talking and the time for touring is over. I say that this country has had enough of the fact that there is one set of words tonight, and another set of words tomorrow morning. The double speaking in the Democratic Labour Party is hurting the social fabric of this country. I do not pretend that the Barbados Labour Party did everything right. We did not, but the public made their judgement on us and we accept it. We have made a

determination that you should be able to govern. In the words of Red Plastic Bag, all eyes are on you.

Sir, the problem is, never before has there been such a massive betrayal of so many people who were lulled into a false sense of security, policemen, nurses, teacher, vendors, ZR drivers, and I can go on and on. Sir, many of them wanted change. They just did not know that what they were going to get was short change or loose change. They did not know. Sir, I can only tell you that they would have to take comfort in the words of Serenader's song, there is "no sense in the change".

Asides.

Miss M.A. MOTTLEY: Mr. Speaker, what we continue to see is a Government not concerned about the same police, nurses and all of the other people, who were lulled into that false sense of security, but a Government that is obsessed with being on television every night, a Government that is obsessed with ensuring that they are taking tours, and there are very few who are doing substantive work on a given day. I say to you it is unfortunate. It really is. The time has come, truly, for the touring and talking to stop and to put the people of Barbados first.

Sir, I can find no better way to end than to use the words of Barbados' greatest international super star Rihanna, and to remind you that the time for you now is to "shut up and drive".

I am obliged to you, Sir.

Mr. SPEAKER: the Honourable Member for St. Michael North West.

Hon. C.P. SINCKLER: Mr. Speaker, allow me to begin my presentation, once again, and I think for the time on public television, thanking the constituents of St. Michael North West for giving me the opportunity to be here, and to participate in the historic debate. Sir, I note with much interest the Leader of the Opposition seemed enamoured with me, to the extent that in almost each stance of presentation she found reason to make some reference to the Honourable Member for St. Michael North West. She said she likes me, and that gets me worried, because knowing how lethal here oral skills are, I would not want to get on the wrong side of the Honourable Member.

Aside

Hon. C.P. Sinckler: Sir, she quoted from the late revered leader of the Democratic Labour Party, the Right Excellent Errol Barrow. I am sorry, the Honourable Member.

Mr. SPEAKER: Honourable Member, just let me bring attention to this. I really do not think that I need to at this time. I let it slip by during the televised segment because I did not want to break the Honourable Member in her stride. Please, let us try to get it right. All Members are Honourable Members. It would be good to leave out the he, she and so on, please. I really should not have to remind Honourable Members.

Hon. C.P. Sinckler: Sir, I apologise. I do not want to offend the Honourable House. Sir, the Honourable Member for St. Michael North East, Leader of the Opposition, made reference to the Right Excellent Errol Walton Barrow and his philosophy, and how in the presentation of the Honourable Prime Minister, the Democratic Labour Party has strayed from its mores. The Honourable Member did not mention that there was also another revered leader that graced this House, the Right Excellent Sir Grantley Adams, who, apparently, also made the point that Barbadians have short memories, and the extent to which that is true or not true, it is a fact now that the Honourable Members on that side seemed to be sticking quite closely to that particular philosophy. They would want us to believe, short of six months of a general election and almost 14 years of dismal leadership of the Barbados Labour Party, a yolk on the poor of this country that we must forget all of this and that all eyes are on us. We know all eyes are on you, and there are on us for a particular reason. There are on us because the people of Barbados, and we hear it every day we walk the streets, we want you to tell us what you found, because you cannot govern a Government and you cannot process public policy, unless you are clear about what exists. The Honourable Members on that side do not want that. They want us to cower in silence on this whole thing about integrity and getting up in here with documents talking about somebody putting on a lock. Sir, could you imagine that a political Party that paid a man \$17 000 to cut down an Ackee tree to come in here and talk about a lock. Could you imagine that? I could not believe my ears.

7.50 p.m.

The former Minister of State in the Ministry of Finance says steel gone up. She quoted Serenader. Mr. Speaker, you better believe that there was steel not only in there but in Warrens too where a building costing a little over \$30 million ended up costing more than \$100 million. Mr. Speaker, if they pay the fellow that they unfair, it is going to end up costing over \$100 million. That is what she is talking about.

Sir, no wonder she is sitting glum-faced now that she is facing the facts. They do not want to hear this. They do not want us to speak the truth. Mr. Speaker, as is said, the truth will set you free, that is why we are going to do what we have to do to ensure we protect the people of Barbados.

The Honourable Member said that the tax on a person who is driving the cheapest car has gone from \$265 to \$400, that is a fact. However, the Honourable Member did not come into contact with the reality that the Minister of Finance in his Budget adjusted the environmental levy on used cars from \$4 000 to \$1 500, a savings of \$2 500. Therefore, a person who pays an extra \$100 is going to get \$2 500 in savings. Who uses used cars, apart from me?

The Honourable Member for St. Michael North East bought a brand new Range Rover after the elections. What is bothering the Honourable Member is that she now has to pay \$900. Mr. Speaker, I do not mind it, I will pay the few cents that I have to pay to help the economy of Barbados and the poor in Barbados. I will do it if I have to do it.

Mr. Speaker, I am not going to be a hypocrite, I am not accusing her of that, because I know that economies need money to work on. Mr. Speaker, if you grant concessions, if you give subsidies, if you do what we have done...

Mr. Speaker, they talked about abandoning the philosophy of Errol Barrow. They need to look at the education proposal in here. Sir, do you know that the biggest political sham wrecked on the people of Barbados was not the concept of EduTech, but the implementation of it? Mr. Speaker, do you know who presided over that? Mr. Speaker, two or four years into the programme the last Government had to abandon it. The former Minister of Education, the former Honourable Member for St. Philip South, said he finished with that, it was confusion, he cannot take it on anymore.

Mr. Speaker, look at the St. Leonard Project. You talk about contractors. Who is the Barbados Labour Party member who said that God would never make him poor again who was up at St. Leonard School not paying the people's national insurance contributions? Up to now that building is not finished. He is rich because God cannot make him poor, but I humbled myself before the face of the Lord and I understand that in this country you cannot take a rock and throw it at my glass door when you have glass windows all around, it is not going to work with me.

Mr. Speaker, we are putting school children to ride free on the bus and that apparently is a crime. Sir, we stand guilty of the crime for allowing the poor in Barbados... I have people down in Deacons, Free Hill and St. Stephens who have two and three children to send to secondary school. I plea guilty for them. They could kill me for the crime of allowing those people children to ride free on the bus.

Mr. Speaker, I have nothing against the minibus people. I believe they would discipline themselves eventually because I know ill-discipline will end in misery.

Mr. Speaker, I heard the President of the Minibus Association, Mr. Denis Tull, on the radio today. Obviously, the brilliance of his brother did not rub off on him. Do you know, Mr. Speaker, that a year and a half ago the minibus people were threatening to stop school children from riding on the bus because they were paying a dollar and they wanted to charge them \$1.50? These are the same minibus people who are telling me today that if school children stop riding the bus they would get broke and the business will shut down.

Mr. Speaker, when Tony Marshall asked him on VOB today if things are so bad for the minibuses why they are still in that business, he responded: You cannot ask me that. He said: do you know how many businesses changed hands? Apparently, Mr. Speaker, there are people in Barbados walking about buying businesses that failed. The Honourable Member for St. James North law practice has not failed, so he can sell that. However, the minibus business is failing.

Asides.

Hon. C. P. SINCKLER: Mr. Speaker, we have said that we would bring a Transport Authority, that we would collapse all of these things all over the place under the Transport Authority and that we would bring, in the fullness of time, a comprehensive public transport policy that would speak not only to the issue of the licensing fees for minibuses but for spare parts and all kinds of things.

Mr. Speaker, we are not yet six months into office. Sir, Rome was not built in a day, yet we are to do everything in six months to please the Barbados Labour Party that had 14 years to waste in Barbados.

Mr. Speaker, they are confused because the Honourable Prime Minister is riding a jet ski. At least he was not scraping the bottom of a rum barrel. This is what they are talking about. That is what confuses them.

Mr. Speaker, let us deal with the serious issues in this House that affect people like the transfer of the housing units. Mr. Speaker, there is a lot of false genuineness about it in the commentary coming from Members of the Barbados Labour Party because I know that in their hearts they did not want and they do not want those people to get those houses as they say for free because they insisted that they be made to pay for them.

Mr. Speaker, I have said in this House and I will say it again, nobody in no housing area, at least not in the ones that I represent, is getting anything from the Democratic Labour Party Government for free. If they have lived in the house for 20 or more years paying rent, the amount of money they have paid in rent could buy the whole block far less the unit that they are in, so they are not getting them

for free. They have purchased the unit literally with the rents they have paid and the equity they have in that building. Mr. Speaker, we are not giving them anything free.

Mr. Speaker, the Barbados Labour Party wants to cheapen the process that ordinary black Barbadians can finally own something in this land and call it theirs. Mr. Speaker, the other people, the political vampires, the bark, sitting on the ship of State like barnacles and sucking, when the Barbados Labour Party was in office, are the ones to buy plantations, estates and condominiums and boats to sail around in from St. Joseph to Bridgetown, but the poor in Barbados is not to get anything. The poor children are not to ride free on the bus. The poor is not to get a housing unit transferred to them. They are not to get anything, but the rich, and that political class that we are now trying to get rid of out of Barbados...

Asides.

Hon. C. P. SINCKLER: The fatted calf? It was not a calf, it was an ox. Mr. Speaker, did you ever had oxtail and rice and peas, Jamaican style? That is what it was. Sir, I do not buy it at all.

Mr. Speaker, we have now, by the measures here on environmental levy, resuscitated the used car industry in Barbados which that Government destroyed. Sir, they not only destroyed the used car industry. When the former Minister of State signed the instrument to increase the environmental levy, it not only went on cars, it went on anything in a can, in a box and in plastic which carried up the price of food.

8.10 p.m.

Mr. Speaker, we have come here and removed them so that the people of Barbados could benefit. Sir, what are we talking about? The Right Excellent Errol Walton Barrow said that you should run a deficit, if you are interested in development. The Right Excellent Errol Walton Barrow also said that where possible you should run a small surplus to help your capital account. Sir, I could put the conjunction to that because the Honourable Member said that we should start a wages fund.

Sir, after 14 years, apparently the Honourable Member now knows about the concept of a wages fund, when all of this money was being washed away on Greenland. Sir, the former Minister of Health apparently has now disappeared. Sir, not even a toffee paper, not even a confectionary wrapper has gone down to Greenland. Furthermore, a former Minister of Health got fired over comments about Greenland. Mr. Speaker, there was all this confusion, with not one thing being done to Greenland, and now the Honourable Member says we are spending \$9

million on Greenland. Sir, we are spending \$9 million to save this country from the international embarrassment of putting a dump in a national park, yet the Opposition is talking about being friends of the environment.

Mr. Speaker, they have gone down in history as the first persons to put a dump in a national park and got an award for it. Sir, imagine this, because we are doing a garbage transfer/regeneration to energy programme, that is what that \$9 million is there for. We simply could not abandon the \$60 million they have already spent on Greenland, and so we have to do something constructive with it. Sir, that is what we are trying to work out and we will get it right. Where they have failed, we will get it right.

Mr. Speaker, we are now speaking about a wages fund. Sir, that \$22 million gives us the space to anticipate things in the future. That gives us the room to do things. Sir, there are negotiations with the workers unions this year for which presently there are no agreements and we have to think about that. The Opposition calls it accounting but we call forward-thinking.

Mr. Speaker, there is international recession, high oil prices and high food prices. There are also bad debt situation. Sir, I want Government to recalculate the Gross Domestic Product and recalculate the debt, because I know that by the time this fiscal year ends, when the accrual system would have run a full year - and the Honourable Member for St. Lucy could tell you - that the debt to Gross Domestic Product is going to be way higher than 60 per cent. I know that it is going to be more approaching 80 or 90 per cent because of all the off-budget debts incurred by the last Government. Therefore, we have to anticipate this.

Mr. Speaker, we came and were given debts on the services of more than \$80 million. That represents approximately 1 per cent of Gross Domestic Product. That is the reality.

MR. SPEAKER: Honourable Member, be advised that you have four minutes in which to conclude.

Hon. C. P. SINCKLER: Mr. Speaker, we have to plan forward. We have the wages negotiations and we have to make sure we have the space, the wriggle room and the flexibility to engage, and the workers of Barbados deserve to have their case heard. They have indicated at the national consultations that they are willing to work with us, not to bleed the country, but to ensure that workers could survive, that the economy could continue to grow and that we could be responsible. Sir, there is a new breath of fresh air in Barbados.

Mr. Speaker, I will address the question of manufacturing. The Honourable Member said we have done nothing for manufacturing and that the manufacturers

are dying. Mr. Speaker, the President of the Barbados Marketing Association, in responding to the Financial Statement and Budgetary Proposals, yesterday said that it was an excellent Budget. There was not a negative word. The President said it was a forward-looking developmental Financial Statement and Budgetary Proposals.

Mr. Speaker, the Leader of the Opposition, who, as far as I know, is not into manufacturing, is saying...

Asides.

Hon. C. P. SINCKLER: Mr. Speaker, the President of the Barbados Manufacturers Association has said that it was a developmental Financial Statement and Budgetary Proposals, that it did not have in anything about the European Partnership Agreement (EPA). Sir, I have given numerous speeches about EPA. I said to the nation that we will develop and implement an EPA coordination and implementation unit, to deal with bringing our manufacturers and service providers up to scratch to implement the agreement. Mr. Speaker, if the Opposition wants the Minister of Finance to come and repeat everything in a Budget, it would mean that he would never finish talking. Sir, these are the realities of life, as far as that is concerned.

Mr. Speaker, Barbadians, they believe, have short memories but they do not. Barbadians remember very clearly and for very long. Barbadians may sometimes forget but we never forgive, and the Barbados Labour Party has had 14 years in which to set this country right, yet they set it on the wrong path. Sir, today this Democratic Labour Party has the onerous task of cleaning it up and therefore we have stepped up to the plate with this Financial Statement and Budgetary Proposals. We have shown the way in manufacturing, services, tourism and agriculture.

Sir, you should have seen the face of the Minister of Agriculture. He was smiling. You had to get a vice grip to unlock his jaws. The agriculturalists got everything they wanted. Sir, we will continue to do the work. We will continue to work, even in spite of the barbs that are being thrown at us. When the time comes, the Code of Ethics and integrity legislation would be put in place. We would declare our assets. Sir, we do not have any hidden companies but most of all, we will work in the interest of the poor in this country.

Mr. Speaker, there is nobody in the Barbados Labour Party administration who is going to put us off our programme of helping the poor. Sir, houses will start soon and we will provide housing in this country. It would not be like the Opposition, who built six houses in six years. We will house, clothe and feed the nation, as is our will, God's willing and life provided.

Mr. Speaker, I am obliged to you. I am also happy to support this Resolution by the Honourable Member for St. John. May God bless him and Barbados.

SUSPENSION OF SITTING

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that this Honourable House be now suspended until 9.10 p.m.

Dr. the Hon. D. C. ESTWICK: I beg to second that, Sir.

The question that the Sitting be suspended until 9.10 p.m. was put and resolved in the affirmative, without division and Mr. SPEAKER suspended the Sitting accordingly.

8.20 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. The Honourable Member from St. Michael South Central.

Hon. R.L. SEALY: Mr. Speaker, I rise to support the Resolution before the House and to say that it is a pleasure for me to speak on the 2008 Financial Statement and Budgetary Proposals. I think it is important that we recognise what is really important in politics. Of course, a former Prime Minister used to like to call politics, the art of the possible, I believe that is Marks definition but some may prefer what Aristotle used to describe it as, a science. Nonetheless, however you choose to look at it, I think what is important is that you put people first and that you have to balance is what is key. Sir, in many ways it is an art and a science and so we constantly have to balance short-term requirements with long-term requirements. You constantly have to balance wants with needs; you constantly have to balance what is possible and what may not be possible. I think that it is in that context that I wish to salute the Honourable Member for St. John for understanding that the reality is that we have certain international situations over which we have no control. However, in spite of that, he has adopted to take the long view for developing Barbados by putting people first.

Mr. Speaker, it is a very special pleasure for me to stand once again and on behalf of the constituents for St. Michael South Central, they are happy to see what is being done about cost of living in a fairly difficult period; happy to see the proposals on housing...

9.09 p.m.

...on behalf of the constituents of St. Michael South Central, they are happy to see what is being done about the

cost of living in a fairly difficult period. They are happy to see the proposals on housing, they are happy to see the social safety net has not been forgotten, in spite of our many challenges, and, of course, are happy to see efforts to get the economy going and to get jobs. Let me say, once again I speak in a Budget debate on behalf of the people of St. Michael South Central, and want to thank them for making it possible.

Sir, the first time I did this exercise in November 2003, I got myself in trouble because I said no one would get between me and my constituents. I got myself in trouble with my then girlfriend, actually. Nonetheless, I repeat it again here today. No one will get between me and my constituents, and I thank them from the bottom of my heart for sticking with me during some very difficult times.

Asides.

Hon. R.L. SEALY: That is part of the price that one pays in public life. If that is the case, that is the case.

Sir, In all seriousness, I would like to offer a brief word of advice to the Leader of the Opposition. Sir, Opposition life is not easy. As I said, it was tough. I was part of a depleted Opposition. However, we put Barbados first, we maintained our hope and we tried at all times to espouse a vision for the future. I think that is where the Leader of the Opposition fell down, miserably. If the Honourable Member wants to become Prime Minister, as she indicated at the first Sitting of this Session, I think the Honourable Member would have to come better and would have to express some sort of vision for the country. The Honourable Member's first presentation as a political leader, in a major national debate like this, at an extremely precarious period of our history, and nothing by way of a vision for where the Honourable Member would like to see Barbados go. I was personally quite disappointed. The Honourable Member for Christ Church West and myself, know her longer than, perhaps, anybody else in here. It was disappointing, to say the least, that there was no attempt to outline the way forward.

Again, we had an impressive effort in here yesterday, where there was a very clear exposition on where Barbados is going under the leadership of the Honourable Member for St. John. We are putting people first, in spite of the difficult circumstances. There is something for the taxi drivers, something for the vendors, something for the prospective homeowners, something for those on the fringe, whom we were speaking about for the past five years, that were left lying out there. We are now pulling them into the mainstream, saying, come this is now your turn to have a piece of the pie. I think that needs to be saluted.

Sir, the Honourable Member for St. John has identified tourism to lead the way forward as far as the engine of growth of the economy in order for us to finance our broad social programme. I want to say something about that, because we are not taking short-term measures where our tourism sector is concerned. We are looking at the long-term needs and what we have to do to ensure the sector can be sustained for the future, and those generations yet to come. Sir, when I hear the Honourable Member for St. Michael North East describe our tourism ideas as a litany of desire and a mirage. I do not think there is anything wrong with having a desirable vision, that can be achieved in 5 to 10 years. The Honourable Member said it would take 5 to 10 years. What is wrong with that? Is that not why we are for? Is that not what we should be looking at? Certainly, where tourism is concerned, we are looking at what we need to do to promote investment, to promote development and to promote a broader participation across the board. That is what this Democratic Labour Party Government is about.

Sir, we have a situation where no major hotel has been built in the last 14 years. The Hilton was a rebuild. Do not tell me about the Hilton. Sandy Lane, another rebuild, and in fact less rooms than it originally had. I think it is important that we recognise ...

Asides.

Hon. R.L. SEALY: That is another matter. The Barbados Tourism Investment Inc. has not yet approved it.

Asides.

Hon. R.L. SEALY: It is an indictment, while we spoke about arrivals, statistics and bookings, we have never sought to look at what we would need 5 or 10 years down the road. This Government is promoting investment, while balancing at this time concessions carry a cost, and the promotion of greater participation at the level of ownership. We are determined to see that local investors are given that priority. That is why we want to turn our back on situations where the Government gets involved in ventures, which simply do not make any sense.

Sir, we heard the Honourable Member for St. Michael North East speak about deficit financing and quoting the Right Excellent Errol Barrow. The Honourable Member spoke about all the great Prime Ministers. We heard about Grantley Adams, Errol Barrow, and we even heard about Sir Lloyd Erskine Sandiford. I heard no mention of her beloved Prime Minister, the Honourable Member for St. Peter, no mention of the Honourable Member for St. Peter.

Asides.

Hon. R.L. SEALY: All the other Prime Ministers were great, but no mention of the Right Honourable Member for St. Peter.

Asides.

Hon. R.L. SEALY: Sir, this matter of deficit financing has to be given some context, for while Errol Barrow spoke about deficit financing as an unrepentant keynesian, he also spoke about the dangers of accumulating deficits, and recommended for reading to a former leader of the Democratic Labour Party a book by Cheryl Poyer called the Debt Trap, that is where we were in danger of heading, in tourism. Sir, in tourism I have some very glaring examples.

Sir, you would be aware of a venture called Hotels and Resorts Limited. As it is right now, this Government has to grapple ...

Asides.

Hon. R.L. SEALY: Honourable Member for St. Andrew, you better talk to the Honourable Member for St. George North, because he could have built a wash of houses, if he had the money that went into Hotels and Resorts Limited. He was the Minister of Housing at the time, you have short memory.

Asides.

Hon. R.L. SEALY: Sir, \$159 million of the taxpayers' money, \$145 million from the Consolidated Fund, \$15 million from the Public Enterprise Fund, that money was borrowed in 2002.

Asides.

Hon. R.L. SEALY: I am going to get to that too. I know you would like to buy. Take your time. You came in here with me and you are looking to retire already.

Sir, the interest accrued on that loan is \$58 million. Do you know what really is scandalous about it, I remember them talking about deficit financing. Do you know they did not pay one red cent on the loan for the Hotels and Resorts Limited. It is now \$280 million in the red.

9.20 p.m.

Sir, they did not pay one red cent on the loan from the Ministry of Finance to Hotel and Resorts Limited, now \$218 million in the red, with interest is going on every single day. We have to deal with that situation. There are more than 200 people who are employed in those properties. Obviously, we have to think about their

situation at this time, but the policy of the last Government was to ignore it because elections were approaching.

We have evidence of correspondence going between the Ministry of Finance, and the Ministry of Tourism. Advise us on what to do. Nothing was done. There was a Minister in the Ministry of Finance who said not to worry about that debt because of the way that property values have escalated but we have valuations on those properties of \$70.61 million, and that is the value of Savannah, Blue Horizon and Time Out at the Gap and the land at Hastings that the Honourable Member for Christ Church West would like to get his paws on.

Asides.

Hon. R. L. SEALY: Nonetheless, even if you allow for some appreciation, the value of the asset is not even half what the debt is and even if we inflate it to \$100 million that is still less than half the debt, so we have to clean up this situation. Think about all that we could have done, if we did not have this situation to deal with, at this difficult period. I am going deal with the Hilton now too because we have to challenge that, Sir.

I heard the Honourable Member for St. Michael North East talk about the Hilton Project, with every single Member of the Opposition thumping the tables. What is the reality of the Hilton Hotel? The reality of the Hilton is now that the moratorium on the principal is up and we have to service principal and interest, the loan payments exceed the revenue that we are getting from the Hilton.

The loan payments are actually over \$17 million and our revenue, as the shareholders' income from the project, is under \$15 million. Sir, you would remember that the Honourable Member for St. Michael East's attitude towards governing is to borrow, borrow, borrow and more borrow, but we have to think about what happens down the road.

It is not the problem of the Honourable Member for St. Michael North East; it is not the problem of the Rt. Hon. Member for St. Peter but it is the Honourable Member for St. John, and the Member in the Other Place, who now have to decide how we are going to deal with this Hilton situation. Sir, while it may look good, we now have to restructure or bring in an equity partner. Now in a situation where that could have been avoided, had in fact they looked at a more appropriate financial structure, when they were developing the Hilton.

The Honourable Member for St. Andrew is looking at me. I know he wanted to sell the whole thing and maybe we would not have been stuck with this situation but, nonetheless, all that glitters is not gold. There are two very fine examples in our most important sectors where this

attitude of borrowing, borrowing and borrowing without some overall development plan, simply does not make sense.

Nevertheless, Mr. Speaker, the Barbados Tourism Authority has been given an increase in its marketing budget of \$10 million. I want to give the assurance to the House, as well as everyone in the nation, that those monies will be very judiciously spent, in terms of how we go about the task of marketing Barbados.

The Barbados Tourism Authority, historically, has always provided support for airlift into Barbados. I heard the Honourable Member for St. Michael North East talk about the fact that in September, we might lose an AA service or we are going to have reduced service and she was jumping up and down.

I think that if you do not have anything to say, you should either sit down or move on to another topic. Everybody in Barbados knows that September is the worse month for air travel. It is the slowest month in Barbados. If you want to get a cheap ticket to go anywhere, you travel in September or October, so that is really not any news flash. I do not know what was the point the Honourable Member was trying to make. Nonetheless, what is important is that we are doing all to preserve our existing airlift, particularly out of our important markets.

Sir, we are not going on any frolics to attract new airlift at this stage, given the situation of the economy. Never mind, there is one new service that we are looking at. I have already spoken to the House about the West Jet Service out of Canada. The reason is, obviously, that there is so much potential in the Canadian market.

Asides.

Hon. R. L. SEALY: Sir, given the strength of that particular airline in Western Canada that has a level of prosperity given the oil wealth in that side of Canada, we think that we can get more business from Canada into Barbados. There was a time in the late 70s, when we were getting close to 100 000 Canadians coming to Barbados. We think that the 55 000 that we had in 2007, we can increase, and so we are sensibly deploying those resources.

We are going to shore up our efforts in our Number One Market, the UK and we are going to be very clever in how we deploy the resources in the United States of America (USA). Sir, 77 per cent of our USA business comes from the north east sea board, so again, we would be looking at what we need to do, in terms of joint marketing along with the airlines, to see to it that we can continue to get the business into Barbados.

I wish to say that the arrivals into Barbados, year-to-date are actually quite good. Every single month for 2008 has been an increase on the similar month of last year, except for April because of the Cricket World Cup 2007.

Asides.

Hon. R. L. SEALY: Sir, even taking the Cricket World Cup 2007 into account and we do year-to-date, the arrivals are actually about the same. The Cricket World Cup 2007 was Barbados' greatest moment. If upon electing a Democratic Labour Party Government in January where some confidence is now entered into the sector, we can equal what was the greatest moment for the Barbados Labour Party, I think we are off to a good start.

Asides.

Hon. R. L. SEALY: Therefore, in spite of the trying conditions, I think it is important, Mr. Speaker, that we remain creative in how we deploy our marketing resources.

Mr. Speaker, let me commend the Honourable Member for St. John for having the courage to take something that we were pushing at the Ministry and that is the full incorporation of the diaspora in marketing Barbados.

Asides.

Hon. R. L. SEALY: We have extensive Barbadian populations in three of the our four largest markets, the United States of America, the United Kingdom and Canada. When I had posited that idea, it was enthusiastically embraced. We actually have a draft before us, in how exactly we can go about involving the diaspora in a meaningful way. Yes, they will be remunerated on the basis of what business they can bring to Barbados and we hope to share the draft with the overseas organisations, when they have their big meeting later this months. Government at work; Government being creative; Government recognising that we must skillfully deploy our resources in order to see that we get more arrivals into Barbados.

Asides.

Hon. R. L. SEALY: I wish to say as well too, Mr. Speaker, that I think it was a little disappointing to hear the way the Honourable Member for St. Michael North East sort of pooh poohed very condescending towards the whole Community Tourism Element. If you are going to bring in a few people, they can just go up at Moon Town and eat a bread-and-fish and that type of thing. I wish to say that this Government does not see it that way at all.

Barbados' strength, unlike other larger destinations that have all-inclusive resorts and that sort of thing, is that we offer an experience that cannot be compared to other destinations. Sir, you know the Visitor Satisfaction Survey say all the time that our number one asset is our people.

9.20 p.m.

Mr. Speaker, the visitors' satisfaction survey says all the time that our number one asset is our people. Therefore, when we talk about community tourism, we are talking about a legitimate marketing tool that can bring real benefit to Barbados and to Barbadian families and communities.

Mr. Speaker, the determination of this Government is to see community tourism initiatives at the level of home accommodation, at the level of culinary activity, at the level of cultural activities, and at the level of sports tourism. As we speak, the Sir Garfield Sobers tournament is going on. This was started by a previous Democratic Labour Party Government, that had the creativity to understand in its 22nd year... Young people from England and all over the Caribbean are in every corner of Barbados playing cricket, interfacing and fellowshiping with communities and establishing bonds that can last forever.

Many a test cricketer not only from the West Indies came through that tournament. They come back to have honeymoons. They come back to bring their families. They come back to visit friends. It is that kind of cultural exchange that differentiates our tourism experience and explains why we continue to be a destination that enjoys more return business than any other destination in the world. Sir, we have to continue to push that whole idea.

Mr. Speaker, it is hoped that if we continue to do these things, preserve our airlift and have effective marketing focussed on the various segments that the long-stay visitors would remain intact or even marginally increase. We are still projecting a slight increase, maybe 2 to 3 per cent, on last year's figure.

Mr. Speaker, what I think is even more impressive is that in spite of all of the challenges in the cruise industry, because cruise vessels also use hydrocarbons, they have the same challenges and they are also surcharging and prices going through the ceiling, we are going to see an increase in cruise passengers.

Mr. Speaker, it is good to hear that through the many efforts of this Government we will see about the same number of cruise calls but an increase in cruise passengers to approximately 650 000 this winter season from 647 000.

Mr. Speaker, this is good for another reason. A lot of these vessels that are coming would be home-porting and there would be fly and cruise programmes. In essence, the

hotels would also be benefiting because they would be staying here and cruising from here or cruising from here and staying after the conclusion of the cruise. Mr. Speaker, I think that is very good for Barbados, so I am happy to see that in spite of all the challenges that cruise tourism actually looks bright.

Mr. Speaker, many people questioned the extent to which we benefit from cruise, but the reality is that it is a segment of the tourism industry that we cannot ignore. There is a constituency out there that benefits tremendously from cruise, for example, the taxi operators.

Mr. SPEAKER: Honourable Member, you have five minutes in which to conclude.

Hon. R. L. SEALY: We could never employ all of those taxi drivers in our hotels. The attractions would also suffer if it was not for the day trippers who come through our cruise industry and of course the duty-free sector that is being upgraded. Therefore, Mr. Speaker, I think it is still important that we maintain our cruise industry.

Mr. Speaker, it is hoped that with the renewed efforts to do some joint work as a region that we can use the Regional Negotiating Machinery, the Caribbean Tourism Organisation, to do some negotiating with the cruise lines as a group to get a better deal for the Caribbean. The issue of the head tax, the issue of shore excursions and some of the requirements in terms of the insurance, et cetera, and the rates that they get from the cruise lines can be negotiated as a block. Mr. Speaker, that is an effort that is ongoing.

Mr. Speaker, rather than knock the cruise industry, I think we need to recognise our joint strength and try to get more out of it as a region. The Caribbean is still the number one cruising area. One out of every three cruises is in the Caribbean. We have strong leverage as a region and we must now start to apply it. Therefore, I hope that the cruise industry would continue to grow from strength to strength because it can fit in with our desire to see that community tourism can flourish and that we can have more stakeholders involved. Mr. Speaker, if we are going to have 650 000 persons coming here to the Bridgetown Port next winter season, it is up to us to make sure that we get what we could get out of the cruise industry so that we can even convert some of them into long-stay. They may come as a cruiser but they may come back to spend a week or two or three. Mr. Speaker, that is part of the efforts that are on as far as the Ministry of Tourism is concerned.

Mr. Speaker, we also believe very strongly that there should be a cruise facility in the north of the island. Again, that is our effort at broadening the take and involving communities outside of the traditional tourism areas.

Mr. Speaker, in addition to the cruise pier in the north of the island, we also have to look at other development efforts in the north. We hope to have a major hotel brand at the Harrison's Point site. That deal is about to be concluded. There are some other opportunities in the north of the island for some significant development. There are also some possibilities for the Carlisle Bay area as well stretching right up to Needham's Point.

Mr. Speaker, there are also some definite possibilities in the south-east of Barbados as well. We have those two marquee properties in the Crane and Sam Lord's, but stretching out to the point where the national park starts, there are some possibilities to move outside of the traditional south and west coast to have meaningful tourism activity and economic activity where we could build our room stock, our attractions, our community tourism and the capacity for economic growth so that we can finance the ambitious programme of the Democratic Labour Party to see that everybody gets a fair share.

Mr. Speaker, I commend this effort. I think it is a very good Budget. Mr. Speaker, on behalf of all of the players in the tourism industry, I give the assurance to the House and to the nation that we will do our part to see to it that Barbados' leading economic earner continues to stand at the vanguard of ensuring that we can have sustained growth, sustained involvement and sustained improvements in that very vital sector.

Mr. Speaker, the Democratic Labour Party is off to a very good start. Sir, while there are others who do not want us to look back, I think it is fortunate that we have a Government that has a vision and a plan and is determined to do our part to see that it happens.

Mr. Speaker, this is the first time I have had an opportunity to support a Budget and I do so in every sense of the word because I genuinely believe that Barbados is the better and will be the better as a result of this Budget which was presented yesterday.

I support the Resolution. Thank you, Mr. Speaker.

Mr. G. A. CLARKE: Mr. Speaker, I rise in this debate not only to thank my constituents but to say that the Honourable Member for St. John has delivered his first Budget in 14 years. Mr. Speaker, not only has he presented a very lengthy budget, he spoke very well.

Mr. Speaker, as you know, St. George butts and bounds the constituency of St. John. Sir, when I asked the people of Lemon Arbor and Golden Ridge, which is in the parish of St. John but is in my constituency, what they thought of the Budget, they said that the Prime Minister deserved an A for presentation, an A for speech and an A plus for length, but that in terms of presentation and

content they would have to give him a D plus, bordering very hard.

9.40 p.m.

Mr. Speaker, as a former teacher, I have to concur with all those lovely people of St. John, who tonight are wondering what type of representation they are going to get from the Honourable Member for St. John. In fact, the people of Sergeants Village said they did not know the Prime Minister was so tough. They said that this Financial Statement and Budgetary Proposals is a very harsh one.

Mr. Speaker, I was speaking to a university professor recently and he said that something is wrong when a Government could collect \$22 million from the people who are suffering. Sir, last night the Prime Minister, fully focused and with glee, looked right into the cameras and took \$22 million off the backs of Barbadians.

Sir, this is, indeed, a very inflationary Financial Statement and Budgetary Proposals. It will cause severe hardship, not only on the poor, who the Honourable Member said he wants to protect, but it will impact heavily on the middle class. It is a Financial Statement and Budgetary Proposals that would only help the aspiring rich. It will not only decimate the middle class but I believe the poor has only got token relief.

Sir, I am surprised that Honourable Members on that side, who continually try to show that they are in charge....Mr. Speaker, I believe one has to be humble when coming to this Honourable Chamber. One has to recognise that we represent people. We have to understand that in this day and age, to have a Budget that raises so much money from the people of this country, would be very shameful.

Mr. Speaker, when one looks at those persons travelling from Gall Hill, Sherbourne, Sergeant's Village and Welch Town, St. John, I wonder if the measures outlined in the housing sector would affect those persons. Mr. Speaker, I am saying that none of the measures outlined by the Honourable Prime Minister would help the people of St. John or the people of St. George, neither would it help the middle income people in those parts of Barbados. Sir, those measures would only help a very small segment of the population.

Mr. Speaker, when you look at this Financial Statement and Budgetary Proposals, the people in St. John and St. George, who have small cars like mini or Suzuki, will now have to pay \$400. This was raised from \$265, a 51 per cent increase. Taxes were raised from \$330 to \$450, a 36 per cent increase. Sir, going through the list, there is a 50 and 51 per cent increase overall. Furthermore, those persons who supported the Honourable Member for St. Michael West Central, who owns minibuses, ZRs and

trucks, now have to pay 51 per cent increase. Sir, the people now ask the question, what scientific method was used by the Honourable Members on that side for them to have arrived at these figures.

Mr. Speaker, it seems to the people of Barbados that the numbers 50 and 51 are constantly repeating themselves because all of these measures outlined in this presentation have been increased by 50 or 51 per cent. The only measure that is increased by 1000 per cent is that of visitor's permit. Sir, visitor's permit is the only measure that seems not to have increased. This is a measure that has been left in place by the Barbados Labour Party. Sir, it seems as though they have forgotten that one. We had a fee of \$200 for driver's licence for a period of five year, but all other measures were increased by the Government of this country.

Mr. Speaker, this Financial Statement and Budgetary Proposals will not only affect the poor, it will affect the middle class, the clerical officers, bank tellers, stenographers, insurance workers, among others. Sir, all across Barbados this Financial Statement and Budgetary Proposals will have an inflationary method on the people of Barbados.

Sir, who would benefit? The people of Todds, St. George and the people in Guinea, St. John, would like to know who benefits from these agricultural measures. Would it be CLICO, who owns the big agricultural acreage of land? Sir, it seems to me that the incentives given by agriculture is the far more impressive of all. How would benefit? Would the poor benefit? Would the farmers benefit?

Asides.

Mr. G. A. CLARKE: Who are the farmers? The largest farmers in this country happen to be two of the richest people, and you know them. Is it an accident that most of the plantations in St. John are owned by CLICO and C.O. Williams? Therefore, one has to ask the question, who would benefit. Sir, it is the poor? I say no. I am saying it is those persons who have supported the Democratic Labour Party who would benefit. It is those persons who now want to be in charge, who would benefit.

Mr. Speaker, I want to move on quickly to say that the Honourable Member for St. Michael North East has presented an excellent presentation today. The Honourable Member has shown that instead of passing so many taxes onto the people of Barbados, that there was another alternative where Government could have done other things.

Sir, we ask the question, who wrote this Financial Statement and Budgetary Proposals? Was it the

Government? I wonder. Sir, we have to understand there must be vision when leaders present a Budget at this time. If a country is sick, do you further rub salt in its wounds? I say no. The people want to know why is it that Government has to increase everything in this country. The Government said in the last election that everything would be looked at, as far as price increases are concerned. They said they would look at the cost of living, but what do we see? We now see everything in the housing sector has now increased. There have been increases in steel, cement, wood, stone, et cetera, by more than 25 per cent. Sir, the cost of cement has increased, the cost of wood has increased, the cost of building material generally has increased in this country.

9.50 p.m.

Mr. Speaker, the cost of cement has increased; the cost of wood has increased; the cost of building material and jobs have increased in this country and we are saying that Government will further cost an increase in this sector by doing the things they have done in this Budget. Sir, this Budget will not help the poor; this Budget will not help those persons who want to build a house, rather, it will cause hardship on the vulnerable group in the society that the Honourable Member for Christ Church East wants to protect and it will cause hardship on the poor. Mr. Speaker, only last night the Honourable Member for St. John made the point that in terms of housing that we did not go far enough. That the Honourable Member for St. Peter did not do much for the housing sector that he did a lot for persons who wanted to have a vehicle but the truth must be told. Sir, when you look at the record in 1986, the commercial banks in this country were lending only \$29.3 million for the housing sector. The insurance companies, along with trust companies were lending \$292.6 million. Sir, by 1993, that figure had only gone from \$29.3 million to \$31.8 million. Sir, in 1994, when we took office, that figure moved from \$31.8 million to \$1.1 billion million in mortgages. Sir, it went to \$1.1 billion and it showed that we concentrated not only on providing cars for household but we also built homes and the mortgage rates have increased.

Mr. Speaker, we have shown that we were a good Government, a Government that cared for the people. Look at the records and it will show that the Democratic Labour Party did not care too much about people in those days. Sir, you will see that they have come back to office in the same vein; they left in 1994 doing a disservice to the people of this country and they have done the same thing in this Budget, taking \$22 million off the back of people.

Mr. Speaker, if you look further at the housing sector, the Honourable Member for St. Philip North is trying his best in difficult times but I am saying to him that these measures will not help him because the majority of

people in Barbados, who were thinking about mortgages are now asking to turn them back in. The banks across Barbados are increasing mortgage rates without anyone knowing and this is causing a lot of people to look at their mortgages again. Sir, there is too much uncertainty in the market today and Government has to understand that the measure that they introduce tonight will not help the sector but will cause further problems in the market.

Mr. Speaker, I have said to the Honourable Member for St. Philip North that you he looks at the divestment programme, which we started that the people of Church Village will hold the Honourable Member for St. Philip North if he does not understand that he has to give back those people their deposits. I understand from the record because the brief is here and the Honourable Member must know that people of Church Village have paid over \$500 000 in deposits. The Honourable Member knows that the Democratic Labour Party has treated the people of St. Philip with scant respect. I recall what happened at Rices. At Rices, it was the Democratic Labour Party that asked the people of St. Philip to pay economic rent. Sir, it is a fact of life and now that the Honourable Member has an opportunity, I am calling for the Honourable Member to give back everybody at Church Village their rent. They must start doing it and do not wait down the road, it must be done. Sir, all those persons who have paid \$2 million in deposit and how have completed the sale and they must be given back their deposits and they must be refunded. Mr. Speaker, free housing is important but you must give the people back their money because it is unfair.

Mr. Speaker, I have to move on and move on swiftly. I want also to look at the Barbados Labour Party's housing programme. The truth is that in 2007, we gave a lot of incentives for persons building low-income housing. The record would show that National Housing Corporation was building over 1 000 low-income houses. They were doing joint venture programme; they were doing a lot of programmes within the National Housing Corporation and all of these were inherited by the Government. For example, at French Village, St. Peter; Four Hill, St. Peter; Arch Hall, Work Hall, Marchfield and Greens, all these were Barbados Labour Party projected that were started.

Mr. Speaker, we left in place land at French Village, Green, St. George, Marchfield, St. Philip; St. Anns, St. Joseph; Work Hall, St. Philip and Four Hill, St. Peter. We also did work at Grazettes; Buckeley Meadows and Coverley, Christ Church. Sir, all these were programmes that we left, so the Minister of Housing is batting on a good wicket. He could have come out in the first 100 days and said he was going to this but it would not be the Democratic Labour Party programme.

Mr. Speaker, we did a lot of work in housing. Sir, I am not saying that the member is not working but the

member is working on a Barbados Labour Party programme. The Government has not come and acquired a single lot in this Parliament yet.

Mr. Speaker, I want to also say that we have an opportunity in this country to make this country a wealthy country. Sir, over the last 14 years, we have shown how we will protect the poor. We have shown how we can move this country to First World status. We have shown how we could increase the building industry in this country, whereas we find that people are now wondering what is happening and people will be losing their jobs in the next few weeks in the construction industry and we have to protect them and we have protected the poor.

Mr. Speaker people voted for a change but does that mean that they want a change in their standard of living. Sir, people are asking this question and saying that they have voted for change and I want to make the point that free bus fare will not help those people who have to fork out the \$47.8 million.

Mr. Speaker, what about those persons traveling on Route 11?

10.00 p.m.

You are asking the clerks, the people in the banks and everybody in Barbados to pay forty cents in taxes out of every dollar. This has nothing to do with VAT. This is direct taxation, for when Value Added Tax is added it is much more than forty cents out of every dollar. It is too hard. How does this Budget help school leavers to find jobs? How does it help the students at Barbados Community College, who do not wear uniform. How does it help the students at Samuel Jackman Prescod Polytechnic? How does it help pensioners? How does it help all these people? Sir, I am saying that it does not help the people in this sector. Free bus fare is a good thing but it does not help the people.

Mr. Speaker, for the Transport Board to be effective, they must be at least 300 buses available any given day, whereas the rolling stock is approximately 160 buses. The Transport Board never had the capacity to carry the full rolling stock. It does not have it. We have to understand that the public transport sector is providing a beautiful service. I am saying that Public Service Vehicles in this country are doing a good job. They can be controlled, but this onerous task will not help them.

Mr. SPEAKER: Honourable Member, you have five minutes in which to conclude.

Mr. G.A. CLARKE: Sir, they must comply with the law but it does not help them.

Mr. Speaker, I want to speak briefly on the question of the Highway, because it was raised here last night. Sir, when the Barbados Labour Party conceptualised the Highway, at the time, it was to be a four lane highway. We started the Highway and completed Phase one, but the Democratic Labour Party continued and changed the focus. In fact, there was an election issue in which the Democratic Labour Party felt that we were going to use the ABC Highway for all sort of sinister moves. After the election the ABC Highway opened two lanes. From 1985 to 2003, when I came to the Ministry of Public Works, every Minister of Public Works was presented with the task of improving the Highway to four lanes. It must be said that when the Highway was presented to me, as Minister of Public Works for improvement, it was because of the gridlock on the highway, vehicles were virtually at a standstill. We agreed something had to be done. Sir, it was then that I came into contact with the 3S company. Sir, I want to make the point that the technocrats in the Ministry of Public Works introduced 3S to me. The tendering process began in 2004, with eight companies tendering for the ABC Highway. Sir, 3S company won the tender based on their presentation, because 3S came to Barbados to solve the gridlock on the highway. That was their first presentation.

Mr. Speaker, we all agreed that the ABC route is a wonderful highway. Today we can appreciate the benefits of the ABC Highway, for you can now travel from Warrens to Norman Niles roundabout and Bussa roundabout in four minutes. This Government has made it a political football, but in time we will see what is happening. Sir, a lot work and changes have been made, cables have been installed.

Sir, Honourable Members spoke about the Jersey barrier that is in the center of the road, but look at the work that has been done on the ABC Highway. I am saying that highway is a good highway. The Government in their haste has agreed to terminate it, but that is a matter for the Government, not for me. I wish to emphasise that the high followed the tendering process, and the records are here to prove.

Mr. Speaker, I am obliged to you.

Mr. SPEAKER: The Honourable Member for Christ Church West Central.

Mr. S.A. LASHLEY: Sir, I am indeed very honoured to speak in my first Budget debate. Before beginning my contribution, I would like to sincerely thank the people of Christ Church West Central for their confidence in electing me to this Parliament to represent their interest. Indeed, I need to begin by commending the Honourable Prime Minister for delivering to this Chamber a very comprehensive set of proposals, which have clearly resonated with the people of Barbados, even though they

seemed not to have resonated with the Honourable Members of the Opposition. It is no secret that the Budgetary proposals would never resonate with the Honourable Members of the Opposition.

Mr. Speaker, I believe, first, it is important to place the Budget in its true context. I believe that the Budget answers a number of concerns of my constituents, in particular, and indeed I believe that the Budget sets the tone for us to begin to implement a number of proposals which we have already captured in this document entitled The Constituency Development Plan 2008, for Christ Church West Central. I would certainly like to make it a document of the House, because that document encapsules a number of the pressing concerns of constituents.

Asides.

Mr. S.A. LASHLEY: Sir, the Budget, as I said, needs to be placed in its true context. It seeks to address the pressing issues of the cost of living, amid the very inflationary practices, which the Barbados Labour Party left. They should be ashamed to come into this Chamber to even speak or address the question of the high cost of living. Sir, we know that they did absolutely nothing to deal with the high cost of living. They did nothing. They did absolutely nothing to address the high cost of living. Sir, we had a Minister responsible for Consumer Affairs who even warned this country that the Fair Trading Commission (FTC) was not established to protect consumers. That is what they said. Therefore, they could not expect to receive any shelter from the FTC.

Sir, the record is clear. The figures of the Government Statistical Service, in 2006, clearly showed that year after year, there was an increase in the rate of inflation of 7.41 per cent over November 2004. There was a continuing climb amid the deterioration with respect to the cost of living between that period. Sir, it is no mystery to anybody why we are this point and why the cost of living issues were left to fester.

10.10 p.m.

Mr. Speaker, it is no mystery to anybody as to why we are at this point, and why the cost of living issue was allowed to fester. Sir, we being the Government, recently elected only a matter of six months and now that we are attempting to deal with the cost of living, we are hearing a lot of negative comments from the Opposition.

Mr. Speaker, I would like to address a number of other issues in this Budget, because we have been lambasted by the Honourable Member for St. Michael North East. We have been told that we have adopted and followed the wrong economic principals and practices. Often, in this Chamber, we have been told that the only

sound economic policies to be applied, apparently, will be the law of Economics, according to the Barbados Labour Party.

Mr. Speaker, I want, very quickly, to show why the Democratic Labour Party would not be acting prudently or wise to adopt any of the recommendations or policies put forward by the Barbados Labour Party. I want to do so by quoting from a contribution made in this Chamber on December 10, 2004 by none other than the person that they claimed was an economic guru, the former Junior Minister in the Ministry of Finance, Clyde Mascoll who at the time of course, was on the Opposition benches in 2004.

Mr. Speaker, in quoting what he said during that debate, I would have thought that to give herself some credibility, the first act of the Leader of the Opposition in her contribution, should have been to distance herself from the economic policies of the former Prime Minister, the Rt. Hon. Member for St. Peter. I believe that would have stood her in a good stead by distancing herself from those policies. This is what the former Minister in their Cabinet, at the time in the Opposition said about the policies of the Barbados Labour Party, particularly of the Rt. Hon. for St. Peter, and I quote:

“The Prime Minister Arthur is a monumental failure as a manager, reckless with spending the public’s purse, and a disappointment as a leader.”

Mr. Speaker, I continue. This is Clyde Mascoll.

“With two of the biggest electoral mandates in our history, he has failed to inspire us as a people. He has been afraid to take the tough decisions, the hallmarks of great leaders. He is afraid to offend his benefactors and in his own words, Mr. Speaker, he has been a catastrophic failure.”

My question then is why should we begin to even think of following any of these policies, given this very clear pronouncement on the nature of the person who led the Barbados Labour Party at the time.

Mr. Speaker, before I go into some of the very clear and erudite proposals which were made, and which will redound to the benefit of my constituents in particular and all Barbadians, I wish to address the question of integrity, which has been a very significant part of the contribution of the Honourable Member for St. Michael North East, because she spoke at length about integrity legislation.

In fact, I believe that tonight, the Honourable Member for St. Michael North East declared her assets and made, Mr. Speaker, her assets a document of the House.

I find it passing strange, Mr. Speaker, that this act will be done at this time when in fact, in their Manifesto, which is now a document of the House, entitled, "Only the Best for Barbados," I would believe that if the question of integrity legislation was so integral a part of the policy of the Barbados Labour Party, it would find its way in the pages of the Barbados Labour Party Manifesto.

Mr. Speaker, would you believe that in this document of 78 odd pages, there is not a single word uttered about integrity legislation, nothing whatsoever. Therefore, what should be made of the declaration tonight in relation to assets and the promise of integrity legislation? Sir, it cannot be seen as part of a well-thought out policy or strategy of the Barbados Labour Party.

Mr. Speaker, this I why I am astounded. I must say that on another score, I believe that if the Honourable Member for St. Michael North East wanted to convince us and by extension convince Barbados, that they were serious about integrity legislation and about good public conduct by the Members on that side, the first principal which ought to be enshrined in any document in relation to public conduct and integrity ought to be that all Members of the Barbados Labour Party Opposition should be present, and in attendance in Parliament and contribute to debates in this House.

I believe that the Honourable Member for St. Michael North East ought to scold the Rt. Hon. Member for St. Peter and the Honourable Member for St. Andrew for failing on a regular basis to come into this House, to contribute, and to represent the interest of the constituents.

Therefore, if I could, Mr. Speaker, I would like to edit their proposed policy and to insert a clause in that policy; to impose a penalty on any Member of the Opposition that does not attend this House and contribute to the debates in these Chambers.

Mr. Speaker, I would like to continue to contribute sensibly, because it is my view that important developments arising from this Budget, essentially underscore many things that determine the fundamental difference between the Democratic Labour Party and the Barbados Labour Party. Mr. Speaker, while they are saying that there is nothing in this Budget for the poor and the dispossessed, this Budget is a clear example of what a Party should do, when it made promises to the electorate. Sir, it is a clear indication of this Party fulfilling its promises in a number of areas, in relation to what we said to the public that we would do. Therefore Mr. Speaker, we are serious about Manifesto pledges.

Mr. Speaker, we have shown that economic management in this country is not only about figures and manipulating figures. We have clearly in this Budget, put

an end to the pork barrel politics, which has become a feature of the Barbados Labour Party, led by the Rt. Hon. Member for St. Peter and, obviously, now led by the Honourable Member for St. Michael North East.

10.20 p.m.

Mr. Speaker, in this Budget, we have clearly put an end to the 'pork barrel' politics, which has become a feature of the Barbados Labour Party led by the Honourable Member for St. Peter and now by the Honourable Member for St. Michael North East.

Mr. Speaker, we are talking about a number of measures which would clearly benefit the people of Barbados. It is clear that the Budget offers hope in relation to housing development. We have clearly shown, through the identification of housing lots, housing solutions. I went on a tour of my constituency with the Honourable Minister of Housing to identify a number of areas for potential housing in Christ Church West Central.

Mr. Speaker, it is clear that the focus in this Budget has been on creating housing for Barbadians. Mr. Speaker, none of us in this Chamber could actually come here and say that the most pressing problem that our constituents have is not housing.

Mr. Speaker, we have gone further. This Budget is determined to chart a path for the development of our young people. We have not only provided relief for the school children in relation to bus fare, but we have stated quite categorically that we cannot be saying on the one hand that we want to protect our young people from vices and on the other hand doing something else.

Mr. Speaker, every Barbadian is aware that we have to address the issue of the ZR culture. Mr. Speaker, it is not the intention of this Government to destroy anybody's livelihood, but I believe that we need to protect our youngsters who travel on public transportation from the unknown and the known. Therefore, I sincerely hope that now that the signal has been sent and that the warning has been sounded that the owners of ZR vehicles would tidy up their act and create an environment so that our school children and indeed the wider public can travel on the ZR vehicles without being exposed to vices that would hinder them.

Mr. Speaker, I want to touch very quickly on the issue of the State-funded vacation camps. Mr. Speaker, in this Budget, and in keeping with the Manifesto pledges we made to our young people, we have signalled a clear intention to provide instruction for our children during vacation times. We have indicated that we would have volunteers who would be rewarded monetarily for their efforts. Mr. Speaker, I believe that is a very fitting

approach to dealing with an issue of having time on your hand during the vacation and shielding our youngsters from exposure to vices.

Mr. Speaker, I want to go on to another issue which has been raised in this Budget because we have been accused of imposing draconian taxes on the backs of Barbadians and of raising significant levels of revenue in a manner that has not been done in the past.

Mr. Speaker, the Accountant-General's Report for the financial year 2006-2007 at page II shows that taxes on income and profits increased by over \$98 million under the Barbados Labour Party Administration.

Asides.

Mr. S. A. LASHLEY: Mr. Speaker, the taxes we have raised in this Budget could never be compared to that level of taxation. Sir, that is direct taxation, it has nothing to do with VAT. In fact, the approach of this Government in relation to taxation is completely different. We have recognised that in order to deal with our social services, particularly education and health, that we need to raise taxes across the board where everybody plays their role.

Mr. Speaker, is not that policy distinguishable from the stated intention of the Barbados Labour Party? Mr. Speaker, they only had one policy which was enunciated some time in 2006 by the former Prime Minister of Barbados. At that time, he surrendered and said that the only thing that could be put on the auction block in Barbados to save this country was to sell our land to the highest foreign bidder. He said that the only solution was to sell our land to pay bills.

Mr. Speaker, we came up with a complete different strategy. Mr. Speaker, there is a clear distinction. We have said that we will raise taxes in a humane manner. The Barbados Labour Party said they would sell our land to foreign owners. Mr. Speaker, the people of Barbados would have to choose.

Mr. Speaker, I would like to go on to another issue that has been raised on the economic front which has to do with the whole question of the level of the fiscal deficit and the principle surrounding how we are going to manage our fiscal deficit. Mr. Speaker, I want to address this because it is another example of double speech on the part of the Barbados Labour Party because they would have us believe that they have a stated policy in relation to the management of the fiscal deficit and that they would follow a particular trend.

Mr. Speaker, it has always been my view that the Barbados Labour Party says one thing and does another. Mr. Speaker, in their 2003-2008 Manifesto on page 5, they

promised solemnly to Barbadians that they would institute policies to contain our overall fiscal deficit to no more than 2.5 per cent of GDP and the overall public debt to no more than 60 per cent of GDP. I believe that the Honourable Member for St. Michael North East was then in the Cabinet in the area of Economic Affairs when this Manifesto was being prepared. Mr. Speaker, that is what they were elected on in 2003.

Mr. Speaker, I heard the Honourable Member for St. Michael North East saying in this Chamber during this debate that the standard of the Barbados Labour Party as it relates to the management of the fiscal deficit is about 60 per cent, give or take. Mr. Speaker, she had a very flippant approach to it. She said it could be there or it could be more.

10.30 p.m.

Mr. Speaker, they have never adhered to that level. It has always surpassed that 60 per cent, that is why we are in some of the difficulties we are facing today. Sir, in their 2008 Manifesto, I would like to remind them what they said about the fiscal deficit.

Mr. Speaker, in the area of fiscal deficit, they finally admitted that it was too high. Sir, on Page 9 of that Manifesto, which is the current document on which they were hoping to be reelected, they said:

"As a result of extensive investments in public services, our domestic debt has risen and the overall level of debt is 85 per cent of Gross Domestic Product."

Mr. Speaker, this is really an almost reversal of the policy in their 2003 Manifesto, but they said more. They admitted, and I quote:

"This is not an unsustainable level but we are not satisfied."

Mr. Speaker, this is the gospel according to the economic gurus of the Barbados Labour Party. They said blatantly:

"A Barbados Labour Party Government will bring total debt to Gross Domestic Product down to 60 per cent as soon as practicable."

Mr. Speaker, these are the famous words they have used.

MR. SPEAKER: The Honourable Member has five minutes in which to conclude.

Mr. S. A. LASHLEY: Mr. Speaker, this is just an indication of the double sweep of the Barbados Labour

Party on these issues. They say one thing and do another, yet they want to hold this Democratic Labour Party to new standards that they never practiced. I say what a shame.

Mr. Speaker, I want to address the issue in connection with the ABC Highway project, because the Honourable Member for St. Michael North East raised the point about a contract which was in place. We now know there was a Memorandum of Understanding. Sir, if there was but a single event which occurred in the history of the Barbados Labour Party administration over the last 14 years, which should warrant the immediate resignation of the Honourable Members on that side, it would be my submission that it has to be how the ABC Highway project was managed.

Mr. Speaker, as an attorney myself, I cannot even fathom how a Leader of the Opposition, a Queen's Counsel, could come to this Honourable House and could speak in relation to a project, in the vicinity of \$119 million of taxpayers money, and feel satisfied that a very loose-worded Memorandum of Understanding...

Sir, as an attorney yourself, you would know that a Memorandum of Understanding does not often contain the kind of protective clauses. It is not the kind of document I would recommend to a Cabinet, if I am dealing with a project in the vicinity of \$119 million. It is not the standard this country ought to uphold.

Sir, I cry shame on the Barbados Labour Party for coming here and waving a Memorandum of Understanding and for the former Attorney-General to sit quietly at her side, while we are talking about \$119 million of taxpayers' money being reduced to a Memorandum of Understanding.

Mr. Speaker, as I said, I believe this is a very serious issue which I am surprised has been treated with the kind of disdain and tokenism that we have heard from the Honourable Member for St. Michael North East. Sir, this is just one element of the gross mismanagement of our scarce resources that has come back to haunt us. I believe if it were possible, if there were one single act that could be done, to ensure that justice prevails, would be to ensure that each Honourable Member on the other side is held accountable for the expenditure of that \$119 million, in a situation where this country has not been fully protected by a properly drafted contract, which guarantees and safeguards the interest of the Government of Barbados.

Mr. Speaker, I would hope that no future Attorney-General would advise any Cabinet or any Prime Minister to enter into any such loose arrangements, particularly in relation to a company that is a SRL, a Society for Restricted Liability. Sir, we know that SRL's that are set up in Barbados are just that, those entities have restricted liability.

Mr. Speaker, I believe the gross negligence practiced by that side in relation to that contract, would come back to haunt us, and that they would have no excuse - because they were not dealing with a Barbadian company - and they ought to have ensured that due diligence was practiced. Sir, I hope this is not the last chapter in relation to this matter, I hope that the Honourable Member for St. John and the Attorney-General would accord to this matter the kind of seriousness and the serious attention it deserves.

Mr. Speaker, I am obliged to you.

SUSPENSION OF SITTING

Hon. J. D. E. BOYCE: Mr. Speaker, I beg to move that this Honourable House be now suspended until Wednesday, July 9, 2008, at 9.00 a.m.

Hon. F. J. STUART: I beg to second that, Sir.

MR. SPEAKER: Honourable Members, please note that it is a Suspension and so this Honourable House will begin promptly at 9.00 a.m. tomorrow.

The question that the Sitting be suspended until 9.00 a.m. on Wednesday, July 9, 2008, was put and resolved in the affirmative, without division and Mr. SPEAKER suspended the Sitting accordingly.

10.40 p.m.

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RESUMPTION

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RESUMPTION

Hon. R.L. Sealy, 33, 34, 35, 36, 37; Mr. G. A. Clarke, 37, 38, 40; Mr. S.A. Lashley, 40, 41, 43.

SPEAKERS IN THIS ISSUE

BOYCE, Hon. J. D. E. (Christ Church South)

CLARKE, Mr. G. A. (St. George North)

ESTWICK, Dr. the Hon. D. C. (St. Philip West)

LASHLEY, Mr. S.A. (Christ Church West Central)

MOTTLEY, Hon. Miss M.A. (St. Michael North East)

SEALY, Hon. R.L. (St. Michael South Central)

SINCKLER, Hon. C. P. (St. Michael North West)

STUART, Hon. F. J. (St. Michael South)

THOMPSON, Hon. D.J.H. (St. John)

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

Q2. Mr. C. P. Sinckler's speech, after the Speaker's intervention. From the paragraph beginning 'Hon. C.P. Sinckler: Sir, I apologise' the source carries about 1,100 words of Mr. Sinckler's speech as continuation paragraphs, so they print under the Speaker's heading 'Mr. SPEAKER'. Two paragraphs open with the inline label 'Hon. C.P. Sinckler:'. Printed as in the source; please confirm the attribution.

Q3. Take-slips about 4.30 p.m., 6.10 p.m., 7.00 p.m., 7.40 p.m. and 9.10 p.m.. At several take-slips the last sentence or two of one reporter's take is repeated at the start of the next (for example 'The Prime Minister, it is fair to him, said...' and 'I do not intend to misquote the late Rt. Excellent Errol W. Barrow...'). The repeated sentences run into new matter and have not been removed. Printed as in the source.

Q4. Take-slips. Two take-slips appear in the text as ordinary paragraphs ('5:30:14' and 'Budget - House A14, Sequence 34, 18:20:14'). One take-slip reads '19.40 p.m.', presumably 7.40 p.m., and '9.20 p.m.' appears twice, the second time at about 9.30 p.m. Printed as in the source.

Q5. Mr. R. L. Sealy's speech, Hotels and Resorts Limited. The amount owed by Hotels and Resorts Limited is given as '\$280 million in the red' and, in the next take, as '\$218 million in the red'. Printed as in the source.

Q6. Miss M. A. Mottley's speech. The source has several slips, among them 'Larry Samuels' (for the former U.S. Treasury Secretary), '12 years old, from 1976', 'between 1991 and 1194' and 'Clearl''. Printed as in the source.

Q7. End of record. The record ends with the suspension of the Sitting until 9.00 a.m. on Wednesday, July 9, 2008; the debate continues at a later sitting.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly resumed on Tuesday, 8th July, 2008 with Mr. Speaker in the Chair, to continue the debate on the Resolution on the 2008 Financial Statement and Budgetary Proposals presented by the Prime Minister and Minister of Finance, the Honourable Member for St. John. The Leader of the Opposition had unlimited time, with 3 hours and 10 minutes of television coverage.

The Leader of the Opposition, Miss M. A. Mottley, Member for St. Michael North East, gave the Opposition's reply and dedicated it to the women of Barbados. She described the measures as the single biggest tax increase in the country's history, saying that \$104 million in new taxation, \$46 million of it on the highway, would fall on the poor and the middle class and push inflation above 7.9 per cent when the fiscal deficit was already 1.9 per cent. She criticised the absence of the Central Bank Annual Report and of current unemployment figures, and the lack of measures on the Economic Partnership Agreement, climate change and small business. She argued that the Government could cut gasoline by 11 cents and diesel by 15 cents a litre without loss of revenue, and proposed a larger Reverse Tax Credit, a Wages Fund and a middle class tax cut for those earning \$80 000 or less. Quoting the Right Excellent Errol Barrow's 1967 Budget speech, she defended borrowing for development such as the Hilton Hotel and the airport, called for the economy to be re-measured, and announced a quarterly 'misery index' of inflation and unemployment.

Miss Mottley also tabled Memoranda of Understanding with 3S on the ABC Highway to contradict the Prime Minister's statement that no contract had been signed, and listed Rural Development Commission costs, including house prices rising from \$59 000–\$63 000 to \$87 000 and \$2,560 charged to change a lock. Hon. D. J. H. Thompson rose on a point of order to ask whether permission had been sought to call names, and Mr. Speaker said the usual convention should be upheld. Miss Mottley laid a declaration of her assets and liabilities as a document of the House and invited the Prime Minister to do the same.

Hon. C. P. Sinckler, Member for St. Michael North West, replied that the Opposition had left fourteen years of debt behind it. He said that while road tax on the cheapest car had risen from \$265 to \$400, the environmental levy on used cars had been cut from \$4 000 to \$1 500; he defended free bus fares for schoolchildren, the planned Transport Authority and the transfer of housing units to tenants, and said the \$22 million wages fund gave room for the coming wage negotiations.

After a suspension until 9.10 p.m., Hon. R. L. Sealy, Member for St. Michael South Central, supported the

Resolution. He said that \$159 million had been borrowed in 2002 for Hotels and Resorts Limited with \$58 million in interest accrued and nothing repaid, and that loan payments on the Hilton exceeded the shareholders' income from it. He reported a \$10 million increase in the Barbados Tourism Authority's marketing budget and cruise passengers expected to reach about 650 000, and spoke of community tourism and a cruise facility in the north.

Mr. G. A. Clarke opposed the Budget as inflationary, citing the higher road tax on small cars and asking who would benefit from the agricultural measures; he defended

the previous Government's housing programme and the ABC Highway. Mr. S. A. Lashley, Member for Christ Church West Central, in his first Budget debate, said the Opposition's 2008 Manifesto had said nothing on integrity legislation, cited the Accountant-General's Report showing taxes on income and profits up by over \$98 million under the former Administration, and called the 3S arrangement gross negligence.

On the motion of Hon. J. D. E. Boyce, seconded by Hon. F. J. Stuart, the Sitting was suspended at about 10.40 p.m. until 9.00 a.m. on Wednesday, July 9, 2008.